County, Miss Idar Sutton and 13 other citizens of Walker County, Mr. and Mrs. W. T. Angel and 18 other citizens of Cobb County, Mrs. J. P. Poe and 17 other citizens of Catoosa County, Miss Katte Elles and 18 other citizens of Douglas County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

525. By Mr. TRUAX: Petition of Freedom Lodge, No. 153, Ohio, Amalgamated Association of Iron, Steel, and Tin Workers of North America, Zanesville, Ohio, at their regular meeting held on January 19, 1935—whereas 80 percent of the veterans are unemployed and thousands are in dire need of food, clothing, medical aid, homes, etc., while their families are suffering intensely in this the sixth year of mass unemployment; and whereas the veterans are not interested in a "tombstone bonus" payable after death as they want and need their bonus now, while they live, for themselves and families and every delay means that the rate of interest compounded semiannually is eating up the principal, resolving, demanding, endorsing the immediate cash payment of the bonus; to the Committee on Ways and Means.

526. Also, petition of Mahoning Veterans' Association of Youngstown, Ohio, urging Congress to favorably act on a program to provide full payment of the veterans' bonus bill at this time; to the Committee on Ways and Means.

527. Also, petition of the Ohio State Automobile Associaton, Columbus, Ohio, requesting both Houses of Congress, on behalf of the members of their organization, to allow the Federal gasoline tax to expire at the close of the present fiscal year, June 30, 1935, in accordance with the declared intent at the time it was passed; that it be not levied again in any way whatsoever and that the Federal Government permanently withdraw from the field of gasoline taxation and leave to the States exclusively the power and right to tax gasoline sales in the future; to the Committee on Ways and Means.

SENATE

TUESDAY, JANUARY 29, 1935

(Legislative day of Monday, Jan. 21, 1935)

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

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.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for 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	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	Maloney	Sheppard
Barkley	Dieterich	McCarran	Shipstead
Bilbo	Donahey	McGill	Smith
Black	Duffy	McNary	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Brown	Glass	Moore	Townsend
Bulkley	Gore	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norbeck	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on business of the Senate.

Mr. LEWIS. I announce the absence of the Senator from New York [Mr. COPELAND] and the Senator from Rhode Island [Mr. GERRY], necessarily detained; the absence of the Senator from Louisiana [Mr. OVERTON] and the Senator from Georgia [Mr. GEORGE], caused by illness; and I reannounce that the Senator from California [Mr. MCADOO], the Senator from Maryland [Mr. TYDINGS], and the Senator-elect from Tennessee [Mr. MCKELLAR], members of the Philippine Commission, have not as yet returned from their labors.

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

NOMINATIONS REFERRED AND WITHDRAWN

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees, or ordered to lie on the table.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

BUSINESS TRANSACTED AS IN LEGISLATIVE SESSION

During the executive session the following legislative business was transacted by unanimous consent:

A. CYRIL CRILLEY

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation for the relief of A. Cyril Crilley, assistant trade commissioner and special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the matter of a certain expenditure, which, with the accompanying paper, was referred to the Committee on Claims.

INVESTIGATION OF PUBLIC-UTILITY CORPORATIONS

The VICE PRESIDENT laid before the Senate letters from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 83, Seventieth Congress, first session (authorizing an investigation of public-utility corporations), chapter XIV, being the conclusions and recommendations of the Commission regarding utility corporations, which, with the accompanying report, were referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the Legislature of the State of Maine, which was referred to the Committee on Finance:

STATE OF MAINE,
In the Year of Our Lord 1935.

Memorial to the Congress of the United States relating to the protection of newsprint pulp and pulpwood industry

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, respectfully petition your honorable bodies as follows:

Whereas the newsprint pulp and pulpwood industry constitutes one of the basic industrial activities of the State of Maine; and

Whereas many other industries and occupations are closely allied with and dependent upon the production of newsprint pulp and pulpwood, depending for their existence upon the successful continuance of this industry; and

Whereas the number of people directly and indirectly employed in the production of newsprint pulp and pulpwood constitute the largest single group of workers in any one industry in the State of Maine; and

Whereas the newsprint pulp and pulpwood industry is seriously threatened and menaced by the importation of foreign newsprint pulp and pulpwood in direct competition with the industry of this State: Now, therefore, be it

Resolved, That we, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, realizing the importance and value of the newsprint pulp and pulpwood industry to this State, do hereby respectfully petition, urge, and recommend the prompt enactment of such legislation as may be necessary and proper to limit and restrict the importation of foreign newsprint pulp and pulpwood; and be it further

Resolved, That this memorial be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, and a copy hereof transmitted to each of the Representatives and Senators representing the State of Maine in the United States Congress.

And your memorialists will ever pray.

House of representatives: Read and adopted January 17, 1935.

HARVEY R. PEASE, *Clerk.*

In senate chamber, January 22, 1935: Read and adopted.

ROYDEN V. BROWN, *Secretary.*

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Montana, which was referred to the Committee on Finance:

UNITED STATES OF AMERICA,
State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "A resolution memorializing the Congress of the United States for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War", enacted by the Twenty-fourth Session of the Legislative Assembly of the State of Montana, and approved by F. H. Cooney, Governor of said State, on the 23d day of January 1935.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 23d day of January, A. D. 1935.

[SEAL] SAM W. MITCHELL,
Secretary of State.

Senate Joint Resolution 1 (introduced by Mr. Oliver)

A resolution memorializing the Congress of the United States for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War

Whereas there have been issued to the soldier participants of the World War, by the United States Government, adjusted-compensation certificates, which under the terms of the act of Congress become due and payable in the year 1945; and

Whereas the present economic conditions have resulted in causing a great many of the soldiers holding adjusted-compensation certificates to become in distress and need of the immediate relief that will be afforded by such legislation; and

Whereas it becomes and is the duty of the Federal Government to give adequate care to those, who, having made personal sacrifice to preserve our form of free government, not as mendicants but as preferred creditors of the Nation, are now in need of immediate relief; and

Whereas there are resident in the State of Montana approximately 25,000 veterans of the World War who would be benefited by the passage of legislation providing for the immediate payment of such compensation; and

Whereas the immediate payment of the certificates of adjusted compensation will bring about the distribution and circulation of a large sum of money sufficient to materially assist in the relief of the present economic conditions which exist throughout the State of Montana: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house of Representatives concurring), That we do hereby petition the Congress of the United States of America for the passage of the pending act of Congress to secure the immediate payment and conversion into cash of the adjusted-compensation certificates; and be it further

Resolved, That a copy of this memorial be transmitted by the secretary of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana and that they, and each of them, be requested to use all honorable means within their power to bring about the enactment of legislation by which the immediate payment of the certificates of adjusted compensation be fully provided for.

ERNEST T. EATON,
President of the Senate.
W. P. PILGERAM,
Speaker of the House.

Approved January 23, 1935.

F. H. COONEY, *Governor.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

ASSEMBLY, CALIFORNIA LEGISLATURE,
STATE OF CALIFORNIA,
Sacramento, Calif., September 12, 1934.

To the President of the United States, to the Vice President, to the Speaker of the House of Representatives, and to the Senators and Representatives in Congress of the State of California:

I am directed to inform you that the California Legislature has adopted the following:

Assembly Joint Resolution 1 (by Messrs. Woolwine and Haliner)

Relative to memorializing the President and Congress to provide for old-age pensions

Whereas the problem of the care of the dependent aged has recently attained major proportions throughout the Nation, due in large part to the increasing mechanization of our industrial system and to the economic depression our country has been suffering, which has destroyed the financial independence of large numbers of our people, including those who had prudently prepared for the time when they could no longer earn a livelihood; and

Whereas the problem is seriously complicated by the fact that the people of the United States freely exercise their right to change their residence, so that the States and communities in which many of our dependent aged live are not those to the economic building of which they have directly contributed; and

Whereas because of various factors, such as relative liberality of care of the dependent aged, climatic advantages, and the economic opportunities offered by certain areas prior to the depression, some States and communities have within their borders a disproportionately large number of dependent aged; and

Whereas the financial burden of care of the dependent aged is so great in some States that the economic welfare and stability of such States are seriously affected and even threatened; and

Whereas it is evident that the problem has become one which can be satisfactorily met only on a national scale, and that the Federal Government must assist the State and local communities if the dependent aged, who during their years of usefulness have contributed to the economic life of the Nation, are to be cared for even on a minimum basis; and

Whereas the President of the United States has recognized the responsibility of the Federal Government in this matter and has indicated that he will recommend to the Congress of the United States at its next session that there be legislation bearing on this problem; and

Whereas it is well known that under modern conditions, with advanced industrial and business methods and the availability of abundant qualified labor, the age of employability has changed considerably and where but recently the wage earner could look forward with considerable confidence to earning a livelihood well beyond the age of 50, expectations today are much more limited, so that the age for retirement should be lower now than it has even been; and

Whereas it seems the part of wisdom to retire from industry and business as early as possible those who because of advancing age are beginning to become relatively inefficient and so to give more opportunity for employment and advancement to younger workers; and

Whereas experience has shown that property disqualifications effect a serious injustice and penalize those whose prudence and thrift have led them to prepare for old age by investment in a home or other small holdings, but who have no income with which to support themselves and to preserve their property, for which there is often no market: Now therefore be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and the Congress of the United States be urged to consider the enactment of an old-age-pension law to provide for the retirement and care of dependent aged persons in the United States, with adequate provision to alleviate the present burden of such care on the States and local communities, and with liberal provisions as regards age of retirement and disqualification because of ownership of property, to the end that a humanitarian and practical system of care of the dependent aged may be secured; and be it further

Resolved, That the Governor of the State of California transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California be urged to support such legislation.

F. C. CLOWDSLEY,
Speaker of the Assembly.
ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.
A. H. BREED,
President pro tempore of the Senate.
J. A. BEEK,
Secretary of the Senate.
FRANK F. MERRIAM,
Governor of the State of California.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a memorial from Earl W. London, of Springfield, Mass., remonstrating against the enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from Clyde L. Herring and other citizens of Des Moines, Iowa, praying for the ratification of the World Court protocols, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted at a session of the First Presbyterian Church of La Jolla, Calif., favoring the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also laid before the Senate a telegram from Lawrence R. Larsen, chief clerk of the Wisconsin State Senate, stating "Am sending you by air mail today Joint Resolution No. 21–S, adopted by the Wisconsin Legislature Friday, January 25, memorializing the United States Senate to vote against membership in the World Court", which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from the American League of Women, Boston,

Mass., remonstrating against ratification of the World Court protocols, which was ordered to lie on the table.

He also laid before the Senate numerous telegrams and letters in the nature of memorials from sundry citizens of the States of California, Connecticut, Illinois, Iowa, Massachusetts, Michigan, New Hampshire, New York, Ohio, Pennsylvania, and Texas, remonstrating against the ratification of the World Court protocols, which were ordered to lie on the table.

Mr. MALONEY presented a resolution adopted by the Holy Name Society of the Church of St. Anthony of Padua, of Bridgeport, Conn., protesting against the alleged antireligious program of the Republic of Mexico, which was referred to the Committee on Foreign Relations.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Agriculture and Forestry:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE SENATE.

Senate Joint Memorial 2 (by agricultural committee)

A joint memorial to the Secretary of Agriculture of the United States

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas the State departments of agriculture of the following States, to wit, Alabama, Arizona, California, Colorado, Georgia, Illinois, Iowa, Kansas, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Tennessee, Washington, Wisconsin, Wyoming, have seen fit to place quarantine restrictions against the movement of alfalfa hay from Idaho into their respective territories because of the purported presence of alfalfa weevil in Idaho, and its consequent introduction into their States by virtue of the movement of hay from Idaho; and

Whereas the alfalfa weevil has ceased to be a factor detracting from the yields, or adding to the cost of production of alfalfa in Idaho, and by virtue of introduction of certain parasites of the alfalfa weevil which have reduced their population wellnigh to the point of extinction; and

Whereas the existence of such quarantines have ceased to be necessary as a protection to the above-mentioned States against damaging infestations of alfalfa weevil and have become instead trade embargoes; and

Whereas there is now in Idaho more than 50,000 tons of surplus alfalfa hay for which we have no market and upon the sale of which its producers' livelihood depends; and

Whereas the recent lowering of tariff restrictions against Canadian hay have further aggravated the hay surplus in Idaho by making available for drought areas forage which could be furnished as cheaply from Idaho if quality is considered:

Now, therefore, we your memorialists respectfully request that a survey be made by the Department of Agriculture which will cover the present and past status of alfalfa weevil in Idaho, the economic place that it now bears in the cost of production of Idaho hay and the potential damage that might be resultant by the introduction of alfalfa weevil into States that now have quarantines placed against Idaho hay; and

Furthermore, that your assistance be given in finding an outlet for the surplus hay now in the hands of Idaho farmers; and be it

Resolved, That a copy of this joint memorial be sent by the Secretary of the Senate to the Secretary of Agriculture and to Senator BORAH, Senator POPE, Congressman WHITE, and Congressman CLARK.

This Senate Joint Memorial 2 passed the senate on the 17th day of January 1935.

G. P. MIX,
President of the Senate.

This Senate Joint Memorial 2 passed the house of representatives on the 23d day of January 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 2 originated in the senate during the Twenty-third Session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

Mr. BAILEY presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Finance:

Joint Resolution 10

Joint resolution requesting Congress to pass an act authorizing the immediate payment to veterans of the World War the face value of their adjusted-service certificates

Whereas the immediate cash payment of the adjusted-service certificates heretofore issued by the United States Government to the veterans of the World War will increase tremendously the purchasing power of millions of the consuming public distributed uniformly throughout the Nation and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

Resolved by the house of representatives (the senate concurring)—

SECTION 1. That we request the Senators and Representatives of Congress from the State of North Carolina to support any appropriate legislation that does not impair the Government's credit for the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to the end above set out.

SEC. 2. That a copy of this resolution be transmitted to each Senator and Representative in Congress from North Carolina by the secretary of state under the seal of State.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

In the general assembly, read three times, and ratified this the 25th day of January 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

Examined and found correct.

S. F. TEAGUE, *for Committee.*

Mr. MURRAY presented the following joint resolution of the Legislature of the State of Montana, which was referred to the Committee on Finance:

Senate Joint Resolution 1 (introduced by Oliver)

A resolution memorializing the Congress of the United States for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War

Whereas there have been issued to the soldier participants of the World War by the United States Government adjusted-compensation certificates, which, under the terms of the act of Congress, become due and payable in the year 1945; and

Whereas the present economic conditions have resulted in causing a great many of the soldiers holding adjusted-compensation certificates to become in distress and need of the immediate relief that will be afforded by such legislation; and

Whereas it becomes and is the duty of the Federal Government to give adequate care to those who, having made personal sacrifice to preserve our form of government, not as mendicants but as preferred creditors of the Nation, are now in need of immediate relief; and

Whereas there are resident in the State of Montana approximately 25,000 veterans of the World War who would be benefited by the passage of legislation providing for the immediate payment of such compensation; and

Whereas the immediate payment of the certificates of adjusted compensation will bring about the distribution and circulation of a large sum of money sufficient to materially assist in the relief of the present economic conditions which exist throughout the State of Montana: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house of representatives concurring), That we do hereby petition the Congress of the United States of America for the passage of the pending act of Congress to secure the immediate payment and conversion into cash of the adjusted-compensation certificates; and be it further

Resolved, That a copy of this memorial be transmitted by the secretary of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana; and that they, and each of them, be requested to use all honorable means within their power to bring about the enactment of legislation by which the immediate payment of the certificates of adjusted compensation be fully provided for.

ERNEST T. EATON,
President of the Senate.
W. P. PILGERAM,
Speaker of the House.

Approved January 23, 1935.

F. H. COONEY, *Governor.*

OFFICE OF DISTRICT COMMANDER, COAST GUARD, BUFFALO, N. Y.

Mr. WAGNER presented a resolution adopted by the common council, and approved by the mayor of the city of Buffalo, N. Y., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

By Mr. Eberhardt:

Whereas there is a strong possibility that the office of the district commander, ninth district, United States Coast Guard, may be moved from Buffalo to Cleveland; and

Whereas this office has been established at Buffalo for a long period of time, because of its location—half-way between the several stations in Lake Erie and Lake Ontario—and is much more central to the district than any other point: Therefore be it

Resolved, That this council request the United States Coast Guard to continue the present arrangement without change of location, and that a copy of this resolution be forwarded to Rear Admiral Harry G. Hamlet, commandant of the Coast Guard, Washington, D. C., and also to each Congressman and Senator from New York State.

REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, reported it with amendments.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 462. A bill to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon (Rept. No. 30); and

S. 464. A bill to add certain lands to the Malheur National Forest in the State of Oregon (Rept. No. 29).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, reported it with amendments and submitted a report (No. 31) thereon.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, reported it without amendment and submitted a report (No. 32) thereon.

EXPENSES OF CONVENTIONS OR MEETINGS IN THE DISTRICT

Mr. BYRNES. From the Committee on Appropriations I report back, without amendment, the joint resolution (H. J. Res. 118) to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings, and I ask unanimous consent for its present consideration as in legislative session.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The joint resolution will be read.

The joint resolution was read, as follows:

Whereas numerous applications are being received from various organizations requesting lodging, food, and transportation for the purpose of holding conventions or meetings at Washington and elsewhere; and

Whereas the expenditure of Government funds for such purposes is against the policy of Congress: Therefore be it

Resolved, etc., That, unless specifically provided by law, no moneys from funds appropriated for any purpose shall be used for the purpose of lodging, feeding, conveying, or furnishing transportation to, any conventions or other form of assemblage or gathering to be held in the District of Columbia or elsewhere. This section shall not be construed to prohibit the payment of expenses of any officer or employee of the Government in the discharge of his official duties.

The President is hereby requested to send a copy of this resolution to the heads of all Government departments and agencies which have been granted lump-sum appropriations.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution as in legislative session?

Mr. JOHNSON. Mr. President, will the Senator state just what the joint resolution does?

Mr. BYRNES. It is simply a declaration of policy of the Congress that no funds of any lump-sum appropriation should be used to pay the expenses of delegates to any convention in the District of Columbia. It has been passed by the House and is unanimously reported by the Committee on Appropriations.

Mr. JOHNSON. It relates to the District of Columbia alone?

Mr. BYRNES. Yes, sir.

Mr. JOHNSON. It does not relate to peace societies across the water?

Mr. BYRNES. It does not.

Mr. JOHNSON. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BORAH:

A bill (S. 1470) to provide a preliminary examination and survey of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods; to the Committee on Commerce.

By Mr. BILBO:

A bill (S. 1471) to authorize a transfer of forest reservation lands in Forest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BARBOUR:

A bill (S. 1472) for the relief of the First Camden National Bank & Trust Co., of Camden, N. J.; to the Committee on Claims.

A bill (S. 1473) directing the Secretary of State not to enter into any reciprocal-trade agreements or understandings with any nation engaging in religious or racial persecution; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 1474) for the relief of Paul H. Creswell; and

A bill (S. 1475) for the relief of H. A. Taylor; to the Committee on Claims.

By Mr. POPE:

A bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes; to the Committee on Mines and Mining.

By Mr. WAGNER:

A bill (S. 1477) to authorize the use of public lands for camp sites, refining works, and other purposes in connection with mineral permits and leases;

A bill (S. 1478) validating certain applications for and entries of public lands, and for other purposes; and

A bill (S. 1479) to amend an act of Congress approved June 13, 1933 (48 Stat. 139), entitled "An act to extend the mining laws of the United States to the Death Valley Monument in California"; to the Committee on Public Lands and Surveys.

By Mr. BONE:

A bill (S. 1480) to authorize the addition of certain lands to the Wenatchee National Forest; to the Committee on Agriculture and Forestry.

A bill (S. 1481) granting an annuity to John O. Jones; and

A bill (S. 1482) extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes', approved May 22, 1920, and acts in amendment thereof", to John E. Gilmore; to the Committee on Civil Service.

A bill (S. 1483) for the relief of William E. Williams;

A bill (S. 1484) for the relief of Leo Yates;

A bill (S. 1485) for the relief of C. H. Reynolds, assignee of the Bitu-Mass Paving Co., of Spokane, Wash.;

A bill (S. 1486) for the relief of William Smith; and

A bill (S. 1487) for the relief of Mick C. Cooper; to the Committee on Claims.

A bill (S. 1488) granting a pension to Rose Bingman; and

A bill (S. 1489) granting a pension to Florance A. Gilbert; to the Committee on Pensions.

A bill (S. 1490) for the relief of Earl A. Ross; to the Committee on Public Lands and Surveys.

By Mr. SCHALL:

A bill (S. 1491) to direct the distribution of the interest and principal of the permanent fund of the Chippewa Indians of Minnesota in accordance with the true purpose and intent of the agreements made pursuant to the act of January 14, 1889;

A bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act;

A bill (S. 1493) providing for payment of $50 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; and

A bill (S. 1494) to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555); to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 1495) authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation;

A bill (S. 1496) authorizing transportation allowances for families of enlisted men below grade 3 who have been ordered to foreign service; and

A bill (S. 1497) to authorize the appointment of First Lt. Claude W. Shelton, retired, to the grade of captain, retired, in the United States Army; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 1498) for the relief of Robert D. Baldwin;

A bill (S. 1499) for the relief of Robert J. Enochs;

A bill (S. 1500) for the relief of L. E. Baumgarten;

A bill (S. 1501) for the relief of C. B. Dickinson; and

A bill (S. 1502) for the relief of Charles L. Graves; to the Committee on Indian Affairs.

By Mr. ROBINSON (for Mr. TYDINGS):

A bill (S. 1503) for the relief of Chester Johnson; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 1504) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 1505) for the relief of William Edward Tidwell; to the Committee on Military Affairs.

By Mr. HARRISON:

A bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam; to the Committee on Agriculture and Forestry.

By Mr. BACHMAN:

A bill (S. 1507) granting a pension to Ida Lott;

A bill (S. 1508) granting an increase of pension to Sarah J. Lake;

A bill (S. 1509) granting a pension to Annie Hankal;

A bill (S. 1510) granting a pension to Charles H. Culbert; and

A bill (S. 1511) granting a pension to William Lowrance; to the Committee on Pensions.

By Mr. MURRAY:

A bill (S. 1512) for the relief of Celeste C. Anderson; to the Committee on Claims.

By Mr. BYRD:

A joint resolution (S. J. Res. 48) to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed one additional year, and to authorize not to exceed $10,000 additional funds for its expenses; to the Committee on the Judiciary.

AMENDMENT OF THE RULES—COMMITTEE ON INDIAN AFFAIRS

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 65), which was referred to the Committee on Rules:

Resolved, That clause 6 of rule XVI of the Standing Rules of the Senate is amended by inserting, immediately before the period at the end thereof, a semicolon and the following: "and that three members of the Committee on Indian Affairs, to be selected by said committee, shall be ex-officio members of the Committee on Appropriations, to serve on said committee when the items pertaining to Indian affairs are being considered by the Committee on Appropriations in the bill making appropriations for the Department of the Interior, and at least one member of the Committee on Indian Affairs shall be a member of any conference committee appointed to confer with the House upon items pertaining to Indian affairs contained in the bill making appropriations for the Department of the Interior."

FEDERAL AUTHORITY OVER STREAM POLLUTION AND STREAM PURIFICATION

Mr. LONERGAN presented the report of a conference with the Secretary of War with reference to the proposal to create a Federal authority over stream pollution and stream purification, together with a report of Mr. LONERGAN, chairman of the conference, covering the activities subsequent to the conference, which were referred to the Committee on Printing with a view to being printed as a Senate document.

MARIAN RYAN, GUARDIAN FOR ELIZABETH STRAINING

Mr. ROBINSON (for Mr. TYDINGS) submitted the following resolution (S. Res. 66), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Marian Ryan, guardian for Elizabeth Straining, sole heir and dependent of Kathryn Straining, deceased, late employee in the office of Senator TYDINGS, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

LETTER TO THE PRESIDENT ON UNEMPLOYMENT—BULLETIN ON COCONUT OIL

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I sent the President upon his invitation to everybody to help in forming plans to take this country out of the despondency it is in. I also desire permission to have printed in the RECORD an article of the National Cooperative Milk Producers' Federation, on the "coconut cow" that is furnishing so much trouble to our farmers in this country—the coconut oil that is being shipped in here.

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

DECEMBER 3, 1934.

The Honorable FRANKLIN D. ROOSEVELT,
President of the United States, White House.

MY DEAR MR. PRESIDENT: For the purpose of furnishing a working example by which a majority of the 10,000,000 persons now unemployed may be returned to profitable employment, without taking one dollar from the United States Treasury, the following list is a rough draft of how those people can be cared for within 6 months.

By acting as England, Canada, Australia, Norway, and Sweden have done, that is, by stopping imports which compete with what we produce, we find we must reemploy the following:

Two million persons to cultivate cane- and beet-sugar lands, if foreign sugar is excluded; 2,000,000 persons to cultivate new corn land when blackstrap molasses is barred; 300,000 miners to operate our copper mines; 225,000 additional pottery and chinaware workers; 175,000 to make carpet, rag, and grass rugs; 150,000 fishermen and canners when these imports are stopped; 150,000 iron and steel workers; 100,000 persons to raise cattle now imported as frozen or canned; 100,000 silver miners, if we buy our own silver; 100,000 to produce gunny cloth and gunny sacks now imported; 100,000 shoe workers; 75,000 textile workers; 50,000 persons in electric lamp, toy, and novelty factories; 50,000 persons to can meats; 50,000 to produce cement and bricks; 50,000 manganese miners; 30,000 vegetable canning workers; 25,000 additional coal miners; 50,000 distillery and wine workers.

All these people at this moment are on Government relief. With the power vested in you by the last Congress, Mr. President, you can raise the tariffs on all these articles and thereby return about 6,000,000 persons to profitable employment. It is reasonable to assume that this number of persons will employ another 3,000,000 to supply their wants. After that, Mr. President, we have no unemployment problem and no depression. I trust this matter will be given your earnest consideration.

With best wishes, cordially yours,

THOS. D. SCHALL.

CRACKING A COCONUT-OIL FALLACY

On December 17, 1934, Mr. John B. Gordon, secretary Bureau of Raw Materials for American Vegetable Oils and Fats Industries, Washington, D. C., transmitted to a number of leaders in American dairying an article written by him for publication in the Manila Tribune on the Effects of the Excise Tax on Philippine Copra and Coconut Oil Importations into the United States,

together with a letter setting forth three possible solutions to the problem raised in the islands by the tax. These leaders were urged to indicate which solution met with their approval.

In his article Mr. Gordon states that he is now obliged to write under an atmosphere of "guesswork and speculation." He believes, however, that under the tax the islands will be able to carry on only a small proportion of their former business in oil and copra with the United States; that in American industries domestic oils will be used in the place of coconut oil, particularly in oleomargarine, and also in soap by a slight change in the type of soap manufactured; that the Philippines will be forced to compete on the world market and accept world prices for their products; and that as a result of the decline in imports there will be little revenue returned to the government of the islands.

The solutions suggested by Mr. Gordon are as follows:

"1. That the excise tax of 3 cents per pound be removed entirely on 448,000,000 pounds of Philippine coconut oil.

"2. That the excise tax be left in effect, but that it be specified that it will not apply to coconut oil of Philippine origin which is used in the manufacture of nonedible products.

"3. That the excise tax remain in effect, but shall not apply to coconut oil of Philippine origin used in the manufacture of nonedible products provided that the total oil importations under such exemption shall not exceed 448,000,000 pounds per annum."

Mr. Gordon has been in Washington as a representative of industrial users of oils and fats, principally soap manufacturers, for more than a decade.

During all of this time he has registered direct opposition to every eff:ort on the part of domestic producers of oils and fats to obtain protection against importations of foreign oils and fats. The manufacturers whom he represents appear to be interested solely in obtaining the raw materials used in their products at the lowest possible costs, free of every tax, regardless of what the effect may be upon stocks and prices of domestically produced oils and fats. Through their efforts protective measures against some importations have been delayed many years, and numerous new sources of cheap oils and fats interchangeable with domestic products have been found. This letter and article to dairy leaders is another example of the clever manner in which attempts have been made to confuse the issues and to weaken the case of domestic producers by alienating from their cause one of the groups which has been most active in the fight for a coordinated protective structure against these foreign substitutes.

Contrary to the main contention of Mr. Gordon, the excise tax has not as yet caused any economic upheaval or dilemma in the Philippine Islands, except a purely psychological reaction which lasted for less than a month after the tax became effective. Instead, economic conditions in the islands, except for typhoons, have improved greatly since the tax went into effect.

During the first 9 months of 1934 the United States consumed approximately 62,000,000 pounds more of Philippine coconut oil than during the same period in 1933. Net imports of coconut oil as such and as copra from the Philippine Islands during the first 9 months of 1934 were higher by 2,000,000 pounds than during the first 9 months of 1933.

Coconut-oil prices (net without the tax) in December 1934 were between 30 and 40 percent higher than they were when the tax became effective, and the price of copra in the Philippines in December was approximately twice as high as in May when the tax went into effect.

The imposition of a higher tax (5 cents per pound) on coconut oil from sources other than the Philippines has been effective in giving the islands an almost complete monopoly on the demand for coconut oil in the United States.

In August 1934, 99.6 per cent of our supply came from the islands, as compared with 83.8 percent in August 1933.

The following excerpts from Commerce Reports, a weekly publication of the United States Bureau of Foreign and Domestic Commerce, carrying reports from trade commissioners, indicate clearly the trend of thought in the islands with respect to the tax:

January 6, 1934: Today's closing quotation established a new all-time record low level for copra prices.

February 3, 1934: The trade was disturbed because of rumors of the processing tax on coconut oil. All buyers for the American market withdrew from the markets.

April 21, 1934: Copra markets are unsettled. Practically all oil mills have stopped warehouse receipts of copra. The enactment of the tax caused very difficult trading.

May 12, 1934: Copra reached a new record low in price, with sales to Europe sustaining the market in some places.

Note: The tax became effective May 10, 1934, at 11:40 a. m.

May 26, 1934: Copra prices have recovered somewhat, with the market quiet but steady, and arrivals light.

June 9, 1934: Reaction to the processing tax on coconut oil has become more favorable, with the belief that eventually production costs will be lowered somewhat and prices increased by the tax.

June 23, 1934: The favorable action of Congress on the Philippine gold-refund bill, crediting the Philippine treasury with approximately $24,000,000, as well as legislation awarding the Philippines approximately $17,500,000 in sugar and coconut oil processing taxes, is causing a generally more optimistic outlook.

July 7, 1934: The business situation is fast improving.

August 18, 1934: Copra markets are very firm, with a scarcity of supplies and an oversold market in Europe.

September 29, 1934: Coconut-oil prices advanced 10 percent in August.

October 6, 1934: Business circles are encouraged by the advance in the price of copra, which has gained 70 percent in the last few weeks.

December 15, 1934: The recent upward tendency in copra prices continues, and the market is strong.

December 29, 1934: The November copra market was very satisfactory—prices advanced rapidly. Coconut-oil prices also followed the upward trend.

The price of copra at Manila on May 12, 1934, when the tax went into effect, was 88.6 cents per 100 pounds, as compared with 95.5 cents per 100 pounds at the beginning of the year. From this low point in May, however, prices rose to $1.318 per hundredweight on September 29, to $1.364 per hundredweight on October 27, $1.386 on December 1, to $1.67 per hundredweight on December 22, 1934, and to $1.8466 on January 5, 1935.

Crude coconut oil from the Philippines was selling at wholesale in New York at 2.63 cents per pound when the tax became effective, and at 3.69 cents on December 24, 1934. Refined edible coconut oil in car-lot barrels was selling in Chicago at 5.38 cents per pound in May, and at 7.25 cents per pound (without the tax) on December 24.

Apparent consumption of Philippine coconut oil in the United States during the first 9 months of 1934 totaled 402,000,000 pounds, as compared with 340,000,000 pounds during the same period in 1933. Net imports of coconut oil from the islands during the first 9 months of 1934 were 390,000,000 pounds, and for the same period in 1933, 388,000,000 pounds. During 1933 the imports were heavier than current demand, with the result that stocks piled up, while during 1934 imports have been lower than current demand, and these stocks have been reduced materially.

Imports as well as consumption of Philippine coconut oil in the United States have fallen off in the last few months, particularly during July, August, and September (stocks and consumption figures are available only by quarters). There is a number of factors other than the excise tax, however, to which a part of this decline may be attributed:

1. Imports into the United States from the Philippines were exceptionally heavy during the first part of the year, with the result that supplies for export from the islands have become very low.

2. Production of copra and coconut oil in the islands was low this year, owing to a succession of heavy rains and damaging typhoons.

3. Anticipating a lowered demand in the United States, Philippine exporters sold short in the European market. This fact, together with a lower production, has resulted in a scarcity of supplies even for the domestic demand in the islands, and prices are much higher.

In addition to these factors, the excise tax has been instrumental in placing domestic oils and fats in an advantageous price position on the American market. Not only have the prices for domestic products increased but larger quantities are being consumed, both in industrial uses and elsewhere. Butter consumption during the first 11 months of 1934 was 51 million pounds above that during the same period in 1933, despite much higher prices during most of 1934. Oleomargarine consumption, on the other hand, was only 12 million pounds above the same period in 1933. The higher cost of manufacturing oleomargarine and its consequent higher price to some extent protected the rise in butter prices.

Corn-oil prices increased from 4.69 to 9.25 cents per pound from June 11 to December 10; and during the same period cottonseed-oil prices increased from 4.50 to 9 cents per pound, choice western lard from 4.35 to 9.80 cents, neutral lard from 5.38 to 10.13, oleo oil 6 to 10.75 cents, peanut oil from 5.13 to 9.50, and tallow from 4.75 to 7 cents per pound.

Factory consumption of cottonseed oil during the third quarter of 1934 (July, August, and September) was 398 million pounds, as compared with 292 million pounds during the same months in 1933. Other comparative figures on consumption for the two periods in 1934 and 1933 are: For corn oil, 11½ million pounds in 1934 and 8½ million pounds in 1933; edible tallow, 20¾ million and 14¾ million; inedible tallow, 203 million and 157 million; and oleo oil, 7¾ million pounds during the third quarter in 1934 and 4¾ million pounds during the third quarter in 1933.

Warehouse and factory stocks of practically all of the domestic oils and fats have been reduced materially; and with production somewhat lower as the result of the various activities of the Federal Government, the outlook is for the maintenance, if not the further raising, of the general price level. American producers of oils and fats are in a position where for the first time in recent history they may take full advantage of the increases in consumer purchasing power and hold the advantageous economic or price position on the American market. The protection to domestic producers, with a few minor exceptions, is complete and coordinated for the first time, and it is to the interest of dairymen as much as to any other group to maintain this structure.

Philippine producers likewise have been given an advantage over the rest of the world in supplying the American market. There is no call whatsoever to alter their position to put their product on a quota basis or to exempt any part of their product from taxation because it may be intended ostensibly for inedible uses. The oils which go into oleomargarine or other edible uses are the same or are directly competitive with and interchangeable for the oils used in soap and other inedible products. If any particular oil for a particular use is allowed to sell at a lower price, the immediate result will be a break-down in the general price level of all oils and fats, because the manufacturers will bid only for the other

products a price in line with that at which a substitute for them may be obtained. In addition to this the administration of the tax will be much more complicated.

The answer to the so-called "problem", raised by Mr. Gordon, does not lie, therefore, in either of the three alternatives proposed by him; in fact, the problem he outlines appears not to exist. The answer of dairymen is that the tax should continue in force in its present form, with minor clarifications to take care of certain legal loopholes which have been discovered, with the same or a higher rate of taxation. The manufacturers represented by the organization of which he is secretary should be enough interested in the welfare of the producers from whom they secure their raw materials to pay this tax and contribute this small amount to the expenses of the Federal Government.

January 8, 1935.

Prices of copra at the warehouse in Manila, P. I.[1]

[Warehouse grade resecado]

1934:	*Price per 100 pounds*[2]
Jan. 6	$0.9545
May 12	.8864
July 7	.9318
Sept. 22	1.1591
Sept. 29	1.3182
Oct. 6	1.4545
Oct. 13	1.4318
Oct. 27	1.3636
Nov. 3	1.2727
Nov. 17	1.2841
Dec. 1	1.3864
Dec. 8	1.5341
Dec. 15	1.6023
Dec. 22	1.6659
Jan. 5, 1935	1.8466

Prices of selected oils and fats, June 11 and Dec. 10, 1934,[1] *f. o. b. New York City unless otherwise stated*

[Cents per pound]

	June 11, 1934	Dec. 10, 1934
Corn oil, crude, f. o. b. works, tanks	4.69	9.25
Corn oil, refined, barrels	6.81	11.50
Cottonseed oil, f. o. b. Southeast, crude, tanks	4.50	9.00
Cottonseed oil, prime summer yellow, tanks	5.05	10.10
Cottonseed oil, refined, edible, Chicago, carlot, barrels	7.13	10.50
Lard, choice western, tierces	4.35	9.80
Lard, neutral, tierces	5.38	10.13
Oleo, oil, no. 1, barrels	6.00	10.75
Oleo stearin, barrels	5.38	8.63
Peanut oil, crude, f. o. b. mills, tanks	5.13	9.50
Peanut oil, refined, edible, barrels	9.25	12.25
Soyabean oil, crude, drums	7.30	8.80
Soyabean oil, refined, drums	8.15	9.65
Tallow, animal, edible, barrels	4.75	7.00
Tallow, extra, works, loose	3.50	4.88
Coconut oil, Manila crude, tanks (without tax)	2.63	3.56
Coconut oil, edible 76°, (no tax) drums	4.63	5.75
Coconut oil, refined, edible, Chicago, carlot barrels (NT)	5.88	7.25
Palm oil, Niger, casks (without tax)	3.19	3.44
Palm-kernel oil, denatured, drums (without tax)	3.50	2.95
Sesame oil, refined white, drums (without tax)	8.75	12.38

[1] Compiled from the Oil, Paint and Drug Reporter. Prices are the average of the high and low on dates shown.

Percentage of total imports of coconut oil and copra traceable to the Philippine Islands[1]

	Oil imported in the form of copra	Oil imported as oil and oil imported in the form of copra
Total for the year 1932	43.8	70.0
Total for the year 1933	66.9	81.2
First 9 months 1932	44.1	72.6
First 9 months 1933	61.7	78.3
First 9 months 1934	80.8	92.1
July to September, inclusive, 1932	44.4	72.4
July to September, inclusive, 1933	70.5	80.8
July to September, inclusive, 1934	91.9	97.8
October 1933	80.0	87.2
October 1934	84.9	95.4

[1] Data from reports of the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce. Copra converted to oil at the rate of 63 pounds of oil per 100 pounds of copra.

THE WORLD COURT

The Senate, in executive session, resumed the consideration of Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Permanent Court of International Justice.

Mr. POPE. Mr. President, I had not intended to discuss the question of adherence to the World Court for the reason that the arguments both for and against it have not only been quite thoroughly covered during this session, but have been the subject of discussion in the Senate and in the country for 12 years. It is not my intention to go over those arguments again.

However, my deep interest and conviction on the subject have been intensified by a resolution for a World Court introduced many years ago by my distinguished colleague [Mr. BORAH] and inserted in the RECORD a few days ago by the Senator from Arkansas [Mr. ROBINSON]. In that resolution the Senator recommended a World Court with broad powers. He favored a court as a judicial substitute for war—

> In the form or nature of an international court, modeled on our Federal Supreme Court in its jurisdiction over controversies between sovereign states, such a court to possess affirmative jurisdiction to hear and decide all purely international controversies as defined by the code or arising under treaties. * * *

As has already been pointed out, under such a plan it would be compulsory that all international controversies under the code or any treaty be submitted to the Court.

The suggestion, however, that such an intenational court be "modeled" on our Federal Supreme Court in its jurisdiction over controversies between our sovereign States, calls up a phase of this question which has not been by any means sufficiently discussed.

In the organization of the present World Court, is there an analogy to our Federal Supreme Court? It is true that our Supreme Court does not have advisory jurisdiction such as is possessed by the World Court, and by at least one State susupreme court—Massachusetts. The matter of advisory opinions and the value they have possessed in the settlement of international disputes, has been very effectively covered by the Senator from Utah [Mr. THOMAS]. I think he made his case in showing that on some of the most delicate questions that have arisen—questions that involved critical conflicts between nations—the World Court has rendered opinions so far and just that in every instance the decision has been acceded to by the nations involved.

In my examination of the history and decisions of the Supreme Court of the United States and of the World Court I have found a striking analogy between them.

In the first place, the plan for the World Court was drawn by two eminent Americans—Elihu Root and James Brown Scott. Mr. Root, a member of the original body that drew up the Court statute, presented the plan which formed the basis of the Court statute.

As stated by Secretary of State, Henry L. Stimson, in his message to the President on November 18, 1929:

> It is interesting to remember that the difficulty which had prevented the establishment of the Court in 1907 was solved by the suggestion of the American member, Mr. Root, based upon the analogy of a precedent in the creation of our own Federal Constitution.

In 1787, while the Constitutional Convention was in session, there were 11 controversies pending between the States, 3 of which had resulted in armed conflict. The Constitution when adopted contained a provision vesting the Supreme Court of the United States with original jurisdiction over "controversies between two or more States." At that time the States regarded themselves as sovereign and independent. They had adopted constitutions in which they had declared themselves free, sovereign, and independent States They were as jealous of their independence as the nations are today.

In 1784 John Hancock, as Governor of Massachusetts, issued a proclamation of neutrality in the midst of a hot dispute between New York and Vermont. He used language practically the same in part as used by President Wilson in his neutrality proclamation during the World War.

It will be remembered that Patrick Henry opposed the ratification of the Constitution on the ground that it would sacrifice the independence and destroy the hard-earned

[1] Compiled from Commerce Reports, published by the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

[2] Converted to United States currency at 50 cents per peso.

liberties of the States won in the Revolution. On one occasion he made a powerful speech against the Constitution and in his patriotic, oratorical, fervor called down the imprecations of Heaven upon those who were seeking to destroy our liberties by the ratification of the iniquitous Constitution. Were his apprehensions justified? The history of our country is sufficient answer.

Since that time 65 suits have been brought by the States against each other, and 46 out of the 48 States have been party plaintiff or defendant.

The first case that arose between the States was that of Rhode Island against Massachusetts. Rhode Island asserted claim to jurisdiction and sovereignty of territory of over 100 square miles, with population of over 5,000, occupied by Massachusetts. It was in this case that the specious argument, which has been repeatedly made against the World Court, that the Court had no jurisdiction over the controversy because there was no law or rule for the decision, was enunciated. The Court held that the facts of the case fell within a well-settled doctrine of law, namely, that for the security of rights, whether of States or individuals, long possession under claim of title is entitled to protection.

It is interesting to observe that the World Court in the now famous East Greenland case, which arose between Denmark and Norway, and was decided on April 5, 1933, announced exactly the same doctrine as the basis for decision. In that case both Denmark and Norway claimed jurisdiction over East Greenland. It appeared that Denmark had been exercising control and asserting jurisdiction over the territory for a long time.

The Court held that where a claim to sovereignty is based not upon an "act or title such as a treaty of accession but merely upon continued display of authority", two elements must be shown to exist: "The intention and will to act as sovereign and some actual exercise or display of such authority." Both of these elements were found to exist, and the decision was for Denmark, and Norway accepted the decision and the long dispute was settled peaoefully.

Similarly, in the history of our Supreme Court many decisions that have narrowly averted actual warfare have been rendered on controversies between States.

In 1849 the Court decided a boundary controversy between Missouri and Iowa which involved sovereignty over 2,000 square miles of territory, a strip about one-third the size of Alsace. During the controversy, which had been pending for about 12 years, Missouri at one time had called out 1,500 troops and Iowa 1,100 to defend their rights. The Court finally decided in favor of Iowa, which, of course, settled the question for all time.

In 1892 the question of the right to a whole county, comprising over 2,300 square miles, claimed by both Texas and the Territory of Oklahoma, was decided by our Supreme Court in favor of Oklahoma. This followed a long series of armed conflicts between United States authorities and the Texas settlers. Two Presidents had been forced to issue proclamations to keep the peace.

In 1906, a dispute arose over a boundary line between Mississippi and Louisiana. The dispute involved some valuable oyster beds. I happened to be living in Louisiana at the time. Armed patrols had been called out by both States, and, in the Court's opinion it was stated that there was "danger of armed conflict." The decision was rendered and was, of course, observed by the States.

It is interesting here to note that the 64 decisions and opinions rendered by the World Court have not only been observed by the nations involved, but there has been no general criticism except as to one, the Customs Union case, which has been referred to in this debate.

The decisions of our Supreme Court have hardly fared so well. They have repeatedly been the storm center of criticism.

As has already been pointed out by the able Senator from North Carolina [Mr. BAILEY], our Supreme Court, 100 years ago, decided that "the submission by the sovereigns, or States, to a court of law, or equity, of a controversy between them, without prescribing any rule of decision, gives power to decide according to the appropriate law of the case."

In other words, our Supreme Court decided just 100 years ago that the argument that a code of law was necessary before a court could function effectively, was unsound and untenable because it is not in harmony with the history of the development of our courts. It has been interesting, therefore, if not surprising, to hear this doctrine, overruled a century ago by our own American Supreme Court, revived to do service today against the World Court. And yet the distinguished Senator from Idaho has recommended the establishment of a world court "modeled on our Federal Supreme Court in its jurisdiction over controversies between our sovereign States."

It seems to me that the condition imposed by the Senator, that such court should operate only after a code of international law has been adopted by the nations, is setting up an obstacle that would long postpone, if not defeat, the establishment of any world court. It would be like the refusal of the Constitutional Convention to establish a supreme court of the United States until there had been a codification of Federal law which was yet to be developed by the processes of government. This the Constitutional Fathers did not do, and very wisely so.

Another interesting analogy between our Supreme Court and the World Court is that both depend upon the moral force of their decisions for enforcement; and so powerful is this moral force that it has been effective in every case decided by both Courts.

It might be interesting to follow the analogy further, and to observe some of the criticisms of the Supreme Court of the United States.

In 1802, Judge Todd, of Kentucky, said:

> We resist every idea of having our suits decided by foreigners.

How familiar those words do sound!

In 1808 the Boston Gazette stated:

> We know and feel our strength, and we will not have our rights destroyed by an alien court.

In 1831 the United States Telegraph said:

> This Court has no more right to meddle with our questions than has the Court of King's Bench in London.

It should be borne in mind that when these words were uttered the Supreme Court of the United States had been in existence about twice as long as has been the World Court.

A few days ago a resolution by the lower house of the Georgia Legislature was introduced by the junior Senator from Georgia [Mr. RUSSELL]. It opposed the World Court. Strange to say, a little more than 100 years ago the Georgia Legislature passed a resolution in regard to the well-known Cherokee cases defying the United States Supreme Court. I quote from that resolution:

> Enjoining the Governor and every officer of the State to disregard any and every mandate and process that may be served upon them by the United States Supreme Court or by any other court representing the Federal jurisdiction.

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

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

Mr. POPE. I do.

Mr. RUSSELL. The Senator may be interested to know, as a matter of history, that the Georgia House of Representatives followed that by passing a bill which made it a felony, without benefit of clergy, for any United States marshal to undertake to serve process in the case. That question, however, was whether or not a citizen of another State had a right to sue the State; and the position of the State of Georgia was later justified by the adoption of the eleventh amendment, which grew out of that identical case.

Mr. POPE. All of which makes my point the stronger.

It was about the decision in the Cherokee cases that President Jackson said:

> Chief Justice Marshall has made his decision; now let him come off the bench and enforce it.

At one time the New York Daily Advertiser, commenting upon the Supreme Court, said:

The failure and humiliation of the United States Supreme Court has brought us to the abyss.

All this was said about the Supreme Court of the United States. Certainly nothing worse has ever been said by responsible men of the World Court.

It appears that there are two groups of opponents to the adherence of the United States to the World Court. The one is a downright opposition to any world court so far as the United States is concerned. They argue that we want to have nothing to do with any court to settle disputes with foreigners. They are suspicious of foreigners. They are afraid of the intrigues of Europe. One Senator called the World Court a "court of intrigue." They trust no foreign nation. The United States is the only nation that can be trusted.

The other group say they are in favor of a world court, but not any that is in existence. They say they favor the principle, but not the Court that is putting the principle into practice. The fact that the Court is made up of judges of the highest character, learning, ability, and fairness, and that their 64 decisions are without criticism, and have peacefully settled many difficult disputes which threatened war, does not soften their opposition. Come what may, they are against this World Court, which is the only one that is, or probably ever will be, in existence.

The practical effect is that these two groups join hands in opposition to the only practical way for the United States to support a policy that every President of the United States, and most of her responsible statesmen for decades, have been proclaiming.

In 1897 William McKinley, in his first inaugural address, said the "leading feature of American foreign policy throughout our entire national history" has been our insistence on "the adjustment of difficulties by judicial methods rather than by force of arms." Certainly every President since that time has asserted and reasserted that policy.

In my experience, I have found these two kinds of opponents to every progressive step. One opposes the step on the ground that we should not make it, the other on the ground that the practical method is wrong. The one opposes the principle involved; the other accepts the principle, but objects to a practical application of it. The one denies that the Court is a step in the direction of peace and order in the world, or is indifferent to such an effort. The other admits that a court is desirable for peace, but is unwilling to take the only practicable step to get it.

There are some human desires that will not die. The desire for peaceful means of settling international disputes is one of them. This is so deep in men's souls, so embedded in their nature, and so enshrined in their hearts, that they will dedicate their effort, their substance, and even their lives to the cause. This is what it means to multitudes of people in the world, including America. The battle will not end till the United States does her full part in the cause of universal peace.

Let there be no mistake about it—and I address this particularly to those who are in favor of a world court—that the defeat of this proposition would be a defeat of the American policy of judicial settlement of international disputes. No other court is probable. I doubt if any other is possible of establishment.

To those opposed, let me say this: Let them not think that an adverse vote on these protocols will end the matter. The desire of the American people for a world court is too deep and sincere to be uprooted and killed. They will not permit this country long to shirk its responsibility to promote a world order of law and peace on the earth.

Mr. LONG. Mr. President, while we are hearing from the politicians over the country, it is not bad occasionally to take a little note of what the farmers think of this case.

These luncheon organizations that dine on pâté de foie gras and chocolate eclairs and then pass a resolution while they are knocking the foam off the top of a drink are great "resoluters." The advocates of the resolutions send these things to them typewritten and printed in advance. They are "boiler-plate" propaganda. After they have made their first little assembly and gone up the hill and come down the hill, if you should see some of the members, and wonder what they had "resoluted" about, and ask one of them what he meant by it, he would tell you he did not even know there was a resolution, but if there was he voted for it and he probably would find out some time a little bit later. [Laughter.]

In other words, a few days ago, if you will just bear with me about this kind of boiler-plate resolution business, a resolution came in to me when I was making a fight against the vice settlement of New Orleans, signed by some of the members of the ministers' conference, in which they protested against the kind of advertisement that was being given to the city because the "red light" district was being exposed as being inside the city.

The PRESIDING OFFICER. If the Senator from Louisiana will pardon the Chair, the fact has been called to the attention of the Chair that the Senator from Louisiana spoke yesterday on the bill, and that under the rule unanimously adopted last week debate is limited to one speech by each Senator.

Mr. LONG. Have we not got something up now? Do I understand that there is not any reservation up now?

The PRESIDING OFFICER. No reservation is pending.

Mr. LONG. Then, I beg the Chair's pardon.

Mr. LOGAN. Mr. President, yesterday the Senator from Louisiana [Mr. LONG] took occasion to make another speech about the war between Paraguay and Bolivia. At that time he said he desired to instruct me so that I might fully understand the question.

I have no interest at all in either Paraguay or Bolivia. They are friendly nations so far as we are concerned; but the Senator has taken occasion to make serious charges against one of those friendly nations. The charges are not borne out by the facts.

In view of the further fact that the war now going on between these two nations is one of the best illustrations I know of why we should have a world court, and also for the purpose of correcting some of the errors into which the Senator from Louisiana has fallen, I desire to submit a few observations.

The Senator made two charges against Bolivia. One was that that nation violated the arbitral decision of President Hayes when he awarded the Chaco to Paraguay, and held that Argentina had no claim to it. When his attention was called to the fact that Bolivia was not a party to that treaty or that litigation at all, he said he was not advised about that.

As a matter of fact, this question is a very old one. It has been considered since 1535. There has been a dispute between Argentina, Brazil, and Paraguay over this particular matter ever since they became nations.

About the year 1848, I believe, the Senator from Louisiana said Bolivia made a map in which it showed that it did not claim the Chaco. The Senator put that map in the RECORD a year ago, and he attempts to argue from that map that Bolivia has never had any claim to the particular territory now in controversy. I desire to call the attention of the Senator and of the Senate to this outstanding fact, together with a few others:

In 1852, which was 4 years after this map was made, Daniel Webster, then Secretary of State, in communicating with our representative in Bolivia, and in writing him about a treaty of amity and navigation that they were trying to agree upon, took occasion to say that Bolivia was a riparian nation; that is, that it owned land on the Pilcomayo River and also on the Paraguay River, which included the territory now in dispute.

In 1852 Daniel Webster, Secretary of State, made that positive statement in a letter addressed to our representative in Bolivia at the time.

Mr. LONG rose.

Mr. LOGAN. Does the Senator from Louisiana desire to have me yield?

Mr. LONG. The Senator was referring to a time back in 1852?

Mr. LOGAN. Yes.

Mr. LONG. I had been called from the Chamber. I wanted to give the Senator this information so that he would understand what I said yesterday, because I did not have this translation worked out yesterday. It is this: Bolivia sent a plenipotentiary, whose name was spelled Q-u-i-j-a-r-r-o, to Asuncion, the capital of Paraguay, September 1879, with these categorical instructions:

> Recognize the validity of President Hayes' award.

That is a quotation taken from Moore and Dalence.

Quijarro presented his credentials to Paraguay, swearing that "he was bringing the loyal word of Bolivia."

Recognizing the treaty, he signed the rights of Paraguay to the south of the apa parallel, namely, with a good deal more than the awarded zone, and accepting that Paraguay renounce in favor of Bolivia the higher zone.

Mr. LOGAN. Mr. President, I am seeking only to show that a United States Senator, whose voice reaches far, speaking from the floor of the Senate, has attacked a friendly nation at the time when he is insisting that the United States ought to withdraw within her own boundaries and have nothing whatever to do with any other nation in the world.

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

Mr. LOGAN. I yield.

Mr. LONG. My friend's statement is subject to this modification. I have attacked the Standard Oil Co. of America for buying out a friendly nation in order to attack our own award. For the Senator's information, nearly all of the authorities of the Bolivian Government are on the pay roll of the Standard Oil Co. I will give him the names if he wants them.

Mr. LOGAN. I will get to that in the course of the few remarks I shall make, but for the present I want to prove that when the Senator made the statement that Bolivia was violating the award of President Hayes, he made a statement that is not supported by the facts, and I expect to prove that by the records from the State Department.

I make the statement that in 1855 this Government sent a commission, a scientific commission into Bolivia, and the instructions that accompanied them to the Bolivian Government show that this Government recognized that Bolivia owned all the territory that is embraced in what we would call down in Kentucky the forks of the Pilcomayo River and the Paraguay River.

Mr. ROBINSON. Mr. President, the area of the Hayes award is situated in the angle comprised by the junction of the Pilcomayo and the Paraguay Rivers.

Mr. LOGAN. And the Verde River on the north.

Mr. ROBINSON. The Verde River is a tributary of the Paraguay River.

Mr. LOGAN. That is correct.

Mr. ROBINSON. And runs in the same direction as the Pilcomayo River, so that the area embraced in the haze of war is a comparatively small one. Its western limit is not clearly defined in the award made by President Hayes, but it has never been held to include the territory now in dispute between Bolivia and Paraguay.

Mr. LOGAN. That is very true.

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

Mr. LOGAN. I will yield, but I have not very much time, and I trust the Senator will not interrupt me at any length.

Mr. LONG. I understand that the Senator could not find the western boundary, but the Senator is at fault in this; the declaration from the representatives of Bolivia states that they will not recognize the Hayes award, and that that is the cause of this conflict.

Mr. LOGAN. If the Senator will pardon me, I will go ahead in chronological order to show how wrong the Senator is in all of his facts.

Mr. LONG. Very well.

Mr. LOGAN. We find again that in 1858, the State Department of the United States of America was taking it for granted that Bolivia was the owner of this disputed territory, and in the same year, 1858, our representative in Bolivia, Mr. Dana, wrote to Mr. Lewis Cass, the Secretary of State of the United States at that time, making the specific statement that the boundary of Paraguay was the Paraguay River, and that the territory between the Pilcomayo and the Bermejo, on the north, and the Paraguay River belonged to Bolivia.

I am mentioning this fact only to show that the statement which the Senator made yesterday, that Bolivia had never asserted a claim to this territory since the map was made in 1848, is a mistake. Not only had Bolivia asserted a claim, as I shall show in a moment, but this great Government of ours, about which we are so much concerned just now, had recognized that Bolivia did have a claim to all of this territory that is now involved in the dispute.

Mr. LONG. Mr. President, has the Senator only 15 minutes? If so, I will not interrupt him.

Mr. LOGAN. I have only 15 minutes.

Mr. LONG. The point I wish to call to the Senator's attention is that the declaration by Bolivia, just conceding that what the Senator has said is true, that Bolivia in its declaration after the Standard Oil Co. got down there was that they were going below the Verde, and below the Pilcomayo River, and the Paraguay River, but were not going to recognize the Hayes award.

Mr. LOGAN. Mr. President, I am anxious to convince the Senator from Louisiana that he has done a friendly nation a very grave injustice, and to do that I want to put into the RECORD, so that the Senator may consider them, the facts leading up to the treaty between Bolivia and Argentina when this controversy was submitted to President Hayes.

Mr. Miranda, the representative of Paraguay, in his counter memorandum, which was issued in connection with this treaty between Argentina and Paraguay, took occasion to make this statement when he was proposing a settlement, and I hope the Senator will notice it. This is what he said; this is Paraguay speaking:

> Although the reasons already explained fully support the rights of the Republic of Paraguay, as claimed before, she is, however, ready either to accept an arbitration as to the portion of territory which extends from the Bermejo River until Bahai Negra; or, to consent, yielding to her earnest desire to make peace with the Argentine Republic, to settle the question friendly by means of a compromise, and fix the line of the Pilcomayo River to be the boundary between both countries. In either case the rights of Bolivia are to be reserved.

Here is Paraguay in 1873, on September 2 of that year, in the preliminaries leading up to the treaty, when this matter was submitted to President Hayes, saying that the rights of Bolivia must be reserved.

Mr. LONG. Mr. President, will my friend yield there?

Mr. LOGAN. I yield.

Mr. LONG. That was at a time when Paraguay was at war with Argentina for that whole territory, and Bolivia was more or less an ally of Paraguay at that time, and Paraguay and Bolivia were more or less on the same side of the matter. In other words, while they were willing to have an award made of the territory, part of it to Bolivia and part of it to Paraguay, in order that they would not have to give the territory on the other side to Argentina, in the award of Hayes, he gave certain of the Chaco to Argentina, the balance to Paraguay, drew the line, and Bolivia acknowledged the line.

Mr. LOGAN. The facts remain that Paraguay, when submitting this arbitration, specifically provided that the rights of Bolivia in this territory should not be determined, and later, in the same document, made this statement:

> Paraguay has no objection to a settlement of these questions either by arbitration, if it embraces the whole territory between the left bank of the Pilcomayo River and Bahia Negra, or by a compromise, if the Pilcomayo River is agreed to as the dividing line between the two countries, the rights of Bolivia being reserved in either case.

That does not seem to have satisfied Bolivia, and I will call the Senator's attention to another step in this matter. After the treaty had been agreed upon, after President Hayes had been agreed upon as arbitrator, Bolivia came into that arbitration and filed a statement with our Secretary of State,

Mr. William M. Evarts, in which she asked the privilege of coming into that arbitration and being heard, and Mr. Evarts advised her that she was not a party to the proceeding, and that because she was not a party to the proceeding her matters could not be litigated or determined in this arbitration.

Following that, in order to preserve the rights of Bolivia, and so that there could be no dispute and no doubt about it, they entered into a protocol in which it was understood between Argentina and Paraguay that the rights of Bolivia were not concerned in this matter at all. When the award was made by President Hayes, of course it was not binding on anyone save Paraguay and Argentina. It is the old rule, which the Senator from Louisiana knows as well as anyone, that no one is bound by the judgment of courts except those who are parties to the controversy.

Mr. LONG. Mr. President——

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

Mr. LOGAN. I yield.

Mr. LONG. Was it not possible for Bolivia to make herself a party?

Mr. LOGAN. Bolivia asked for that privilege, and the President of our Nation, who had been agreed upon as the arbitrator, and our Secretary of State, held that Bolivia could not come in because she was not a party to the controversy.

Mr. LONG. But was it not possible at that time for Bolivia to say, "We recognize this award", as they did through their own envoy in 1879, the following year?

Mr. LOGAN. As I understand the record, Bolivia has always insisted that she had some interest.

As to the charge made by the Senator from Louisiana that Bolivia had sold out to the Standard Oil Co., I think that is a very serious charge to make against any Nation. It is as serious as if he would make a charge that some United States Senator had sold out to the Standard Oil Co. I might say that my best information is that Bolivia has never received one cent from any American industry, or from the American Government, since the war started—not one cent. There is no oil in the disputed territory. I think it is admitted by everyone that there is no oil to be found in the Chaco. If that be true, then why would the Standard Oil Co. be interested, if it is doing business in Paraguay just as it is doing business in Bolivia? The Standard Oil Co. has about one-fiftieth of the oil territory in Bolivia. It has a concession for about one-fiftieth of it. But does the Senate know that the oil that is produced in Bolivia is not enough to justify the building of 10 miles of pipe line?

It is said, although it has been proved that there is no oil there, that they want to build a pipe line through a part of Paraguay so that they can get to the Paraguay River. There could be nothing in that. Even the President of Paraguay himself has said there is nothing in the statement that the Standard Oil Co. is fomenting trouble down there. Other leaders in Paraguay, the leading propagandists of Paraguay, have said that American capital is neutral in this fight, and that there is nothing to the charge that they are not. Of course, I am not defending the Standard Oil Co. I do not believe, however, that everyone who happens to become an officer of the Standard Oil Co., or everyone who happens to become a stockholder in the Standard Oil Co., is a crook or a thief. I do not believe that to be so.

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

Mr. LOGAN. I yield.

Mr. LONG. The Senator says that Paraguay has said that American capital would not have anything to do with the fight?

Mr. LOGAN. Yes.

Mr. LONG. When?

Mr. LOGAN. Let me see if I can find that for the Senator.

Mr. LONG. It must have been a long time ago.

Mr. LOGAN. No. They now have a representative in the United States.

Mr. LONG. Yes; I know that. I have seen him.

Mr. LOGAN. Mr. Vebber is his name. Here is what he said:

> They (Paraguay) feel that American capital is hands off in this war.

Mr. LONG. When was that?

Mr. LOGAN. Let me see if I can find the date and give it to the Senator.

Mr. LONG. That means that American capital is off, but that is not the Standard Oil Co.

Mr. LOGAN. The date of that statement is February 12, 1934.

Mr. LONG. That was long ago.

Mr. LOGAN. Six months ago.

Mr. LONG. Their Ambassador here is Mr. Bordenave.

Mr. LOGAN. I was not talking about their Ambassador. I was talking about Mr. Vebber, who was an American newspaperman who married a Paraguayan girl, and who fought in the Paraguayan wars down there, and who has now been sent out as a representative of Paraguay for the purpose of creating favorable sentiment to Paraguay in this controversy, and I am not blaming Paraguay for doing so.

Mr. LONG. I wish to say to the Senator from Kentucky that any number of pronouncements have come from Paraguay, from their Congress, and from their representatives and from their Ambassadors, saying that this is a Standard Oil war.

Mr. LOGAN. But that is no proof of it. My point is that we do not have any right to make charges such as those that have been made in that regard.

Mr. LONG. Let me see if I cannot give the Senator from Kentucky some proof of it.

Mr. LOGAN. I do not say that the Senator cannot. I do not know that the Senator cannot, but so far the Senator has not said anything except made an assertion on his part that Bolivia has sold out to the Standard Oil Co. If the Standard Oil Co. is financing the war, I would say that it would have been much cheaper if she had bought the entire territory. It costs money to carry on a war.

Mr. LONG. Will the Senator further yield, Mr. President?

Mr. LOGAN. I yield.

Mr. LONG. The Senator is in error. They have financed it with the money of the people of the United States. They do not pay anything. They use our blood and our money. They floated $68,000,000 worth of bonds and they sold them in this country, and they are not worth a dime on the dollar now.

Mr. LOGAN. But that was before any war was declared down there, or any thought of war being declared. So far as I know anything about it, the Standard Oil Co. did not do it.

Mr. LONG. They used $5,000,000 of this money with which to pay Vickers & Co. in London for munitions of war.

Mr. LOGAN. I do not know anything about that.

Mr. LONG. That is the trouble; the Senator does not know anything about it.

Mr. LOGAN. I have no proof about it at all. It may be true. To show how little this oil controversy enters into it, if at all, and what a great mountain has been built out of a small mole hill, how great a range of mountains has been built out of a grain of sand, I will say to the Senator from Louisiana that in 1930 there were 56,000 barrels of oil produced in all Bolivia; in 1931, 25,000 barrels; and in 1932, 44,000 barrels.

In other words, the value of the oil produced in Bolivia during these years would not amount to $15,000 a year. Why would the Standard Oil Co. desire to go into Bolivia and carry on a war to get oil when there is more oil in Texas and Oklahoma than we know what to do with, and we are trying to prevent the sale of it at this time, we are trying to restrict the sale of it because the price is so low that it is not profitable for those producing oil to produce it today? So it is not necessary to carry on a war to get oil at this time.

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

Mr. LOGAN. I yield.

Mr. LONG. The reason that Bolivia did not produce more oil was because there was no means of transporting the oil out of Bolivia. The oil supply in Bolivia is estimated as being more than the available supply of any four States of America.

Mr. LOGAN. That is an assumption. And yet with our own States producing more oil than we can use, I cannot see why it would be necessary to fight a war and build pipe lines through another nation to get oil when we have more than we know what to do with.

However, that is beside the point. I think that the controversy between Paraguay and Bolivia but illustrates the importance of our becoming members of the World Court. I cannot understand why men should die, that women should be left widows, that children should be left orphans, that the taxpayers should be made prostrate—by a war simply over a boundary line between those two little nations. It is just like two farmers holding out about their cornerstones or where their line runs. The only reason why the matter has not been submitted to the World Court is because there are men there—and men throughout the world, as there are in the United States Senate—who insist that battles should be fought to the finish and that the questions should not be settled in a court where judges may determine the question.

I believe that the time will come when those distinguished Senators who are holding up to the world the idea that there can be no friendly settlement of disputes among nations will wonder why they ever took such a position.

There is but one way to settle a controversy such as the one under discussion. The parties to it should have taken that way. They probably would have followed it but for the fact that the United States of America, the greatest Nation in the world, the most powerful Nation in the world, has said, "We do not believe in and will not agree to the settlement of controversies by a court rather than by war; that we are unwilling to substitute law for war." They say the Court does not suit them. Perhaps it does not. But who is here suggesting some other means of settling controversies between nations other than by war? Who has any other plan to submit.

The question of our adherence to the Court has been dragging along for 13 years. Distinguished and able and honest men have opposed adding our moral force to that of the other nations to bring about the establishment of a court where controversies may be settled in a perfectly orderly way. I believe that the world will suffer because of the attitude that the United States of America has taken in this matter. I do hope that before the day is over we will let it be known to the world that America is looking forward, and that the day may not be distant when with one law we will bind the nations, tongues, and kindred of the earth, and that law will be the law of universal brotherhood.

I believe, Mr. President, that my time is up. I hope that we are not going to say to the world that we believe when controversies arise such as now exist between Bolivia and Paraguay that they should fight unto the death; that we will not encourage them to submit their controversies to a court of justice.

Mr. SCHALL obtained the floor.

Mr. LONG. Mr. President, will the Senator from Minnesota yield to me for the purpose of sending a reservation to the desk?

Mr. SCHALL. I yield.

Mr. LONG. I wish to send to the desk a reservation and ask that it be read. I shall not speak on it at this time. My only purpose in interrupting the Senator at this time is to have the reservation read.

The PRESIDING OFFICER. The reservation will be read.

The legislative clerk read as follows:

Resolved, That the adherence to the World Court by the United States is upon the express condition that awards which may have been made by the President and other officers of the United States under due authority of the United States or as mediators or conciliators, shall in no manner be affected or modified.

Mr. SCHALL. Mr. President, there are no words so powerful as "home and country." A flag is but a meaningless thing unless it be mentally associated with all it represents. Our flag means all there is of human freedom and human equality; it represents the highest degree of civilization to be found on earth; it has been the symbol of the most powerful, the most wealthy, and the most progressive Nation in the world. America, born in travail, baptized in the blood of patriots, reared in privation and hardship, mastering civil dissension, always breathing forth love of humanity, up to 1917 was the Hercules of the nations of the world. We played hard and fast for wealth, for social and political power, but we played with a shrewdness that seldom met defeat. The great mass of the people grew steadily more prosperous as the years passed by. We knew what poverty was; we had our hard times; but they were nothing as compared with the hard times that are here today because we tangled ourselves up in a European war, and then made the mistake of electing a personage of the same outfit that tangled us up in that war to get us out, and instead of getting us out has only got us in the deeper.

Before the election of 1932 we were well on our way to recovery. Industry had increased from 25 to 56 percent. The Democratic candidate for the Presidency said that it was because Wall Street wanted the Republicans to be elected. After his election our recovery still went on increasing. Farm products were up, wheat was over $1 a bushel. This same Democratic candidate for President, the President-elect, said that it was because the people had faith in him. He took office on the 4th of March and to be sure that his administration began with zero he closed all the banks in the country, 14,000 or 15,000 of them, as sound as a hound's tooth. Only a few hundred banks that needed closing. Did not have any war to work out his dictatorship upon as Wilson had, so he manufactured a war and called it a war on depression and immediately began his government of managed emergencies.

Twenty-five days after he had taken oath to uphold and defend the Constitution he crowded through the lower House a law that would have put a publisher in jail for 10 years for daring to publish anything that he did not O. K. Then came his attack on industry—over which he desired a dictatorship—and the N. I. R. A. was set up which, instead of "a chicken in every pot", placed a Blue Eagle in every window. It brought about the desired effect—it created chaos, and the rich grew richer and the poor poorer.

Combinations in restraint of trade flourished and grew while every little business man in the country was broken and kicked out. In the first year of this "national racketeer's association" alone it cost the consumers over $5,000,000,000 in increased prices. What the increase has amounted to since the first year I have not computed, but it would probably even be more than the first year.

In his further planned emergency he developed and put over the A. A. A. that the farmer might come under his complete control through chaotic conditions thus produced. So he plowed under his cotton and his corn and his wheat and he killed his pigs and his cattle and his sheep and his chickens, and today has the farmers on dole completely under his control. Thus, having shut down the banks and shut down industry and shut down upon the farmer, he now intends to shut down on the United States and take us into the League of Nations by way of the World Court, where a majority of foreign judges may clamp down on our traditions, our liberties, and aspirations of free men.

The Senator from California [Mr. JOHNSON] yesterday told us of the attitude and quoted the words of Presidents up to the time of Wilson. Not a President, beginning with the Father of his Country, to whom Senator JOHNSON referred as "forgotten men", but was opposed to our entangling ourselves in foreign alliances.

We elected a President for a second term because he "kept us out of war." Today in my office there are something over 1,500 telegrams from citizens of my State urging me to vote against our going into the World Court, which is only another way of saying going into the League of Nations and not one for. I take it that these wires are due directly to the tremendous influence of that great American, Father Coughlin. After the people voted to stay out of the war, within a month after Wilson's inauguration we were taken into the war.

It is of more than passing interest to note that attempts to involve the United States in European entanglements did not begin until the administration of Woodrow Wilson. Up to that time the United States was a debtor nation, although it was rapidly approaching the creditor stage, which was reached when Europe went to war with itself and was compelled to purchase almost all its needed materials from the United States.

England, France, and Italy realizing that they were about to be defeated by the Germans, set about creating in the United States propaganda bureaus for the purpose of drawing this country into the war on their side. These bureaus were set up in Washington and large cities of the country, and within a year they were flooding the country with arguments why the United States should enter the war on their side. The height of this propaganda was reached just before the second election of Mr. Wilson, and Mr. Wilson (very Rooseveltish) printed a campaign book and was reelected on the promise that he would keep us out of the war, but immediately yielding to the international bankers, he declared war on Germany and the United States for the first time in its history was plunged into European entanglements.

We know we won the war for England, France, and Italy, but we won more than that; we also won financial supremacy of the world. England, France, and Italy, knowing this, instead of disbanding their propaganda bureaus in the United States, turned them into League of Nations press agencies. Knowing they could not defeat us at arms, they decided on intrigue, because they were determined to wrest from the United States the financial supremacy which the war had given it. The average citizen knows considerable about this propaganda. He has been getting it for breakfast, lunch, and dinner. These press agencies coined the slogan, "Be broad—be internationalists." We have read, seen, and heard this slogan for more than 15 years, and now we hear it not only from the League of Nations press agents but right here in the Senate of the United States.

Woodrow Wilson, whose failing health had resulted in a changed mental state, was taken to Europe, feted, and dined. He was taken up on the mountain and shown the League of Nations, and, we are lead to believe, promised he would be made its first chairman if he would rope the United States into this European mess. They told him by being made chairman of the League he would in reality be "king of the world", and Wilson had illusions of grandeur. So they made Wilson the disciple of the League and sent him back to the United States to fool the people of this country into this European trap. The League is controlled by England through the fact that England has 8 votes to our 2, and should we enter this foreign body England would be placed in the same position toward the United States as she was when the United States was one of her colonies. In other words, without a war—which England could not possibly win—England was getting back her American Colonies. It was a clever trick and Wilson was led into the trap. We were following in the footsteps of Washington, but our President's heels were where the toes of Washington used to be.

Everyone knows what happened. Wilson came back to the United States and declared he was going to take the stump to defeat every Senator who would not agree to vote for these foreign entanglements. It is sad to relate what happened but it must be as a warning to those who would thoughtlessly abandon our traditions. Wilson's first speech was to be at Colorado Springs. He reached his destination. He began his tirade asking his hearers to defeat those Senators who would not vote to put the United States into the League of Nations. You remember what happened. In the midst of that speech he was struck dumb and had to be carried from the platform. This was his first and last speech for the League of Nations. And I believe that God still rules even though ambitious men may be beset with illusions of grandeur. The United States is not going to be destroyed from within or without and I believe it is because we have been an honest Nation giving of our store to all nations in need and offering a haven of refuge to those oppressed of other nations and I say in all seriousness and sincerity I think God is still greater than Mr. Roosevelt, and I firmly believe the spirit of God will be awakened in the breasts of enough Senators here today to defeat this international conniving to destroy the United States though it may honestly seem to those who have been misled, a good thing, but the Good Book tells us, "Beware of evil, appearing as a cunning fox, a roaring lion, or an angel of light."

We were implored by the same nations that now repudiate their debts to us and call us Uncle Shylock and Uncle Sham; they told us they were on their last legs, and asked us to come in and save them. They cried, "Help us, America, or we sink."

So we went into the war and spent $42,000,000,000, besides the twelve billion we loaned them. We raised 4,000,000 men, 2,000,000 of whom were shipped across the sea, and if it had not been for our boys that war never would have been won by the Allies. It was the Americans who won the war. That war was won because those boys who won it grew up here in a country where men can grow souls and where liberty, or some semblance of it, still remains, despite the ambitions of a dictator. For 3½ years that war had been going on and it was a stalemate. Troops of opposite sides would dig themselves in and there remain. Only now and then, when the Germans made an attack, would the war be on.

I was in Paris when Paris was moving out because the French thought there was no resisting the German Army that was steadily marching on toward Paris. The German Army had secured a great hill, had set its guns there, had cleared the road for miles ahead, and was coming on, five German divisions, headed by the Crown Prince, with the Prussian Guard as his escort, at the rate of 5 or 6 miles a day as steadily as clockwork. The French were retreating. German patrols were captured within 6 miles of Paris. Then Foch, thinking to avail himself of the man power that had come over from the United States, but having no idea that the soldiers in the American Army would make very good soldiers, picked up four regiments, the Fifth and Sixth Marines, and a couple of other regiments, loaded them into trucks, and forwarded them to the front to meet the German Army that was coming on and that no one thought could be stopped. There the American regiments were unloaded in the mud, and at break of morning 15,000 Americans met five German divisions and turned them back. The history of the world was changed. That action brought in its ultimate end victory for the Allies; it gave them the victory and gave them the spoils of the war. Yet today the nations of Europe who were our allies will not even pay the little debt which is owed the United States and the money for which was raised by the people of this country.

These American soldiers, raised in a free country, did not fear to die. The European soldier is a good soldier, but he cannot meet death without company; he has got to have the elbow of his companion next to him; he has got to hear the tread of the soldier behind him and to see the form of the other one in front in order to die; but the American soldier does not fear to die alone; and it was because of that that those five German divisions were stopped. Our boys met the enemy. They were green; they were raw; they were not soldiers in the sense perhaps that European countries know soldiers; but they were men who did not fear to die. They spread out 5, 10, 15, 20, 25 feet apart; and, taking, advantage of rock and tree or whatever cover was afforded, they made their stand; they fought and they died by the hundreds, but they turned back that horde. So victory came to the Allies because of 15,000 Americans, born in a country where liberty was their birthright, where they could discuss this question or that question with their neighbors, where they could read newspapers not censored, in which every question and every phase of every question was taken up. They had grown to be men; they had grown souls.

Oh, Mr. President, that is why God reared this country of the United States, so as to have a place where men could grow souls and give an example to the rest of the world how to grow and how to come near akin to God, Himself.

This country was made by the brave hearts that came across here in the early days when it took courage. Courage,

Senators, is an attribute of God. This country was built upon the teachings of Christ, so that men could be free; and from its beginning down to the time when Wilson took us into the World War, we never thought of entangling ourselves with the hatreds and ill feelings of Europe. Beginning with that period we have gone down steadily.

At the close of the World War we were perhaps the greatest creditor nation of the world; but, Mr. President, where virtue is, there vice will stain her spotless purity; where liberty reigns, there tyranny and sordid treason seek to undermine her throne and trail her fallen emblems in the dust. Foes within and foes without threaten; foreign jealousies, the corruption of our trusted servants, vice, social discord, are endangering the treasures of liberty's temple; but as surely as the sun rises will it shine upon millions and millions of her defenders, upon the same kind of boys who dared bare their breasts over there in a foreign country to win the World War for our Allies.

Senators, it is not in the shedding of blood that today's victory is to be won; it is by an understanding of what the United States is. Why should it have gone into the World War? It never should have been taken into the war. There was no need for our going into the war; but in we went, and the result has been catastrophe after catastrophe; and catastrophe is here today. We were taken into the war, and now the effort is made to tie us up with the dire results of that war.

We had sense enough, due to the brave men who served in the Senate at the time, some of whom are still here today, such as the Senator from California [Mr. JOHNSON] and the Senator from Idaho [Mr. BORAH], and the Senator from Oklahoma [Mr. GORE], and others, who are no longer here, such as Jim Reed, of Missouri, and Lodge, of Massachusetts, and Moses, of New Hampshire, to keep out of the League of Nations. They were God's instruments. They stood like Ajax defying the lightning, like Leonidas at the pass of Thermopylae, and headed off our being dragged into the League of Nations. And the fight that that old guard of our country's virtue has put up here in the last few days will still, I believe, be upheld by the hand of God.

Mr. President, why forsake the policies that have proved to be of great value and have made us the greatest Nation in the world? Talk about getting into the League of Nations, getting into the World Court, and increasing our foreign trade!

As you know, Mr. President, our foreign trade today amounts to only 2½ percent of our entire production, and in our palmiest days it never amounted to more than 5 percent. What will foreign trade bring us if we regain the 5 percent and lose the soul, the traditions, the ideals that God planted here in our country, so that we might hold aloft a beacon light to the rest of the world until other nations have grown to our understanding of what the Master taught, "Peace on earth and good will to men"?

In my opinion, Mr. President, the depression in this country could be ended within 60 days if we would live within our means; if we would make our own people make the goods and raise the food that we consume ourselves. Ninety-five percent of our normal production consumed at home would put us on the prosperous street immediately. We are dingling and dangling about going over to Europe and running the affairs of Europe. We ought to have been taught in the last war that European promises mean nothing, that entanglements over there mean nothing but trouble and travail to us.

Do you know that there are 37,000 foreign agents all known to the War Department Intelligence Bureau—37,000 foreign agents here to deprive us of our independence? They are paid by foreign money. They are here. They are all for our going into the World Court. They are all for our joining the League of Nations, where we would have 1 vote and Great Britain, 8. They are all here, 37,000 of them, and their special mission is to spread propaganda over this country to get us to reduce the tariffs. They want our markets.

Why, today, my friends, if an embargo were put on the blackstrap molasses that is being shipped in here, that makes our commercial alcohol, and, I fear, some of our other alcohol—if an embargo were put on that which would shut it out, it would be said, "Oh, but that would shut out the Astors and the Rockefellers and those fellows down there in Cuba! That would not be just right." If we shut them out, there would be no need of plowing under corn and plowing under other crops, because the farmer of this country could raise corn, and we would make our alcohol from it, and he could get a good price, at least a dollar a bushel, for his corn, and there would be no need of plowing under corn, killing pigs, and doing these other things that today have destroyed what market we did have.

Today coal is being shipped in from England, potatoes from Ireland, and just recently the tariff on sugar from Cuba has been reduced, and the tariff on potatoes, from 75 cents to 30 cents. Iron ingots are shipped in here from India, and we collect a duty at least six times less than England demands from this same India, which is a part of her own empire. The richest iron mines in the world in Minnesota are lying idle. Belgium agents are here today, right now, dickering with our State Department to put our glass and lace industries out of business. Only a short time ago I read in the paper 22,000 men were thrown out of employment of making glass in West Virginia, and still we give our President the absolute power, unconstitutional though it may be, to make treaties in his own right, and reduce our tariff 50 percent without asking even, if you please, from the representatives of the people. No wonder President Green, of the American Federation of Labor, says that there are a million more men out of employment today than when this administration started. Nearly 12,000,000 men out of employment, and we are continuing to buy our stuff in foreign markets. Why not put our own people to work raising the food and making the things we need and sell them to our own people? We could use today 97½ percent of our own production right here at home, but that would not earn the salary of the 37,000 foreign agents in this country.

Their business in Washington is to break down tariff barriers and force foreign goods made by cheap foreign labor into the markets of the United States. Every one of these alien-minded propagandists is openly advocating press censorship. The reason is not strange. The last two sessions of Congress voted secret tariff hearings and virtual dictatorship powers to Mr. Roosevelt. In the past these foreign emissaries were dependent for their success on the reaction they were able to develop on the people of the United States. But since we now have a complete dictatorship, it is no longer necessary to take the public into their confidence before securing decisions favorable to foreign countries. The only fly in the ointment for these foreign allies is the fact that the newspapers still have the freedom for criticizing un-American and unfair decisions. Hence the press censorship is a very necessary weapon.

It is impossible to list all the activities of these European and Asiatic agents who are attempting to destroy the United States by this form of intrigue. A few examples explain very simply their methods. The representatives of the French lace industry have about succeeded in closing all our lace factories so that lace made by French and Belgian peasants in sweatshops may flood this country. More than 50,000 persons dependent on this industry in the United States will shortly be unemployed.

A corps of highly paid secret agents is now employed by foreign molasses interests in holding open our ports to the entry of their blackstrap. If Mr. Roosevelt would stop the importation of this product, corn would sell at $1 per bushel, regardless of the amount we produce. In other words, the millions of barrels of industrial alcohol now made from blackstrap would be produced from corn. Another group representing foreign sugar interests has succeeded in blocking the production of sugar in the United States. The United States produces but 20 percent of the sugar it consumes; and were we to take our excess wheat land and plant it in sugar beets, we could retain $200,000,000 which we send each year to foreign countries for sugar and be further assured that there would be no overproduction of wheat.

While our farmers starve, another contingent of foreign manipulators is shipping millions of pounds of frozen and canned beef and pork into the United States. Incidentally, Mr. Roosevelt, who wants to "save" the farmers, has been purchasing the meat for the C. C. C. camps from the Argentine Republic. By the way, I understand the President wants to increase this C. C. C. camp to a million men. Three hundred thousand of them today are costing $100,000,000 more than the standing Army.

A legion of foreign agents is working night and day in Washington destroying our industry and our agriculture. We are importing cotton from British Egypt, gunny cloth from British India, blistered copper from Canada and Africa, while our copper mines remain idle—china, glassware, shoes, electric-light globes, and every other conceivable article of manufacture. Milk and cream come from Canada, canned tomatoes from Italy, green peas from Mexico, hides and cheese from Australia. Surely this army of 37,000 foreign agents needs the protection of a press censorship which they pretty well got; and if they can get us into the League of Nations by way of the World Court, they will have furthered their designs upon our liberties and our market.

We loaned $12,000,000,000 to some 12 or 15 countries over there. The money was gathered from the people of this country; bonds were sold them; the Government borrowed the people's money, agreeing to pay it back in 25 years with interest of from 3 and 3½ to 4 and 4½ percent, and I think in some cases as high as 5 percent, but the average was about 4 percent. This money was loaned to European countries. One billion three hundred million dollars was loaned to France after the armistice. Yet they tell us, "We cannot pay you a cent." Although France has loaned something like $17,000,000,000 since the war to other nations, yet she cannot pay the United States one penny.

Finland is the only honest nation that seems to exist over there. Yet we want to go in and entangle ourselves with that kind of folk. If we do, we are "suckers"; if we do, we have lost all the brains we ever had. Why go in over there? Let us take care of our affairs at home; let us build up our own markets; let us put an embargo on everything that is made in the United States and sell it to our own people; and to hell with Europe and the rest of the debt-canceling nations. Keep out of there; keep out of there. Why go in? Why go in and tangle us up more? We loaned Europe $15,000,000,000 privately.

Oh, we thought, we will get that back. Tell me the international bankers are not interested. They think if they can get us into the League of Nations along with the World Court by this trapdoor, they will get that back. Why are we going in? To cancel the public debts they owe us!

There is brewing today another war. That was affirmed by the distinguished leader of the majority in his statement in the newspapers when he came back from Europe last summer. This war, as we now know, and as the Senator from California [Mr. JOHNSON] said the other day, was brewing even when a certain foreign representative stood in the Senate and spoke to us, his pockets bulging with secret treaties, and yet he was begging us, for God's sake, to come and help them. And we helped them and won their victory. Out of that victory was constructed—because of the secret, selfish, stealing agreements entered into previous—and during the war—a hideous, leering monster of future wars—the Versailles Treaty. Out of that monster grew the League of Nations, and out of the League of Nations comes the World Court, part and parcel of it. Can the leopard change its spots? Can any good come out of this fraud, hypocrisy, deceit, lies, injustices, selfish promise-breaking, ungodlike conglomeration of hate and jealousies?

So we went in to make the world safe for democracy. We made it free for dictatorship and tyranny and bureaucracies all over the world, including the United States. We have 44 bureaucracies of our own and 13 commissions today. That makes 57 varieties of Heinz's pickles that we are in. [Laughter.]

Bureaucracies? We have 75 volumes of laws made by some dinky little clerk in some back room somewhere, 75 volumes of laws, and 5,000 laws on top of those 75 volumes of law, and yet our Constitution says that this is a country of law.

That is one of the reasons we should go into the World Court, to tangle the people up a little more, to go in and help the Rothschilds, the Rockefellers, the Deterdings of the Dutch Shell Oil, to create a greater chaos than we have today so that the dictatorship aimed at cannot be missed and will have the assurance and backing of that foreign element so well served. Yes, we should get in over there and help the big international bankers grind us down some more, destroy our standard of living, destroy us, and take away from us, regiment us, lockstep us into a poverty-stricken, humble, cringing manhood and womanhood such as exist in Europe. We should be "raised" to the high level of the peasantry of Europe.

Why did Europe bring about that war? They wanted to get rid of Germany, to get possession of the business of the world she had. They got rid of her, but today there is growing another nation that is taking the place of Germany. That is Japan. Japan is going into every market of the British Empire. She is coming in here. Everywhere there is a little crack open; like the roots of the trees, she digs in. They want us to join the World Court so we shall be a part of the League of Nations, so that we can loan the money to Russia perhaps to whip Japan or possibly to whip her ourselves, because they will not do so. That has been their method all down through history, to get somebody else to do their fighting, to get somebody else to furnish the money.

We loaned $12,000,000,000 to these nations of Europe. We gave it to them freely. We gave it to them when their backs were to the wall. We shipped our boys over there; and for every boy we shipped over there on English ships, we paid England $140 to $180, and this was to fight England's battles. We paid cash all the way through. It has been said on the floor of the Senate, though I do not recall who said it, that we made money out of the war in reference to France.

I am told on good authority that the exchange between France and the United States is something over $100,000,000 in France's favor, and that includes the war debt she still owes us. That is to say we furnished her goods for the amount of the debt, but we bought from her and paid cash for $100,000,000 more than her debt to us.

In addition to paying England these amounts by way of cash, we loaned her $4,715,000,000. Then after the war we got together and made a settlement. We threw off everything and gave them everything they wanted and finally accepted their proposition, which was to pay 3.7 percent over a period of 62 years and the principal would be forgiven. That was the contract we made.

We loaned France something over $5,000,000,000—I think it was $5,700,000,000—and we deducted from that over $1,000,000,000, although we had loaned her $1,000,000,000 after the armistice. That debt was finally settled at $4,400,000,000. That included a great amount of supplies we had sent over there. At the close of the war those supplies were in France, and we did not want to ship them back, so we sold them to France at 10 percent of the value and took her notes without interest.

It is a peculiar thing, and it only shows which way the wind is blowing, but it shows the understanding over there and how far we can go and how far we can trust that kind of folks. The agreement was that none of those goods should come back into this country, but should be kept in France and should be given to the French people. Hardly had we returned home when shiploads of shoes and clothes of all sorts from those supplies began to appear in this country. Congress hurriedly had to enact a law prohibiting such shipments coming into this country. That is how they keep their word.

The $4,400,000,000 debt of France was settled by our throwing off something over $1,700,000,000. That is what France wanted. They said they would pay 2.17 percent interest on that amount for a period of 62 years, and we said their debts would then be forgiven. Those payments were

very low at first, in order that they might be able to meet them. We wanted to place no burden upon anyone.

There was Belgium that owed us something less than half a billion dollars, and wet settled with her. She was to pay 2.1 percent. There was Italy, with a debt of $3,150,000,000, and we settled with her for an interest rate of 1.1 percent. The average percent for which we settled these foreign debts to be paid over a period of 62 years was about 2 percent, and still our Government was paying on the average of 4, or perhaps 4½ percent to the people of this country, and in 25 years the principal must be paid. It is costing us in interest alone nearly $800,000,000 a year.

No wonder we are in bad shape here. No wonder our Budget leaks. No wonder that somebody ought to stand up here and insist upon our rights. Why should the taxpayers of this country, burdened as they are, be cheated out of the payment of these legitimate debts? We gave our Allies 125,000 lives, and $42,000,000,000 was spent in their behalf. Why should not they pay the little debt remaining, made easy by the payment of a small rate of interest over a period of 62 years? Yet they default and say, "We will not pay it." They say, "We will get you fellows into the League of Nations or into the World Court, and we will wheedle you out of it all then."

That is why we are going into the World Court. That is the purpose today in getting us into the World Court, to rob us some more and to make us fight their battles. They are going to see to it that the hand is laid upon our shoulder to take care of Japan in the coming war. Japan must be throttled. She has to be floored, according to Europe, or the commerce of the world, the manufactures of the world, will be going to Japan. I notice in the morning paper Japan is making automobiles, and is making them in quantity production. She is going into the business for keeps. Therefore we have to go into the League and we have to go into the World Court and we have to loan money to Russia, or else fight the battle ourselves.

Oh, my friends, let us take to heart the experience of the war. That is why the 2,000,000 boys who went across the sea are opposed, to the last man, to our going into the World Court. They were over there, and they know. Those 15,000 boys in the troops going to the front were met by French troops and were told, "Go back. Go back. You are crazy. Sure death is ahead." But our boys went ahead and met and turned back a German army of five divisions. It was the beginning of the end. In 6 months our boys cleaned up and the war was won, because they grew up in a free country, God's country, a country reared upon the teachings of Christ.

Senators will all remember the story of the time of the advance, when the American salient was away out in front. The Allies on either side of the salient, driven into the heart of the enemy by their advance, were dismayed. The French commander tried to hold the Americans back. He called an American officer before him and "put him on the carpet." The American defended himself by saying, "How in hell do you expect me to hold them back when the whole German Army cannot hold them back?" [Laughter.]

That is the American soldier. That is the boy who is being pulled down by this administration. He is the fellow the administration jumped on first. It was a Democratic administration that conscripted him and put him in there in the first place.

When the squeeze came from the very war they put us into, the first thing the administration did was to cut their compensation, and now it refuses to give these boys $1.25 a day bonus. Each boy was to get $1.25 a day for the time spent over there. It does not make any difference whether we pay it now or pay it 10 years from now—we owe it. Why not pay it when it will do the thing we want done, right now? It would be far better than spending the money in the silly way we have been. But the administration said, "We will take it away from him now to balance the Budget." The sum of $400,000,000 was pulled out of the soldier in that way. They succeeded in pulling out $400,000,000, and yet they are paying something over $750,000,000 interest on the debt that our noble Allies have agreed to pay, and still will not pay. They cut the soldiers' compensation, deprived him of his bonus, and now shake hands with the nations that have defaulted in the payment of our money that would more than take care of these financial troubles. Yet we intend to go into the World Court, we intend to go into the League of Nations, to allow them to kick us around some more.

God help us that somewhere and somehow the thought may be in the hearts of men who will vote here today that they may know that their country is at stake and will stay out of these damnable international alliances that every President down to Wilson told us to keep out of.

The PRESIDING OFFICER (Mr. LOGAN in the chair). The time of the Senator from Minnesota on the resolution has expired. He has 15 minutes on the pending reservation.

Mr. SCHALL. Very well; I shall take my time on the pending reservation.

I was a delegate to the Republican convention of 1920. I had the great honor to be invited to second the nomination of the Senator from California [Mr. JOHNSON] for the Presidency. It is too bad that he could not have been prevailed upon to accept the Vice Presidency. It was offered to him. He could have had it just by saying "yes."

The Senator from Nebraska [Mr. NORRIS] has pending an amendment to the Constitution to do away with the electoral college. It should be passed. Our conventions meet on a strip of "no man's land" over which neither State nor Federal Government has any control. That is true of all Democratic conventions as well as of Republican conventions.

Our party nominees for President should be named by the voters. Had this been done, Senator JOHNSON would have been nominated and elected in 1920.

Any political convention that has a chance to elect a President attracts the foreign eye. I was told that at the 1920 convention there was enough foreign money present to pay off the German indemnity.

Since the war foreign countries have taken an extraordinary interest in the nominations of our Presidents in both Democratic and Republican Parties. Our present President up to the time that he took the Governor's chair in New York was a member of the board of directors of the International Bankers Association; and speaking of the governorship of New York, there was $80,000,000 in the state treasury when he came in, and when he left there was a deficit of $90,000,000. He is some spender.

I heard two Negroes quarreling in that convention of 1920. One of them had received $3,000 and the other one only $2,500, and the fellow who got $2,500 was sore. [Laughter.]

My friends, there is too much foreign influence here. It goes right into our political conventions, and through preconvention promises follows through to our country's detriment.

The defaulters and their appointees constitute the main and controlling body of this Permanent Court of International Justice to which, by our ratification, we are to subject our future international destiny. When we vote to ratify this League protocol, we vote that future questions of international justice involving the United States shall be settled in this Court of defaulters—and we bind ourselves in advance to abide by their adjudications.

We vote to submit our international questions to the adjudication of a European cartel, or conspiracy, that already has robbed us of $12,000,000,000.

If the League signatories are false to the extent that they default on their bonds, of what value are their treaties and their protocols? Are their protocols worth more than their bonds? What permanent justice can we hope to receive from those who have swindled us out of $12,000,000,000? Having had that many billion dollars' worth of experience, how much more do we want?

Shall we authorize this crime by ratifying the League protocol? Shall we shake hands across the sea so far as concerns the past war and war debts, and proceed to lay the foundation for another European war bund that may destroy civilization—except that remnant of it that is represented in war profits and war lords?

Finally I have just one question to ask of each individual Senator before he records his vote on this resolution to ratify the League's protocol. Have you any doubt that if the people of your State had the casting vote from your seat, they would overwhelmingly vote "no"? Is there any question that if this protocol were submitted to the people of the United States in the form of a referendum, they would vote "no" by a majority of perhaps 10 to 1?

Have we government by the people at this hour or government by Europe and the international bankers?

Mr. AUSTIN. I suggest the absence of a quorum.

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

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

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lewis	Robinson
Bailey	Cutting	Logan	Russell
Bankhead	Davis	Lonergan	Schall
Barbour	Dickinson	Long	Schwellenbach
Barkley	Dieterich	McCarran	Sheppard
Bilbo	Donahey	McGill	Shipstead
Black	Duffy	McNary	Smith
Bone	Fletcher	Maloney	Steiwer
Borah	Frazier	Metcalf	Thomas, Okla.
Brown	Gerry	Minton	Thomas, Utah
Bulkley	Glass	Moore	Townsend
Bulow	Gore	Murphy	Trammell
Burke	Guffey	Murray	Truman
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hastings	Norris	Wagner
Caraway	Hatch	Nye	Walsh
Carey	Hayden	O'Mahoney	Wheeler
Clark	Johnson	Pittman	White

Mr. LEWIS. I rise to reannounce the absence of certain Senators, and give the reasons therefor announced by me on the previous roll call.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present. The question is on the reservation of the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, this afternoon my friend the junior Senator from Kentucky [Mr. LOGAN] spoke about the Bolivian-Paraguayan War. I am sorry he is not in the Chamber at this time. I will ask to have a telephone message sent to him asking him to come here.

The Senator from Kentucky, with some participation from the Senator from Arkansas [Mr. ROBINSON], has just fallen into error relative to what caused the war between Bolivia and the Republic of Paraguay. Some of my statements relative to the matter have been challenged by the Senator.

On yesterday the Senator from Kentucky said that the award made by President Rutherford B. Hayes did not bind Bolivia. The Senator from Arkansas observed that his understanding was that the League of Nations had expressly excluded from the controversy that part of the territory in the Chaco that had been awarded to Paraguay.

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

Mr. LONG. I yield.

Mr. ROBINSON. I think the Senator from Kentucky [Mr. LOGAN] was entirely correct when he said that an arbitration between Argentina and Paraguay did not bind Bolivia. It is also true that the League of Nations, being one of a great number of agencies that have tried to compose the controversy, issued a map expressly showing that the territory comprehended in the Hayes award should be excluded from any arbitration between Bolivia and Paraguay. The map issued by the Chaco Commission—a commission appointed by the League of Nations—showed that the purpose was to exclude from arbitration the territory awarded by President Hayes. I do not know whether or not the Senator from Louisiana has seen the map.

Mr. LONG. I have never seen the map.

Mr. ROBINSON. The map which I now exhibit to the Senator is one which was submitted with the report of the Commission. It shows the Hayes zone excluded from arbitration. It shows the zone occupied by Paraguayan police, and another zone occupied by Bolivian police.

In the Senator's time, if he will permit me, I will say that since the Paraguay-Bolivian controversy has not been referred to the Permanent Court of International Justice, and as the Court cannot take jurisdiction of it unless the respective countries shall so refer it, I am utterly at a loss to understand how this controversy can be settled by the Senate, especially while considering the resolution of adherence to the World Court protocols.

Mr. LONG. Mr. President, I take it, then, that the League of Nations are as much confused as the Senator's statement would indicate. They do not know whether or not they are going in there to annul the Hayes award. There is a map issued by them in which they say that the part included in the Hayes award is not to be affected.

Mr. ROBINSON rose.

Mr. LONG. Let me say, before I yield further, that this was was not started by the Bolivian Government as such. This war was precipitated by the flotation in the United States of a loan in the sum of $68,000,000. After this loan of $68,000,000 had been floated in the United States there was an inquiry before a committee of the Senate in which the senior Senator from California [Mr. JOHNSON] developed that $5,000,000 of that $68,000,000 had been loaned expressly for the purpose of paying Vickers & Co. for war materials that had been furnished to Bolivia.

It developed that, while they were not floating these loans in the United States for the purpose of buying war materials, they did float loans to pay the Bolivian Government's creditors for whatever war materials had been previously purchased. In other words, all the provisions of international law that prohibited the Department of State of the United States of America from floating loans in the United States in order to encourage war were violated by the State Department here in Washington, if we simply regard that floating them in order to give the Government's money to pay for war materials is the same thing as floating them for the purpose of buying war materials. That was brought out.

They started this war after the Standard Oil influences had palmed off upon the people of the United States $68,000,000 of bonds, which are now in default—bonds that will never be paid, the interest on which probably never will be paid—after they had put all over the United States bonds that are no longer good for anything but wall paper. Then comes a pronouncement from the President of Bolivia.

What was that pronouncement? He went before the Bolivian Congress and said, "We have found immense quantities of oil here in Bolivian soil." Let us admit that it is on Bolivian soil. Right now I will not argue that. He said, "We have found quantities of oil on Bolivian soil, but", he said, "it is impossible to get this oil to the deep water. The only way that we can reach the deep water is to go either through Argentina or through Paraguay, and", said he "we cannot go through Argentina."

Everybody knows why they could not go through Argentina. It was too large a country for them to try to go through. "But", said he, "we can reach the deep water by going south, not to the Pilcomayo, but by going south to the River Paraguay", which the Hayes award, Mr. President, shut them out of, lock, stock, and barrel; where they had no right to go. The war was declared by reason of the message delivered to the Bolivian Congress by the President of the Republic of Bolivia that they had to have a right-of-way through the territory down to the Paraguay River. Why? The River Paraguay is about 15 feet of water, whereas the Pilcomayo might run anywhere from 5 to 9 feet. That is the reason they had to go into the Hayes zone rather than to exclude it.

My friend from Kentucky [Mr. LOGAN] has been reading, no doubt, some of the Sunday-school lessons that I used to read—Standard Oil boiler-plate lessons.

Mr. President, the good people of this country need someone to protect them who has had some barroom experience. It has gotten to be a positive fact that until some man with barroom experience protects these Sunday-school classes they will find themselves marching under the standards of the Power Trust and the Standard Oil Co. for the balance of their lives. They have got to get outside help.

The Rockefeller interests have subsidized every theological seminary in the United States today. There is hardly a theological seminary to be found in the United States of America which is not directly or indirectly receiving money from one of these Rockefeller foundations or agents. There has never been a doubt that everything put out by John D. Rockefeller, John D. Rockefeller, Jr., the Standard Oil Co., the Rockefeller Foundation, or any other kind of Standard Oil ointment, has brought back to their coffers in return for those kinds of alms 15 to 1,500 times what they have ever given out.

One of their agents came to me down in Louisiana a number of years ago and said, "Governor LONG, we think we can get the Rockefeller Foundation to give the Louisiana State University some money." I said, "That is very fine, but you just tell them to keep it. They are going to give it without their having to send it to me. I will have some other way of doing that." And every time any little old conflict comes up you will find that the Power Trust or the Standard Oil Co. or these various and sundry foundations, with the announced purposes of promoting peace and promoting public good, have been haltering the American people and taking them from 1,000 to 2,000 to 3,000 miles away to break the necks and to cut the throats of the American people and to drink their blood to fatten themselves on it. So now they come here with this World Court.

My friend from Kentucky this morning said that he would not say that all the officers of the Standard Oil Co. are crooks. I do not say so either. But I want to tell you, unless they are careful they are getting close to it. [Laughter.] I do not say they are all crooks; no. He said he would not say that all the laboring people that work for them are crooks. Well, I would not say so, either, but unless they watch they are getting closer to it by working for Standard Oil Co. if that company can make them so.

Senators heard about this citizens' army in Louisiana that surrendered the other day, Mr. President. It was said that there was an army of outraged citizens of about 50 who were captured down there. I send to the desk the names of 34 of them, all employees of the Standard Oil Co., that they had armed with shotguns down there defying the law.

I send a list of the names to the desk and ask to have the clerk read the list.

The PRESIDING OFFICER. The list will be read.

The Chief Clerk read as follows:

H. Lee, M. P. Payne, D. E. Kirk, E. G. Crochet, Grady A. Turner, Edward J. Crochet, Julius Brown, E. L. Dickson, W. H. Mercer, A. F. H. Cavell, J. T. Wilson, Thomas O. Day, A. J. Costell, W. E. Foil, L. E. Jones, Jack M. Beechem, Louis Kelley, H. J. Ferguson, H. D. Pritchard, T. H. St. Amant, Jerry Price, Lee Pritchard, John W. Perkins, T. B. Landry, C. H. Amacker, A. S. Lebeau, J. B. Barman, Allen Fairbanks, E. R. Graham, E. B. Herron, E. E. Lear, A. P. Babin, and C. V. Fridge.

Mr. LONG. That, Mr. President, is done just in order that my friend from Kentucky [Mr. LOGAN], and others who feel like he does, may know that the employees of this corporation are gun-won whenever necessary for the aggression and aggrandizement of the Standard Oil Co., and they cannot help themselves.

With regard to the political influence of the Standard Oil Co., I read from an article that has come to me from a source which I believe to be absolutely reliable, from the best information that I have been able to get:

The political influence of the Standard Oil Co. in Bolivia is decisive, for we find that the economical life of the nation is practically in their hands; they have control of the stock of the central bank—

No one can borrow money there except he borrows it from a bank of which the Standard Oil Co. owns a majority of the stock. Almost as bad as the United States in that regard—

they have control of the stock of the central bank, and the most weighty politicians are their lawyers and employees, such as Senor Casto Rojas, actual Minister to Buenos Aires; Carlos Calvo, ex-Minister of Foreign Relations, and the present Minister to Rio Janeiro.

Lawyer for the Standard Oil Co. sent to Bolivia as the Minister to Brazil—lawyer for the Standard Oil Co.

The ex-President Baustista Saavedra and the Dictator Siles were also retained by the Standard Oil; also the Dr. Daniel Sanchez Bustamente (recently deceased), of enormous influence in the international policy of Bolivia.

As is known, Bolivia does not need nor will she need a port on the banks of the Paraguay River.

For this reason the Lieutenant (Bolivian) Reynold, who fell in Boqueron, wrote in his diary of the war—

This soldier who fell on the battlefield, there was found in his diary—

Bolivia is being bled in the Chaco for the interests of a very rich dame, the Standard Oil Co.

That was in the diary found on the person of one of those who fell in the Bolivian Army.

Mr. President, I do not wish to prevent a vote. I am ready for a vote on this question.

The PRESIDING OFFICER. The time of the Senator from Louisiana on the reservation has expired.

The question is on the adoption of the reservation offered by the Senator from Louisiana.

Mr. THOMAS of Utah. Mr. President, I feel that a word should be said about this reservation in all seriousness. It provides:

That the adherence to the World Court by the United States is upon the express condition that awards which may have been made by the President and other officers of the United States under due authority of the United States or as mediators or conciliators shall in no manner be affected or modified.

If we should adopt a reservation of this type, we would, of course, be doing that which could not be done in any government wherever law and order prevail. The reservation is so broad in its nature as to suggest that actually we try to put an inhibition upon a court in regard to past decisions which that very court has made. That is the spirit of this reservation. Of course, the reservation has no place here, and I think it is apparent to all that not much more than that need to be said in regard to it.

Mr. ROBINSON. Mr. President, I support the position taken by the Senator from Utah [Mr. THOMAS]. The effort in the reservation is to prevent any readjustment of any question that has been submitted to arbitration, and I do not think the Senate wishes to put itself in the attitude that, in going into a court, if it should be found necessary to revise an award the court should not be permitted to exercise jurisdiction. I am ready for the vote.

The PRESIDING OFFICER. The question is on agreeing to the reservation offered by the Senator from Louisiana [Mr. LONG].

The reservation was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the resolution of adherence.

Mr. THOMAS of Utah. Mr. President, I suggest that we next consider the reservation offered by the Senator from California [Mr. JOHNSON], as follows:

Resolved further, as a part of this act of ratification, That the United States approve the protocol and statute hereinabove mentioned with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute.

Mr. THOMAS of Utah. Mr. President, I should like to speak on this reservation.

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

Mr. THOMAS of Utah. I yield.

Mr. JOHNSON. Does the Senator offer that reservation?

Mr. THOMAS of Utah. Does the Senator from California offer it?

Mr. JOHNSON. No.

The PRESIDING OFFICER. The Chair will state that the reservation is not as yet before the Senate and will not be until it is offered by some Member of the Senate.

Mr. THOMAS of Utah. Then I wish to offer it as a reservation for immediate consideration.

Mr. JOHNSON. It is the Senator's right to offer it. I do not offer it. It is his right to offer it, or the right of any Senator on the other side to offer it, but let it be understood whence it comes, and that I do not now offer it.

Mr. LONG. Mr. President——

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

Mr. LONG. May I propound an inquiry to the Senator from California?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana for that purpose?

Mr. THOMAS of Utah. I yield.

Mr. LONG. As I understand, this is a little backwater by the administration.

The PRESIDING OFFICER. The reservation offered by the Senator from Utah [Mr. THOMAS] will be read.

The Chief Clerk read as follows:

Resolved further, as a part of this act of ratification, That the United States approve the protocol and statute hereinabove mentioned with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any oher state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah [Mr. THOMAS].

Mr. THOMAS of Utah. Mr. President, I offer this as a resolution to be added to the resolution of adherence, and to be added also to the reservation offered by the Senator from Michigan [Mr. VANDENBERG]. In 1926, when the five reservations, which have been here discussed many times, were attached to the protocol of adhesion, there were attached to those reservations two resolutions. One was the resolution which we have already accepted which has been offered now by the Senator from Michigan. The other was the resolution which I am now suggesting, which was presented to the Senate by the Senator from California [Mr. JOHNSON].

Those Senators who listened to the reasoning which I used in my discussion of the World Court will remember that I made the point that the Senate of the United States had already decided to adhere to the International Court of Justice with five reservations, and that those reservations were all accepted by the other nations with the exception of a portion of the fifth reservation.

It was also pointed out at that time that the pending resolutions to the reservation were adopted at the same time the reservations were adopted and that those resolutions were not replied to by the signatory states; that those resolutions were not noted by the signatory states; that those resolutions, in fact, should not have been noted by the signatory states, for they were resolutions dealing entirely with our own policy, entirely with our own method of procedure in regard to submitting cases to the Court.

Therefore the other day when the reservation suggested by the Senator from Nebraska [Mr. NORRIS] was under consideration, I did not support it. That reservation carried with it not entirely the same words contained in the pending reservation, but much of the same theory; that is, that the Senate of the United States should maintain and should keep its treaty-making power and should be concerned with those matters that have to do with entering into agreements with foreign countries.

In theory the pending reservation in actual governmental theory probably is not so sound as it might be, but not to present the reservation at this time would be inconsistent with the stand the United States has previously taken; it would be inconsistent with the stand the Senate of the United States has heretofore taken. We decided to adhere in a certain way. It is in that way that I should like to continue to adhere. We decided to adhere in accordance with the spirit of two resolutions, and I suggest now that it is right for us to reincorporate the spirit of those two resolutions, and to reincorporate them in the very words in which we used them previously if it will make for a better understanding. We are merely doing that which we decided to do in 1926.

Mr. BORAH. Mr. President——

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

Mr. THOMAS of Utah. I yield.

Mr. BORAH. What effect, if adopted, will this resolution have upon the advisory jurisdiction of the Court?

Mr. THOMAS of Utah. This reservation, if I may answer the Senator, as I view it, will have no effect at all upon the advisory jurisdiction of the Court.

Mr. BORAH. The reservation does not in any way modify or change the full exercise of the advisory jurisdiction of the Court?

Mr. THOMAS of Utah. No, sir; in no way at all would it have that effect, as I understand. I do not think that it had that effect in 1926, and I do not think that it will today have that effect.

Mr. BORAH. I quite agree with the Senator.

Mr. THOMAS of Utah. Mr. President, I believe that we shall face the nations of the world in a more consistent way if we show them that we are willing to stand by the resolutions which we have adopted in the past; and I wish to repeat that in standing by the resolutions which we have previously adopted we are merely standing by our own action.

Every man knows that under our scheme of government the President of the United States might lead us far toward war, and we might have to enter into war. Under the scheme of negotiating for peace, the President should not be limited in any degree but, Mr. President, when the question is a vital one and since we have already decided to meet this question in this way, I think it is but proper to offer this resolution and to have it incorporated as a part of our action if we shall adhere to the World Court.

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

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

Mr. THOMAS of Utah. Certainly.

Mr. LONG. Did not the President say that he was opposed to this resolution?

Mr. ROBINSON. No.

Mr. THOMAS of Utah. I know nothing about what the President has said, but I do not think that he would say that he was opposed to this resolution for the simple reason that it was a part of the negotiation and a part of the action of the Senate of the United States in 1926.

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

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

Mr. THOMAS of Utah. Certainly.

Mr. BORAH. The Senator is going back to 1926 and proposes to adhere to the program of 1926 for the sake of consistency. What objection would the Senator have to recurring to the amendment offered by the Senator from Pennsylvania [Mr. DAVIS] yesterday, which proposed a reservation identical with the reservation of 1926, which would not permit action by the Court without the consent of the United States—not only over its objection but without its consent?

Mr. THOMAS of Utah. I assume, Mr. President, the action taken yesterday in the changing of the words "without the consent" to "over the objection" was a forward-looking action and not a backward-looking action at all; that it will make for better international relations and for better understanding between nations, and actually perfected the reservations as they were adopted in 1926.

The PRESIDING OFFICER. The question is on agreeing to the reservation offered by the Senator from Utah [Mr. THOMAS].

Mr. ROBINSON. Mr. President, I have no objection to the reservation proposed by the Senator from Utah [Mr. THOMAS]. As stated by him, it is in form identical with the resolution adopted by the Senate in 1926. There is this distinction between the proposal on which we voted a few days ago, submitted by my friend the Senator from Nebraska [Mr. NORRIS], and the pending reservation. That proposal required a two-thirds vote of the Senate in every case where a question was to be referred to the World Court. For instance, there might be numerous cases of a given class and not one of them could be submitted to the

Court except by resolution of the Senate approved by a two-thirds vote, thus making, as I see it, the process cumbersome. The pending proposal is that, while a two-thirds vote of the Senate shall be required to submit cases to the Court, that end may be accomplished by either general or special treaties; so, if the Senate shall choose to do so, it may repeat its action in connection with international arbitration at the Permanent Court of Arbitration at The Hague; it may provide, through treaties, for the consideration by the Court of cases without the necessity of coming to the Senate in every instance in which a case is to be referred to the Court.

The question was asked a moment ago by the Senator from Louisiana [Mr. LONG] if the President had not stated himself as opposed to this proposition. It is not my understanding that such is the case. The President did oppose, and so announced, an arrangement by which the Senate could in every case proposed to be referred to the Permanent Court of International Justice interpose its objection, not by a majority but by a vote of one-third of the Senators plus one.

This arrangement is acceptable to the President. It will permit the President and the Senate to effect ratification of a treaty by which cases may be referred to the Court without a separate and special vote in the Senate on every occasion when it is proposed to refer a matter to the Permanent Court of International Justice.

Mr. JOHNSON. Mr. President, it may aid us a little to get before us exactly the sequence of events in reference to this reservation and the one that was presented by the distinguished Senator from Nebraska [Mr. NORRIS]. When the World Court protocols were before the Foreign Relations Committee, two resolutions were presented to that committee for action, one by the Senator from Michigan [Mr. VANDENBERG] and one by myself, both of which embraced the two resolutions that were attached to the accession to the Court of 1926. The roll was called in the Foreign Relations Committee upon both those resolutions, and the vote, as I recall it—and if I am in error I hope I may be corrected—upon that of the Senator from Michigan was 9 to 11, and the vote upon the resolution which I presented was 12 to 9, the vote in both instances being against the resolutions. Both were defeated by the Foreign Relations Committee. When the matter came into the Senate, I had proposed a series of reservations, embracing this and many others which are here upon the table, and the Senator from Michigan presented his reservation which had been defeated in the Foreign Relations Committee.

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

Mr. JOHNSON. I yield.

Mr. ROBINSON. I will ask the Senator from California if it is not true that the ground stated in the committee on behalf of those who opposed the reservation was that there was no necessity for the reservation?

Mr. JOHNSON. As to the Vandenberg reservation, I think the Senator is correct. As to my reservation, the Senator from Arkansas said distinctly, as I recall, that under no circumstances could he permit that to be adopted.

Mr. ROBINSON. Oh, no.

Mr. JOHNSON. I am correct in that, am I not?

Mr. ROBINSON. The Senator is mistaken about it. I did say that I did not favor it and I did ask the committee to reject the reservation.

Mr. JOHNSON. But it was not upon the ground——

Mr. ROBINSON. The most that the Senator from California is attempting to say now is I was against the reservation in the committee and he was for it then.

Mr. JOHNSON. Yes; that is true.

Mr. ROBINSON. And that he is against the reservation in the Senate and I am now for it.

Mr. JOHNSON. Yes; and let us ascertain the reason for the changes.

Mr. President, I have occupied a single attitude respecting the so-called "World Court" from the beginning to the end. I have avowed it upon the floor of the Senate, I have avowed it upon the hustings, and I have avowed it in every article I ever wrote. I am against the Court with or without reservations, and I never have deviated from that course in the slightest degree. It was remarked upon by the Senator from Arkansas in discussing the Norris reservation recently.

Mr. LEWIS. Mr. President——

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

Mr. JOHNSON. I yield to the Senator.

Mr. LEWIS. The able Senator from California was recounting the amendments or reservations proposed before the Committee on Foreign Relations of the Senate. May I not recall to his mind that at the same time there was a reservation or proviso tendered by myself which sought to announce and intend that under no circumstances should either the matter of the Monroe Doctrine as an American policy or the matter of the immigration from European or Asiatic countries be in any wise taken into jurisdiction by the Court, and that also was defeated before the Foreign Relations Committee?

Mr. JOHNSON. Quite so; but when the Senator from Arkansas says he was against this reservation before the Foreign Relations Committee and is for it now, and that I was for it then and against it now——

Mr. ROBINSON. I say I make no objection to it now for the reasons I have stated.

Mr. JOHNSON. Is there any difference between that and the statement that the Senator is for it now?

Mr. ROBINSON. I think not any material difference. [Laughter.]

Mr. JOHNSON. Then we are agreed.

Mr. ROBINSON. Yes. The Senator was for it then and is against it now.

Mr. JOHNSON. I was for it then as a reservation to be annexed to this particular document, never concealing for a quarter of a second from any man—I do not care who he is—that it was my purpose in every way that I knew how to fight this particular entry into this particular pernicious contraption from abroad. I never have altered in any way, in any form, or in any manner that attitude in any degree.

Let us follow this out a moment. The other day there came before the Senate the reservation of the Senator from Nebraska [Mr. NORRIS]. That reservation was presented by him. It is in effect a reservation similar to the reservation which has been presented here today which originally I had printed. My reservation was printed with others first. His came subsequently, but he took up his first, as was appropriate, and presented it.

It was then stated upon the floor of the Senate in so many words, and it was stated to the press of the Nation that the President of the United States said that such a reservation was unconstitutional, that it invaded his prerogatives, and it was asserted here as well, although I do not know that that was a fact at all, that it was considered by him an offensive procedure.

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

Mr. JOHNSON. I yield.

Mr. ROBINSON. The Senator will recall that I stated in my remarks on the Norris reservation that there are two limitations on the President's power to refer cases to arbitration to this Court, namely, first, if an appropriation is required, and, second, if a treaty is essential to effecting the settlement.

Mr. JOHNSON. What difference does that make? That does not alter the purport of what I have said at all. I have said that the President opposed the reservation because he asserted that it was unconstitutional and an invasion of his Presidential prerogatives. There was no question between us upon that, because that statement was made to the press of the Nation and made so all the country knew exactly what it was.

All right! The Norris reservation came before this body. Those of us who wanted to attach something that might give a modicum of safety to this thing we are trying to adopt today, those of us who thus hoped we might do a little to lessen the peril with which our country was faced, voted

for the Norris reservation, just as I would vote for a reservation which would be presented here, as I would vote for amendments that might be offered to a bill, that would lessen, in my opinion, even in slight degree its wrong or viciousness, just as the Senator has done and just as all of us have done time and time again.

But the fact remains that if the Norris reservation had all the earmarks of wrong, all the things that were asserted it had, then this reservation has just those things, too, and the fact that a change has come about on the other side is apparent. I leave to Senators to guess the reasons. I do not need to tell them.

I have not any hesitancy in saying that it is designed to do this thing by some kind of strategy, by some sort of legerdemain, by some sort of changing this and altering that which has been expressed heretofore in this body. Unless something of that sort is done which will inveigle men and cause them to change their votes, men who have voted their convictions, America will be saved from going into this World Court. The reason for this particular reservation is for the purpose of enabling someone to change his vote or someone to be befooled into changing his vote.

Again I call to the attention of the Senate the vehemence with which my friend from Arkansas denounced the Norris reservation the other day and how he presented his reasons why that reservation should not be adopted. Today the Senator from Utah [Mr. THOMAS], whom we all regard with great respect, who sits now next to the Senator from Arkansas, offers a reservation of similar character. Who is going to be fooled by this sort of stuff at this time? Nobody is fooled by it in the slightest degree. Its purpose and its design are to avert defeat because of what is now threatening the accession of the United States to the World Court. Will anyone be fooled? That is the point. I do not propose to be fooled by the presentation of this reservation in order that a recalcitrant vote may be brought back into the fold. I do not propose that a reservation which was originally written in good faith in an endeavor in some respects to lessen the wrong and to minimize the perils that might be attached to this particular matter, shall be utilized here by those who do not like it and who hate it and who are against it in order to avert the defeat they so richly deserve upon this proposition.

Mr. THOMAS of Utah. Mr. President, I wish——

The PRESIDENT pro tempore. The Senator from Utah will suspend. Under the unanimous consent agreement a Senator may speak but once on a pending reservation, and the Senator from Utah has spoken on the pending reservation.

Mr. BORAH. Mr. President, I wish to suggest an amendment for the consideration of the Senator from Utah [Mr. THOMAS]. In line 3 of the reservation submitted by the Senator from Utah, after the word "mentioned", insert "upon the condition and with the clear", so that it would read:

> That the United States approve the protocol and statute hereinabove mentioned upon the condition and with the clear understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can—

And there I would insert the word "not", and after the word "had" I would insert the words "until and", so it would read:

> cannot be had until and only by agreement thereto through general or special treaties concluded between the parties in dispute.

The reservation would read then:

> *Resolved further*, as a part of this act of ratification, That the United States approve the protocol and statute hereinabove mentioned upon the condition and with the clear understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states cannot be had until and only by agreement thereto through general or special treaties concluded between the parties in dispute.

Mr. THOMAS of Utah. Mr. President, I should like to speak upon the amendment of the Senator from Idaho.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I thought the Senator would accept my amendment.

The PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. THOMAS of Utah. Mr. President, I cannot accept the amendment of the Senator from Idaho for the very simple reason that the sum total of all the logic to which I have attempted to give expression here was that I offered this reservation because it was word for word in keeping with the resolution which had already been adopted by the Senate.

There was nothing subtle about it at all. It seemed to me a plain, consistent, and logical thing to do. To imply that there was something subtle makes it necessary to call attention to the fact that the Senator from Michigan [Mr. VANDENBERG] offered in exactly the same spirit a resolution which had also been adopted, and the Senate, by unanimous agreement, I think, accepted that resolution as it had been adopted previously by the Senate of the United States.

It would be absolutely inconsistent, just as inconsistent as it was the other day for us to have voted for the Norris resolution when we had this resolution before us, a resolution which had already been accepted word for word.

I should like to say further that that is the only thing behind the logic. I wish I might be as subtle as the great Senator from California suggests, but he happens to have selected the wrong person for his characterization.

Mr. BORAH. Mr. President, I offered this amendment in the interest of clarity. It does not, in my judgment, change the substance of the reservation, but it does make perfectly clear what we are undertaking to do.

May I ask the Senator from Utah in what respect does it change the substance of his reservation?

Mr. THOMAS of Utah. It changes the words of the amendment; that is all.

Mr. BORAH. I ask the Senator in what respect does it change the substance of the amendment?

Mr. ROBINSON. May I ask the Senator from Idaho a question? In what respect does it improve the reservation?

Mr. BORAH. In the interest of clarity, and nothing more. I want it perfectly clear, as I understand the Senator wants it perfectly clear, that a matter may not be submitted to the World Court until the Senate of the United States shall have passed upon the question of submission.

Mr. ROBINSON. Is it not perfectly clear in the language that is employed? Does the Senator propose language to make it any clearer? The language is:

> That the United States approve the protocol and statute hereinabove mentioned with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general and special treaties concluded between the parties in dispute.

There is no ambiguity. The most visionary mind cannot suggest an ambiguity in the language employed there.

Mr. BORAH. Mr. President, in my opinion, when we say "that the United States approve the protocol and statute hereinabove mentioned upon the condition and with the clear understanding", what we desire to accomplish is much clearer than when we simply say "with the understanding." Who knows who is going to interpret the understanding, and what is the understanding?

Mr. President, I do not desire to continue the argument upon this particular amendment; but I ask for a vote upon it, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Idaho [Mr. BORAH] to the reservation of the Senator from Utah [Mr. THOMAS]. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. COPELAND], and withhold my vote. If the Senator from New York were present, my understanding is that

he would vote "nay", and if I were at liberty to vote I should vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the necessary absence of my colleague [Mr. GIBSON]. He has a pair with the Senator from California [Mr. MCADOO]. I do not know how either Senator would vote on this question.

Mr. LEWIS. I desire to announce that the Senator from Louisiana [Mr. OVERTON] is detained from the Senate by illness.

The Senator from New York [Mr. COPELAND], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained.

The Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. MCADOO], and the Senator-elect from Tennessee [Mr. MCKELLAR] are absent on official business, on a mission to the Philippine Islands.

The result was announced—yeas 40, nays 44, as follows:

YEAS—40

Austin	Dickinson	McCarran	Schall
Barbour	Donahey	McGill	Shipstead
Bone	Frazier	McNary	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Capper	Gore	Murphy	Townsend
Caraway	Hale	Murray	Trammell
Carey	Johnson	Norbeck	Vandenberg
Couzens	Keyes	Norris	Walsh
Cutting	La Follette	Nye	Wheeler
Davis	Long	Russell	White

NAYS—44

Adams	Burke	Guffey	O'Mahoney
Ashurst	Byrd	Harrison	Pittman
Bachman	Byrnes	Hatch	Pope
Bailey	Clark	Hayden	Radcliffe
Bankhead	Connally	King	Robinson
Barkley	Coolidge	Logan	Schwellenbach
Bilbo	Costigan	Lonergan	Sheppard
Black	Dieterich	Maloney	Smith
Brown	Duffy	Minton	Thomas, Utah
Bulkley	Fletcher	Moore	Truman
Bulow	Glass	Neely	Wagner

NOT VOTING—10

Copeland	Hastings	Overton	Van Nuys
George	Lewis	Reynolds	
Gibson	McAdoo	Tydings	

So Mr. BORAH'S amendment to the reservation of Mr. THOMAS of Utah was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the reservation of the Senator from Utah [Mr. THOMAS].

Mr. NORRIS. Mr. President, I offer an amendment to the pending reservation. On line 7, I propose to strike out the words "general or", so that, if amended, the reservation will read:

Only by agreement thereto through special treaties concluded between the parties in dispute.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the reservation of the Senator from Utah [Mr. THOMAS].

Mr. NORRIS. Mr. President, I desire first to discuss, just briefly, the reference which has been made to the reservation I offered the other day, and which was defeated, which was practically the same as this one.

One of the objections made to the reservation I offered was that it required the submission of a question to the Court to be approved by a two-thirds vote of the Senate. If we should agree to this reservation we should have to approve the treaty by a two-thirds vote of the Senate. So far as the voting of the Senate is concerned, there is absolutely no difference between the two reservations.

I offered the former reservation because I thought it was a more simple and easy way to reach the desired end than this reservation, which I had read and was familiar with at the time I offered mine; but my idea was that we could submit to this tribunal a dispute, if we agreed with some other nation to do it, without going through all the formality and red tape of agreeing upon a treaty. The other nation would not have to do anything of that kind, and would not have to pass upon the question by a two-thirds vote, or submit it to a parliament. So I thought it was a more simple procedure. So far as reaching a conclusion is concerned, I think so yet; but we should have been compelled to make an agreement each time, and approve it by a two-thirds vote of the Senate, before a question could be submitted.

Under the reservation now pending, a general treaty can be made by us now with Great Britain, let us say, which will provide that all differences that may arise between the two countries in the next 200 years shall be submitted to this Court without referring to the nature of the difficulty or the kind of dispute that may exist, and we can provide in that treaty that the question in dispute shall be submitted by the President of the United States on the part of this Nation. So by one treaty with a nation we can make an indefinite agreement which will extend to the submission of all disputes for all time, as long as the treaty and the Court exist.

To my mind, this is very objectionable. To my mind, that will destroy what I was trying to reach by my reservation. We cannot tell today what the dispute is going to be a hundred years from now, and we may not want to submit to that tribunal a dispute which may arise 25 years from now, about which we know nothing. Neither do we want to give to the President of the United States 25 years from now the power to submit that dispute, because we do not know now who then will be President.

I am not thinking now, and I was not thinking then, of any particular President. There is not intended and, of course, there is no reflection upon the present occupant of the White House; but he will not be there forever. Some other President will take his place. We do not know who he will be; and, if we agree to the pending resolution of adherence, we shall be deciding in advance that a treaty made this year may provide for the submission of a controversy a hundred years from now.

With the words "general or" stricken out, I think the matter would be left so that we would have to make a treaty, which would make the procedure a little more cumbersome than my reservation would; but for some reason the Senate rejected mine. It has had a change of heart in the meantime. I do not know whether it has come down from the White House or from some other high source; but, as a result, the Senate seems to be willing to take today something that it would not have taken yesterday.

If it is desired to take this reservation and make it more cumbersome, and put in a little more red tape than I had in my reservation, and provide for an agreement each time, I myself do not see any objection to it. I would have voted for the general resolution of the Senator from Arkansas [Mr. ROBINSON] had my reservation been agreed to, feeling as I did that I did not want to make an agreement in advance covering years of time after I was dead, perhaps, and then an entirely different Senate would be here which would perhaps get us into trouble. I should be glad to do anything I can to help Europe in settling its difficulties, but I am not willing to say that Europe should settle our difficulties unless we agree each time the difficulty arises, and submit it to the Court, which would probably often occur. There are many questions I would be perfectly willing to submit to that Court. There are some questions I would not under any circumstances submit to that Court. I appeal to Senators now who do not want to have such questions submitted to the Court or tie the hands of future Senates, by taking action about the Court that will permit such questions to be submitted, to vote for this amendment.

The Senator from Arkansas [Mr. ROBINSON], I understand, will vote for the amendment of the Senator from Utah [Mr. THOMAS]. Of course, had this amendment been offered the other day, he would have opposed it. He is for it now. It may be that in a day or two the Senator would favor the motion I am now making.

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

Mr. NORRIS. I yield.

Mr. WHEELER. I am assuming that the Senator feels that the words "general or" should be stricken out.

Mr. NORRIS. The words "general or"; yes.

Mr. WHEELER. Yes; and that special treaties would have to be approved by a two-thirds vote of the Senate?

Mr. NORRIS. I do; yes.

Mr. WHEELER. Is there any reason why there could not be inserted after the word "dispute", the words "which said special treaties must be approved by a two-thirds vote of the Senate"?

Mr. NORRIS. I would not have any objection to that, but I do not think it does a particle of good to do it, because the Constitution of the United States provides for the method of approval of treaties.

Mr. WHEELER. Yes; but the trouble is that the Senator from Nebraska may not be interpreting this language, and it might be left open to an interpretation that special treaties meant something that did not have to be submitted to the Senate of the United States.

Mr. NORRIS. Oh, "special" undoubtedly refers to the——

Mr. WHEELER. It might be a trade treaty that would not have to be submitted, possibly, to the Senate of the United States.

Mr. NORRIS. Oh, yes. As I understand, under the Constitution of the United States, we could not have any treaty which could be effective unless approved by a two-thirds vote of the Senate.

Mr. HASTINGS. Mr. President, may I call attention to a matter?

Mr. NORRIS. Yes; if the Senator from Montana has concluded.

Mr. WHEELER. I was going to say that my understanding is—I may be wrong about it—that perhaps we had entered into certain agreements which may be called "treaties" or might be interpreted as treaties. If I am wrong about it, I should like to know it. However, I can see no reason why we should not put in the reservation that any special treaty affecting this subject should have a two-thirds vote of the Senate, so there could be no question about it.

Mr. HASTINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. NORRIS. I yield.

Mr. HASTINGS. May I ask the Senator from Nebraska a question with respect to reciprocal tariff treaties? My recollection is that at the last session of Congress we gave the President authority to make reciprocal tariff treaties. I should like to inquire whether under those treaties it would be necessary to come to the Senate before submitting a matter involving some tariff question to the World Court?

Mr. NORRIS. I did not understand the last part of the Senator's question.

Mr. HASTINGS. I was wondering if the President should desire to submit to the World Court some question involving the reciprocal tariff treaties which he was authorized to make by the last Congress, whether or not the particular reservation which the Senator now suggests would cover that situation.

Mr. NORRIS. I should think so. I should think it would cover anything that is submitted to the World Court. It seems to me that that is plain on the face of the reservation. It would not have any application to anything else.

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

Mr. NORRIS. I yield.

Mr. BARKLEY. Reference is evidently had to the act of Congress of the last session authorizing the President to enter into trade agreements with foreign countries without ratification by the Senate. I suppose everyone knows that for more than 100 years Congress has authorized the President to enter into such trade agreements without requiring ratification on the part of the Senate, and that such trade agreements have been held not to be treaties within the language of the Constitution requiring ratification on the part of the Senate, and it is difficult to conceive how any such trade agreement thus entered into could be subject for consideration by the World Court.

Mr. NORRIS. Certainly, if this reservation were agreed to, it could not be subject to the consideration by the World Court, because the resolution itself provides for a special treaty, which I do not think for a moment is covered by a trade agreement.

Mr. BARKLEY. No; I agree with the Senator. And any such treaty, as a treaty under the Constitution, whether it be special or general, must be ratified by two-thirds vote of the Senate, whether it is provided for in any such resolution or not.

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

Mr. NORRIS. I yield to the Senator from Oklahoma.

Mr. GORE. I wish to ask the Senator from Nebraska whether the customs union submitted to the World Court, to which Germany and Austria were parties, was not a trade agreement?

Mr. NORRIS. I do not know what it might be called, but other countries do not have the safeguards about treaties that ours does. For instance, it may be that some other country can submit a treaty without any reference of it to its parliament. We cannot do that. I do not think there can be any question about it. However, so far as that is concerned, Mr. President, this quibble about what is a trade agreement and what is a treaty is not involved in the motion which is now pending before the Senate. The question now before the Senate is whether we will strike out the words "general or", which means whether we are going to provide here for a treaty each time there is a dispute, or whether we are going to permit a general treaty to be made that will cover all time and all disputes.

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

Mr. NORRIS. I yield.

Mr. BARKLEY. Is it not true that we already have numerous treaties with other countries of a general nature by which we agree to submit to arbitration questions of dispute?

Mr. NORRIS. Yes.

Mr. BARKLEY. In view of the fact that this reservation makes it impossible to submit any such controversy as may hereafter be included in a special or general treaty or as may now be included in any general treaty which has heretofore been negotiated, what objection can there be to this provision as it is, so long as none of these disputes can be submitted to the World Court without the consent of the United States?

Mr. NORRIS. But the consent of the United States must be obtained through a treaty.

Mr. BARKLEY. Yes.

Mr. NORRIS. In one case a treaty can provide that all questions shall be submitted without any further action by the Senate—a general treaty. But if we must have a special treaty each time, we have an entirely different proposition.

Mr. BARKLEY. We have such treaties already.

Mr. NORRIS. General treaties.

Mr. BARKLEY. Yes.

Mr. NORRIS. Yes; but they are not submitted to the World Court.

Mr. BARKLEY. No; but they might be under their terms, because the questions involved may be submitted to special courts of arbitration set up by the nations or to special arbitrators provided by each nation, or, of course, by agreement they could be submitted to any existing tribunal under such general agreements.

Mr. NORRIS. Yes; by agreement. Here we have a World Court constituted in a certain way. It may be different in 50 years from now. Then I may have a different feeling about it. It may be worse. I am afraid it will be. I at least do not feel that I want to compel my country to submit a dispute, in advance of knowing what the dispute is, to men on the Court, honest and able though they may be, who have grown up under a different civilization, who have different ideas of society and humanity and government. I am not willing to say in advance that every possible dispute that might arise should be submitted to that particular Court. Suppose, for illustration, and not because it is going to happen, probably, that Court were to pass on whether the debts which the European nations owe to us should be forgiven, whether they should be compromised, or some other disposition made of them. Would we want to submit a debt question, a question involving money owed to us by another

country, for decision by the people who owe us, or their representatives? We might get into a thousand such difficulties if we are to have such questions determined by the Court.

Mr. BARKLEY. I do not think the Senator would feel that any such question is covered by any general or special treaty that now exists between the United States and any other country.

Mr. NORRIS. Probably not.

Mr. BARKLEY. So it would not be submitted under that language of the treaty.

Mr. NORRIS. I do not want to put in a reservation here under which at some time some future President who may have a wonderful influence could bind us for all time. Of course that would not happen now; but Presidents have many appointments to make; they control a great many things, and some President might influence some Members of the Senate to vote this way or that way on a proposition, and by his power he might put through a treaty which would bind all future Presidents, bind future Senates, and submit our disputes, whatever they may be, to a court although at the time it might be impossible to get the approval of the Senate to such submission.

The PRESIDENT pro tempore. The time of the Senator from Nebraska has expired.

Mr. LONG. Mr. President, may I ask the Senator from Nebraska a question? I am rather an uneducated person when it comes to the question of the World Court—all I know is what I read in the papers—but as I understood the Senator from Idaho, he asked the Senator from Utah [Mr. THOMAS] whether or not this amendment would exclude advisory opinions, and the Senator from Utah responded, "No; this amendment would not affect the World Court", or League of Nations, whatever it may be called, "from going ahead and rendering its advisory opinion." Did I correctly understand the Senator from Utah?

Mr. THOMAS of Utah. Mr. President, the question was asked by the Senator from Idaho [Mr. BORAH] with relation to the amendment which he offered, and the answer was given with relation to that amendment. That was voted down.

Mr. LONG. In other words, as I understand, this amendment does not affect advisory opinions of the World Court? Does it or does it not?

Mr. THOMAS of Utah. Certainly not. It has nothing to do with advisory opinions.

Mr. LONG. Mr. President, the point I desire to make is this: I know these courts. They never decide against their own jurisdiction unless it is pretty clear. Now, if they adopt this amendment, it is going to be the judges of the World Court, the four that Great Britain picks up, and somebody from Japan, and then, after they get the barrel pretty well filled, we will have a man there somewhere hanging around. And I know that courts very seldom render anything against their own jurisdiction.

Mr. LOGAN. Mr. President, I rise to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LOGAN. I should like to know whether the unanimous-consent agreement which was entered into some days ago is still in effect?

The PRESIDENT pro tempore. It is.

Mr. LOGAN. I do not understand how some of the Senators who have used up all their time can continue to make speeches.

The PRESIDENT pro tempore. Each Senator is entitled to speak on each amendment 15 minutes. The amendment to which the Senator from Louisiana is now addressing himself is the amendment offered by the Senator from Nebraska [Mr. NORRIS].

A RECOLLECTION FOR AMERICA!

Mr. LONG. I should like to ask the Senator from Nebraska if he would not consider adding this further amendment to his amendment, namely:

These provisions shall apply to advisory opinions of the said World Court affecting the United States?

Mr. NORRIS. Does the Senator want an answer?

Mr. LONG. Yes, sir.

Mr. NORRIS. I would not accept such an amendment, because, while I would vote for that kind of an amendment if it were offered independently, I would not accept it with this, because I think it would endanger any possibility of the pending amendment being adopted.

Mr. LONG. Then I will offer it as a separate amendment. I am glad to have the Senator's statement, however, that he would vote for such an amendment.

Mr. President, as I understand from what my friend from Nebraska has intimated, no doubt upon lack of information rather than upon information, there is a mellowing on the question of the World Court to where the steel gauntlet is going to be gloved just a little bit for the time being, or rather is it the sword, or is it the rapier rather than the broadsword that is being employed here with which to cut us round without making so much noise about it? What is this policy of abdication? Whence comes it that only a day or two ago you were not going to accept this or that reservation, but that now with a melodramatic, retiring attitude, you find this, that, and the other to be more or less persuasive? What must be done to have gentlemen finally get up and say, "America for Americans"? What music was there that wafted through the ether that brought about this change in attitude? What stroke of the harp has made the song of liberty appear inspiring to our statesmen, Mr. President? What more may we do to make Senators remember that once there was a Washington; once there was a Jefferson; once there was a Lincoln; once there was a Monroe?

What can we do to make the sacred words uttered from the days of Washington to Lincoln, from Valley Forge to Appomattox, ring in the ears of Senators that America is for Americans, one Union now and forever, inseparable? What else could be done to bring the siren song closer to the heart and mind and emotions so that the damnable monstrosity attempted here in the Senate might be thrown out in its entirety rather than being forced out piece by piece, note by note, sound by sound, line by line, until the true spirit of religion and Americanism could pervade these Democratic hearts? [Laughter.]

Mr. ROBINSON. Mr. President, what does the Senator from Louisiana know about the true spirit of religion? [Laughter.] Mr. President, what we have just listened to is illustrative of the character of a great many arguments that are being made during the course of this debate. The amendment proposed by the Senator from Nebraska is important; it goes to the very substance of the objection that was made a few days ago to the reservation which he offered. If the amendment should be agreed to, we would be in the same situation, or almost the same situation, as if the Senate had approved the Norris reservation.

If anyone is friendly to the World Court, if anyone wishes to support it as an agency for the adjustment of controversies among nations, I am asking him why does he wish to make it as difficult as possible to get into the Court? The Senator proposes to strike out the words "general treaty." It is well known that we have heretofore availed ourselves of the opportunity to refer to arbitration through a general-treaty class of cases.

There is a dispute now which it may be necessary to refer somewhere, which is known as the "smelter case", involving the United States and Canada. There are numerous cases involving damages and claims. What is the necessity of requiring that in every instance a special treaty shall be entered into and ratified by two-thirds of the Senate? It is sound, it is sensible, it is practicable, and there is not the slightest harm that can come to the country by reason of the adoption of an arrangement for general treaties.

The Senator from Nebraska has stated that we might bind ourselves by a treaty to submit every kind of question. I point out the fact that general treaties before they become effective must receive the approval of the Senate by a two-thirds vote. There is ample opportunity in the case of a general treaty to take such precautions as may be necessary.

It is absurd to undertake to require that every time we wish to go into court we must have a special treaty and go through the formula of having an agreement on the part of the Senate that a particular case be referred to the Court.

I hope that those who believe that the World Court may be made an agency for the promotion of justice, those who are in sympathy with the Court and in sympathy with the pending resolution, will vote down the amendment of the Senator from Nebraska.

Mr. BARKLEY. Mr. President, I can add very little to what the Senator from Arkansas has said, but it seems to me that the adoption of the amendment of the Senator from Nebraska will practically nullify the provisions of every general treaty into which we have entered heretofore for the arbitration of disputes between the United States and other nations.

Mr. BORAH. Oh, no.

Mr. BARKLEY. Let me follow that statement with my reasoning for it. We have entered into many such treaties and our entry into those treaties has been acclaimed almost universally by the people of the United States as well as of the world. If this amendment shall be adopted, it will make it impossible for any subject to be submitted to the World Court under such general treaties without a vote of two-thirds of the Senate——

Mr. NORRIS. Mr. President——

Mr. BARKLEY. Because we cannot submit those disputes to the World Court under treaties that now exist; and each time a controversy might arise, however acute it might be, however nonpolitical it might be, however capable of judicial adjudication it might be, it could not be even submitted to the World Court unless a separate treaty was entered into between the United States and the other nation, and that treaty brought here and discussed for days and weeks and months, and finally receive a two-thirds vote of the United States Senate. And, if there were sufficient Members of the Senate, which would be a third, who did not desire any such controversy submitted to the World Court, they could prevent it ever being submitted under the language proposed by the Senator. I now yield to the Senator from Nebraska.

Mr. NORRIS. The Senator has passed the point in his address where I wanted to interrupt him; but this amendment, if agreed to, as I see it, would not have any effect whatever upon any general treaty of arbitration we have. It only applies to the World Court. None of the general treaties that we have, of course, apply to the World Court; and in a provision for arbitration the selection of the tribunal is one of the things that can be done after the question arises. It would only prevent the submission of a controversy to this Court that is made up now; but if it were such a question that we thought that Court would be the proper tribunal to pass on it, it would be possible to submit it to that Court.

Mr. BARKLEY. Of course we do not have to submit it to that Court even under the general treaties which now exist.

Mr. NORRIS. Of course we do not.

Mr. BARKLEY. We may do it; we may submit it to any tribunal that exists or we may set up a special tribunal for the adjudication of the question involved; but if the Senator's amendment should be adopted, however much it might be desirable immediately to submit a question in dispute to the World Court, it could not be done without a special treaty designating the World Court as the tribunal to settle it. That special treaty would have to be brought here and argued and argued and argued and finally ratified by a two-thirds vote before we could ever get started toward the settlement of the dispute. If the Senate should not be in session at the time for 6 months, as it is entirely likely it may be, and an acute dispute should arise which might be arbitrated and settled under a general treaty by the World Court, if it were desirable to submit it to that Court, it could not even be submitted until the Senate reassembled and the treaty was submitted and two-thirds voted for it.

Mr. NORRIS. Mr. President, will the Senator yield to an interruption there?

Mr. BARKLEY. Yes.

Mr. NORRIS. Let me say to the Senator, first, the President has authority under the Constitution to call the Senate in special session, which he could do in a week's time or even a few days' time; and, second, while the Senator has suggested that there might be some important question or dispute that ought to be disposed of, let me submit this query: Suppose we had a President not in agreement with the Senate or with a country or who was a crank on some particular subject, for instance, on the question of the debts which Europe owes to us. Many of the men we have had for President, and many of them who would like to be President, are in favor of canceling those debts. Suppose we had such a President, would not the Senator feel that it would be pretty safe for the country if the Senate had to pass on his acts and not submit something that might be vital to one man's judgment instead of the judgment of the Senate?

Mr. BARKLEY. The question of the European debts is a matter of fact; they are legal; nobody denies their legality; the only question is whether the debtors are going to pay them. It is impossible for me to conceive that the World Court will ever be called on or ever could be called on to pass on the question whether European nations will pay the debts which they acknowledge they owe us. If some President wanted to cancel the debts, he could not do so under the very act of Congress which is now in force; and not only could he not cancel them, but he could not reduce them without the consent of the Congress. So I do not think that need bother us.

Mr. JOHNSON. Mr. President, sometimes out of a multitude of counsel comes wisdom. As I have listened here today since the discussion first arose, when the distinguished Senator from Utah presented this reservation, I have reached the conclusion that, after all, our viewpoints are not so vastly different. I have learned now that if this amendment, designed to do what the Norris resolution or reservation would have done, shall be attached to the particular reservation, it is going to work tremendous harm and do enormous injury to the World Court in the subsequent submission of cases to that Court. It must not be adopted because of the delays that may ensue, and because the Senate may be absent 6 months of the year, and it will be impossible during that period for the Senate to pass upon treaties. So if there be any of my friends here who "lay the flattering unction to their souls" that the particular reservation presented by the Senator from Utah does what the Norris resolution sought to do the other day, let him pause for a moment, listen to the arguments that have been advanced here, and heed them, for it is now conceded by those arguments that the Norris resolution that was voted down by this body the other day after a very heated debate is a very different thing from the one that is now proposed and is sought to be adopted by Senators on the other side.

So we may dismiss the idea as sentient human beings, who have heads upon their shoulders that God put there for some other purpose than mere ornament; we can dismiss the idea as to gentlemen who are Members of this body that their souls are going to be soothed or their indignation assuaged or their consciences solaced because of the defeat of the Norris reservation by the adoption of the one presented by the Senator from Utah [Mr. THOMAS].

That much this particular argument has accomplished, and we can dismiss the peculiar similarity of the two, or that the one will do what the other was endeavoring to do. That is the situation which now comes to us in regard to the two reservations thus presented.

Of course, I understand the strategy of the position as it now presents itself. Equally, of course, I understand that the utilization of that strategy is not the subject of criticism of any of the Senators here; but let me say to the men who are in earnest upon this floor, let me say to those who feel that their country should not undergo the peril of entry into this Court abroad, let me say to the men from the Pacific coast who are more interested in this situation perhaps than any other representatives upon this floor, that after all now there comes to us the knowledge that the thing that was

sought to be done the other day by the Norris reservation is not done at all today by any other reservation. Conceded now is the wide difference between the two, and the man who believes in the Norris reservation cannot accept that now presented as affording the necessary protection to our country.

So let us go on and determine whether or not, with the facts before us thus, our minds will remain in the same condition and actuated by the same motives as they were before this very able, and very clever, and very strategic proposition was presented to this body.

Now we know where we stand, and knowing where we stand, let us stand up like men regarding it. Let those who believe in this Court be for it. Let those who do not believe in it be against it, and do what ought to be done under the circumstances, notwithstanding the strategy or the assumed cleverness in presenting a reservation heretofore derided and denied as a substitute for one deemed essential.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska to the reservation of the Senator from Utah [Mr. THOMAS].

Mr. NORRIS and others called for the yeas and nays.

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

Mr. HASTINGS (when his name was called). On this vote I have a pair with the senior Senator from New York [Mr. COPELAND]. My understanding is that if he were present he would vote "nay." If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. LEWIS. I repeat my announcement that the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON] are absent by reason of illness, and I reannounce the absences of those Senators engaged on the Philippine Commission.

Mr. AUSTIN. I reannounce the general pair between my colleague [Mr. GIBSON] and the junior Senator from California [Mr. McADOO]. I do not know how either Senator would vote if present.

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

YEAS—39

Austin	Donahey	McNary	Shipstead
Barbour	Frazier	Metcalf	Steiwer
Borah	Gore	Murphy	Thomas, Okla.
Capper	Hale	Murray	Townsend
Caraway	Johnson	Norbeck	Trammell
Carey	Keyes	Norris	Vandenberg
Couzens	La Follette	Nye	Walsh
Cutting	Long	Reynolds	Wheeler
Davis	McCarran	Russell	White
Dickinson	McGill	Schall	

NAYS—48

Adams	Burke	Guffey	O'Mahoney
Ashurst	Byrd	Harrison	Pittman
Bachman	Byrnes	Hatch	Pope
Bailey	Clark	Hayden	Radcliffe
Bankhead	Connally	King	Robinson
Barkley	Coolidge	Lewis	Schwellenbach
Bilbo	Costigan	Logan	Sheppard
Black	Dieterich	Lonergan	Smith
Bone	Duffy	Maloney	Thomas, Utah
Brown	Fletcher	Minton	Truman
Bulkley	Gerry	Moore	Van Nuys
Bulow	Glass	Neely	Wagner

NOT VOTING—7

Copeland	Gibson	McAdoo	Tydings
George	Hastings	Overton	

So Mr. NORRIS' amendment to the reservation of Mr. THOMAS of Utah was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the reservation offered by the Senator from Utah [Mr. THOMAS].

Mr. LONG. I move to amend the reservation by adding to it the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment of the Senator from Louisiana will be stated.

The CHIEF CLERK. The Senator from Louisiana proposes to add to the reservation offered by the Senator from Utah the following:

These provisions shall apply to advisory opinions of the said World Court affecting the United States.

Mr. LONG. Mr. President, in view of the statements made by the Senator from Utah [Mr. THOMAS] and the Senator from Idaho [Mr. BORAH], I am offering this further addendum to provide that the reservation shall apply to advisory opinions.

There are no opinions by the League Court that are not more or less advisory. The failure to enforce them merely means war, and that is all. In other words, when the last finding of the League of Nations was made and Japan ran out and told us all where we could go, we found that the World Court meant nothing.

I want it understood that I am going to vote against the World Court, whether this reservation is adopted or not. I think every other Senator who has ever voted against the World Court, particularly with the defeat of the resolution just voted upon, is going to vote against the World Court. I am going to vote against the World Court whether the reservation is adopted or not.

As I see my American duty, I could not vote for entrance into the World Court, regardless of what is put into the resolution of adherence. I do not intend to have these gentlemen whose names I cannot even pronounce, let alone spell, passing upon the rights of American people. I do not intend to have the affairs of this country meddled in by various and sundry men from the four corners of the Orient, telling us what is and what is not an American policy, and what is or what is not a North American policy or a South American policy.

I do not intend to vote for this infernal thing that is being offered here, and it does not make any difference what kind of soothing sirup, salve, or sweetening is put upon it. I could not go back to the hills and bottoms of the State of Louisiana and tell the good, honest citizens down there that I have voted their rights away to be American citizens unless some Japanese, British, or French citizen or envoy owing us some money is willing to approve it. That is my logic, and that is my offering, and that is how I stand on the matter.

As to those who feel they should go some 3,000 miles away to find out what the law is, that is indicative of the legal mind—to get away from the base of activity. Half the lawyers of the country have it in their heads that two times two ought to be proved by the ages of scientific development and reasearch. Therefore, it is only natural and customary that the human mind gropes and gropes and gropes a little bit further, the higher it gets, to get away from the common base and understanding of activity.

Therefore, I have proposed that this reservation of my learned friend from Utah shall apply to advisory opinions. If it is right in one, it is right in all. If it is not right to have a binding opinion, then it is not right to have an advisory opinion.

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

Mr. LONG. I yield.

Mr. LOGAN. The Senator, I assume, is well aware of the fact that an advisory opinion can be given only upon the request of the Council of the League of Nations.

Mr. LONG. Yes, sir.

Mr. LOGAN. And the resolution we are now proposing to adopt specifically provides that there can be no advisory opinion that affects this country, or one that we claim affects us, unless the United States Government consents to it.

Mr. LONG. Then the language I have proposed to add will not hurt anything.

Mr. LOGAN. It puts us in the League of Nations.

Mr. LONG. Oh, no; we will not go in the League of Nations.

Mr. LOGAN. But the Senator is asking the United States to approve becoming a part of the League of Nations.

Mr. LONG. Oh, no! I will put in there another line that we never will go in the League. Put that in there, too. [Laughter.] Just put in there, "It being understood that America will never go into the League of Nations; it being understood that this does not commit the United States ever to go into the League of Nations." I want to get the vote of the Senator from Kentucky on this matter. [Laughter.]

Mr. President, this perniciously constructed document in one place provides for an advisory opinion, and in another place for a binding opinion, and in another place for a council over here, and another thing over here. I am not the only man in the United States who does not understand what this thing is all about. The Senator from Kentucky [Mr. LOGAN] does not know what half of it is about. [Laughter.] But we are being rushed in pell-mell to get into this World Court so that Señor Ab Jap or some other something from Japan can pass upon our controversies.

Nobody can pronounce their names. Not a Member of the United States Senate can spell half of them. It is proposed to put us before a court across the land and seas, 3,000 miles away. One of the things the Court can render is an advisory opinion that we do not have to observe. Another one is a binding opinion that we do have to observe. One of them is called for by a council and another is called for by some country. Let us have an understanding—a clear-cut, sensible, American understanding—that unless it is the will of the Senate, the treaty-making body, by its regular two-thirds vote, to have the American doctrine and fundamental principles effected, we are not going to have the World Court interfering with us by an opinion, whether it is a binding opinion or an advisory opinion or any other kind of an opinion.

Let us just assume a case that the Senator from Kentucky presents. Let us say that in the case of the Panama Canal—that is, not America, you understand—let us say that in the case of the Panama Canal, or in Colombia or Venezuela, we are fixing the build a canal across Nicaragua or across Venezuela. Let us say that the League of Nations calls upon the World Court for an advisory opinion as to whether or not a contract made between Colombia, Venezuela, and the United States can be effective; and let us say that the League of Nations World Court—for that is what it is, set up by the League of Nations, created by it—let us say that the League of Nations World Court comes out with an opinion, as it did in this trade-agreement case between Germany and Austria, that it is practically a bartering away of the sovereignty of Colombia or Venezuela for the United States to construct a canal across their land. Thereupon the United States of America, on that advisory opinion of the World Court, would be told by the entire world, through the medium of an advisory opinion, that it was illegal and rapacious to undertake to construct a canal joining the Pacific with the Atlantic Ocean.

You say, "That is not a binding opinion." Suppose the United States goes ahead and builds the canal after it has been decided to be illegal, unconstitutional, and rapacious by the other members of the World Court. We would be in the throes of a war, with the Asiatics attacking us on the one side and the Europeans on the other, and the Pan Americans from the south attacking us at the same time. We would be in a war, why? Because that advisory opinion would be just as binding, just as persuasive, just as belligerent as though it were actually a binding opinion.

If we are going to yield here, as we understand we are to yield, what is the objection to having it written here, so that he who runs may read, that whatever opinion is rendered by the Court, whether it is an advisory opinion or a binding opinion, or whatever kind of an opinion it is, that undertakes to affect, to modify, to thwart, or to affect American doctrines or principles in any manner or form, shall not be called for or rendered unless and until the Senate of the United States expresses itself as willing to have the World Court decide it?

Think what we are doing, Mr. President! We have already voted down the reservation to protect the Monroe Doctrine. Theodore Roosevelt could not have constructed the Panama Canal under this World Court that we are now going into. Do you think, Mr. President, if the League of Nations had called upon this World Court for an advisory opinion as to whether or not Theodore Roosevelt was acting correctly in the way he treated Colombia when he built the Panama Canal, that the World Court ever would have rendered a judgment against Colombia? Not on your life would it ever have done so. And that is what would happen today, when we are talking about building another canal—why?

Because the Panama Canal is inadequate; because the Panama Canal is not at sea level. There have to be locks and dams in order that the water of one ocean may be lowered into that of the other; and, therefore, if we continue the kind of trade we now have, we shall soon of necessity have to build another canal, either across Nicaragua or across some other territory down there from the Atlantic to the Pacific.

What are we going to be faced with? We are going to be faced, right at the threshold, with France, which owes us money, and Great Britain, which owes us money, and Germany and Russia, saying, "No; no! That means that America is going against the sovereignty of Nicaragua, against the sovereignty of Venezuela"; and here are these judges representing our debtors, owing us three billions here and two billions here and four billions here, and they are going to say:

> Oh, no! You have never yet written off the debts that we owe the American people. Therefore we are going to stand here and forbid, through this advisory opinion of the World Court, a single aggression by the United States to convenience itself, or to make its arms or its trade more effective or more general.

Mr. President, our leaders on this side a few moments ago seemed to be willing—I do not know what has disturbed them—to get down off their high horse and adopt some of these reservations. It looked like it was getting better. I hope nothing I have said has disturbed that period of apparent equanimity. I hope everything will be all right now, and I hope they will remember we boys who are back at the forks of the creek. We do not know much about Europe. I have been trying to get enough money to go to Europe ever since I was elected to my first public office, but I have never been to Europe. We fellows who have never been to Europe, and who may never get to go to Europe, hope that before you put us into a European decision you will let us adjust some of our own little domestic affairs.

We who are down there starving to death from lack of milk that you are pouring in the creek because you have too much, we who are down there with the children crying for something to wear while you are burning up the cotton to keep them from having too much, we who are down there while you are shooting the cows and killing the hogs because you do not want an oversupply, with everybody crying for something to eat, until some of these things have been destroyed—until America has better taken care of Americans, we hope you will postpone this undertaking to go over and adjust European affairs.

Great Britain is already reducing its own taxes and balancing its budget—why? Because it has not paid the interest on the debt it owes the United States, because it has not paid the principal of the debt it owes the United States. For that reason the statesmen of Great Britain say they are able to lower their taxes and balance their budget. Well, for God's sake, do not go over there after they have defied us to collect our debts and adjusted their own selves to help their country at the expense of the United States, and put us in a court to have these internal matters adjudicated by any kind of an opinion, advisory or otherwise, contrary to the interests of the United States.

I ask for the yeas and nays on my amendment.

Mr. THOMAS of Utah. Mr. President, there is no one in this Chamber who listens with more interest than I do to the learned Senator from the sovereign State of Louisiana—I was almost about to say "the sovereign Senator from the learned State of Louisiana", because I am not used to speaking readily here. I have gone all the way down to Louisiana to hear him speak; but I desire to say that he has me thoroughly confused by his last discussion.

With reference to not being able to spell these names, I should like to say that I, myself, have seen in print, many a time, the worthy Senator's first name spelled in a different way from the way in which he ordinarily spells it. [Laughter.] So ability to spell the name of a judge should not in any way either add to or detract from argument in favor of the World Court.

In regard to the advisory opinion, I was asked the question whether this reservation would affect the ordinary procedure in securing an advisory opinion, and whether it would affect the handing down of an advisory opinion. That is the way I understood the question; and I answered, of course, that it would not.

The Senator from Kentucky [Mr. LOGAN] has replied to the Senator from Louisiana by showing how a request for an advisory opinion is put to the Court. It comes only through one of two channels—the Council of the League of Nations or the Assembly of the League of Nations. If we should wish to initiate an advisory opinion under this reservation, of course the Senate of the United States would have to pass upon the initiation of the request for that opinion.

I think that answers the question fully, and shows that so far as the amendment suggested by the Senator from Louisiana is concerned, it should be voted down.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] to the reservation of the Senator from Utah [Mr. THOMAS].

The amendment was rejected.

The VICE PRESIDENT. The question is on the reservation of the Senator from Utah [Mr. THOMAS].

The reservation was agreed to.

Mr. STEIWER. Mr. President, I offer the amendment, which I send to the desk, to the pending resolution of adherence.

The VICE PRESIDENT. The amendment offered by the Senator from Oregon will be stated.

The Chief Clerk read as follows:

Resolved further, That the signature of the United States to the said protocol shall not be affixed until the powers signatory to such protocol shall have indicated, through an exchange of notes, their acceptance of the foregoing reservations and understandings as a part and a condition of adherence by the United States to the said protocol.

Mr. STEIWER. Mr. President, I am offering that proposal in the hope that those most interested in the sponsorship of the resolution of adherence may find it possible to accept it.

Senators will recognize the language as identical with the language employed in the resolution of adherence of 1926 and in the resolution which was presented to the Senate from the Committee on Foreign Relations in 1932 by the late Senator from Montana, Mr. Walsh, and the former Senator from Ohio, Mr. Fess.

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

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

Mr. STEIWER. I do.

Mr. ROBINSON. Both the Senator from Montana and the Senator from Ohio stated in their report that they were opposed to that provision. As a matter of fact, the provision which the Senator is now offering is what is known as "the Moses reservation."

Mr. STEIWER. That is true, Mr. President. Those Senators did not use the word "opposed", however. They said in the report, as I recall, that they did not assent to the provision, and I took it from the language they employed that they did not regard it as necessary.

I desire to address myself for just a moment to the question as to whether this kind of a safeguarding resolution is necessary.

I begin, Mr. President, by asking Senators whether the signatory powers have already agreed to the amendment which has just been adopted upon the motion of the Senator from Utah [Mr. THOMAS].

I ask also whether the signatory powers have already agreed to the amendment accepted some days ago, the one offered by the Senator from Michigan. I ask also whether the signatory powers have agreed to the change in the body of the pending resolution, in which the committee has substituted for the proposition of the consent of the United States the phrase "over the objection of the United States."

I take it, Mr. President, that with respect to all these questions there is no assurance at all, either in the protocol of accession or in any other document, or through any other means, that the signatory powers have signified their acceptance of these reservations. The purpose, evidently, of this reservation, which was incorporated in both of the earlier resolutions, was to make sure, before we gave our signature to an agreement binding us with respect to the World Court, that the signatory powers understood our reservations as we understand our reservations. That, as I take it, is the only thing involved in this proposal.

Inasmuch, as has been stated in these debates over and over again, as the Court and the powers concerned in the Court would construe our reservations; inasmuch, as was said by a distinguished Britisher, as the Court would construe our reservations, it seems to me that those of us who favor adherence, but who, at the same time, favor the protection of American interests, can do very well to see to it in advance that these gentlemen will not have the capacity and power to construe our reservations differently from the way we ourselves construe them.

There is, therefore, I think, a very clear reason for acceptance of this reservation, because if we incorporate it in the resolution of adherence it means that we will not become bound until the signatory powers, by express action, have made it known to us that the things against which we are protecting ourselves are recognized by them and become a part of our relationship to the World Court.

Mr. ROBINSON. Mr. President, I regret that I am not in a position to support the reservation offered by the Senator from Oregon. It is known in World Court debate history as the "Moses reservation." The effect of it would be to refer back to all the signatories our action on the World Court protocols for their approval.

As stated in the beginnning of this debate, our five reservations have been accepted, the fifth being accepted upon such terms as we accept in the resolution of adherence. To adopt now the proposal of the Senator from Oregon would be to make it necessary—indeed, that is the purpose of it—to send the whole matter back for ratification again.

I do not think there is any doubt that the two reservations, known as the "Vandenberg reservation" and the "Johnson or Thomas reservation", recently adopted, pertain to domestic policy. They relate to matters which are of indifference to the other signatories.

I do not understand that there has been express affirmation by the signatories as to these two propositions, nor do I understand that it is necessary that there shall be in order to give them such effect as they may have. They are merely enunciations of our policy, and, as stated by the Senators who propose them here—and this has special reference to the Vandenberg reservation—they make no change, effect no alteration, and I do not think that our method of submitting cases to the Court is necessary to be approved by other nations. We can submit them in the way we choose, and the way we have chosen is by treaties, general or special.

I hope the Senate will vote down the reservation.

The VICE PRESIDENT. The question is on agreeing to the reservation offered by the Senator from Oregon [Mr. STEIWER].

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

The yeas and nays were ordered.

Mr. BULKLEY. Mr. President, before the roll is called, I should like to inquire as to the effect of this reservation, in view of the fact that the protocol has already been signed in behalf of the United States.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AUSTIN (when Mr. GIBSON's name was called). My colleague the junior Senator from Vermont [Mr. GIBSON] has a general pair with the Senator from California [Mr. McADOO]. I am not advised as to how either Senator would vote on the pending question.

Mr. HASTINGS (when his name was called). Making the same announcement I made a short time ago on another vote, I withhold my vote.

The roll call was concluded.

Mr. LEWIS. I desire to reannounce the absence of Senators heretofore announced by me. I desire also to announce the necessary absence of the Senator from Washington [Mr. BONE] and the Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 34, nays 49, as follows:

YEAS—34

Austin	Frazier	McNary	Shipstead
Barbour	Gore	Metcalf	Steiwer
Borah	Hale	Murphy	Thomas, Okla.
Capper	Johnson	Murray	Townsend
Carey	Keyes	Norbeck	Vandenberg
Couzens	La Follette	Nye	Wheeler
Davis	Long	Reynolds	White
Dickinson	McCarran	Russell	
Donahey	McGill	Schall	

NAYS—49

Adams	Byrnes	Hatch	Radcliffe
Ashurst	Clark	Hayden	Robinson
Bachman	Connally	King	Schwellenbach
Bailey	Coolidge	Lewis	Sheppard
Bankhead	Costigan	Logan	Smith
Barkley	Dieterich	Lonergan	Thomas, Utah
Bilbo	Duffy	Maloney	Trammell
Black	Fletcher	Minton	Truman
Brown	George	Moore	Van Nuys
Bulkley	Gerry	Neely	Wagner
Bulow	Glass	O'Mahoney	
Burke	Guffey	Pittman	
Byrd	Harrison	Pope	

NOT VOTING—11

Bone	Cutting	McAdoo	Tydings
Caraway	Gibson	Norris	Walsh
Copeland	Hastings	Overton	

So Mr. STEIWER's reservation was rejected.

The VICE PRESIDENT. The question is on agreeing to the resolution of adherence, as amended.

Mr. GORE. Mr. President, I submitted a few days ago a reservation, which I ask to have read.

The VICE PRESIDENT. The clerk will read the reservation offered by the Senator from Oklahoma.

The legislative clerk read as follows:

Resolved further, That adherence to the said protocols and statute provided for above shall not become or remain effective and shall not be or become binding while or when any nation which is an adherent of said protocols and which is indebted to the Government of the United States shall be in arrears for a period of more than 6 months in respect of any payment due upon such indebtedness.

Mr. GORE. Mr. President, my first remarks will be addressed to the resolution of adherence itself. Then I shall make some reference to the proposed reservation. It was my original purpose to discuss the pending resolution at some length, but I have been a victim of the epidemic of colds sweeping over Washington, and I do not feel physically fit to undertake that task. I shall content myself with incorporating in the RECORD a few quotations, letters, and documents which will explain my views and my vote, if they do not justify my views and vote.

I should have been content to remain silent on the subject had it not been for the fact that three distinguished professors in the Chicago University felt it their duty on last Sunday night, in a national broadcast, to animadvert upon me and upon some of my associates of the Senate. Those dazzling Daniels who came to judgment upon us characterized us as "ignorant" and as "provincial."

Mr. President, I have always regarded ignorance as a misfortune rather than a fault. That term needs no definition. Even the most ignorant understand its significance and its implications, but the word "provincial" which was applied to me and to my associates I think calls for a definition. Being ignorant, I consulted the dictionary to find out exactly what those gentlemen meant when they characterized us as "provincial." I found that the dictionary says that "provincial" means not cosmopolitan. Well, Mr. President, that definition left me still in a state of ignorance, and I felt obliged to ascertain just what was meant by "cosmopolitan", and I send the definition to the desk and ask to have it read into the RECORD.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Cosmopolitan: Belonging to all the world; not restricted to any locality; at home in any country; without local or national attachments or prejudices: not provincial.

Mr. GORE. Mr. President, those distinguished doctors are not provincial; they are cosmopolitan. They are entirely at home in every clime and in every quarter of this globe. I have a deep suspicion that when those doctors stigmatized us as "provincial" they intended to use that epithet as a disparagement and not as a compliment, but I have decided to take it as a compliment coming from those cosmopolitans, coming from those intellectual, those emotional, those international eunuchs whose souls are so dead they never to themselves have said:

This is my own, my native land.

If to love my own country better than any other—if that, sir, be "provincial", then, I must "own the soft impeachment." If to place America first among all the nations of the earth—if that be a high crime and misdemeanor, then, sir, I am guilty. If to prefer America above all the tongues and tribes and kindreds of the earth—if that be "provincial", then, sir, I am "provincial." If to agree with the Father of his Country, if to agree with George Washington that Europe has a set of primary interests with which we have no concern and with which we should not meddle—if George Washington be "provincial", then I am "provincial."

Mr. President, if Thomas Jefferson, the founder of the Democratic Party; if Thomas Jefferson, the author of the Declaration of Independence; if Thomas Jefferson when he declared that all men were created equal—if Jefferson was "provincial", then, sir, I am as "provincial" as Jefferson. I make no other pretensions; I am a mere American. It was said in ancient Rome that to be a Roman citizen was greater than to be a king. I have the same high opinion of American citizenship.

Mr. President, I desire to have read into the RECORD at this point several quotations from the father of the Democratic party, and I conjure his descendants and his disciples in this body to give heed to the voice of our father. Lest we forget, lest we forget, I ask that the secretary commence reading with the paragraph numbered 296 from the Jefferson Cyclopedia; then read paragraph no. 300, and then paragraph no. 304 down to the point where it is indicated that the reading shall stop.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

[From the Jefferson Cyclopedia]

296. Alliance, abjure.—I sincerely join you in abjuring all political connection with every foreign power; and though I cordially wish well to the progress of liberty in all nations, and would forever give it the weight of our countenance, yet they are not to be touched without contamination from their other bad principles.—To T. Lomax. iv, 301, Ford Ed., vii, 374 (M., March 1799).

300. Alliance, destructive.—To take part in European conflicts would be to divert our energies from creation to destruction.—To George Logan. Ford Ed., viii, 23 (W., March 1801).

304. ——— ———. It ought to be the very first object of our pursuits to have nothing to do with the European interests and politics. Let them be free or slaves, at will, navigators or agriculturists, swallowed into one government or divided into a thousand, we have nothing to fear from them in any form.—To George Logan. Ford Ed., viii, 23 (W., March 1801).

305. Alliances, entangling.—I know that it is a maxim with us, and I think it a wise one, not to entangle ourselves with the affairs of Europe.—To E. Carrington. ii, 334. Ford Ed., iv, 483 (p. 1787).

306. ——— ———. I am for free commerce with all nations; political connection with none; and little or no diplomatic establishment. And I am not for linking ourselves by new treaties with the quarrels of Europe; entering that field of slaughter to preserve their balance, or joining in the confederacy of kings to war against the principles of liberty.—To Elbridge Gerry. iv, 268. Ford Ed., vii, 328 (p. 1799).

Mr. GORE. I will ask to have the other paragraphs which are marked, down to no. 317, printed at this point without having them read.

The VICE PRESIDENT. Without objection, it is so ordered.

The paragraphs referred to are as follows:

307. ——— ———. Let our affairs be disentangled from those of all other nations, except as to commerce.—To Gideon Granger, iv, 331. Ford Ed., vii, 452 (M. 1800).

308. ——————. The Constitution thought it wise to restrain the Executive and Senate from entangling and embroiling our affairs with those of Europe.—Parliamentary Manual, ix, 81 (1800).

309. ——————. Honest friendship with all nations, entangling alliances with none, I deem (one of the) essential principles of our Government and, consequently (one), which ought to shape its administration.—First Inaugural Address, viii, 4. Ford Ed., viii, 4 (1801).

310. ——————. Determined as we are to avoid, if possible, wasting the energies of our people in war and destruction, we shall avoid implicating ourselves with the powers of Europe, even in support of principles which we mean to pursue. They have so many other interests different from ours that we must avoid being entangled in them. We believe we can enforce these principles, as to ourselves, by peaceable means, now that we are likely to have our public councils detached from foreign views.—To Thomas Paine, iv, 370. Ford Ed., viii, 18 (W. March 1801).

311. ——————. Peace and abstinence from European interferences are our objects.—To M. du Pont de Nemours. iv, 436 (W., April 1802).

312. ——————. It is against our system * * * to entangle ourselves at all with the affairs of Europe.—To Philip Mazzei, iv, 553 (W., July 1864).

313. ——————. Our Nation has wisely avoided entangling itself in the system of European interests, has taken no side between its rival powers, attached itself to none of its ever-changing confederacies.—R. to A. of Baltimore Baptists, viii, 137 (1808).

314. ——————. The less we have to do with the amities or enmities of Europe the better.—To Thomas Leiper, vi, 465. Ford Ed., ix, 520 (M., 1815).

315. ——————. All entanglements with that quarter of the globe (Europe) should be avoided if we mean that peace and justice shall be the polar stars of the American societies.—To J. Correa, vii, 184. Ford Ed., x, 164 (M., 1820).

316. ——————. The fundamental principle of our Government—never to entangle us with the broils of Europe.—To M. Coray, vii, 318 (M., 1823).

317. ——————. I have ever deemed it fundamental for the United States never to take active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government, are all foreign to us. They are nations of eternal war.—To President Monroe. vii, 288. Ford Ed., x, 257 (M., 1823).

Mr. GORE. I now ask to have printed at the close of my remarks extracts from George Washington and a number of other illustrious American statesmen of the elder days, which were carried in the morning Washington Herald.

The VICE PRESIDENT. Without objection, it is so ordered.

(See Exhibit A.)

Mr. GORE. I want to have the pictures, the portrait gallery of these American statesmen I cited, likewise printed in the RECORD. That will make it convenient for those who desire to turn these portraits to the wall. They would be available for that purpose.

The PRESIDENT pro tempore. May the Chair remind the Senator from Oklahoma that it would require an order of the Joint Committee on Printing to have the illustrations printed in the RECORD.

Mr. GORE. Very well. I shall try to get such an order. I shall take whatever parliamentary steps are necessary to have these portraits of American statesmen included in the CONGRESSIONAL RECORD.

Mr. President, it is obvious from these quotations from Jefferson that if we observe his maxims and his precepts we will never entangle or embroil ourselves in the quarrels of Europe. We became embroiled in the quarrels of Europe even without membership or entanglement in any European institution, whether League or Court. I do not know whether or not the Chicago University professors are carrying on a propaganda, but I do know that attempts at propaganda have been carried on in the past. I ask Senators to listen now to what I shall have read into the RECORD at this point from Harper's Magazine of March 1918. It is from an article by Sir Gilbert Parker. Sir Gilbert said that from the outbreak of the war in Europe he was in charge of American publicity. His sketch in Who's Who states that he occupied that position of trust for a period of 2½ years—indeed, sir, until he witnessed the entry of the United States into the World War.

I ask that the clerk read as I have indicated.

Senators, lend me your ears.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

[From Harper's Monthly Magazine, issue of March 1918]

By Rt. Hon. Sir Gilbert Parker, Bart.

Perhaps here I may be permitted to say a few words concerning my own work since the beginning of the war. It is in a way a story by itself, but I feel justified in writing one or two paragraphs about it. Practically since the day war broke out between England and the Central Powers, I became responsible for American publicity. I need hardly say that the scope of my department was very extensive and its activities widely ranged. Among the activities was a weekly report to the British Cabinet on the state of American opinion and constant touch with the permanent correspondents of American newspapers in England. I also frequently arranged for important public men in England to act for us by interviews in American newspapers; and among these distinguished people were Mr. Lloyd George (the present Prime Minister), Viscount Grey, Mr. Balfour, Mr. Bonar Law, the Archbishop of Canterbury, Sir Edward Carson, Lord Robert Cecil, Mr. Walter Runciman (the Lord Chancelor), Mr. Austen Chamberlain, Lord Cromer, Will Crooks, Lord Curzon, Lord Gladstone, Lord Haldane, Mr. Henry James, Mr. John Redmond, Mr. Selfridge, Mr. Zangwill, Mrs. Humphrey Ward, and fully a hundred others.

Among other things, we supplied 360 newspapers in the smaller States of the United States with an English newspaper, which gives a weekly review and comment of the affairs of the war. We established connection with the man in the street through cinema pictures of the Army and Navy, as well as through interviews, articles, pamphlets, etc., and by letters in reply to individual American critics, which were printed in the chief newspaper of the State in which they lived and were copied in newspapers of other and neighboring States. We advised and stimulated many people to write articles; we utilized the friendly services and assistance of confidential friends; we had reports from important Americans constantly, and established association, by personal correspondence, with influential and eminent people of every profession in the United States, beginning with university and college presidents, professors and scientific men, and running through all the ranges of the population. We asked our friends and correspondents to arrange for speeches, debates, and lectures by American citizens, but we did not encourage Britishers to go to America and preach the doctrine of entrance into the war—

Mr. GORE. Mark, Senators, that Sir Gilbert Parker did not encourage Britishers to come to the United States and go to and fro hurtling our people into the slaughter pens of Europe. For many an American boy it was indeed the last round-up.

Will the clerk continue reading?

The legislative clerk read further, as follows:

Besides an immense private correspondence with individuals, we had our documents and literature sent to great numbers of public libraries, Y. M. C. A. societies, universities, colleges, historical societies, clubs, and newspapers.

It is hardly necessary to say that the work was one of extreme difficulty and delicacy—

Mr. GORE. Why should it have been a work of extreme delicacy and difficulty to encourage a great idealistic nation like the United States to enter the World War in behalf of its lofty ideals?

Read on.

The legislative clerk read further, as follows:

but I was fortunate in having a wide acquaintance in the United States and in knowing that a great many people had read my books and were not prejudiced against me.

Mr. GORE. Will the clerk stop there for a moment?

It is obvious, Senators, that Sir Gilbert Parker performed his task with infinite industry, I need hardly add with infinite success. I do not know to what extent this propaganda could have contributed to the United States, entering into the World War; but so far as Sir Gilbert was concerned, he discharged his task with unremitting pains and efficiency. Does any Senator doubt that Sir Gilbert Parker had the cooperation of the munitions makers and the munitions mongers of that time? Does the Senate investigating committee doubt that the munitions makers and munitions mongers aided and abetted Sir Gilbert in his campaign? Does anyone in the Senate or out of the Senate doubt that the munitions mongers then as now were sitting like vultures upon the tree of life?

Sir Gilbert says that he began with university and college presidents, professors, and scientists. I wonder if the distinguished professors in Chicago have been contacted by some propagandist of equal industry and equal efficiency.

Sir Gilbert naively says:

We advised and stimulated many people to write articles.

I know what he meant by "advised." I do not know what he meant by "stimulated." I am ignorant. I wonder if some generous knight errant—if some other Sir Gilbert—began with university professors and contacted the "three wise men" of Chicago University and stimulated them to barter away their birthright for a mess of pottage—for a miserable mess of European pottage? I have here a letter stating that 67 professors of international law in our universities and colleges think we ought to enter the World Court; and the truth is further vouchsafed—if it be true—that of 745 professors of law, just ordinary law, 475 thought we ought to disregard the warnings of Washington, thought we ought to violate the maxims of Jefferson, and thought we ought to embroil ourselves in the quarrels of Europe.

There is a short passage just preceding where the clerk began to read in the first instance which I should like to have read.

The PRESIDING OFFICER. The clerk will read as requested.

The legislative clerk read as follows:

The Americans have nothing to gain by success in this war, except something spiritual, mental, manly, national, and human.

Mr. GORE. Mr. President, Sir Gilbert advised us that we had nothing to gain by success in that war except something spiritual, and other terms equally as indefinite.

Now, when Sir Gilbert surveys the tragedy which followed in the trail of the war, when he surveys the wreck and the ruin that were wrought, he ought to find his feeling fitly expressed in the passage:

Oh, give me the land of the wreck and the tomb!
There's grandeur in graves; there's glory in gloom.

Now I ask to have read a passage following the first quotation.

The PRESIDENT pro tempore. The clerk will read as requested.

The legislative clerk read as follows:

Perhaps the safest situation that could be imagined actually did arise. The Democratic Party in America, which probably would not have supported a Republican President had he declared war, were practically forced by the logic of circumstances to support President Wilson when he declared war, because he had blocked up every avenue of attack.

Mr. GORE. Mr. President, Sir Gilbert thinks that the Democrats followed their leader into the war; that the Democrats followed their leader—

Into the jaws of death,
Into the mouth of hell.

That is Sir Gilbert's opinion. I vouchsafe no judgment of my own upon that debatable issue.

Mr. President, President Roosevelt has sent a message to the Senate with respect to the World Court Treaty or protocol. I quote one sentence from the President's communication:

Republican and Democratic administrations and party platforms alike have advocated a court of justice to which nations might voluntarily bring their disputes for judicial decision.

Mr. President, if that be the soul of this controversy, then there is no controversy. I, too, am in favor of a court where nations can voluntarily submit their disputes for a judicial decision. I do not believe there is a Member of the Senate who is opposed to such a court. I do not believe there is an American citizen who is opposed to a court where nations can voluntarily submit their disputes for a judicial decision. Sir, the word "voluntarily" is the soul of that passage.

Some of us are opposed to involuntary submission of our quarrels. Some of us are opposed to compulsion. Some of us are unwilling, by advisory opinions or otherwise, to be haled into this European Court against our will and against our interest.

Now, let us see what the real point is in this controversy, and see how slender an issue divides us all.

Everybody agrees to what the President says, that we should have a court where nations may make voluntary submission of their issues for judicial trial. We have such an institution now—the Permanent Court of Arbitration at The Hague. Its doors stand ajar. It is available for disputants, where they can voluntarily submit their disputes for judicial consideration and judgment.

But, Mr. President, we are not relegated and restricted to the Court of Arbitration at The Hague. This World Court, with all its benedictions and its blessings, is available to the people of the United States. Its gates stand ajar. I ask to have read at this point article XXXV of the statute of the Court.

The PRESIDENT pro tempore. Without objection, the article will be read.

The legislative clerk read as follows:

ARTICLE 35

The Court shall be open to all states generally recognized by treaty or diplomatic relations with the signatories.

When a state which is not a signatory is a party to a dispute, the Court will fix the amount which that party is to contribute toward the expenses of the Court.

Mr. GORE. Mr. President, the World Court stands open for the United States voluntarily to submit any quarrel or any issue to its consideration and its judgment. If we desire to connect ourselves with this Court for our own advantage, in order to avail ourselves of some peculiar advantage which this institution holds out, that advantage is available now. If we desire to join for some other reason, if we desire to join for some other motive, if we desire to join for some other object, if we desire to join for the advantage of others than ourselves, then we ought to ratify the pending resolution. Joining the Court brings no facility for justice that it does not now hold out for the United States.

If we are to join for the advantage of others, then we venture into the realm of risk and responsibility and of danger and of sanctions and possibly of war itself.

The Senator from Arkansas [Mr. ROBINSON] the other day said that we could not afford to stand upon the privilege contained in section 35 of the statute of the Court because if we did it would characterize us as "spongers"; that we would be availing ourselves of the Court without paying the Court costs. That would make us "spongers."

Mr. President, section 35 provides that when we avail ourselves of the inspired justice of this World Court, we shall have the privilege of paying the costs of the Court, as we should pay.

I am willing to endow this Court, Mr. President. I will vote today an endowment of a billion dollars for the World Court, and give the Court an order on our defaulting debtors across the seas.

I listened to the impassioned eloquence of the Senator from Arkansas when he said that we would classify ourselves as "spongers" if we relied upon section 35 and did not pay the fiddler. I felt the force and the impact of his argument. It was designed to urge us to join the Court.

To me it is the most powerful argument I have yet heard against our entrance into the Court. The Senator said we would be "spongers", and sought to introduce us into the Court in order to escape the imputation and the epithet of being spongers, spongers, spongers!

I then envisaged that we had joined the Court under the spell of his irrestible eloquence; that a decision had been handed down by the Court; that our judge was among the dissenting judges; that sanctions were then imposed. And eloquent Senators rise in their places here and say, "Unless the United States takes part in the imposition of sanctions, unless the United States wages war at the bidding of the League, the United States will stigmatize herself as a slacker, as a slacker."

I doubt not that there are internationalists out of Congress who would be willing to sacrifice a half million American boys in order to escape the imputation of being a slacker.

Mr. President, when we join this Court, that brings us within the realm of sanctions, of pains and penalties; and I shall not discuss that point. I shall invoke the highest authority upon the World Court, "Sir" Manley Hudson, another professional patriot who is a cosmopolitan. How-

ever, I want to have read a passage from Dr. Hudson; and while the second quotation from Mr. Reuben Clark will be a little long, I shall ask the patience of Senators, because it is charged, perhaps, with the destiny of many American boys.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

The statute fails to make any provision for the enforcement of either interim or final judgments, and the only "sanctions" behind the Court are those contained in the Covenant; and if any state should fail to abide by a decision, it will be for the Council of the League to "propose what steps should be taken to give effect thereto."—The Permanent Court of International Justice, by Manley Hudson.

Mr. GORE. Now, I shall ask to have read from the testimony of J. Reuben Clark given on May 16, 1934. Senators know Mr. Clark is a prominent American diplomatist.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

But I submit it is difficult to escape on any theory the practical certainty that by joining the World Court we would become amenable, that is, we would have agreed and would be understood to have agreed, that the provisions of article 17 of the Covenant could be applied against us when our action took us within the purview of its provisions. This article stipulates that if disputes shall arise among nonmembers of the League, they shall be—

"invited to accept membership in the League, for the purposes of such dispute, upon such conditions as the Council may deem just. If such invitation is accepted, the provisions of articles 12 to 16, inclusive, shall be applied with such modifications (not ameliorations) as may be deemed necessary by the Council."

The Covenant states:

"If a state so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a member of the League, the provisions of article 16 shall be applicable as against the state taking such action."

While in the contemplation of the Covenant these provisions would be applicable to us in our present status versus the League and the Court, if we came within the prescribed conditions, the point now made is that by joining the Court we may be held to have consented to the application to us of this jurisdiction and sanction; and our subjection to those provisions specifically involves us in all the sanctions provided in the Covenant, including the blockade and economic boycott stipulated in article 16 of the Covenant, measures which President Wilson characterized as a "peaceful, silent, deadly remedy", "something very much more terrible than war."

And may just a word be said in passing about this remedy so graphically and accurately described. For almost 3 centuries prior to the World War the efforts of jurists, statesmen, and military men had been to inject as much humanity as possible into the inhumanity of war. Distinctions had been drawn between combatants—the armed force—and the noncombatant population—the civilian population, between the soldiers in the field and the old, the infirm, the halt, the lame, and the blind, the women, the helpless children who were at home, and between the sick and wounded soldier in the hospital and the able-bodied man at the front. All nations engaged in the World War were guilty of practices that tended to break down all these humane rules.

Now this new remedy—"peaceful, silent, deadly remedy", "something very much worse than war"—is to be applied to the whole Nation; it makes no discrimination between soldiers and civilians, between old, infirm men and women and children and soldiers, between soldiers sick and soldiers healthy. The experiences of the last war teach us that when this remedy is applied the last to suffer will be the soldiers at the front who for the sake of Nation must be clothed, housed, and fed; they must be kept well, healthy, and strong; and the first to suffer, and to them it will come to die of famine and plague, will be the old and infirm, the mothers, and the helpless children, these are to be consigned to all the horrors of the old sieges of the ancients and of the Middle Ages. No wonder military men today are planning war measures that will exterminate whole peoples—men, women, and children—with such an example of world agreement for their guide. Nothing more inhuman has ever been proposed by any group of powers than the measures visualized by article 16 of the Covenant and adopted by its signatory States.

In this view, the remarks of Mr. de Lapradelle to the Committee of Jurists in 1920 gain a sinister significance. He said:

"If the League did not supply sufficient force to the Court, it certainly would fail."

Mr. GORE. Mr. President, if we heed the warnings and take the counsel of Washington, if we stand upon the maxims of Jefferson, we will not enter this Court.

If when the League of Nations says to the United States, "Will you walk into my parlor"—said the spider to the fly—we decline that invitation, if we stand upon the rights vouchsafed to us under article XXXV, we can avail ourselves of all the benefits of this benignant institution, and protect ourselves against all its calamities and the risk of its calamities.

Mr. President, I for one do not want to run the risk. We became involved in a European war without membership in any of their institutions. Could we hope to escape when we obligate ourselves, either expressly or impliedly, by the ratification of this treaty? For my part I will never vote to draft American boys and ship them across the sea to fight and bleed and die in anybody's battles but our own.

Mr. President, I would not sacrifice the life of one American boy, I would not break the heart of one American mother, to guard the boundaries or to maintain the territory of all the faith-breaking and debt-defaulting nations on this globe.

I do not believe this institution can be conjugated into a court. It cannot be made into a court. A judicial tribunal is supposed to decide controversies in accordance with established rules of law and equity and proven facts. This institution is not qualified for that service.

In the summer of 1931 I received a letter from one of my constituents urging me to support American adherence to the World Court. I desire to have read at this point my answer to that communication.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

OKLAHOMA CITY, OKLA., *July 17, 1931.*

MRS. THOMAS S. NEWMAN,
Okmulgee, Okla.

MY DEAR MRS. NEWMAN: I have the honor to acknowledge receipt of your letter dated July 14, in which you make inquiry as to my opinion of the advisability of the United States becoming a member of the World Court, with full participation in its problems and support of its decisions.

I have been trying to keep an open mind upon the question as to the United States becoming a member of the World Court. I say this notwithstanding I have a decided conviction against the United States entering into any kind of entangling alliances with any nation on the globe, particularly with the nations of Europe.

Permit me to add that I am now watching and awaiting with the keenest interest the action of the World Court in respect to the proposed customs union or tariff union between Germany and Austria. That issue has been referred to the World Court. If the Court decides in favor of the customs union, it will do much to inspire my confidence in its judicial character and fairness. But if the World Court decides against the proposed customs union, it will do much to destroy any faith or confidence which I might otherwise have had in its judicial character and fairness.

I confess that I have entertained some doubt as to whether any international organization such as the World Court can in actual fact and practice be a court at all. A court as such ought to be governed in its decisions by established principles, customs, and laws, as applied to the facts proven in the particular case. Europe is now as in the past divided into different political groups. I have felt some fear that the decisions of the World Court might be governed by political interest and consideration, not to say political rivalries, rather than by established principles and proven facts. If this fear should come true, the Court would not be a judicial tribunal no matter what its name and membership, and it might prove a source of embarrassment, not to say a positive handicap.

I am sure that you have given full consideration all these points and have resolved in favor of our membership in the Court.

Whether it is the World Court or Russian communism I am sure that you will agree with me that any kind of inspired propaganda, whether for a world court or Russian communism, ought to make a disclosure of its credentials and its sponsors in order to entitle itself to "full faith and credit"—and favorable action.

Yours truly,

T. P. GORE.

Mr. GORE. Will the clerk now please read the next letter?

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk proceeded to read the letter.

DECEMBER 31, 1931.

GEORGE G. WATSON,
Vice President First National Bank,
Bartlesville, Okla.

MY DEAR SIR: I am pleased to acknowledge yours of the 28th and to have the expression of your views concerning the United States becoming a member of the World Court.

It would give me pleasure to find myself in accord with you upon this subject, and I therefore regret that I have reached a contrary decision.

I am enclosing a letter which I wrote a constituent last summer. I rather hinged my conclusion upon the decision of the Court upon the proposed customs union between Austria and Germany. The decision was, as you will remember, against the tariff, or customs union. Our representative and that of Great Britain, and five others, decided for the union. France was supported by enough of her satelites to defeat the proposed customs union. Perhaps the controlling feather which determined my judgment was a statement in the Manchester Guardian, which I take, which reported France as saying that she would not adhere to, or would not be bound by the Court's decision, if it was adverse to her attitude.

The Court is really a French Court. The League of Nations is really a French League. In my judgment, it is not a judicial tribunal. It is a political institution.

Entertaining these views you will, of course, appreciate my attitude toward the Court. Again regretting our difference of views, I remain,

With best wishes for a prosperous New Year.

Your friend truly,

T. P. GORE.

UNITED STATES SENATE,
COMMITTEE ON INTEROCEANIC CANALS,
WASHINGTON, D. C., *February 19, 1934.*

Miss AMY COMSTOCK,
Associate Editor, the Tulsa Tribune, Tulsa, Okla.

MY DEAR MISS COMSTOCK: This will acknowledge your letter of late date with reference to the World Court.

I am enclosing copies of two letters I wrote in 1931 on this subject, which will explain my position.

It is much more than probable that the bloody catastrophe which has just happened in Austria is a direct result of the decision on the part of the World Court against the proposed tariff, or customs union, between Germany and Austria. If the Court had permitted Germany and Austria to enter into the customs union, it might have obviated the campaign which Hitler has been carrying on to build up a following within the confines of Austria adverse to the present political establishment in Austria.

I may be wrong, but I do not think we could do a better thing than to keep out of the bloody whirlpool of European politics and European wars. No matter how much we differ, I am sure you will appreciate my point of view.

With best wishes, believe me,

Yours very truly,

T. P. GORE.

Mr. GORE. The World Court is a creature of the League of Nations. The League of Nations is the creator, and the Court is the creature. The League of Nations is made up of some 52 different powers—

Embracing every character of race—black, brown, and yellow—every kind of government from dictatorship to democracy; every sort of religion from voodooism to Christianity; every degree of progress from cannibalism to civilization.

I quote this from a former distinguished Member of this body, Senator Reed, of Missouri. I pause here to pay a merited tribute to Jim Reed, to William Borah, to Hiram Johnson. More than to any other—I might almost say more than to all other—American citizens, we are indebted to them for keeping the United States out of the League of Nations. Their services remind me of Horatius of old, when he and his two intrepid comrades held the bridge against 90,000 Tuscan troops. I would not undertake to cast the characters. Each may arrange the cast for himself. Either might well serve as Horatius when he said:

"Hew down the bridge, Sir Consul,
With all the speed ye may;
I, with two more to help me,
Will hold the foe in play.
In yon strait path a thousand
May well be stopped by three:
Now who will stand on either hand,
And keep the bridge with me?"

Then out spake Spurius Lartius—
A Ramnian proud was he:
"Lo, I will stand at thy right hand,
And keep the bridge with thee."
And out spake strong Herminius—
Of Titian blood was he:
"I will abide on thy left side,
And keep the bridge with thee."

"Horatius," quoth the Consul,
"As thou sayest so let it be."
And straight against that great array
Went forth the dauntless three.

And the dauntless three held 90,000 Tuscans at bay, while saw and hammer destroyed the bridge across the Tiber, and saved Rome from pillage and destruction.

I can understand the motives of the burglar who breaks into a house to rob it of its plate or its jewels; I can understand the motives of the highwayman, the racketeer who uses a machine gun in order to murder and plunder his victims, weighing all the advantages and disadvantages, he hopes to profit by the transaction; but I cannot appreciate the motives of him who would usher the United States into the bloody shambles, into the slaughter pens of Europe.

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

Mr. GORE. My time on the resolution?

The VICE PRESIDENT. On both the resolution and the reservation. The Senator has spoken on both, 15 minutes on the reservation, and 30 minutes on the resolution. The question is on agreeing to the reservation offered by the junior Senator from Oklahoma [Mr. GORE].

Mr. GORE. Mr. President, I shall not, of course, attempt to pursue the subject, but I am sorry I did not have opportunity to discuss my reservation, which provides that the nations of Europe shall pay their debts before we join the Court.

I ask for the yeas and nays on the reservation.

Mr. TRAMMELL. Mr. President, I desire to have the reservation read.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

Resolved further, That adherence to the said protocols and statute provided for above shall not become or remain effective and shall not be or become binding while or when any nation which is an adherent of said protocols and which is indebted to the Government of the United States shall be in arrears for a period of more than 6 months in respect of any payment due upon such indebtedness.

Mr. ROBINSON. Mr. President, manifestly this is a reservation which is intended to encompass the defeat of the resolution in every practical aspect.

I ask the friends of the Court to vote down the reservation.

Mr. THOMAS of Oklahoma. Mr. President, I move that the limitation of 6 months be amended so as to make it 1 year.

The VICE PRESIDENT. That can be done only by unanimous consent.

Mr. THOMAS of Oklahoma. I make that motion.

Mr. GORE. I thank my colleague.

The VICE PRESIDENT. That the reservation be amended to strike out "6 months" and to insert "12 months"?

Mr. THOMAS of Oklahoma. That is correct.

The VICE PRESIDENT. The question is on the amendment of the senior Senator from Oklahoma [Mr. THOMAS] to the reservation proposed by the junior Senator from Oklahoma [Mr. GORE].

Mr. GORE. Mr. President, if I am eligible to comment for a moment on that amendment, I shall not take much of the time of the Senate——

The VICE PRESIDENT. The Senator from Oklahoma has 15 minutes on the amendment.

Mr. GORE. I shall come to the point. I note what the Senator from Arkansas has said, and while I may be ignorant, as the professors say, I am not ignorant of the fact that 12 nations of Europe owe the United States $12,000,000,000. I am not ignorant of the fact that England owes us $4,700,000,000, that France owes us $3,900,000,000, that Italy owes us more than $2,000,000,000. I am not ignorant of the fact that France is in arrears $141,000,000, and that England is in arrears $261,000,000.

Mr. President, it perhaps is natural that the Senator from Arkansas should suggest that this is a mere motion to embarrass the friends of the Court. We are asked to join this Court, to sit around the council table with nations which are indebted to us more than $12,000,000,000.

I am under no illusion that these debts will ever be paid in full. I am under no illusion that the United States will

ever cancel these debts, I mean, outright. But I do realize that these debts are an obstruction to commerce, to international trade, and, to some extent, they are an irritant which disturbs international relations.

President Roosevelt has been trying, under the law passed a year ago, to negotiate reciprocal trade agreements with the different nations of the earth. Only one such agreement has been consummated, and that with our understudy, the island of Cuba.

It seems to me that if this reservation be adopted, it would at least remind the people of Europe, if they have forgotten these debts, that we have not forgotten them. I have in mind several adjustments which could be made which would facilitate the settlement of these debts and the furtherance of more friendly and cordial relations between this country and Europe. I have not time to elaborate upon them now; but, Mr. President, the nations of Europe now in default are resentful toward the United States. The money which they borrowed to preserve their existence is in default, and they resent the suggestion that we should like to be paid, not in full but in part.

Mr. President, I desire now to quote from an English magazine upon this point. An English magazine said that the terms in which Americans are commonly referred to in Europe are "bloodsuckers, hypocrites, and Shylocks." I quote: "Bloodsuckers, hypocrites, and Shylocks." In Europe they say that "U. S." does not stand for "Uncle Sam"; that it stands for "Uncle Shylock."

Mr. President, as you know, the ancient law of divorce was that when a husband cohabited with his wife after a known act of infidelity, he had condoned the offense and forfeited his right to a divorce on the ground of infidelity. How shall we sit about the council board of Europe with nations sitting at the board who stigmatize us as "bloodsuckers, hypocrites, and Shylocks" without condoning their default?

Mr. President, those epithets slander the living. More than that, they slander the dead. The living may submit to this insult if they please. Someone should defend the dead. Someone has said that "Noble spirits war not with the dead. They war not even with their enemies when they have paid the last, final debt to Nature." These people are warring with their friends. They are warring with their defenders. They are warring with those who died in their defense. They are dishonoring the dead.

I sometimes wonder what our boys would think; I sometimes wonder how our boys would feel; I sometimes wonder what our boys would say—our boys who lie buried in France, who laid down their lives in the morningtide of existence, who laid down their lives that France might live—I sometimes wonder what they would say if they could hear the words "bloodsucker", "hypocrite", "Shylock"; could hear those words whispered by the mourning winds as they murmur melancholy music through the grass upon their graves. Would they not say, "Was it for this you bade us die?" Would they not say, "Was it for these that you sent us to untimely graves?"

Ah, sir, if only the dead could speak! But, alas! "from the voiceless lips of the unreplying dead there comes no word."

EXHIBIT A

SENATORS OF THE UNITED STATES!

ARE THESE THE FORGOTTEN MEN?

From the farewell address of George Washington (President of the United States, 1789–97) to the people of the United States:

Friends and fellow citizens:

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow citizens, the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. * * * The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. * * * Europe has a set of primary interests which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our interests. * * * Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

GEORGE WASHINGTON.

United States, September 17, 1796.

George Washington wrote to Patrick Henry in October 1795, when he offered him the Secretaryship of State:

"My ardent desire is, and my aim has been as far as depended upon the executive department, to comply strictly with all our engagements, foreign and domestic; but to keep the United States free from political connection with every other country, to see them independent of all and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced that we act for ourselves, and not for others. This, in my judgment, is the only way to be respected abroad and happy at home; and not, by becoming partisans of Great Britain or France, create dissensions, disturb the public tranquillity, and destroy, perhaps forever, the cement which binds the Union."

John Adams (President 1797-1801)—from his letters:

"It is obvious that all the powers of Europe will be continually maneuvering with us to work us into their real or imaginary balances of power. They will all wish to make of us a makeweight candle, when they are weighing out their bounds. Indeed, it is not surprising; for we shall very often, if not always, be able to turn the scale. But I think it ought to be our rule not to meddle; and that of all the powers of Europe, not to desire us, or, perhaps, even to permit us, to interfere, if they can help it."

Thomas Jefferson (President 1801–9) in a letter to President James Monroe:

"I have ever deemed it fundamental for the United States never to take active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government are all foreign to us. They are nations of eternal war."

From his first inaugural address:

"Peace, commerce, and honest friendship with all nations, entangling alliances with none."

James Madison (President 1809–17) in his first inaugural address March 2, 1809:

"Indulging no passions which trespass on the rights of the repose of other nations, it has been the true glory of the United States to cultivate peace by observing justice and to entitle themselves to the respect of the nations at war by fulfilling their neutrality obligations with the utmost impartiality."

James Monroe (President 1817–25) in his annual message to Congress, 1823:

"The political system of the allied (European) powers is essentially different from that of America. This difference proceeds from that which exists in their respective governments; * * *

"We owe it, therefore, to candor, and to the amicable relations existing between the United States and those European powers, who declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

"With the existing colonies and dependencies of any European powers we have not interfered and shall not interfere."

John Quincy Adams (President, 1825–29), while Secretary of State, wrote, on July 5, 1820:

"The political system of the United States is also essentially extra-European. To stand in firm and cautious independence of all entanglements in the European system has been a cardinal point of their policy under every administration of their Government from the peace of 1783 to this day. If at the original adoption of their system there could have been any doubt of its justice or its wisdom, there can be none at this time. Every year's experience rivets it more deeply in the principles and opinions of the Nation. Yet in proportion as the importance of the United States as one of the members of the general society of nations increases in the eyes of the others, the difficulties of maintaining this system and the temptations to depart from it increase and multiply with it.

Andrew Jackson (President 1829–37) in a message to Congress:

"Cultivate free commerce and honest friendship with all nations, but make entangling alliances with none. Our best wishes on all occasions, our good offices when required, will be afforded to promote the domestic peace and foreign tranquillity of all nations with whom we have any intercourse. Any intervention in their affairs further than this is contrary to our principles."

Abraham Lincoln (President 1861–65) in his second annual message December 1, 1862:

"The Civil War, which has so radically changed for the moment the occupations and habits of the American people, has necessarily disturbed the social condition and affected very deeply the prosperity of the nations with which we have carried on commerce throughout a period of half a century.

"It has at the same time excited political ambitions and apprehensions which have produced a profound agitation throughout the civilized world. In this unusual agitation we have forborne from taking any part in any controversy between foreign states. And between parties and factions in such states. We have attempted no propagandism. We have left to every nation the exclusive conduct and management of its own affairs."

Grover Cleveland (President 1885–89 and 1893–97)—In a message to Congress:

"The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for the settlement and development of the resources of our vast territory, dictate the scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions, and the prosperity of our Republic. It is the policy of independence, favored by our position and defended by our known love of justice and by our own power. It is the policy of peace suitable to our interests. It is the policy of neutrality, rejecting any share in foreign broils and ambitions upon other continents and repelling their intrusion here. It is the policy of Monroe, and of Washington, and Jefferson—'Peace, and honest friendship with all nations; entangling alliance with none.'"

William McKinley (President 1897–1901):

"It has been the policy of the United States since the foundation of the Government to cultivate relations of peace and amity with all the nations of the world, and this accords with my conception of our duty now.

"We have cherished the policy of noninterference with the affairs of foreign government, wisely inaugurated by Washington * * *. Content to leave undisturbed with them the settlement of their own domestic concerns."

Theodore Roosevelt (President 1901–9):

"I do not believe that the United States should enter into a world-wide career of disinterested violence for the right; because where both the lands and the issues involved are remote from us our people wouldn't know with certainty where the right lay and wouldn't feel that we ought to go into the quarrel. We have enough to do that is our business."

Patrick Henry (born 1736, died 1799):

"It is natural for man to indulge in the illusion of hope. We are apt to shut our eyes against a painful truth, and listen to the song of that siren 'till she transforms us into beasts. Is this the part of wise men, engaged in a great and arduous struggle for liberty? Are we disposed to be of the number of those who, having eyes, see not, and having ears, hear not, the things which so nearly concern their temporal salvation? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth; to know the worst, and to provide for it. I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging of the future but by the past."

Daniel Webster (born 1782, died 1852):

"Great father of your country, we need your words; we feel their force, as if you now uttered them with lips of flesh and blood. Your example teaches us, your affectionate addresses teach us, your public life teaches us, the sense of the value of the blessing of the Union. Those blessings our fathers have tasted, and we have tasted and still taste. Nor do we intend that those who come after us shall be denied the same high function."

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the amendment I offered a moment ago be withdrawn.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The question is on the reservation offered by the Senator from Oklahoma [Mr. GORE]. On that question the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). Making the same announcement that I have previously made today, I withhold my vote.

The roll call was concluded.

Mr. AUSTIN. I reannounce the general pair between my colleague [Mr. GIBSON] and the junior Senator from California [Mr. MCADOO]. On this question I do not know how either Senator would vote if present.

Mr. LEWIS. I repeat the announcement heretofore made by me on previous roll calls as to the absence of certain Senators, and the reasons therefor.

I also desire to announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Iowa [Mr. MURPHY] are necessarily absent.

The result was announced—yeas 26, nays 57, as follows:

YEAS—26

Bilbo	Donahey	Murray	Thomas, Okla.
Bone	Frazier	Nye	Trammell
Borah	Gore	Reynolds	Walsh
Carey	Johnson	Russell	Wheeler
Clark	La Follette	Schall	White
Davis	Long	Shipstead	
Dickinson	McCarran	Smith	

NAYS—57

Adams	Capper	Hatch	O'Mahoney
Ashurst	Connally	Hayden	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	Lewis	Robinson
Bankhead	Cutting	Logan	Schwellenbach
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Duffy	Maloney	Steiwer
Black	Fletcher	McGill	Thomas, Utah
Brown	George	McNary	Truman
Bulkley	Gerry	Metcalf	Van Nuys
Bulow	Glass	Minton	Wagner
Burke	Guffey	Moore	
Byrd	Hale	Neely	
Byrnes	Harrison	Norris	

NOT VOTING—11

Caraway	Hastings	Norbeck	Tydings
Copeland	McAdoo	Overton	Vandenberg
Gibson	Murphy	Townsend	

So Mr. GORE's reservation was rejected.

The VICE PRESIDENT. The question is on the resolution of adherence.

Mr. WHITE. Mr. President, I offer an amendment to the pending resolution, which I send to the desk.

The VICE PRESIDENT. The amendment of the Senator from Maine will be stated.

The CHIEF CLERK. It is proposed to add at the end of the resolution:

Resolved further, That as a part of this act of ratification the United States approve the protocols and statute hereinbefore mentioned upon the condition and with the clear understanding that recourse to the Permanent Court of International Justice for the interpretation of or for any adversary opinion concerning any treaty, agreement, or arrangement fixing or dealing with tariff rates and duties imposed upon the importation of goods, wares, and merchandise into the United States shall not at any time be had.

Mr. WHITE. Mr. President, it is so late that I shall not discuss the amendment beyond undertaking to state its purpose. Its simple and sole purpose is to make certain that the tariff acts and the tariff policy of the United States shall not come within the jurisdiction of the Court.

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

The reservation was rejected.

Mr. WALSH. Mr. President, the Legislature of Massachusetts has pending before it a resolution instructing the two Senators from Massachusetts to oppose the pending resolution. The parliamentary situation is such that action cannot be taken upon that resolution for some days. In the meantime I have received telegrams, one being from the members of the Massachusetts State Senate, protesting against the resolution of adherence, which telegram is signed by 30 of the 40 members of the State senate. Among the 30 members of the State senate who signed the telegram are both Democrats and Republicans, the present president of the State senate and the ex-president of the State senate.

I also have a telegram signed by 176 members of the House of Representatives of Massachusetts expressing their views in opposition to the pending resolution and asking the two Senators to so regard their votes. The 176 members constitute both Democrats and Republicans. I am informed that the number of representatives signing the telegram would probably have been 200 of the 240 members if some members located in distant parts of the State could have been reached. I am informed further that but two members of the State senate refused to sign this petition, and that of those interviewed only a limited number of the members of the house refused to sign.

I have also a telegram from the department commander of the American Legion of Massachusetts in opposition to the pending resolution.

I also have a telegram from the Massachusetts Democratic senators and representatives assembled at their first luncheon of the present session resolving opposition, without a dissenting vote, to entrance into the World Court.

I ask that these communications be printed in the RECORD in connection with the debate.

The VICE PRESIDENT. Without objection, it is so ordered.

The communications referred to are as follows:

BOSTON, MASS., *January 26, 1935.*

Senator DAVID I. WALSH,
Senate Building, Washington, D. C.:

We the undersigned members of the Massachusetts Senate, unalterably opposed to American adherence to Court of League of Nations, respectfully petition you to vote against adherence when the matter comes up for a vote in the United States Senate.

Senators Joseph P. Donahue, Boston; Edward C. Carroll, South Boston; William F. Madden, Jamaica Plain; Joseph A. Langone, Jr., Boston; John S. Sullivan, Worcester; P. Eugene Casey, Milford; Charles T. Cavanagh, Cambridge; Walter L. Considine, Ipswich; Charles F. Daly, Medford; Albert Cole, Lynn; James G. Moran, president, Mansfield; Cornelius F. Haley, Rowley; James C. Scanlan, Somerville; William A. Davenport, Greenfield; Frank Hurley, Holyoke; William F. McCarty, Lowell; Francis M. McKeown, Springfield; Charles G. Miles, Brockton; George G. Moyse, Waltham; Donald W. Nicholson, Wareham; Edward H. Nutting, Leominster; Albert Pierce, Salem; Harry B. Putnam, Westfield; Joseph C. White, Jamaica Plain; Samuel H. Wragg, Needham; James P. Meehan, Lawrence; William S. Conroy, Fall River; John F. Donovan, Chelsea; Erland F. Fish, Brookline.

BOSTON, MASS., *January 28, 1935.*

Senator DAVID I. WALSH,
Washington, D. C.:

I have been contacted by hundreds of my constituents who are opposed to the entry of the United States into the World Court. As a liaison officer of the State department of the American Legion and senator of the eighth Suffolk district, I wish to record myself in accordance with the opinion of the great majority of my constituents, and the opinion of practically every member of the American Legion, as unalterably opposed to the entry of the United States in the World Court, and I request that you vote "no" on this legislation.

THOMAS M. BURKE,
Senator Eighth Suffolk District.

P. S.—Sunday, January 27, I addressed the Suffolk County Veterans of Foreign Wars and Suffolk Voiture of the Forty and Eight, and both organizations passed unanimous resolutions against the entry of the United States into the World Court, and telegrams were forwarded asking you to vote against our entry.

BOSTON, MASS., *January 29, 1935.*

We, the undersigned members of the House of Representatives of Massachusetts, convinced of the wisdom of the injunction laid down by Washington against foreign entanglements and therefore unalterably opposed to American adherence to the Court of the League of Nations, hereby respectfully request United States Senators DAVID I. WALSH and MARCUS A. COOLIDGE to vote against adherence when the matter comes up for a vote in the United States Senate.

Representative Thomas Dorgan; Representative John F. Aspell, Boston; Representative Timothy J. Murphy, Boston; Representative Joseph H. Downey, Brockton; Representative Edward J. Kelley, of Worcester, Mass.; Representative Thomas P. Dillon, Cambridge; Representative Daniel J. Horan, Winthrop; Representative Augustine Anola, Revere; Representative John Philip White, Boston; Representative James John Kiley, Boston; Representative Francis E. Ryan, Somerville; Representative Bernard P. Casey, Boston; Representative Martin R. Schofield; Representative Frederick H. Reinstein, Revere; Representative Bernard Funkels; Representative Patrick J. Kearns, of Lynn; Representative Eugene L. Girone, Somerville; Representative Thomas E. Barry, Boston; Representative George F. Pierce, Everett; Representative Abraham F. Zimon, Boston; Representative Richard P. Paul, Canton; Representative Francis W. Irwin, East Boston; Representative John J. Donohue, Somerville; Representative Michael J. Carroll, Lynn, Mass.; Representative James M. McElroy, Lynn, Mass.; Representative John W. Coddaine, Jr., Haverhill; Representative William F. Higgins, Boston; Representative Charles H. Savage, Boston; Representative John J. Gilmartin, Fitchburg, Mass.; Representative Patrick J. Welsh, Boston, Mass.; Representative Samuel H. Chew, Boston; Representative Anthony A. McNulty, Boston; Representative Edward T. Brady, Somerville; Representative Thomas J. Love, Lawrence; Representative Thomas Flaherty, Charlestown; Representative James P. Donnelly, Lawrence, Mass.; Representative John Q. Murray, Watertown, Mass.; Representative James F. Tobin, Salem, Mass.; Representative John L. Gleason, Boston; Representative Gilbert Sullivan, Boston; Representative Christopher J. Tyrrell, Westborough; Representative Edward D. Lion, of Lawrence; Representative John B. Wenzler, Boston; Representative Paul J. McDonald, Chelsea; Representative Francis X. Coyne, Boston; Representative Thomas J. Hannon, Jr., Boston; Representative Frank D. Babcock, Haverhill; Representative Roland D. Sawyer, Ware; Representative Rufus H. Bond, Medford; Representative Joseph W. Doohy, Taunton; Representative Lawrence P. McHugh, Boston; Representative Anthony R. Doyle, Worcester; Representative James F. Mahoney, Cambridge; Representative Frank W. Smith, Palmer; Representative Edward A. Coffey, Salem, Mass.; Representative Sven A. Erickson, Worcester; Representative J. Francis Southgate, Worcester; Representative Frank L. Floyd, Manchester; Representative John F. Manning, Marlboro; Representative Ralph N. Hamilton, Cambridge; Representative Adolph Johnson, Brockton; Representative Ira C. Ward, Plymouth; Representative Magorisk L. Walls, Rockland; Representative Louis J. Scanlon, Lawrence; Representative Carl A. Woekel, Methuen; Representative Thomas A. Delmore, Lowell; Representative Edward H. Sparrell, Norwell; Representative Albert Rubin, Fall River; Representative Frank J. Sargent, Clinton, Mass.; Representative William A. Hastings, Malden, Mass.; Representative Leo E. J. Carney, New Bedford; Frank B. Coughlin, Norwood; J. J. Foley, Holyoke; George W. Pettengill, Salisbury; Andrew J. Coakley, Chicopee, Mass; John J. Murphy, Westfield, Mass.; Arthur E. Paul, Boston; Arthur U. Mahan, Leominster; Frank C. Sheridan, Maynard; William T. Swain, Nantucket; Ralph E. Otis, Pittsfield; Henry P. McLaren, Westwood; Raymond F. O'Connell, Springfield; Joseph P. McCooey, Worcester; Edward P. Boland, Springfield; Representative Albert E. Morris, Everett; Walter R. Baylies, Taunton; Roger A. McNamara, Easton; Representative Philip M. Markley, Springfield; Representative Archibald L. Jones, Middleton; John R. Knowles, Hull; Flen T. Comerford, Brookline; Ralph V. Clampit, Springfield; George M. Kurzon, Uxbridge; John P. Lyons, Brockton; Edward J. Connelly, Wakefield; Frank H. Horton, Rehoboth; William P. Grant, Fall River; Katherine A. Foley, Lawrence; Arthur T. Burgess, Quincy; Frank M. Leonardi, Boston; Joseph J. Cleary, Cambridge; Frank E. McLean, Lowell; Michael T. O'Brien, Easthampton; William C. Lunney, Holyoke; Charles H. Shea, Cambridge; Fred A. Blake, Garner; Thomas J. Flannery, Waltham; George T. Ashe, Lowell; Albert L. Bourgeois, Lowell; Charles A. Kelley, Worcester; Geo. F. Killgoar, Boston; George P. Hassett, Medford; John E. Murphy, Peabody; Clarence C. Durant, Lee; Charles W. Olson, Ashland; William J. Landergas, Lyons; Leo M. Brimingler, Brighton; Owen Gavaghan, Boston; Timothy J. McDonough, Boston; John V. Kimball, Malden; Francis H. Coady, Cambridge; Charles V. Hogan, Lynn; Rodolphe G. Bessette, New Bedford; Malcolm L. Bell, Marblehead; John R. Shaughnessy, Quincy; Cornelius P. Donovan, Lynn; John H. Valentine, Chelmsford; Willis E. Kertzstine, Holyoke.

THE COMMONWEALTH OF MASSACHUSETTS,
HOUSE OF REPRESENTATIVES,
STATE HOUSE,
Boston, January 28, 1935.

Add to list of members of house in opposition to American entry into the League Court and requesting the two United States Senators from Massachusetts to vote against adherence.

Representatives Jeremiah J. Healy, Natick; Ernest J. Dean, Chilmark; Martin Hays, Boston; Edward P. Bacigalupo, Boston; William H. Melby, Chelsea; Joseph N. O'Kane, Dudley; Charles J. Innes, Boston; Philip G. Bowker, Brookline; Alfred M. Bissette, New Bedford; Chester W. Chase, New Bedford; George Demeter, Boston; William A. Baldwin, Lynn; Donald A. MacDonald, West Springfield; N. N. Brown, Abington; Philip Sherman, Somerville; Frederick H. Tarr, Jr., Rockport; Fred Hutchinson, Lynn; Gustave W. Everberg, Woburn; Herbert W. Urquhart, Georgetown; Joseph D. Rolfe, Newbury; Francis G. Kelley, North Attleboro; Gage E. Tarhill, Lincoln; Horace T. Cahill, Braintree; John J. Whalen, Brockton; Richard Comerford, Leominster; John C. Wilson, Beverly; Josiah Babcock, Milton; William A. Jones, Barnstable.

BOSTON, MASS., *January 29, 1935.*

Hon. DAVID I. WALSH,
United States Senator:

Add our names to list Massachusetts legislators opposed American adherence to Court of League of Nations.

Senator Thomas M. Burke, Boston; Representatives C. F. Luitweiler, Newton; George F. Driscoll, Fall River; Leo P. Landry, Watertown; Michael J. Ward, Boston; Frederick T. McDermott, Medford; Joseph M. Roach, North Adams; Toney A. Centracchio, Boston; David G. Nagle, Boston; Michael H. Jordan, Lawrence; James W. Hennigan, Boston; John J. Foley, Cambridge; Jose H. L. Murphy, Boston; Frank Morrison, Boston; Ignatius B. Cleary, Auburn; J. Walton Tuttle, Framingham; Frank B. O'Brien, Fall River; Terrence J. Lomax, Jr., Fall River.

BOSTON, MASS., *January 24, 1935.*

Hon. DAVID I. WALSH,
United States Senator:

Respectfully urge you vote for support of maintenance of sovereignty of United States by refusing ratification World Court protocols.

JEREMIAH J. TWOMEY,
Commander American Legion Massachusetts.

Mr. LEWIS. Mr. President, I am instructed to inform the Senate that a telegram has been placed in my hands to be read, the contents of which I shall recite. From Genoa, Italy, comes a cable to the junior Senator from Tennessee [Mr. BACHMAN] saying:

Pair us for the World Court.

MCKELLAR AND TYDINGS.

As the Senator-elect from Tennessee has not been sworn in, of course, a pair may not be arranged for him. As to the Senator from Maryland, a subsequent announcement will be made as to that pair.

The VICE PRESIDENT. The question is on agreeing to the resolution of adherence as amended.

Mr. NORRIS. Mr. President, the final vote on the resolution of adherence to the World Court is about to be cast, and I presume, from what I know about the situation, that it will be in the affirmative by the required constitutional majority.

I offered an amendment a day or two ago in the form of a reservation which, it seemed to me, if it had been agreed to, would have clarified the situation and made it plain, fixing it beyond the possibility of a doubt that no danger would ever have come to our country through our adhering to the World Court.

While I do not criticize, and do not want to be understood as finding fault with any Senators who voted against the reservation, as I view the situation now that reservation, or some similar reservation, is absolutely necessary in order to save our country from some possible danger. And holding that view, believing, as I do, that the safeguards which seem to me to be necessary to protect us have been swept aside and voted down, I feel it my conscientious duty to vote against the resolution of adherence.

Practically the same thing I sought before would have been accomplished today, in my opinion, if an amendment striking out the words "general treaty" had been agreed to. As it stands now, there is a possibility, if not a very strong probability, that we will be called upon before long to approve general treaties by which we will agree on our part to submit to the World Court every controversy which may arise.

As I see the situation, that would be a dangerous step for the United States to take. I have said before that I can reach this conclusion, and do, without necessarily implying any lack of ability, any honesty, or any patriotism, in any of the members of the Court. But it seems to me I can see plainly that there is a great possibility that questions will arise in the future which, under no circumstances would I feel justified, as an American citizen, in submitting to that Court as it is now constituted, and as it will probably be constituted in the future throughout all time.

One thing about it that grieves me much—and it is for that reason principally that I feel it is a duty I owe to say something on this occasion—is that under no circumstances do I want to be one who will in any way directly or indirectly interfere with any movement in Europe that will have a tendency to decide questions in dispute between nations in a court of reason rather than upon the battlefield.

I know the charge will be made that those of us who shall vote against the resolution of adherence will do so because we are friendly toward the settlement of international disputes by war rather than by arbitration. Nothing could be further from the truth as I see it. I feel that I should like, by any gesture I can make, to help Europe to decide her international questions by means other than war. That is the reason why I think I should not like to put a straw in the path of any such settlement in Europe by any European tribunal.

At the same time I feel that I cannot go so far in that assistance as I want to go, and feel desirous of going, as to jeopardize by any possible action any future controversy that may arise in which our country has a direct or even an indirect interest.

I thought I had made it easy for friends of the World Court to vote for the reservation which I offered the other day, because I had provided in the reservation, instead of putting in, as there is now, a stipulation that treaties should necessarily be made, that our consent on the part of the Senate to the submission of any dispute should simply require a two-thirds vote here and such action on the part of the Senate before any dispute could be submitted.

The reservation that has now been adopted provides for the red tape of a treaty. If the original reservation offered by me had been agreed to, it would have been a very simple matter for the President to submit the question to the Senate as to whether it would agree to the submission of a matter to the Court. No other country would have had any interest in it. No other country could by any possible construction of law have any complaint to make as to what method we took on our part to submit a controversy to the Court. I very cheerfully would have voted for the resolution of adherence had that amendment been agreed to. I am exceedingly sorry that I feel that I cannot vote for it without that reservation.

When today the reservation came up providing for a treaty, general or special, it was divulged then in the debate that by a single treaty any number of controversies could be submitted, although the treaty providing for such procedure must, of course, receive a two-thirds vote on the part of the Senate for its approval. But one treaty would put us under obligations to submit controversies to that Court about which we knew absolutely nothing at the time we might approve the treaty. With that condition in it, which previously I had not really understood, it seemed to me that it still left us in the dangerous position of submitting to this Court controversies far in advance of the arising of the controversies themselves, and at a time when we could not possibly know anything about the controversy or even that there would be such a controversy.

I am unwilling to go that far. I am unwilling to submit to that tribunal controversies which may arise in the future, about which I can know nothing whatever at this time and about which our country can know nothing whatever at this time. I am not willing to submit to that tribunal any controversy that is not understood at the time it is submitted.

I think in taking that position I am not taking a position that can be by any possible means construed to mean that I am opposed to arbitration or that I am opposed to submitting international controversies to arbitration.

But there may come controversies, after we are dead and gone, if we agree to such a general treaty, which, in my judgment, would not get a dozen votes in the Senate of the United States as it is constituted now if we were called upon to submit such controversies to this Court. We know what the Court is. We know how it is constituted. We know how it is going to be constituted. It is in the main and always will be a Court composed mostly of men not familiar with American questions—and that is no detriment to it and I do not offer it as a criticism—not having the viewpoint of the American Government and its citizens, but constituted of men who have grown up under a different civilization and with entirely different views as to what ought to happen.

We agreed some time ago to a resolution adhering to the Court with certain reservations. I voted for it at that time. It had in it then the reservation that we have now agreed to. My idea was, until the discussion today, that that resolution practically covered the situation. I can see clearly now that it does not, as I have tried to point out to the Senate.

Moreover, since that time a great deal of water has gone over the wheel; a great many things have happened. I would mention some of them if it were not for fear that I might be misunderstood in the discussion of some of those questions. We have had many dealings in the years that

have passed. The Court has made some decisions during that time, for instance, a decision, which has been discussed here to a considerable extent, growing out of the agreement between Austria and Germany which is conceded, I believe, or conceded in large part, at any rate, to involve some political issues. It is known that some of the great countries and the great statesmen of Europe said while that case was pending in the Court that they would not submit to the decision if it went contrary to their views. If we were in the League and in the Court and that decision had not been the other way and some of the nations that had agreed to the submission of the case and agreed to have the Court act had objected to the decision after it had been made, if they had refused to abide by the judgment of the Court, it would probably have meant war. If we were in the Court, I think we would feel some obligation to back up the decisions of the Court; we would feel some obligation and some responsibility for its protection; and to see that its judgments were carried out, even though those judgments involved no American question, and it is possible—it is probable, I think, although it might not follow, I concede—that if war had resulted, we would have been drawn into it.

Many of us who are here now know how we were drawn into the last war, and the things that happened then that brought us in may happen again. I hope to God they never will; but we know how men were taken off their feet, how men lost their reason, how men went wildly in favor of war who perhaps would not do so again. But other men are coming on; they are going to be subject to the same impulses; they are going to be subject to the same kind of propaganda which was successfully employed then and which took us into the war; and I do not want to take any action now that, by any possible construction in the future, with a new set of men here, will, as I fear, under the same conditions, bring us into another bloody catastrophe.

So, Mr. President, I feel that under the conditions existing today I cannot afford to vote to take my country into the World Court; and notwithstanding the possibility, notwithstanding, perhaps, the probability of my being wrong, I am not able to reach the conscientious conviction that a vote in favor of the pending resolution of adherence would be satisfactory to my own conscience. Therefore I shall embrace the opportunity to vote against it.

Mr. BULOW. Mr. President, I had not intended to speak on the pending resolution, and do not now intend to speak at any length. I have no desire to trespass upon the time of the Senate, but I feel that I should take just a moment or two to explain the vote which I intend to cast.

Heretofore I have been in favor of the League of Nations and of the World Court, but the reflections of the last year or two have caused me somewhat to change my mind. I have listened to this debate, heard most of it, and most of that which I have not heard I have read; and I find, so far as I now remember, that every Senator here who is in favor of going into the World Court is only in favor of going into it provided certain reservations are made. That leads me to the conclusion that perhaps it is a dangerous thing to go into the Court.

During the more than 60 years of my life, in an humble way, often questions have come to me upon which action had to be taken; and from that experience I have realized that my Creator endowed me with a something which, for the want of a better name, we have seen fit to call a conscience. That conscience has always pointed out the road to me. If there were two roads to take, that conscience has always told me the right and the wrong road. I have not always obeyed it, but every time I have violated its dictates, apologies and regrets have been necessary. When I have followed its dictates, I do not now remember of a single apology that was necessary.

I sincerely dislike, and it is with deep regret that I am forced, to part company with my administration. It is with deep regret that I cannot follow my leader upon this side of the floor. To me that leadership is voluntary and I can do as I please, but my conscience is not voluntary and I must walk with my consicence constantly until the end of my days.

Under the view I now entertain, much as I regret it, I cannot support the pending resolution of adherence. I thank the Senate for its kindly consideration.

Mr. ROBINSON. Mr. President, I do not intend to delay the vote of the Senate. It seems appropriate, however, that a moment be taken to take note of the remarks made by the Senator who has just taken his seat [Mr. BULOW].

I point out to him, as to all others, that the reservations which have been adopted, and which he says make him mistrustful of the correctness of his attitude in supporting the World Court, are the identical reservations which were adopted in 1926, and which have therefore been in the contemplation of everyone who has formed a conclusion concerning the subject since that time.

In reference to the statement made by the Senator from Nebraska [Mr. NORRIS], the whole effect and purpose of the campaign that has been made during the past few days has been to terrify people who profess to be in favor of the Court, and lead them to the conviction that there is some mysterious, hidden danger likely to produce disaster, disturb peace, and cause destruction of life and property in the United States if we should adhere to the World Court. The object and purpose of the Court is to afford a judicial process for the settlement of disputes which, without such process, might lead to unfriendly relations or war.

There is no argument upon which to rest the conclusion that in joining the World Court the United States endangers the lives or the property of our citizens, or involves our country in European entanglements. The simple question which comes out of all the confusion that has enveloped us during this debate is this:

Do we, as intelligent persons; do we, as law-abiding and peace-minded citizens, wish to hold out hope to our people that we are capable of contributing to the maintenance of an institution which has the power and the integrity to settle issues according to law?

If we answer that question in the negative, we say to every citizen in this country, "No; we have not the intelligence, we have not the power to do anything about it. There is nothing that can be done which will hold out to peace-minded citizens even the hope that the nations may have their issues settled in accordance with law and in accordance with judicial principles. You must look forward to only what you have seen in the past. You must await not the calm decision of men, but to tumult and the shouting, to the beating of drums, the blowing of the horns, the sounding of cannons. You must await the results which are to be determined on fields of strife."

Mr. President, it is a sad thought to me that, after years of deliberation on the subject, the Senate should recede from the position it took many years ago, and now indicate its purpose not to do anything that may be helpful in the peaceful composition of international disputes.

Do not forget it. There has been unfair, unjust, unreasonable propaganda carried on during the course of this debate, carried on by agencies outside the Senate. Appeals have gone from end to end of the country to citizens to send telegrams to Senators to take a stand of opposition on this issue. More than 40,000 telegrams have been sent here in response to such requests, every one of them prompted by inflammatory statements in public addresses that are not based on facts.

Mr. LONG. Mr. President——

Mr. ROBINSON. I decline to yield to the Senator from Louisiana.

Mr. JOHNSON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON. I do not care to interrupt the Senator from Arkansas, and I am willing that he should make his speech; but when he declines to yield, it occurs to me that

he is out of order. He has spoken upon this subject under the unanimous-consent agreement.

Mr. ROBINSON. Oh, no!

Mr. JOHNSON. Oh, yes!

Mr. ROBINSON. Oh, no, Mr. President; I have not spoken on the resolution.

Mr. JOHNSON. The Senator has spoken half a dozen times upon the resolution.

Mr. ROBINSON. I have not spoken at all on the resolution since the agreement became effective. I have spoken on the reservations.

The VICE PRESIDENT. The clerk advises the Chair that since the unanimous-consent agreement was made the Senator from Arkansas has not spoken on the resolution, but has spoken on the reservations. That is the advice the Chair has from the clerk who keeps the record of speakers.

Mr. ROBINSON. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I was only going to ask the Senator about what propaganda he referred to. Did he refer to his own speech of last night? [Laughter.]

Mr. ROBINSON. No, Mr. President. I shall be entirely frank with the Senator from Louisiana. I referred neither to my speech last night nor to his numerous speeches delivered on the subject. [Laughter.]

I doubt whether either my speech or the speeches of the Senator from Louisiana have had very much influence or effect on public opinion in the United States. I have in mind an address made by Father Coughlin in which he made declarations that I do not believe are supported by the record or by the facts. I think he permitted his imagination to run riot.

In the first place, he impugned the intelligence of Senators. He appealed "from an ill-informed Senate to a well-informed Senate." I am wondering if he did not appeal from Philip sober to Philip drunk.

Mr. SCHALL. Mr. President——

Mr. ROBINSON. I yield to the Senator from Minnesota.

Mr. SCHALL. I am wondering if the address by Mrs. Roosevelt did not offset that of Father Coughlin.

Mr. ROBINSON. Mr. President, I am not surprised that the Senator from Minnesota is wondering. He is at liberty to wonder all he pleases. [Laughter.]

Mr. SCHALL. I heard Mrs. Roosevelt's address, and I heard Father Coughlin's address.

Mr. ROBINSON. I am not going to yield to the Senator from Minnesota to make one of his characteristic attacks on Mr. Roosevelt. I have not time to listen to that just now.

Mr. SCHALL. No; I was speaking of Mrs. Roosevelt.

Mr. ROBINSON. The Reverend Father made another statement which I think should be called to the attention of the Senate. He said that the chief support of the World Court comes from plutocrats and international bankers. That sounds like the Senator from Louisiana [Mr. LONG], does it not? [Laughter.] The truth is, when I made that statement he seemed to enjoy it so much that I was reminded of the methods of statement and declaration commonly employed by the Senator from Louisiana. [Laughter.]

Mr. President, the National Grange, almost every bar association in America, all the church organization of every faith, numerous civic clubs, women's clubs, political clubs, and even those old-fashioned clubs, the Democratic and Republican conventions, have declared for the World Court; and here I wish to point out the fact that the declaration of the Republican Party was without qualification.

It did not insist on any reservations. The Republican platform of 1932 boasted that three Republican Presidents had advocated the World Court; and it announced the principle that this country would be safer—the people of the country would be safer, and their rights would be more secure—if we should go into the World Court. Now some of our friends on the other side have forgotten the terms of their platforms and are looking for a way in which to escape from the obligation to stand on it.

Not only have the farm organizations and all the clubs I have mentioned taken this action, but the American Federation of Labor has repeatedly declared for adherence to the World Court.

The Reverend Father, in his characteristic and impassioned speech, also said or implied that all the veterans in the country are against the World Court. Apparently he did not recall that in 1925 and 1929 the American Legion adopted resolutions urging adherence to the World Court.

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

Mr. ROBINSON. Certainly.

Mr. RUSSELL. The Senator from Arkansas, of course, recalls that the last pronouncement of the American Legion on this subject was against the adherence of the United States to the World Court.

Mr. ROBINSON. Mr. President, I do not question that, but it has repeatedly declared itself for the adherence of the United States to the World Court.

Mr. RUSSELL. Not in the last few years, however.

Mr. ROBINSON. One convention, of course, cannot bind another. I do not wish to waste my time discussing an elementary principle like that. The next convention might declare for it.

There is another statement made by the Reverend Father which I think ought to be challenged: that is, that he intimates that the constitution of the Court and its statutes indicate that it will wage war on women and children. There is no foundation for such assertions as that.

A few days ago, when the Senate entered into an agreement to limit debate, a large number of newspapers in this country published, with glaring headlines, "Gag rule adopted by the Senate", as if an effort had been made to suppress debate. The fact is, known to every Senator, that there are only two ways here of limiting debate—one by unanimous consent and the other by cloture.

The cloture rule was not invoked because there was no filibuster. There has not been an attempt at filibuster during the progress of this debate. But a unanimous-consent agreement was entered into under which we are now operating, and that agreement was consented to by every Member of this body. A single Senator could have prevented it. Then to say that a "gag rule" has been resorted to in order to prevent free expression of opinion by Senators is unfair. It is on the same plane with other propaganda that has been carried on during the course of this debate.

I know the Senate is anxious to vote. I am appreciative of the attention that has been given to me, and I shall conclude with this suggestion.

An American tradition is at stake. An American aspiration is attacked in the name of Americanism. I plead for an interpretation of Americanism in line with the insistence by every President since McKinley, every Secretary of State since Hay, and by an overwhelming majority of the unexcited people of America.

Yesterday reference was made by the Senator from California to the general expressions by McKinley and Theodore Roosevelt, the implication being that those great statesmen would be opposed to the World Court. I point out the fact that they have committed themselves on that subject, and by their expressions I will prove that they were in favor of the World Court.

When a general expression is quoted as an indication of the position of anyone, it is fair to refer to what has been said by that individual on the particular question that is under consideration. I make the assertion that the World Court idea originated in the mind of McKinley and in the mind of Theodore Roosevelt, and I propose to prove it by brief quotations from what they said.

McKinley said:

> The long-continued and wide-spread interest among the people of the United States in the establishment of an international court gives assurance that the proposal of a definite plan of procedure by this Government for the accomplishment of this end would express the desires and aspirations of the Nation.

On the basis of that declaration, I say that President McKinley favored the creation of a world court.

What was Theodore Roosevelt's statement? He said this:

> It should be your effort to bring about in the second conference a development of The Hague Tribunal into a permanent tribunal composed of judges who are judicial officers and nothing else, who are paid adequate salaries, who have no other occupation,

and who will devote their entire time to the trial and decision of international causes by judicial method and under a sense of judicial responsibility.

Those were unequivocal declarations by McKinley and Roosevelt. They favored the creation of a world court. I have a longer statement here from former President Theodore Roosevelt, but I shall not read it.

Senators, this is a grave issue. It is not simply the immediate issue which we have to face; it is the danger to our institutions from demagogic appeals made in ignorance or with malicious purpose. Based upon the attack which I have referred to, the Hearst press is calling upon the citizens of this country to vote against what it calls a "conspiracy to involve us in the World Court." There is no conspiracy among the nations members of the World Court. There can be no conspiracy when the object is to promote a wholesome and desirable end—the substitution of justice for force.

For 12 long years this issue has been openly discussed and every detail of it has been laid bare to the scrutiny of the American people. If there be conspiracy at this hour, it is in the methods pursued by those who seek to mislead the judgment of the American people.

I shall not claim the further attention of the Senate. In presenting this matter to the Senate, my associates and I have discharged what we believe to be our duty. We are hopeful that something substantial may be done by the Senate of the United States as an evidence of its readiness to contribute to the cause of international peace throughout the world. There are mutterings of coming storms. We are told by the opponents of the Court that the Court will not be powerful enough to avoid or prevent those storms. We are told by some opponents of the Court that while it is not powerful enough to do good, it is possessed of power to accomplish destructive purposes.

I point out to the Senate the fact that out of all the troubles of the last few years there has come one proposal, one agency which is designed to compose peacefully controversies among nations. It was created by others, but the original suggestion came from our own statesmen.

Now, if we say that we will not accept this agency, that we have no other agency to propose, what is the hope of the mothers of the land? What is the hope of the children of this and coming generations? Must they be born to a heritage of blood and sacrifice? Must they advance into the future realizing that it is far more easy for Government and governmental agencies to drag them into the vortex of a destructive war than it is to lift them up to a plane on which they may enjoy peace?

I leave the issue with you.

Mr. TRAMMELL. Mr. President, I have remained silent throughout the discussion of this question. I have very decided views on the question of this country's entering the Permanent Court of International Justice. I have heretofore opposed it. I have heard nothing in the discussion that has in any way persuaded me to change my former views. I know of no developments which have diverted me from my original opposition to the World Court.

It happens I was one of those who voted against the unreserved ratification of the League of Nations. At that time I was rather lonely among my good Democratic friends, but with the passing of time I believe the sentiment of the American people has not yet ripened in behalf of the League of Nations, but, to the contrary, has become more set against the League. I am sure, in casting my vote against our entrance into the World Court, that I am voicing the overwhelming sentiment of the people of Florida. It is my desire, if I know myself, to represent the people of my State and my Nation.

I am not going into any detailed discussion. By environment, by tradition, by association, my idea and conception of courts have arisen from the American system of jurisprudence. Our American plan is to have a court composed of an impartial judge, a judge who has no interest or prejudice in the question in litigation, a jury without interest or prejudice as between the litigants. If there is anything that safeguards the idea in the American system—and that system is good enough for me—it is the impartial judges, the judges who have no interest, and it is the jurors who have no interest. I have been unable to discover any such policy provided for the World Court, and no one here advocating our entrance into the Court has claimed for such Court any such safeguards as prevail in our American jurisprudence.

The average person would laugh at a lawyer who would go into court and try a case in behalf of his client with a packed jury, with the judge and the jury having an interest at stake or a prejudice in the controversy.

Mr. BARKLEY. Mr. President——

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

Mr. TRAMMELL. I prefer not to yield, as my time is limited. The Senator has already spoken two or three times.

Mr. BARKLEY. Oh, no; I have not spoken at all.

Mr. TRAMMELL. The Senator may speak after I shall have concluded. [Laughter.] However, Mr. President, I will yield just for a question.

Mr. BARKLEY. I thank the Senator for his permission to speak after he finishes. I wanted to ask the Senator if he does not know that every criminal case tried in this country is tried by a jury which has an interest as a part of the public which prosecutes every criminal who violates the laws of his State.

Mr. TRAMMELL. Anybody who knows anything about the system in this country understands the difference between that system and the international World Court system which we are asked to adopt. By what provision do we retire a judge representing one of the States that is a member of this Court if his nation is interested, like our debtor nations are interested? The Senator refuses to retire them. His whole proposal, as represented by this system, permits judges representing every nation that owes America and is in default to sit upon that Court in passing upon cases in which the United States is involved. Why not have a provision in the resolution of adherence that where they are interested they should be excused from service upon the bench in that particular litigation? Here in this country we try desperately to get a fair jury. For instance, in my State three peremptory challenges are allowed to each side. Then we can challenge and have excused for cause any juror who has any interest in the case or who may be prejudiced in the litigation.

In the case of the judges of the World Court they are interested in the political fate of their respective nations; each is interested in what may be the fate of his own nation. In our system we ask the prospective juror if he is prejudiced in the case in any way, and if he admits any prejudice he is excused. Does anyone believe that if we had a judge representing a nation that is in default to America, he would not have a decided prejudice in behalf of his own country? I do not know of any American jurist who would not have a pronounced sympathy for his own country. If he were a good American, he naturally would have. When we reach the point that we can set up a court that we are sure would go about the trial of the issues without prejudice, then we might more seriously consider the entering of such an international court.

Pictures may be painted of this being a great panacea for all the ills of all governments. We talk about war. We have endeavored to be friendly with all nations. We practically forgave them the debts they owed us when we made the debt settlement. I am glad to say I voted against the terms of the settlement of those debts at the time. But we were friendly. We were generous. We did everything in the world to encourage the friendship of the nations that were owing us. What did it avail?

Our Presidents have proposed to forestall war and the danger of war by different disarmament conferences and the curtailment of armaments. Our foreign friends have prevented accomplishments in that respect. We have been generous in helping all the nations in distress, feeding and clothing their people. When I think of it, I am reminded of an incident that occurred in the life of a man I happen to

have known. Someone said to him, "Why is old man Miller opposing you?" He said, "I do not know of any reason why he should be fighting me except that one time I endorsed his note at a certain bank and I had to pay the note."

I do not know of any reason why our European friends are so prejudiced and so antagonistic against the United States except that they came here begging for money to carry on the war, came here pleading for assistance, for somebody to save them from the immediate danger that was pending against them, and the United States responded—responded nobly, responded generously—with her money and with the young manhood of this country and saved those nations. I do not know why they should be so unfriendly to us. I do not know why it is that we cannot get fair consideration from them, unless it is because this country spent and loaned some $42,000,000,000 of her money to rescue them from defeat by the German Empire.

I should like some of our good friends advocating our entrance into the World Court to show where these European nations have extended any friendship to us, where they have shown any appreciation to the United States for the part we played in the war and for the money which we loaned them.

Why, they refused even to pay the interest on the debts—and that is all most of them agreed to pay; just the interest. We waived the principal of all they owed us, and said, "If you will just pay interest on that, we will accept the installments in full settlement at the end of 62 years." They have not paid.

Our people are in the midst of a great depression. They are overburdened with taxation. Millions of them are unemployed and hungry. These other nations take the money that they should pay us for interest and use it for carrying on their own affairs, trying to restore their own countries, and they are spending billions for armament.

My friends, there is a good reason why the honest, patriotic American is not in sympathy with the idea of America bowing down and responding to the call of the internationalist in America, and to the desire of foreign countries to have America go in to help support the Permanent Court of International Justice. We do not feel that our Nation would get justice in such international tribunal.

I do not criticize anybody's sincerity or patriotism, even though we may differ on the issues involved; but sometimes, when I see this effort to plunge our Republic into the World Court, I am impressed that some people would rush in "where angels fear to tread." We have in many instances witnessed such folly.

We have many questions demanding our attention here at home. I do not think there is any great exaggeration about the questions that the other nations will try to force before the Court if America goes into the Court. They will seek to bring all kinds of questions before the Court, if they can, involving immigration, involving trade relations, and involving other problems which are of the most vital concern and interest to America. Will the other nations seek before the Court to help our country? The question answers itself.

I am not willing to vote to have the United States enter this Court and go into a trial before judges representing nations which, generally speaking, are unsympathetic to America, which are unfriendly to America; and the controlling and dominating elements in that Court, being indebted to America to the extent of billions, who are treating America's claims with absolute indifference, I might say have trampled under their feet an honest obligation to the American people. They, through that Court, are not going to do very much for America.

I am strongly convinced that the United States can far better conserve the interests of the American people by remaining out of this Court.

Mr. CONNALLY. Mr. President——

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The resolution of adherence, as amended, will be read for the information of the Senate.

The resolution of adherence, as amended, was read as follows:

Whereas the President, under date of December 10, 1930, transmitted to the Senate a communication, accompanied by a letter from the Secretary of State dated November 18, 1929, asking the favorable advice and consent of the Senate to adherence by the United States to the protocol of date December 16, 1920, of signature of the Statute for the Permanent Court of International Justice, the protocol of revision of the Statute of the Permanent Court of International Justice of date September 14, 1929, and the protocol of accession of the United States of America to the protocol of signature of the Statute of the Permanent Court of International Justice of date September 14, 1929, all of which are set out in the said message of the President dated December 10, 1930: Therefore be it

Resolved (two-thirds of the Senators present concurring), That the Senate advise and consent to the adherence by the United States to the said three protocols, the one of date December 16, 1920, and the other two each of date September 14, 1929 (without accepting or agreeing to the optional clause for compulsory jurisdiction), with the clear understanding of the United States that the Permanent Court of International Justice shall not, over an objection by the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

Resolved further, That adherence to the said protocols and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign state; nor shall adherence to the said protocols and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions.

Resolved further, as a part of this act of ratification, That the United States approve the protocols and statute hereinabove mentioned with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute.

The VICE PRESIDENT. The question is, Shall the Senate advise and consent to the resolution of adherence, as amended? The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LEWIS (when Mr. COPELAND's name was called). I am instructed to advise the Senate that the Senator from New York [Mr. COPELAND], who is necessarily absent, is paired with the Senator from Louisiana [Mr. OVERTON], who is detained on account of illness, and the Senator from Oregon [Mr. STEIWER]. The Senator from Oregon will announce his own attitude. I am instructed to say that the Senator from Louisiana, if present and voting, would vote "nay", and the Senator from New York, if present and voting, would vote "yea."

Mr. AUSTIN (when Mr. GIBSON's name was called). I again announce the necessary absence of my colleague [Mr. GIBSON]. I announce a pair between my colleague and the Senator from Maryland [Mr. TYDINGS] with the junior Senator from California [Mr. McADOO], all of whom are detained on the Philippine mission. On this question I am informed that my colleague and the Senator from Maryland, if present, would vote in the affirmative, and the Senator from California would vote in the negative.

Mr. LEWIS (when Mr. McADOO's name was called). In response to the request of the Senator from California [Mr. McADOO], I beg to repeat and approve the announcement of the Senator from Vermont [Mr. AUSTIN] as to the pair of the Senator from California with the Senators mentioned by the Senator from Vermont.

Mr. STEIWER (when his name was called). On this question I am paired, in accordance with the announcement already made by the Senator from Illinois. I am paired with the senior Senator from New York [Mr. COPELAND] and the Senator from Louisiana [Mr. OVERTON]. On account of the pair, I withhold my vote. If at liberty to vote, I should vote "yea", as would the Senator from New York [Mr. COPELAND]. The Senator from Louisiana [Mr. OVERTON] would vote "nay."

The roll call was concluded.

Mr. LEWIS. The Senator-elect from Tennessee [Mr. McKELLAR] is necessarily detained in connection with the Philippine Commission. If present, he would vote "yea."

The roll call resulted—yeas 52, nays 36, as follows:

YEAS—52

Adams	Byrd	Glass	Moore
Ashurst	Byrnes	Guffey	Neely
Austin	Capper	Hale	O'Mahoney
Bachman	Caraway	Harrison	Pittman
Bailey	Clark	Hatch	Pope
Bankhead	Connally	Hayden	Radcliffe
Barbour	Costigan	Keyes	Robinson
Barkley	Couzens	King	Sheppard
Bilbo	Cutting	Logan	Thomas, Utah
Black	Dieterich	Lonergan	Truman
Brown	Duffy	McNary	Vandenberg
Bulkley	Fletcher	Maloney	Van Nuys
Burke	George	Minton	Wagner

NAYS—36

Bone	Gerry	Metcalf	Schwellenbach
Borah	Gore	Murphy	Shipstead
Bulow	Hastings	Murray	Smith
Carey	Johnson	Norbeck	Thomas, Okla.
Coolidge	La Follette	Norris	Townsend
Davis	Lewis	Nye	Trammell
Dickinson	Long	Reynolds	Walsh
Donahey	McCarran	Russell	Wheeler
Frazier	McGill	Schall	White

NOT VOTING—6

Copeland	McAdoo	Steiwer	Tydings
Gibson	Overton		

The VICE PRESIDENT. On the resolution of adherence, as amended, the yeas are 52, the nays are 36. Two-thirds of the Senators present not having voted in the affirmative, the resolution of adherence, as amended, is rejected. [Manifestations of applause in the galleries.]

The occupants of the galleries will kindly refrain from manifestations of approval or disapproval and will observe the rules of the Senate, for they are our guests.

Mr. ROBINSON. Mr. President, I ask that there be printed in the RECORD, following the proceedings on the World Court, an editorial which appeared in the Sheboygan Press of January 23, 1935.

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

[From the Sheboygan Press, Jan. 23, 1935]

JIM FARLEY A REAL SERVANT

By C. E. Broughton, editor

The other evening the Honorable James A. Farley, Postmaster General, speaking before the anthracite-coal men in New York City, reviewed the administration of President Roosevelt and contributed kernels of thought which ought to be remembered.

He referred to the progress that had been made in the way of recovery, the soundness of banks today as compared with March 1933, the improved conditions on farm, in store, factory, and mine, and the economies practiced by the Government. Outside of the money actually expended for relief, the regular expenses of Government showed a decrease of a billion dollars from the year previous. There were many things contributing to this, one of them being a surplus of $12,000,000 in the Post Office Department as against a deficit when Postmaster General Farley took office. With the same accounting and bookkeeping system utilized there was a deficit in 1931 and 1932 of $153,000,000.

In discussing the improved conditions Mr. Farley gave this timely reference to relief:

"Of course, there are still millions of men and women out of work, eager though they may be to find employment. Until most of these do find employment in industry the Government has to take care of them. There may be honest differences of opinion as to the best way of doing this, but there can be none as to the necessity that it be done.

"There are two ways of meeting the inescapable problem—by direct relief—that is, the dole—or by putting them to work on public jobs. The first course will probably be the cheaper, in terms of what it takes to provide a living for an individual. The work system, however, takes into consideration not only the circumstances that the country gets something back in the form of public improvements, greater security against such calamities as floods and fires, crossroads collisions, etc. Of still more importance is the value of preserving in the American people a spirit of self-reliance and self-respect. No man who is worth saving could indefinitely eat the bread of charity if he had the alternative of earning his living."

Truer words were never spoken, and they come from a man of wide experience, and one who has been a companion of President Roosevelt and a member of his Cabinet during the entire period of his administration. Not only has Mr. Farley the confidence of the President but he has demonstrated that it is possible to work out of the red in the Post Office Department, something that no administration has accomplished for many, many years.

Jim Farley deserves a place in history for the services he has rendered to the President of the United States and to the people of the entire country.

THE CALENDAR

Mr. ROBINSON. I ask that the Senate proceed to the consideration of nominations on the calendar.

The VICE PRESIDENT. The clerk will state the first nomination in order on the calendar.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. McCARRAN. I ask that that go over.

The VICE PRESIDENT. The nomination will be passed over.

Mr. WHEELER. Mr. President, I did not catch who objected to present consideration of the nomination of Frank R. McNinch.

The VICE PRESIDENT. The Senator from Nevada [Mr. McCARRAN] objected to considering the nomination.

Mr. WHEELER. I wonder if the Senator from Nevada will not withdraw his objection. This nomination has been held over for something like 2 weeks, and at the request of the Senator from North Carolina [Mr. BAILEY] I purposely delayed reporting favorably the nomination much longer than I felt it should be delayed, so that the Senator from North Carolina could be in the Senate when it was taken up for action.

Mr. McCARRAN. I am sorry I cannot comply with the request of the Senator from Montana.

Mr. FLETCHER. I suggest that when the report of the committee is made and a nomination goes to the calendar one objection is sufficient to carry the nomination over until the next meeting of the Senate. One objection to a report of a committee carries it over to the next day. However, when that day has gone by and the nomination comes up again for action, one objection cannot carry it over. It can be done only by majority vote.

The VICE PRESIDENT. The Chair will say to the Senator from Florida that this nomination has been passed over.

Mr. FLETCHER. One objection cannot carry it over now. It now takes a majority vote to do so.

The VICE PRESIDENT. Does the Senator from Montana desire to move that the Senator recur to this nomination?

Mr. WHEELER. Mr. President, unless I can have a definite time fixed at which to take it up, within the next day or so, I shall move that the nomination be considered now.

Mr. FLETCHER. The nomination is automatically before the Senate for consideration.

Mr. WHEELER. Mr. President, I understand I do not have to move to consider it?

The VICE PRESIDENT. Not at all. The nomination automatically comes before the Senate.

Mr. WHEELER. Mr. President, I ask unanimous consent that, as to the nomination of Mr. McNinch to be a member of the Federal Power Commission, a definite time be fixed to consider the nomination. I understand that the Senator from Nevada desires to make a speech on the nomination, and that another Senator also desires to be heard; but I want a definite time fixed for considering the nomination, and do not desire to have it delayed. I want to accommodate Senators.

Mr. ROBINSON. Mr. President, I have no objection to any arrangement the Senators interested would like to make about the matter. There will be a session of the Senate tomorrow, and there is very little business on the calendar, but I understand there is a measure which the Chairman of the Committee on Banking and Currency would like to have considered, and perhaps there is one other measure which it is also desired to have considered. The nomination in question might be reached tomorrow afternoon, if Senators will be ready to have it then considered.

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

Mr. ROBINSON. I yield.

Mr. KING. I may say to the Senator that there is a measure which the State Department is anxious to have considered and in which many people are interested. I refer to a bill to carry out the terms of the Mexican Claims Treaty

by the appointment of the Commission. The measure has been reported by the committee, and I shall be very glad if that can be considered tomorrow.

Mr. ROBINSON. I think that may be done.

Mr. KING. I think the Senator from Nevada [Mr. PITTMAN], the Chairman of the Committee on Foreign Relations, would be glad to have the bill considered.

Mr. HARRISON. I had very much hoped, Mr. President, that the first thing tomorrow we could take up the bond bill, which it is very necessary to enact soon if it is to be enacted at all. It has passed the House already, and has been unanimously reported by the Committee on Finance.

Mr. ROBINSON. I think there will be no objection to that, but after that measure shall have been disposed of, if Senators agree, I shall move an executive session to consider the nomination of Mr. McNinch.

Mr. WHEELER. Then, I ask, Mr. President, that that arrangement be made, and I will not press the matter this afternoon, with the understanding that tomorrow we shall have an executive session for the purpose of considering the nomination.

Mr. McCARRAN. I cannot agree to that.

Mr. WHEELER. I am not asking the Senator to agree to it; but we will either take it up now, or take it up tomorrow. I have held this nomination over at the request of the Senator from North Carolina [Mr. BAILEY] for some time. It was unanimously reported out of the committee. There were no protests against it at all, and it has been on the Executive Calendar for something like a week, as I recall, and ought to be disposed of and acted upon.

Mr. McCARRAN. Mr. President, I do not think a week's time on an appointment of this kind and of this importance is any too great a length of time. I wonder how far the committee went into this particular appointment. I wonder what investigation the committee made. I wonder if they are ready to render a report on the investigation made.

Mr. WHEELER. The Interstate Commerce Commission, of which I happen to be chairman at the present time, held a thorough investigation into this matter when Mr. McNinch's name was before the committee upon a former occasion when it was sent to the Senate. We did not at this time go into a further investigation because there was no protest before the committee. Mr. McNinch served faithfully on the Power Commission, in the judgment of the members of the committee, and we reported his nomination favorably because there was no objection to him, that being the customary thing to do. The Senator from Nevada made no objection, and no one else asked for a hearing before the committee.

I serve notice that tomorrow, if we shall have an executive session, I shall ask that the matter be disposed of.

Mr. McCARRAN. Mr. President, I am a little surprised at the attitude of the Senator from Montana in this matter. Within my short experience here similar matters have come up in which I took no such attitude as that taken by the learned Senator from Montana. If the Senator desires to enter into a fair agreement regarding the matter and let it go over for 1 week, then I shall consider the suggestion; otherwise I am going to be on the floor of the Senate for some time discussing this particular nomination.

Mr. WHEELER. I am not going to be blackjacked by any such statement as that. The Senator can suit his own wishes so far as I am concerned. I am going to ask that the nomination be taken up tomorrow and I shall ask that we remain in executive session until it is disposed of.

Mr. McCARRAN. I should like to have the further attention of the Senator from Montana long enough to say to the learned Senator that he may be familiar with the use of blackjacks, but I am not, and I do not utilize that particular method.

Mr. BAILEY. Mr. President, I understand that the question of the confirmation of the nomination of Mr. Frank R. McNinch has gone over until tomorrow by agreement. I wish to say that, so far as I am concerned, I have not sought to delay the disposition of this matter for one moment. I happened to be at home sick when the nomination was sent to the Senate. When I received news of it I did communicate with the Senator from Montana [Mr. WHEELER], Chairman of the Committee on Interstate Commerce, and requested that he hold the nomination until I could be heard. That was a mere matter of prudence on my part because I knew I would be back in the Senate within 24 hours and I was sure the nomination would not be considered within that time.

Upon my return I saw the Senator from Montana and assured him that I had no intention of pursuing a policy of delay. Yesterday when we were considering the resolution of accession of the United States to the jurisdiction of the Permanent Court of International Justice, the nomination came up in the midst of the debate. That was no opportune time for its consideration. I suggested to the Senator from Montana that it would be inappropriate to bring the question up for discussion at that time because I intended to take some little time—I hope not more than 20 or 25 minutes—and we promptly agreed that it should go over until today.

When the Senator from Nevada [Mr. McCARRAN] offered his objection to its consideration today, that was not at all disagreeable to me, not that I hoped to delay it, but I looked at the clock and realized that it was late, that Senators had been here all day, and I thought it would be very appropriate to have it go over. I wish to make it perfectly clear that I am ready to go into the matter at any time.

Mr. WHEELER. Mr. President, the Senator from North Carolina has been exceedingly fair with reference to the McNinch nomination. When recently he asked to have it go over because of the fact that he happened to be out of town, I was willing to accommodate him and asked that it should go over.

The only interest I have in the McNinch nomination is that I want it disposed of. It has been reported by the Committee on Interstate Commerce and ought to be disposed of.

The VICE PRESIDENT. The clerk will state the next nomination on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of William Denman, of California, to be judge of the United States Circuit Court, Ninth Circuit.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

Mr. ROBINSON subsequently said: Mr. President, I ask unanimous consent that the vote by which the nomination of Lela E. Randolph to be postmaster at Portland, Pa., be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

That completes the calendar.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

LEGISLATIVE SESSION

Mr. ROBINSON. I ask that the Senate resume legislative session.

The Senate resumed legislative session.

SURVEY OF LAND AND WATER POLICIES AND PROJECTS

The VICE PRESIDENT. Pursuant to Senate Resolution 58, the Chair appoints as the committee to make a survey of land and water policies of the executive agencies of the Government the following Senators: The Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr.

PITTMAN], the Senator from New York [Mr. WAGNER], the Senator from Colorado [Mr. ADAMS], the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], and the Senator from South Dakota [Mr. NORBECK].

ADDITIONAL CLERK FOR COMMITTEE ON FOREIGN RELATIONS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 50, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 50) submitted by Mr. PITTMAN on the 14th instant, as follows:

Resolved, That the Committee on Foreign Relations is authorized to appoint one additional clerk to serve until the expiration of the present session of the Congress, and to be paid a salary at the rate of $1,800 per annum out of the contingent fund of the Senate.

Mr. MCNARY. What is the purpose of the resolution?

Mr. BYRNES. The resolution authorizes the Committee on Foreign Relations to appoint an additional clerk. The resolution was submitted by the Senator from Nevada [Mr. PITTMAN].

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

THE WORLD COURT—ADDRESS BY SENATOR REYNOLDS

Mr. RUSSELL. Mr. President, I ask permission to have printed in the RECORD a radio address on the subject of the World Court, delivered by the junior Senator from North Carolina [Mr. REYNOLDS] on the 27th instant.

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

Ladies and gentlemen of my unseen audience, I wish to talk to you tonight in reference to the World Court, a court which is the right arm of the League of Nations.

We are on the eve of a grave crisis in the affairs of America. We are at this very hour standing on the threshold of the main entrance to the League of Nations—the so-called "World Court", a court located 3,000 miles from our own Capitol.

Within a few short hours the United States Senate, the upper branch of our Congress, said to be the only surviving independent deliberative body on earth today, will be called upon to decide whether or not it will cast adrift the sacred rights handed down to us by the framers of our Constitution by joining the World Court, this court of trickery and chicanery.

I wish to solemnly warn the people of our beloved country against once more becoming entangled in the political ramifications of the 60 foreign nations that are members of the League.

The horrible wounds, both physical and financial, that America suffered in the World War are as yet far from healed. Thousands upon thousands of our brave soldiers still bear the scars received in battles fought on foreign shores across the sea. Thousands and thousands of America's fathers and mothers still mourn the loss of their courageous sons who gallantly fell on foreign fields.

Millions of our citizens still bear the overloaded burden of taxes that they are paying in the form of interest on the 40 billions of good honest sweat-earned American dollars that we poured into the world conflict in a vain effort to save the world for freedom and independence, and to effect a permanent peace among all nations.

A bitter dose of medicine that the American people cannot swallow is the fact that $11,000,000,000 that our Government loaned our Allies remain unpaid. As if to test our patience our European debtors brazenly refuse to pay even the interest on the loans. These nations that defaulted in paying their honest debts to us, at a time when we are struggling to emerge from the worst business depression in our history, are the same nations that constitute the real powers behind the World Court and are urging our entrance into the Court.

These countries which have failed to pay us offer the excuse that they are bankrupt, yet they are now competing with one another in a race to see which one can exceed the other in the manufacture of munitions of war and the equipping of vast military machines, all of which requires tremendous expenditures of millions. They have the money with which to build up their armies and navies but not one cent with which to pay their honest war debts to us.

For 12 years international propogandists have been beseeching, cajoling, and pleading that the United States should surrender its birthright and plunge into this foreign mess, and, for 12 long years Uncle Sam has escaped all the snares and traps that have been set by honeyed promises to entice him into the private quarrels of foreign nations.

Why enter this World Court now? What has America to gain by such a grave move? Is the League of Nations a creation of the thought of the people of America? It is not—absolutely not. Because the United States of America has nothing of a critical issue now with foreign nations, nor do we fear, or can we foresee, anything in the future that will cause us to be at odds with any other nation on the face of the earth if we remain independent.

We proudly acclaim that we have no territorial lines to be adjusted. We proudly acclaim that we have no quarrel to pick with our neighbors across the seas. We are a great continent unto ourselves; and if the world will not molest us, we shall not place an unfriendly hand upon any other people on the face of the globe. Ours is a peace-loving Nation. Our past history proves that. I recognize well and true that throughout the length and breadth of this great land of ours there are thousands of good mothers—God-fearing women—and thousands of conscientious men, who advocate our entrance into the World Court. But if these good mothers and fathers realized, as many of us do realize, that entry into the World Court means entry into the League of Nations, and eventually means trouble for us, I am sure that their attitude would undergo a change.

The ideals and characteristics of America and the foreign countries are absolutely different. Never so long as this world endures will the people of the Continent beyond the turbulent waters of the Atlantic or will the inhabitants of the Orient agree with the attitude of these United States—they have been reared in a different atmosphere—a different school of thought and have different inclinations—they speak a different language—they have different attitudes—they live by conquest. They are as totally different from us as night is from day.

What has the League of Nations, the guiding spirit of the World Court, accomplished in its 14 years of existence? The warmest advocate of the Court has not attempted to point out a solitary significant achievement.

Fourteen long years ago these international advocates boasted that the League would abolish wars. While right at this very moment Japan and China—both members of the World Court—are engaged in a harrowing war, and even at this very moment Paraguay and Bolivia—both members of the World Court—are waging a devastating conflict, and right at this very moment Italy and Ethiopia—both members of the World Court—are fighting a bloody war of conquest. Thousands of men have been slain in these wars. Scores of other grim wars have also been fought since the inauguration of the League of Nations. And each one has been a war of conquest.

Why has not the League prevented the slaughtering of those thousands upon thousands of innocent human beings and the destruction of millions upon millions of dollars of property? I'll tell you why.

Because the powers that be—because the great foreign powers—are in absolute control of the Court, and the smaller nations are like dummies in the hands of masterful manipulators. These countries, imbued with selfish motives, handle and pull the strings in a manner that they may benefit and further entrench themselves with more world-wide power. And the wars still rage, despite the World Court, League of Nations, or what have you.

Certainly America cannot be blamed for these furious wars, three of which are now in brutal blast.

Proponents of the League claim by vague promises and glittering generalities that if America adheres to the Court peace—universal peace—will prevail.

Yet while we are debating the issue—at this very second—factories on European and Asiatic soils are teeming with activity—turning out battleships, cruisers, aeroplanes, submarines, cannon, and ammunition, preparing themselves for more and bigger wars.

Does this condition manifest a desire for peace on the part of those nations who would have us join the World Court? Does this situation evidence the confidence that they claim to have in one another? And America is asked to ally itself with countries that not only betrayed us in their failure to meet their obligations but which are at this very moment suspicious and wary of one another—mistrusting one another's intentions—as is proven by their gigantic war munitions producing programs.

I want to enlighten you a little further on this World Court proposal.

Has any single nation, has any single country, kingdom, republic, or otherwise a member of the League of Nations, come forward with lifted hands and said in all frankness, candor, and honesty, "If America will enter the World Court, the League of Nations, we are confident that war will be forever wiped out?" No. Because no one of that body, no single person in the whole world is sufficiently convinced that the benefits to be derived by way of or from the Court or League of Nations will forever wipe out war. Therefore, I say, if we are so all-fired sure, if we are so certain that our entrance into this court of intrigue is going to forever banish war, why do not those countries disarm?

The World Court is nothing but a court of babble, ballyhoo, and bunk—a court of intrigue. The League of Nations is nothing but a league of notions designed to deceive and camouflage. If we affiliate with the World Court, it perhaps means the ultimate cancelation of the war debts—the breaking down of our immigration barriers, and injection of Old World ideas of conquest into the New World's idea of peace.

I am interested in this subject because I realize that the people of America are interested in it. I know that mothers and fathers whose sons' warm red blood of courage was spilled on the fields of France are interested in this matter. I assert without hesitation that if the American people as a whole, every single voter in this country, were afforded at this hour an opportunity to cast a vote in favor of or against our entering the World Court, that an over-

whelming majority would vote to stay out. Already various State legislatures now in session, including Nebraska, Georgia, Washington, Illinois, and Massachusetts, have urged against the United States' becoming involved in the World Court.

The Democratic platform adopted by the Democratic convention at Chicago in June 1932 did not provide nor did it propose to place this country in the World Court on the terms now proposed. Therefore those who in the exercise of their own sincere and honest convictions oppose adherence are not acting contrary to the pledges contained in the Democratic platform.

We all want peace. And the best way to acquire and nourish peace is to remain independent—is to remain aloof from foreign entanglements—to heed the sound warning and advice of George Washington and the framers of our Constitution.

Are we going into any business of any kind with any man in whom we have not implicit confidence? Why, of course not. Are we going to subject ourselves to the will of those who have misled us? Are we going to tie up with those who have deceived us? Those whose words we cannot completely depend upon? Why, of course not.

Some advance the argument that we ought to go into the World Court because it would increase our world commerce. They claim that our exports will increase and that our business will naturally prosper. They say, "Let us settle this thing that the commerce of the world may be stimulated." In my opinion the huge export trade that we have heretofore enjoyed with the countries of continental Europe is a thing of the past. You may talk all you wish about the great trade that will flow to us from over there, but existing facts disprove such glowing prospects.

It surely can't help us in the Orient either.

Japan, annually adding 1,000,000 people to its present population of 69,000,000, has just about gobbled up the commerce in the Orient. Japan has cheap labor. Japan's scale of wages for its workmen averages about 1 cent an hour. How can America compete against such starvation wages? To top it all, Japan has served notice that it intends to withdraw from the World Court and the League. It maintains that it is too expensive to be a member of that society—its percentage of its cost amounting to around $900,000 annually. As the cost is divided among the nations on a population basis, then the overhead expense alone to America would be approximately $2,000,000 per year. I seriously suggest that it would be far a better bargain for us if America gave them $2,000,000 and stayed out of the World Court. At least, we would suffer no bad after effects. Now let us look deeper into this pit.

Germany resigned from the League of Nations on October 21, 1934. Germany is now saying: "If we come into the League again and participate, it has to be distinctly understood that we can manufacture, have and hold in the grasp of our citizens, arms and equipment in design and numbers in proportion to those of the other nations of the world according to our population and standing."

If the World Court is going to bring about universal peace, why should Germany say: "We will only come in with the understanding that we may increase our army, that we may manufacture more poisonous gases, more rifles to place upon the shoulders of our men, more cannons for our enemies' breasts." If she really thought that her entrance into the League is going to bring about universal peace, why should she be so determined to increase her armaments?

I am absolutely confident that our established governmental agencies here and abroad are beyond the slightest ray of doubt thoroughly capable to cope with any situation that may now or in the future arise requiring diplomatic adjustment.

America, the cradle of liberty, has well earned the right to judge of other nations. Yes, America is for international justice. But let that international justice be the variety of unimpeachable American justice that is tempered with mercy—that radiates with devoted fairness to the weak as well as to the strong, with that brand of American justice that administers squareness to the lowly as well as to the mighty—with that kind of justice that has made this Nation a beacon light for all nations sincerely seeking liberty and freedom. Yes, we want peace—and we want justice for all mankind—but we don't want the kind of international justice that will be dished out to us through the World Court, a court presided over by and controlled by our enemies who owe us money and won't pay us—those whom we befriended and who have proved to be ingrates—who are jealous and envious of us.

Let those nations wanting peace adopt the American standards of justice, and there will be no cause for strife and conflicts among our neighbors of the world.

Let America remain independent so that she may be unhampered to lead the way in a peaceful march to further progress, setting an inspiring noble example for the World Court.

May America shun all foreign entanglements at this time by declining entry into the World Court.

Let us of America initially look after our own interests. America for America. America first, last, and all the time. And after that the finest humane consideration and service for all the peoples of all the nations—with friendliness toward all—with enmity toward none.

I thank you. Good night.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, January 30, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 29 (legislative day of Jan. 21), 1935

SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES

Cabot Coville, of California, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

MARSHAL OF UNITED STATES COURT FOR CHINA

Edward L. Faupel, of California, to be marshal of the United States Court for China. (Mr. Faupel is now serving under a recess appointment.)

UNITED STATES DISTRICT JUDGE

Simon Hellenthal, of Alaska, to be district judge, division no. 3, for the District of Alaska. (Mr. Hellenthal is now serving under a recess appointment.)

UNITED STATES ATTORNEYS

Ingram M. Stainback, of Hawaii, to be United States attorney for the District of Hawaii. (Mr. Stainback is now serving under a recess appointment.)

Edward G. Dunn, of Iowa, to be United States attorney for the northern district of Iowa. (Mr. Dunn is now serving under a recess appointment.)

George L. Grobe, of New York, to be United States attorney for the western district of New York. (Mr. Grobe is now serving under a recess appointment.)

UNITED STATES MARSHALS

Albert C. Benninger, of New York, to be United States marshal for the eastern district of New York. (He is now serving under a recess appointment.)

Harry C. Gravelle, of Nevada, to be United States marshal for the district of Nevada. (He is now serving under recess appointment.)

Joseph Lee Crawley, of Georgia, to be United States marshal for the southern district of Georgia. (He is now serving under a recess appointment.)

Loomis E. Cranor, of Kentucky, to be United States marshal for the western district of Kentucky. (He is now serving under a recess appointment.)

John J. Barc, of Michigan, to be United States marshal for the eastern district of Michigan. (He is now serving under a recess appointment.)

Stephen J. Doyle, of North Dakota, to be United States marshal for the district of North Dakota. (He is now serving under a recess appointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate January 29 (legislative day of Jan. 21), 1935

UNITED STATES CIRCUIT JUDGE

William Denman to be United States circuit judge, ninth circuit.

POSTMASTERS

IOWA

Josiah H. Clayton, Paullina.
Elizabeth M. Hyland, Traer.
Porter V. Hall, Union.
Richard Claassen, Wellsburg.

MISSISSIPPI

Effie J. Robins, Rienzi.

NEBRASKA

Herman G. Mattson, Kearney.

NEW YORK

David J. Sheridan, Cambridge.
Arthur H. Flint, Eden.
Joseph A. Mara, Floral Park.
J. Frank Schummer, Hamburg.

Joseph H. Wilson, Highland Falls.
James T. Crotty, Monroe.
John W. Murray, Theresa.
Howard W. Smith, Unadilla.
Wilfred R. Carr, Warwick.

PENNSYLVANIA

William P. B. Gery, Alburtis.
Alfred A. Darrah, Andalusia.
Arthur B. Scheffler, Bath.
William S. Scheiry, Bechtelsville.
Emma J. Coleman, Braeburn.
Michael S. Travers, Castle Shannon.
Walter O. Miller, Duncannon.
Allan Rye, Edinboro.
Herbert A. Schlaudecker, Erie.
Lempi S. Schaefer, Fairview.
Ross F. Rick, Girard.
Theodore K. Hagey, Hellertown.
Charles E. Puskar, Imperial.
William E. Rutter, Kinzers.
J. Harper Galbraith, McDonald.
Luther A. Strayer, Mount Wolf.
Elizabeth C. Cassidy, New Salem.
Andrew S. Knepp, North East.
Sylvester L. Rothenberger, Oley.
Robert C. Moore, Oxford.
Alfred Yeiser, Palmyra.
Helen C. Whitmore, Pen Mar.
Mary E. Stewart, Petersburg.
Bertha M. Kintzer, Robesonia.
Bessie Havlichek, Smock.
Jesse S. Stambaugh, Spring Grove.
John L. Gracey, Three Springs.
Ralph E. Seep, Titusville.
Leroy R. Herman, Topton.
Guy E. Wheeler, West Brownsville.
Leavy S. Filbert, Womelsdorf.
Charles V. Johnston, Woolrich.
Minnie E. M. Busser, York Haven.

WEST VIRGINIA

William R. Kincaid, Cameron.
Leo Frank Marcum, Ceredo.
Franklin J. Maxwell, Clarksburg.
Frederick D. Golightly, Davis.
Ruth L. Joyce, Davy.
Finley A. Carpenter, Fairview.
Nan W. Joyce, Hemphill.
Thomas W. Zink, Jr., Keystone.
James T. Spahr, Kingwood.
Winston C. Harbert, Lumberport.
Clair W. Overstreet, Matewan.
Herbert Crumrine, Middlebourne.
William S. Wray, Northfork.
G. Leonard Smith, Petersburg.
Lyman G. Emerson, Reedsville.
Ursula A. Dougherty, Ridgeley.
Joseph C. Archer, Sistersville.
Russell L. Francis, Smithfield.
Charles B. Linger, Terra Alta.
Everitt I. Compton, Wallace.
Ruth L. Millies, Wayne.
Charles B. McCray, Webster Springs.
Gilbert E. Walters, Weirton.
Roy L. Pugh, Winona.

WISCONSIN

Roland J. Osborne, Baraboo.
Joseph S. Rosera, Lena.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 29 (legislative day of Jan. 21), 1935

POSTMASTER

MAINE

Kathryn E. Cantello to be postmaster at Hebron, in the State of Maine.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 29, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord and our God, Thy mercy is ineffable, universal, and inexhaustible. Heavenly Father, condescend to hear our prayer: Winter, cold and barren, fruitless and flowerless, is upon our land. Its ravages are benumbing, impairing, and threatening the worthier things of life. Countless numbers have been thrust into this fierce emergency until gratitude is slow and the feelings of the soul may be deadening. Be not unto them an absentee God; and we pray that their love of country may not be fatally impoverished. Grant, blessed Lord, that wholesome ministries may soon be tested, tried, and determined, and the oak of harshness changed into the lily of human sympathy. We most earnestly entreat Thee that we shall be good Samaritans, going where love suffers and smiles to suffer, where friendship is most unselfish, where heroism is bravest, where sorrow is illuminated, and even where mercy blesses the least deserving. In the name of our Elder Brother. Amen.

The Journal of the proceedings of yesterday was read and approved.

ALBERT SCOTT

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, everything moves so smoothly around the House of Representatives and in the Office Building that we take for granted the splendid service that is given us, but all of this is but a part of a general comprehensive scheme. Every little cog in the legislative machinery is arranged to help us. We are so accustomed to this splendid service that we seldom stop to think of it because of its smooth running. So, in passing, I want to ask the House to take a minute to pay reverence to the memory of one of our excellent employees who has passed to the Great Beyond.

I speak of Albert Scott, a loyal and faithful employee of this House for over 33 years. He was assigned to the Democratic cloakroom, and during the years his genial and kindly presence cheered us, and the excellent service that he rendered endeared him to every Member. Albert was a quaint character. In early life he had much to do with the care and handling of horses.

During the Cleveland administration, Colonel Livingstone and Colonel Stone and Col. Isiah Hill presented the President with a handsome team of Kentucky horses. It was Albert Scott's proud duty to drive these horses from the Capitol to the White House. They were a gift of the colonels to our distinguished President.

Albert was a native of Georgia and was originally appointed by Colonel Livingstone when he was Sergeant at Arms of the House.

At the time of his death the Congress was in recess; nevertheless a large delegation of employees and some of the Members who had remained in Washington attended his funeral at Halls Hill, Va. May I say in passing that we all miss his cheerful and genial presence. In his humble way he added his service to our comfort and to the efficiency of the legislative machinery, and I know you will join with me in saying that we wish peace to his soul and rest to his ashes.

ADDRESS OF HON. JOSEPH B. SHANNON

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech I made on January 15 at Independence, Mo.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHANNON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech

made by me on January 15, before the Women's Democratic Club, Independence, Mo.

I am speaking here today on the invitation of the Women's Jackson Democratic Club, who at present are engaged in the laudable task of promoting sentiment for the enactment of some effective legislation for the protection of old age. It is a movement that has my hearty sympathy. But there is an atmosphere to this century-old city of Independence, with its great pioneer tradition as the head of the Santa Fe trail and the little mother of western exploration and development, that always moves me back into a past of rich memories, and I know that you will bear with me generously if I digress from the formal program to bring up a few perhaps forgotten things that I think are interesting and important in the history of this, our county seat, which has figured so largely in the traditions of the West and of the State of Missouri.

As you all know, a new United States Senator was elected from this State in the fall elections. The man who was chosen by the voters for that high honor is a citizen of your community. It seems to me that his election is a significant event to you men and women of Independence in particular, as it brings to my mind the fact, perhaps forgotten or unregarded, that in its more than a hundred years of existence Independence has been thus honored but four times in its political career. Only 4 men in the National Congress, from the stirring days when the great caravans of adventure and enterprise were mustered here for the trails of the West down to the present day, claimed Independence as their home—3 of them in the lower House and 1 in the Senate.

The three in the lower House were all men of outstanding ability.

The first was Samuel Hughes Woodson, a native of Kentucky, who served Missouri with distinction in the Thirty-fifth and Thirty-sixth Congresses (1857–61). His father, whose name was the same, represented the State of Kentucky in the lower House in the Seventeenth Congress (1821–23). After serving two terms in Congress, Mr. Woodson resumed the practice of law in Independence. He later became a circuit judge.

The next was Abram Comingo, a prominent Member of the Forty-second and Forty-third Congresses (1871–75). He, like Mr. Woodson, was a Kentuckian by birth, having been born in Harrodsburg, Mercer County, Ky., the place famous for its associations with Daniel Boone and George Rogers Clark, and which received much press notice when it was visited recently by President Roosevelt. Mr. Comingo served with distinction on the side of the North in the War between the States. He was honored by an appointment from President Grant in 1876 as a member of a commission to arbitrate with the Sioux Indians. He moved to Kansas City in 1881, where he died in 1889. Among his descendants now living in Kansas City is Dr. Comingo Griffith.

The next Member of the lower House of Congress whose home was in the city of Independence, Mo., was Samuel Locke Sawyer, a distinguished citizen who was engaged in the banking and law businesses, and whose descendants are still prominent among your people. He served with credit in the Forty-sixth Congress (1879–81), but did not seek reelection. This illustrious citizen of Independence was a native of the State of New Hampshire.

Fifty-four years elapsed before another Independence man served in either House of Congress. Now Senator TRUMAN, of this city, is in the United States Senate. It will mean much to Independence if Senator TRUMAN attains in the Senate the distinction attained by the three Independence men who served in the House.

A popular belief seems to prevail that Missouri has had but two great Senators—Thomas Hart Benton and James A. Reed. This is far from being correct. From the time of the admission of Missouri as a State in the Union, up to and including the present time, Missouri has always had at least one, and for the most part two, men in the United States Senate who achieved distinction and fame.

The colleague of Thomas Hart Benton in the Senate from 1821 to 1831 was David Barton, a noted jurist, who served as president of the convention which formed the State constitution in 1820, and who also served as circuit judge for many years.

Thomas Hart Benton was a most able and aggressive man. He was Andrew Jackson's representative in the Senate during the period of Jackson. After more than 30 years' service in the Senate, he returned in 1851 to the city of St. Louis, only to be elected 2 years later to the Thirty-third Congress (1853–55) as a Member of the lower House. He was a candidate for Governor of the State of Missouri in 1856 but failed of nomination and died shortly thereafter.

David R. Atchison served with honor and distinction in the United States Senate from 1843 to 1855. On seven occasions during his service he was elected President pro tempore of the Senate. It is said that he was President of the United States for a day. This famous man was born in Frogtown, Ky.; commenced the practice of law in Liberty, Mo.; and was buried in Plattsburg, Mo.

James Stephen Green, of Canton, Mo., served in both Houses of the National Congress. Champ Clark paid a splendid tribute to him. He referred to him as "the forgotten Senator", and, quoting from James G. Blaine, said that Mr. Green was the one man who was able to cope in serious debate with the little giant, Stephen A. Douglas.

In the beginning of the period of great disturbance—the War between the States—Missouri had in the United States Senate Trusten Polk, a distinguished man whose sympathies were with the South. The Senate expelled him in 1862, after 5 years' honorable service, because of his leanings toward the Confederacy.

Waldo Porter Johnson, of Osceola, Mo., was one of Missouri's most eminent sons. He was a great lawyer, a high-type statesman, and a renowned soldier of both the Mexican War and the War between the States. He was elected to the United States Senate in 1861. The records of Congress indicate that he was expelled from the Senate on January 10, 1862, at the same time with Trusten Polk. His son, the late William T. Johnson, told me that this entry is in error. He said that his father declined to qualify as a Senator but entered the service of the Confederate Army and attained the rank of lieutenant colonel. He was later appointed member of the Senate of the Confederate States and after the war was president of the Missouri Constitutional Convention in 1875.

During the critical period of the War between the States, a number of great men from Missouri served in the United States Senate, amongst whom was John B. Henderson. His political activities antedated the war. He was a Presidential elector on the ticket of Buchanan and Breckenridge in 1856, and of Douglas and Johnson in 1860. When the war came on he became a supporter of the Lincoln Union forces, and was elected to the United States Senate, where he served from 1862 to 1869. He was the author of the thirteenth amendment to the Constitution. Only one vote in the Senate saved Andrew Johnson from impeachment by the radicals; John B. Henderson was one of those who voted "Not guilty."

During the same period a very famous lawyer named Charles D. Drake served with distinction. Mr. Drake was a native of Ohio, who moved to St. Louis in 1834. He was a Presidential elector on the ticket of Lincoln and Johnson in 1864, a member of the State constitutional convention in 1865, and was elected to the United States Senate in 1867, where he served until 1870.

Coming out of the war, a very distinguished Missourian by adoption, a native of Germany, Carl Schurz, soldier, author, lawyer, and newspaperman, achieved a brilliant reputation. He was elected to the United States Senate in 1869, where he served until 1875.

Also veterans of the war were two very distinguished Kentucky-Missourians, Benjamin Gratz Brown and Frank P. Blair. It is said that the same grandmother looked after the welfare of Brown, Blair, and Joseph Orville Shelby. Brown and Blair espoused the cause of the North; Shelby, of course, was a gallant officer of the South. Frank P. Blair's brother, Montgomery Blair, was a member of Lincoln's Cabinet. Frank Blair was so highly regarded during the trouble between the States that he had access to the lines of both sides. On many occasions he served as message-carrier from one line to the other. He was a distinguished Member of the lower House, as well as of the Senate, where he served from 1871 to 1873. After the war he became incensed over the reconstruction of the South as practiced by the radicals and became a Democrat.

Benjamin Gratz Brown was elected as a liberal Republican to the United States Senate and subsequently became Governor of the State of Missouri.

These two distinguished men not only had an important part in the war but were eminent statesmen, and both were vice-presidential candidates, Mr. Blair with Horatio Seymour in 1868, and Mr. Brown with Horace Greeley in 1872.

We pass from that period to the period which followed those distinguished men and we find that great soldier and statesman, Gen. James Shields, a man who represented three States in the Senate of the United States. He served as Senator from Illinois, Minnesota, and Missouri. No other American was ever similarly honored. In addition, by appointment of President Polk, he served as Governor of Oregon Territory. He served as major general during the Mexican War and as brigadier general in the Union Army during the Civil War. He was born in County Tyrone, Ireland.

Then followed the period of George Graham Vest and Francis Marion Cockrell. These two great men attained distinction in the service of the Confederacy—Mr. Cockrell as a soldier, and Mr. Vest as a legislator. Both of these men became eminent for their statesmanship and held high places during their long service in the United States Senate. No word of mine, said here today, could add to their fame.

That able and chivalrous Kentucky-born gentleman, William Joel Stone, who was a distinguished Member of both Houses of the National Congress, as well as Governor of the State of Missouri, needs no encomiums from me. His memory lives in the hearts of all Missourians.

Maj. William Warner, of Kansas City, who also served in both Houses of the National Congress, is another home candidate for our Temple of Fame. He had a great record as a citizen, as a soldier, and as a statesman. He was a native of Wisconsin, who moved to Kansas City when he was a young man. When the War between the States broke out, he returned to Wisconsin and entered the Federal service. He returned to Kansas City in 1865, served that city as mayor, then was elected to the National House of Representatives, and later to the Senate. He was a gallant soul.

And now we reach that period of those eminent gentlemen, James A. Reed and Harry B. Hawes, both of whom still hold important places in the public mind. Surely every Missourian knows of the achievements of Harry B. Hawes, and the name of James A. Reed is a household word throughout the United States.

Time does not permit me to mention today all of the great men who have served Missouri with honor in the United States Senate, many of whom I have not specially referred to. I have here a list of them—31 in all; it is a roll of honor. If you look it over you will see many names well known to Missourians.

So I can say in conclusion this afternoon, let us all hope that Senator TRUMAN will comport himself in such a way that it can be

said of him, "He was a worthy successor of these great men." I believe he will do it. We are looking forward with hope and confidence to a senatorial career that will link his name with the great Missourians and the great sons of Independence who have gone before him.

The places of birth of Missouri's Senators are as follows: Kentucky leads with 8, Missouri follows with 7, Virginia with 4, Ohio with 3, and 1 each from Tennessee, Delaware, Maine, Maryland, North Carolina, Pennsylvania, Ireland, Germany, and Canada.

UNITED STATES SENATORS

MISSOURI

David Barton (Tennessee), 1821–31, Seventeenth to Twenty-first Congresses, inclusive.

Thomas H. Benton (North Carolina), 1821–51, Seventeenth to Thirty-first Congresses, inclusive.

Alexander Buckner (Kentucky), 1831–33, Twenty-second to Twenty-third Congresses (died June 6, 1833).

Lewis F. Linn (Kentucky), 1833–43, Twenty-third (from Dec. 16, 1833) to Twenty-eighth Congresses (died Oct. 3, 1843).

David R. Atchison (Kentucky), 1843–55, Twenty-eighth (from Dec. 4, 1843) to Thirty-third Congresses, inclusive.

Henry S. Geyer (Maryland), 1851–57, Thirty-second to Thirty-fourth Congresses, inclusive.

James S. Green (Virginia), 1855–61, Thirty-fourth to Thirty-sixth Congresses, inclusive.

Trusten Polk (Delaware), 1857–62, Thirty-fifth to Thirty-seventh Congresses (expelled Jan. 10, 1862).

Waldo Porter Johnson (Virginia), 1861–62, Thirty-seventh Congress (expelled Jan. 10, 1862).

John B. Henderson (Virginia), 1862–69, Thirty-seventh Congress (from Jan. 29, 1862) to Fortieth Congress, inclusive.

Robert Wilson (Virginia), 1862–63, Thirty-seventh Congress (from Jan. 24, 1862); declared not entitled to seat December 8, 1863; was Senator-designate following expulsion of Waldo P. Johnson.

B. Gratz Brown (Kentucky), 1863–67, Thirty-eighth to Thirty-ninth Congresses, inclusive.

Charles D. Drake (Ohio), 1867–70, Fortieth Congress and Forty-first Congress until resignation December 19, 1870.

Daniel T. Jewett (Maine), 1870–71, Forty-first Congress (appointed following resignation of Charles D. Drake; served from Dec. 19, 1870, to Jan. 20, 1871).

Francis P. Blair (Kentucky), 1871–73, Forty-first (from Jan. 25, 1871) and Forty-second Congresses.

Carl Schurz (Germany), 1869–75, Forty-first to Forty-third Congresses, inclusive.

Lewis V. Bogy (Missouri), 1873–77, Forty-third, Forty-fourth, and Forty-fifth (to Sept. 20, 1877) Congresses. Died September 20, 1877.

Francis M. Cockrell (Missouri), 1875–1905, Forty-fourth to Fifty-eighth Congresses, inclusive.

David H. Armstrong (Canada), 1877–79, Forty-fifth Congress (appointed following death of Lewis V. Bogy; served from Sept. 29, 1877, to Jan. 26, 1879).

James Shields (Ireland), 1879, Forty-fifth Congress (elected to fill vacancy caused by death of Lewis V. Bogy; served from Jan. 27 to Mar. 3, 1879).

George G. Vest (Kentucky), 1879–1903, Forty-sixth to Fifty-seventh Congresses, inclusive.

William J. Stone (Kentucky), 1903–18, Fifty-eighth to Sixty-fourth Congresses, inclusive, and Sixty-fifth Congress until April 14, 1918; died on April 14, 1918.

William Warner (Wisconsin), 1905–11, Fifty-eighth to Sixty-first Congresses, inclusive.

James A. Reed (Ohio), 1911–29, Sixty-second to Seventieth Congresses, inclusive.

Xenophon P. Wilfley (Missouri), 1918, Sixty-fifth Congress (appointed to fill vacancy caused by death of William J. Stone; served from Apr. 30 to Nov. 5, 1918).

Selden P. Spencer (Pennsylvania), 1918–25, Sixty-fifth (from Nov. 6, 1918) to Sixty-ninth (to May 16, 1925) Congresses; died May 16, 1925.

George H. Williams (Missouri), 1925–26, Sixty-ninth Congress (appointed to fill the vacancy caused by death of Selden P. Spencer; served from May 25, 1925, to Dec. 5, 1926).

Harry B. Hawes (Kentucky), 1926–33, Sixty-ninth (from Dec. 6, 1926) to Seventy-second (to February 1933) Congresses; resigned February 1933.

Roscoe C. Patterson (Missouri), 1929–35, Seventy-first to Seventy-third Congresses, inclusive.

Bennett Champ Clark (Missouri), 1933 ———, Seventy-second (from Feb. 3, 1933, when appointed to fill vacancy caused by resignation of Harry B. Hawes; had been previously elected to Senate Nov. 8, 1932; served during Seventy-third Congress by election; term to expire in 1939).

Harry S. Truman (Missouri), 1935 ———, Seventy-fourth Congress (term to expire in 1941).

A WILDLIFE SITUATION IN THE UNITED STATES AND ITS REMEDIES

Mr. BERLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a speech made before the American Game Conference by J. N. Darling, Chief of the Biological Survey.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BERLIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of J. N. Darling, Chief, Bureau of Biological Survey, United States Department of Agriculture, delivered at the Twenty-first American Game Conference, in New York City, on January 22, 1935, and on the same date briefed extemporaneously in a broadcast during the National Farm and Home Hour.

I wish it were possible to talk about many things at the same time. Our problem as sportsmen and conservationists is by no means limited to ducks. And while this session is dedicated to the discussion of the migratory waterfowl, the ducks are only one branch of the whole animal kingdom, which needs urgent and immediate attention. The same neglected precautions which have brought the migratory-game population to a crisis are also responsible for the gradual depletion of all our wildlife resources, some of them almost to the point of extinction and many of them to a very narrow margin of existence.

There is not now, and never has been, a national policy for the conservation of wildlife resources. There is not now, and never has been, a Government agency intrusted with the prerogatives of general wildlife conservation. There is not now, and never has been, a Federal plan for the maintenance and preservation of the tremendous economic and social values inherent in the fur, game, and fish species. Such a national policy is badly needed for all game as well as ducks.

The same thing happened to our wildlife resources that happened to our national-forest resources. It was happening at the same time when this continent was subjugated to the interests of commercial civilization. Both receded at an alarming pace before advancing settlement. The one great difference between forests and wildlife resources was that 30 years ago Theodore Roosevelt and Gifford Pinchot saw what was happening to forests and prescribed a national remedy. A systematic plan of conservation and restoration of forests was established, and a Government agency was provided with funds for its custodianship.

To this day no administration in the history of this Government has considered the conservation of wildlife resources from a national viewpoint. Such refuges as have been provided have been the result of spasmodic hysteria, local in character, and unstudied as to the measure of its efficiency. Our magnificent endowment of wildlife species—including fur bearers, game, and beneficial bird life—has never even remotely entered into our plan of national conservation.

Game has remained the orphan child, without asylum, and has subsisted on such crumbs as fell from the table of forestry, irrigation, reclamation, and national-park administration.

Bison, antelope, elk, mountain sheep, prairie chicken, wild turkey, marten, fisher, beaver, deer, and ruffed grouse have all had their narrow escapes and lived on what the neighbors sent in. At this moment the hereditary game ranges of some of our most valued species are but for our prayers about to be shut out forever from 80,000,000 acres of our public domain by dedication and withdrawal of this vast area to controlled public grazing, without any provision for game upon it.

So many of our game and wildlife conservation activities begin at the post-mortem stage. There is no authorized Government agency to which has been delegated the responsibility of custodianship. Game has no place to live in this broad land and call its own.

How much space and where should game have to satisfy the public needs cannot longer be left to chance. It is, in my judgment, the hour of decision.

Do you realize that in all the millions of Government expenditures during these last 3 years not one thin dime was appropriated specifically for wildlife restoration—that the only money actually available now has to be sucked through a straw from someone else's barrel? Forestry has had its hundreds of millions and has had for years. Erosion control, reclamation, C. C. C., C. W. A., and all the heavily endowed agencies have been taken care of. Saving soil, saving trees, saving water, cutting trails, and building roads have been taken care of, but game was not a part of the vast program for conservation.

Our eight and a half millions being spent now for duck-mating areas and refuges was secured only because we were able to show that by spending this money to do something for the ducks we could at the same time aid distressed agriculture and the unemployed.

Our endowment of wildlife resources is the bowlegged girl of the village. Everyone sympathizes with her, but never asks her to the picnic.

It is time for our sportsmen and game conservationists to quit quarreling among themselves and unite on something more fundamental than local issues and local benefits. We have more quarreling factions and faiths than the churches. There is no group of people in this country to whom the preservation of our game and other wildlife means so much as those represented in this gathering. It is time to think soberly in terms of preservation rather than of post mortems.

We need a Nation-wide plan to make refuges of the areas that belong to the wildlife, areas that will give the birds and animals a place to live, to rest, and to rear their young in safety. Every year the destruction of the natural environment of our game species causes more reduction in the population than any other one cause. We need an army of sportsmen to fight for the defense of the natural environment and for the rights of wildlife to be adequately represented in the conduct of our Government.

The Biological Survey has made a start on the job of restoring wildlife areas. We have five big-game refuges and a miscellaneous lot of waterfowl and bird refuges scattered hit and miss over the country, their location in the past being largely dictated by local rather than national viewpoints. A systematic study is now being made of other suitable areas that it is hoped may be made available by Executive orders, purchases, donations, or by other means. We have already selected 45 areas in the public domain that we want set aside primarily for the use of wildlife under the Taylor Act. Other areas are being selected as rapidly as we can get the required information together.

These areas are more valuable for production of game, furbearers, and other wildlife than for production of cattle and sheep or for other agricultural purposes. Our wildlife should have first right there, and sportsmen should get their shoulders to the wheel and work to this end. Strong, organized forces are at work day and night fighting for the rights and privileges of the stockmen. If we want our wildlife to have a fair break on these 80,000,000 acres that are to be included in grazing-administration plans, it must be done right now or it will be forever too late. The areas will be set up irrevocably and forever for livestock production unless effective action by sportsmen and conservationists is successful in securing them for wildlife.

We have a vast program under way to secure for waterfowl large areas that have been ruined in the supposed advancement of agriculture, and in futile reclamation and drainage attempts. These areas are being carefully selected and recommended for purchase under submarginal-land and drought-relief measures by the agencies handling these funds. Some are now under contract of purchase, some are under options, and others will be acquired by declaration of taking or by other means. This work is being pushed with all possible vigor, and the program needs your united support to make it win on a proper scale.

Now, as to the ducks. I want to divest myself of any suspicion that I think I know all about them. No one does. The amazing thing to me is that, with a $500,000,000 industry to maintain, no one should have started long ago to put the duck business on a factual basis. No one knows whether we kill 12,000,000 and hatch 11,000,000 a year or whether we kill 24,000,000 and hatch 10,000,000. That, obviously, is the first thing to determine in looking to the future of hunting of migratory waterfowl.

This year the Biological Survey has set its hand to that job as intensively as our constricted budget would allow.

Beginning with the spring migration last year, the ablest observers on the staff, plus such competent volunteers as were available, devoted all their time to determining the conditions and duck population in the nesting areas.

Intensive observations were made on all the flyways during the fall migration just passed.

Yesterday began a winter count. Men of practiced ability are at this moment stationed from Long Island to Yucatan to report simultaneously on the winter resting grounds of ducks and geese.

The spring flight will be closely watched and the 1935 nesting conditions again observed. On the tabulated results of these observations the Biological Survey will make its recommendations to the Secretary of Agriculture and the President for next year's migratory-waterfowl hunting regulations.

The first consideration will be the preservation of a safe margin of population among the ducks, I assure you.

There are many things to consider beside the thought of a peremptory closing of the season. I am not going to be rushed into any conclusion. I am going to do a square job. I intend to put this duck business on a bookkeeping basis, with stock on hand governing the extent of consumption to be permitted the public.

One of our big problems is enforcement. With the whole United States to patrol, the Biological Survey has had one-third as many men as New York has traffic cops on Broadway. With a 27-percent cut in the Biological Survey budget, we must increase our vigilance and set up the national bookkeeping on migratory waterfowl.

Even if all the members of the Biological Survey were four times as migratory as the ducks, we couldn't cover all the ground that should be covered; but we are doing our best. Do not presume, however, that with 59 law-enforcement officers in the whole United States we can enforce a closed season on migratory waterfowl without heavy losses to violators. So if you pass resolutions, see to it that these resolutions demand the appropriation of money for law enforcement.

Ninety percent of the reports are that the ducks are in a bad way. That fact seems well established. Premonitions of this crisis went unheeded in the middle twenties. In 1931 we had a 30-day season. In 1932 the protests of sportsmen resulted in a return to the 60-day season, which was repeated in 1933. The winter of 1933 was more destructive than anyone at the time realized. Starvation and freezing accounted for many more ducks than was at the time realized. That fact was made surprisingly apparent in the marked shortage among black ducks and the divers this year.

The destructive winter was followed by an unprecedented drought which sterilized the duck nesting and breeding areas as far north as Winnipeg.

The fall hunting season on ducks was so bad in many regions that consternation seized the sportsmen in many broad areas. Consternation is justified, but methods of treatment must be based on facts.

Emergency funds, which have been secured by sometimes disagreeable measures, are being spent in the hereditary nesting grounds on a program of restoration. Of the estimated 17,000,000 acres of former breeding grounds drained and diverted to unprofitable agriculture, we hope to put 600,000 acres back during the year. It is a most thrilling and practical program. But bear in mind that 600,000 acres will not be fully operative unless we have nesting ducks to occupy them, and there are still hazards in the way of accomplishing even the retirement of 600,000 acres.

I hope it is but the beginning and that it will so demonstrate the practicability of this method of attacking the duck shortage that Federal funds may be found to carry on the program from year to year until we have a dependable supply.

Now, the only controllable element affecting the duck population is the annual kill by the guns of sportsmen. Whatever your personal interests and local conditions, I hope we may be favored with your sympathy and your confidence that we are doing a hard job with all the honesty and sincerity of purpose which is in us.

COULEE DAM, THE COLUMBIA RIVER, AND THE DEVELOPMENT OF THE GREAT NORTHWEST

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Coulee Dam, and also to include therein some remarks by Mr. E. F. Banker, director of conservation and reclamation of the State of Washington.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I have never objected to the remarks of any Member of this House or to the remarks of any high-standing Federal official, but to begin inserting in the RECORD remarks made by State officials will be never ending.

Every Member of the House has just received a letter from Senator FLETCHER's Joint Committee on Printing, which has been sent to all Senators and Representatives, calling attention to the law which provides that not over two pages of extraneous matter may be inserted by any Member without getting an estimate from the Public Printer, and the joint committee called on the Public Printer to keep anything out of the RECORD that covers over two pages.

I do not want to stop the gentleman, but it does occur to me that the Members themselves should refrain from asking to place in the RECORD various documents from State officials. If we insert this from the commissioner of agriculture of the State of Washington, there are 48 commissioners of agriculture, there are 48 Governors, there are 47 lieutenant governors, there are 48 speakers of legislative assemblies, and there are various other State officials who write articles and make speeches; and, if all are eligible to go into the proceedings here, we would just clutter up this RECORD with a lot of extraneous matter. We have a House Committee on Printing, and I am not going to object if those in charge of the RECORD do not object, but I hope the gentleman will not make the request.

Mr. MICHENER. Will the gentleman tell the House what it costs the Government per page to print these things in the RECORD?

Mr. BLANTON. It costs a great deal. The law says that not over two pages of extraneous matter may be put in the RECORD by a Member without getting an estimate from the Public Printer. If we begin including these speeches, documents, and articles from various State officials, I think we had better increase the size of the CONGRESSIONAL RECORD four or five times its present size. We have a Printing Committee, and usually the gentleman from Pennsylvania is here to take note of these things. I do not know why he is not functioning this morning.

Mr. SNELL. Is it not the duty of the majority to protect the RECORD as well as of the minority?

Mr. BLANTON. If I were on the minority, I would protect everything.

Mr. SNELL. The gentleman has the responsibility just as much as we have.

Mr. BLANTON. I have fulfilled my responsibility by calling attention to the rules and asking that Members refrain from inserting speeches from State officials. I am not the censor of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, typical of its clear vision, broad national statesmanship, and energetic action, the present administration has begun the construction of a dam at Grand Coulee on the Columbia River in the State of Washington. It will be the first structure built by man which will exceed the bulk of the Great Pyramid. Coulee Dam will rank first, the Great Pyramid second, and Boulder Dam third. This is characteristic of our great Northwest. This is merely a beginning of a development which as it progresses will astound the world and bring untold blessings to the future millions who will eventually populate this favored section of our great country.

The Washington State government has cooperated with and will continue to cooperate with the Federal Government in this magnificent undertaking.

The following is a statement made by E. F. Banker, chairman of the Columbia Basin Commission of the State of Washington on the Columbia River development, and director of conservation and reclamation in that State. By the way, so far as is known, the State of Washington is the only one among the 48 to have such an official. This statement was placed in the hands of President Franklin D. Roosevelt on January 22, 1935:

Considered from any major angle, to complete Columbia River development is sound and justified. In a rounded scheme of national-resource development and protection, utilization of these northwestern power, water, land, and other natural resources is of compelling importance. For ages the water has poured into the sea, an economic waste of energy, although impounding it presents no unusual engineering problem. Tremendous potential electrical power has gone unused. Soil second to none in richness and depth remains idle. Yet here in an excellent climate might be established and maintained thousands of model rural homes.

It is such a picture as has been envisioned by this administration.

There arise practical questions.

Will this regional development be self-liquidating? Is there strong and wide-spread public sentiment in the Northwest for the undertaking? Is there need of such additional farm land and power? Will citizens in private and official life in general (Washington, Oregon, Montana, and Idaho), and the State of Washington in particular, in years to come continue helpful and sympathetic to this bold undertaking? Will it pay them to do so? Do they recognize it not only a highly practical direct-labor project, but a gigantic effort to preserve national resources? Is the flow of the Columbia River, judged by the Government record of the stream-gaging stations for 22 years, sufficient to warrant perpetual impounding of its water by the key dam at Grand Coulee? (Stream-gaging stations were established in the Columbia River at Grand Coulee and Wenatchee, Wash., in 1913, and a continuous record has been kept since that date.) Is distribution of this water over 1,200,000 acres physically and financially feasible? Will the soil hold out? What are the present railroad facilities? What is the range of possible crops? What does the Northwest offer the Nation toward the solution of economic and human problems? Is this project a public necessity? Is it a sensible relief-employment project? Are 30,000 to 35,000 farms and homes for 750,000 people available here?

These and similar questions come to the minds of those who must decide whether now is the time to proceed further in the development of a new empire contributing to the happiness and prosperity of the American people and the wealth and strength of the Nation, or whether to halt and leave this excursion into intriguing fields to future generations.

As to advisability, the findings of the careful analytical experts must be accepted as final. The best qualified specialists in engineering, hydroelectrics, electrochemistry, irrigation, agriculture, dairying, fruit raising, sugar-beet crops, mining, forestry, flood control, factories, and other more or less technical fields agree that the Columbia River empire-building job is easy of accomplishment and justified. The magnitude of the undertaking may awe at first, but the average person is convinced, once the details are studied and understood.

As to public sentiment, the people of the Northwest approve and will continue to approve the evident determination of the administration to devote the Columbia River and adjacent lands and resources to the benefits of man. The people have caught something of the spirit of President Roosevelt. Their eyes are focused on the Columbia River development. Active business, political, and labor groups west and east of the Cascade Mountains are backing the project with fervor. It is not a sectional matter. Party lines have disappeared. States lines are undiscernible. Washington, Oregon, Idaho, and Montana are united. These States will not bicker among themselves but unitedly will support the Federal Government. Local rivalries have disappeared. Communities will not too strongly press lesser wants. The average man knows that if the Northwest would shift into high gear and get on its way it first must claim and vitalize its greatest asset, now dormant.

Consider now the questions of the relative position of the Northwest's resources in their relation to the Nation, power consumption and repayment of investment for power and irrigation.

All observe with admiration the deep concern of the administration over the loss of vast acreage by erosion, winds, floods, drought, and misuse. Clear to the citizens is the administration's sympathy for those who have lost all, those whose present is mere existence, those for whom the future holds little or no promise. Even the least observing note that this sympathy has generated an active search for remedies, corrections, and, most important, action.

Sane persons everywhere not only approve the Federal policy of segregating or withdrawing lands proved unsuitable for present use, but they also eagerly uphold the administration in opening up lands that may be depended upon, year in and out, to render unto man a just return for his labors.

The administration, casting about for lands suitable for general farming, market gardens, fruit growing, dairying and stock raising, analyzes a great tract in the State of Washington, east of the Cascade Mountains. Such study on the part of the Chief Executive is a fortunate thing not merely for the section concerned but for the country at large.

This tract is twice the size of the State of Delaware and four times that of the District of Columbia. It is susceptible of irrigation at low cost. The soil is of great depth. The desert characteristics are "not due to soil and surface conditions, but lack of rain." The crops that may be grown embrace all grains and fruits. To enumerate the products would be to catalog all the staple agricultural crops of the Temperate Zone. Conditions for growing fruit in this section are particularly favorable, there being no place in the world better adapted for raising apples, pears, peaches, apricots, wine and table grapes—all fruits but those requiring tropical or semitropical conditions. The section is traversed by three trunk-line railroads. The land is gently rolling. Nearby are relatively small irrigated regions around Wenatchee, Ellensburg, and Yakima, where abound intensively cultivated and wonderfully successful farms, visual evidence of the potentialities of the larger Columbia Basin. Westward 175 miles, beyond the Cascade Mountains, is Seattle, a world port; 100 miles to the east, Spokane, a bustling, modern city.

The climate is moderate, extreme neither summer nor winter. There is abundant sunshine over a long growing season, and light snowfall. Hurricanes, tornadoes, cyclones, and blizzards are unknown. The land slopes toward the southwest. This tilt gives the land more of the afternoon sun than if it sloped to the north or lay horizontal, the increased heat being a big factor in crop growth.

Various delightful local characteristics make the territory attractive to those desiring to live on farms or in rural towns. Within 75 miles is one of the most beautiful mountain ranges in the United States—the Cascades—with gorgeous Mount Rainier at hand, both the range and glacier-spotted 14,000-foot peak affording ideal retreats for those who in leisure time seek elevation in the enjoyment of magnificent scenery and the indulgence of the pleasures of outdoor life. In an abandoned bed of the Columbia River you still see "Dry Falls", a waterless falls 40 times the size of Niagara. A million people, possibly many more, could find in such surroundings "the life more abundant." These vital considerations should have great weight in establishing a modern rural community, where substantial people would like to live.

The distribution and consumption of the power to be generated by the Columbia River will inevitably be coincident with the thorough development of the Northwest. This is no place for lengthy argument that cheap power is the answer to the question. Others have made that argument and proved the case. It may be said, however, that when the Columbia area is definitely functioning in the national agricultural scheme, the price of power reduced, and a new civilization established, there will be a spontaneous demand for a tremendous quantity of electricity, a quantity comparable to that required in any populous agricultural and growing industrial section. This consumption will increase as devices to lighten the labors of home and farm are cheapened in price and installment payments made possible over a longer period than now generally extended. Existing towns will grow larger and fine new ones spring up, increasing the power demand.

With the increase in population, not only in Washington but throughout the Northwest, there will follow extensive industrial expansion to meet the daily needs of the people. This means power consumption. This means a balanced agricultural and industrial growth—the ideal condition. Illumination of certain national highways by electricity must be considered.

To determine new power demand there are numerous competent Northwest agencies, private and public, now delving into the hitherto concealed mineral resources of the country. It is found that these are greater than has been supposed. Thus in metallurgical fields there is indicated wide use for power in considerable quantities. Experts are learning more about ores that are useful in warfare. Encouragement is being given private capital in its quest for gold and other precious metals. Study of possible adaption of some of our mineral deposits which indicate availability for conversion to so-called "lighter metals" and similar researches are being conducted by the Washington State College. The object is to create new industry for the Northwest and new markets for Grand Coulee power. Others are attempting to justify more extensive paper manufacture and the development of can-

neries. Over all kindred investigations is the aim to stimulate old markets and create new ones. Satisfactory progress is being made. If President Roosevelt's Science Advisory Board solves problems "related to long-distance transmission of power and the protection and utilization of natural resources", the rich Northwest becomes an important workroom in the Nation's laboratory. Ultimately California will draw on the Northwest for such electrical power as it will need but be unable to find nearer home. The four Northwestern States, Idaho, Montana, Oregon, and Washington, with an area larger than France and Germany combined, will contribute their natural resources for this industrial development.

As to the repayment of the investment, earnestly tilled soil of the richness of that of the Columbia Basin will pay for itself many times over in a relatively brief period. Over the ages nature has deposited here a volcanic ash running to a depth of 25 feet over great stretches and in many localities to a much greater depth, nowhere shallow in the area considered. It has remained untouched. It belongs to the Nation, in a sense, to pass along from generation to generation. This land must take the place of that soil which through neglect has been lost by erosion—washed into the sea.

The cost of bringing this under cultivation and providing power to lift the water from the reservoir into the canal system should be spread lightly over the years. The Federal Government should serve as banker. It is too big a job for private capital, even if it were a field for private capital. It is too much for the State to contemplate. It is up to the Nation.

Future generations should pay part of the cost of conserving the soil for their use. Not only the first settlers but later occupants, while in fact owners, must be custodians, introducing a requirement which unfortunately has been missing in our national agricultural life. Farm custodians should be held to some sort of soil accountability. This will further insure the investment.

There must be recognized the fact that the creation of new taxable wealth as a source of Federal revenue partly justifies the business venture. Besides, millions of dollars annually will be put into national commercial channels by way of normal expenditures of the people. The Yakima, Wenatchee, Ellensburg, and Alaska settlements have paid for themselves many times over and will continue to send a flow of money eastward for all time to come. It is fair that these aspects are considered in appraising the soundness of this contemplated Federal loan, if it so may be termed.

Once power is made cheap and rich lands available there will be no dearth of settlers of a high type. If the Federal Government will put this wonderfully fertile land to the care of thousands who have struggled, in many cases in vain, they will find American manhood on hand promptly to add the finishing touches in the transformation of the desert. In a well-balanced agricultural program this will not be at the expense of any other section of the United States because land that should be withdrawn, but which still is used with meager results, is a liability to any State.

Further, the people thereon are not enjoying the comforts and niceties of life that might be made available to them elsewhere under their own flag. To make these comforts available the Nation requires not only use of the right land but nonuse of land incapable of meeting advanced standards of living. The crudities and privations of much American farm life soon will be things of the past, let us hope. Better homes, a part of the national plan, must be the chief goal of the Columbia River development.

The conditions are ideal for establishment in the Columbia Basin of a great, model, rural community. In that empire the materials, while as nearly perfect as can be, are raw. So here is an opportunity to build from the ground up, applying from the very beginning the best knowledge that has been acquired in farmland adaptation and rural housing. Here may be avoided many of the difficulties naturally arising in making over an established order. There are no mistakes to correct, none of those inevitable wrenches incident to doing things in a different way. Here is the chance for leaders of vision to use knowledge and experience and create from what is now waste land a modern farm empire pattern, like which there is nothing in the whole world.

There is idle brawn and brain enough on the Pacific coast to people and reclaim this arid area, with Federal cooperation. But it should be thrown open to the people of the Nation. Distances are no longer great in the United States. Easterners who wended their ways westward 50 and 75 years ago endured many days, often weeks or months, of arduous travel. Modern transportation methods encourage men and women to transplant themselves more frequently now when there are inducements. Already the trek to the Northwest has started. The problem of finding places for these people grows serious.

Is not this movement to the Northwest in itself additional evidence that the proposed project has something more than a local value? In the light of other known conditions and lamentable recent experience, it is a reliable symptom of national pains that must be relieved. It is not a local boom project. It is a national necessity. As such it meets hard tests.

Once the President in his wisdom has given the order which will again advance the Columbia project, tens of thousands of willing hands will reach for the chance to help build the empire.

The people of the Northwest commend the President for his vision and prompt action in harnessing the Columbia River. Here is one of the many farsighted acts of his administration.

Trusting his judgment, the people now ask and respectfully urge that there be no delay in the issuance of an Executive order to proceed with the Columbia River high dam at Grand Coulee and the related irrigation of 1,200,000 acres extending southward therefrom. The foundation plans for the low dam should be changed to a foundation suitable for the high dam necessary for power and water for irrigation. Further, there should be allocated sufficient funds to warrant starting work on the irrigation phase of the project in the spring or early summer of 1935. Immediate change to a high-dam foundation will save money in the long run, but that is not the chief concern.

Since the low dam was authorized about a year ago the economic picture of the Nation has changed. A drought threw our tottering agricultural system entirely off balance. Other droughts may come. Are we to fold our hands and wait for them, suffering the consequences? Or shall we open up lands where droughts cannot occur? Every argument is in favor of the latter course. To proceed with Columbia Basin irrigation now would synchronize with the well-considered plan of limited agriculture control and restriction which the Federal Government has in the making. Lands dependent upon rainfall must take their chances on droughts. In the Columbia Basin moisture is guaranteed and, with other factors dependable, production certain. The headwaters of the Columbia River as nearly fit the adjective "eternal" as any waters known. They are to be relied upon in the Nation's long-range, well-ordered farming program. Here are found all the elements necessary for carrying out a large block of a better permanent America. Nature furnishes them. Is there elsewhere in the United States such a magnificent clean-cut opportunity for both rural electrification and extensive irrigation on a scale so pretentious?

Practically, building the canals and laterals for the irrigation system will furnish direct employment for thousands of men. Obviously a much larger number of women and children will be direct beneficiaries of the construction work itself. There is no other sound, self-liquidating Public Works project that will employ as many men promptly. The combined power and irrigation projects, with resultant activity in many lines of work, will solve Washington's unemployment problem. If started now the project will take thousands off the relief rolls.

The entire job can be completed in 7 or 8 years. This will be none too soon. If ready for occupancy today, this attractive land would be snapped up like ribbons at a bargain counter. Annually, about 400,000 young people come into the Nation's workaday world. They either wander about idle or force their elders out of their positions. The Columbia Basin, as a construction project, would take care of thousands of them now, hundreds of thousands 10 years hence when the new empire is a going concern.

The State of Washington offers its cooperation. It will facilitate in all ways at its command the successful conduct of the work. The views herein stated represent the thought of Washington and the Northwest generally.

The State of Washington through its executive, administrative, and legislative bodies will cooperate enthusiastically with the national administration. A united public sentiment assures fulfillment of this pledge. The State will cooperate in all ways possible in the conduct of construction. It will do its part in promotion of the sale of power, in settlement of the land, in the quest for new markets for power and the utilization of resources, in the amalgamation of power reserves and the coordination of the Grand Coulee and Bonneville systems, in the encouragement of wider use of electricity for heating and in the enactment of necessary legislative measures. There is pledged constant effort in obtaining such financial aid as the State justly may be expected to extend from time to time, and use on the Grand Coulee project of a substantial part of relief funds which it (the State) may receive from the Federal Government.

Any accurate gage of intelligent opinion in this section on the subject of Columbia River development shows that business men, editors, students, laborers—men and women in all walks who were at first apathetic—have joined with those long enthusiastic over this attempt to adapt nature to the needs and demands of life. The change in sentiment is but the process of education. The people of other parts of the Nation also, as they learn, are approving this component part of a national plan which, in the words of Secretary Harold F. Ickes, is the most worth-while effort at empire building the world has witnessed in ancient or modern times.

TOWNSEND OLD-AGE PENSIONS PRACTICAL

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. HOEPPEL] is recognized for 30 minutes.

Mr. HOEPPEL. Mr. Speaker and Members, I wish to thank the Membership for permitting me to discuss today the humanitarian Townsend pension plan. I hope that I may be permitted to proceed without interruption until I conclude my remarks, after which I shall be pleased to yield to any Member for questions on the various economic changes which I propose.

I readily recognize that in discussing the Townsend old-age revolving pension plan many of my colleagues may consider my judgment premature or unbalanced. I base this surmise on the fact that individuals high in Government, and several Members of Congress, have already declared the

Townsend plan fantastic and idealistic, and that it is absolutely preposterous and absurd.

Answering such critics, who appear to be sincere in their statements, but whose judgment and understanding of this problem seem to me immature, may I request your attention to the fact that every important movement in history has been assailed by innumerable critics whose prejudices prevented them from readily accepting new ideas which did not conform to established custom and tradition.

Christianity fought for its very existence for 300 years before it was accorded recognition. The intrepid Columbus encountered more difficulties in promoting his plan of adventure than he did in accomplishing his objective. Gallileo was compelled publicly to renounce the currently accepted astronomical fact of the rotation of the earth about the sun, because tradition and teachings apparently demonstrated the impossibility of such a system. The first steamship was described as "Fulton's folly", just as the Townsend plan is described as fallacious by certain individuals who appear to be blind to the actual distressing realities which may soon overwhelm us unless corrected.

A few other instances of progress which met opposition are the steam engine, our public-school system, the ability of men to fly and to navigate under the surface of the sea. History is filled with such illustrations, and in nearly every instance the inventors or proponents of new ideas were forced to combat the orthodox thought of individuals whose minds were not attuned to liberal vision.

Under the plan which I propose, it will be possible to pay the enormous sum of $20,000,000,000 or more as pensions, without an increase in taxation; in fact, it is very probable that taxes may be reduced. The profit motive will be maintained, and with the exception of two or three industries, business will be entirely unhampered and left free to work out its own problems. Practically everything we have thus far proposed and experimented with in the new deal could be eliminated. It will be necessary, however, that we have a limited, controlled inflation, that the profits of all credit be absorbed by the Government, and in addition thereto, that two or three nonessential industries be declared national monopolies.

DISTRESSING CONDITIONS DEMAND CONGRESSIONAL ACTION

Congress is responsible for the present unfortunate plight of our people, and Congress alone can correct and remedy the injustices, under which we suffer, through the enactment of legislation of a permanent nature which will forever remove the specter of poverty enveloping our unfortunate worthy citizens today.

In order that Congress may recognize its responsibilities, let us consider briefly what exists today in our beloved America, where, under the Constitution, every man is entitled to the pursuit of happiness, the attainment of which, however, is impossible for many of our citizens under the existing economic order.

Picture, if you will, millions of our worthy aged citizens, bereft of their life's earnings through bank failures, deprived of their homes as a penalty for debts incurred in necessity, and steeped in the depths of misery, suffering, and beggary through absolutely no fault of their own. In addition to the millions of aged unfortunates, we have millions of unemployed who, in the opinion of Mr. Hopkins, the Federal Emergency Relief Administrator, will continue to be unemployed. This is, indeed, a pathetic forecast if it were true—but, happily, it need not be so.

We have millions of young boys and girls, graduating from our schools and universities who have absolutely no chance in life under our present economic set-up. They are doomed to a low standard of living, bordering on abject poverty, and, in too many instances, to lives of moral degradation. These millions of aged and young citizens have been patriotically patient; but, in my opinion, they are rapidly approaching a crisis, as it is self-evident to all that patience is not a virtue in every contingency, especially under such inequality of conditions as now confronts them.

Our worthy Chaplain, in his prayer at the opening of today's session, seemed to sense what I have discussed and propose to discuss in the interest of alleviating the distress of our unfortunate citizenry. He appealed to the Supreme Being to be "not unto them an absentee God." Past and present actions of the Congress appear to me to indicate that God is absent from our hearts and our deliberations and that we worship at the altar of Mammon in the legislation which we have been and are enacting in the interest of the overprivileged and to the detriment of the underprivileged groups. Unless we restore God to our hearts, honor Him in our deliberations, and put human rights above vested property rights, I see no relief for us except, possibly, after a long period of travail.

THE TWOFOLD PURPOSE OF THE TOWNSEND PLAN

There has been a great deal of superficial newspaper comment on the Townsend plan, but there is a surprising lack of understanding as to its underlying purpose. It is not designed merely to grant benefits to one class of individuals, the aged, but to give increased opportunities to youth as well, and to assure economic recovery to our entire Nation. Many people over 60 years of age are forced, through financial exigencies, to cling to employment which they would gladly relinquish to younger persons if they were able to do so and maintain themselves in dignity and comfort. The Townsend old-age revolving pension would not only make their retirement possible but compulsory, if they wish to receive the $200 monthly pension. And so the Townsend plan is heralded by millions of our young people as the plan which will give them a better chance in the field of competitive employment, a chance to live normal lives, to establish homes, and to enjoy the security of financial independence.

The revolving feature of the Townsend plan, providing that the entire sum of the pension shall be expended within 30 days of its receipt for "goods, commodities, or services within the jurisdiction of the United States", is our insurance against selfish hoarding of the pension and our assurance that its stimulative effect will be felt throughout all branches of industry and in every section of our entire country.

Under the plan as developed by Dr. Townsend, a sales tax on all transactions within the United States would provide the necessary funds. Unfortunately, the opposition has centered its attack on this provision in a veritable storm of protest. By focusing attention on the method of obtaining funds for the payment of the pension, it would appear that those opposed to the plan seek to divert attention from its twofold purpose—namely, security and financial independence to youth and aged and economic recovery for the Nation. Surely this is not an impossible objective; surely this is not an impractical dream.

If the procedure outlined by Dr. Townsend to raise the necessary funds to pay $200 per month to every worthy citizen over 60 years of age comes before the House, I shall most emphatically vote for it, for by doing so I shall be performing a humanitarian service to our aged citizens, an economic service to the unemployed and to those burdened with debt, and at the same time I shall be demonstrating my sincerity in regard to my campaign promises by expressing the wishes of the majority of my constituents.

RADICAL READJUSTMENT NECESSARY

Admitting, as I think we must, that it is impossible for us to emerge from our present unfortunate dilemma by following the old paths of accepted economics, I am convinced that the Townsend old-age revolving pensions are practical and could be put into effect in the interest of our aged citizens and our millions of unemployed without destroying or seriously impeding our present capitalistic system, and, most noteworthy, with little or no increase in taxation. The profit motive in business will be maintained under the plan which I shall present.

On the principle that Americans might travel unmolested on belligerent vessels during the World War, our Nation engaged in that conflict and suffered a loss of 150,000 fine American lives, a direct loss to date of $30,000,000,000, an indirect loss of $30,000,000,000 more to date, and obligations which will total at least another $40,000,000,000 or $50,000,-

000,000 before the pension lists of the World War are discharged.

Surely no one here will deny that our millions of aged citizens, our millions of unemployed and their worthy families, and our millions of young men and women who do not have an opportunity to live normal lives are entitled to at least equal consideration with those few whose right to sail the seas unmolested in belligerent vessels we defended with such costly fervor!

Under my proposal it is possible that the Townsend pensions of $200 per month may be paid with no increase in taxation. This is, indeed, in the minds of many, a fantastic statement, but the facts which I shall present will forcibly support my contention.

I recognize that the Townsend plan is a radical innovation, and it will require a radical readjustment to meet this situation. I do not propose to take one cent of wealth now possessed from any individual, but I do propose one or several national monopolies.

SOCIALIZATION OF BANKING ESSENTIAL

We today have a monopoly in the postal business. I propose that our Government abolish the private banking monopoly and itself operate the banks in the interest of the people. Our Nation must take over banking, the issuing of money, and the control of the flow of money through consumers' markets, and restrict the use of money to one function—that is, to serve as a medium of exchange only and not as a medium of exploitation as it is being used today by the private banking monopoly.

Ants and bees do not starve to death in the midst of plenty. Able-bodied insects do not tax themselves to supply doles to able-bodied idle workers. Where such idle workers exist, as in the case of drones, they are eventually effaced. Under the private banking monopoly we permit the drones to become wealthier and wealthier, sapping the lifeblood of the Nation through interest exactions.

The distinguished gentleman from Maryland [Mr. GOLDSBOROUGH] on January 7 delivered a speech to the Congress on what I would term "the socialization of banking for purely governmental credits." I am in thorough accord with his ideas, but I believe he does not go far enough. We should have socialization of banking to include not only governmental but all credits.

On the basis of our present national income we are paying practically 33 percent of every dollar as interest on our total public and private debts which approximate $225,000,000,000. On a fair average of 5½ percent we are thus paying to the financial interests over $12,000,000,000 annually as interest. If we socialize all banks and provide, under existing law or by constitutional amendment, that no private individual may charge interest on loans but that this right rests entirely with the Government—as it should—we would thus have a national income of more than $12,000,000,000 per annum from this source alone, which would in itself permit the payment of approximately 60 percent of the total amount required to pay the $200 per month, as stipulated in the Townsend plan.

DEBT STRUCTURE A PERMANENT BAR TO RECOVERY

Although it is a matter of official record that approximately 33 percent of all income today is required to pay interest on existing indebtedness, we continue to plunge the Nation farther into debt. Unless some radical and sensible means is taken to overcome this juggernaut of debt, we cannot avoid inflation, repudiation, confiscation, or communism.

The figures just quoted do not include an approximate 25 percent of our national income which is paid in taxes. We should remember that every time we issue tax-exempt securities, we are granting a special subsidy to what the President terms the "overprivileged class" and are adding to the tax burden of the underprivileged in equal proportion.

We know what occurs when a vessel is heavily encrusted with barnacles. Its progress is impeded. Our Nation is encrusted with barnacles of debt and, as a result, high interest and taxes impede our forward progress. While our Nation was developing its natural resources, indebtedness, and interest exactions did not vitally affect our welfare because of the continued increment and development of wealth. With no further frontiers or virgin land to conquer, our increased indebtedness, owing to the World War, has brought us to our present dilemma in which interest and taxes are eating the life sustenance of our Nation.

The burden of interest is crushing us and no individual who, because of inheritance or special privilege, has amassed wealth, should have the right to oppress his less fortunate fellows through interest exactions.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield for a question.

Mr. TRUAX. The gentleman mentioned barnacles. I presume he was referring to human barnacles. For instance, would the gentleman consider J. P. Morgan as a barnacle, Mr. Mellon as a barnacle, or Mr. Rockefeller as a barnacle? Does the gentleman consider those malefactors of great wealth human barnacles and would he favor a tax on their swollen fortunes, rather than any sales tax proposed by the sponsors of the Townsend plan?

Mr. HOEPPEL. Answering the liberal-minded and progressive gentleman from Ohio, I will state that in my opinion, the practices of Mr. Morgan, Mr. Mellon, and their ilk, like barnacles on a vessel have retarded the progress of our Ship of State. Under the plan which I propose the international bankers would be deprived of their special privileges and would no longer be permitted to advance themselves through parasitical activities which hinder the social and economic advancement of the whole people.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I am sorry that on account of my limited time I must decline to yield.

Mr. BLANTON. The gentleman from California certainly will not deny his old friend one question?

Mr. HOEPPEL. Under these conditions, I will yield to my good friend from Texas, whom I recognize as a friend of the people but whose judgment, in this instance, I consider to be biased.

Mr. BLANTON. Suppose we were to go along with the gentleman and by unanimous consent were to pass this bill at once and send it to the Senate and the Senate were to take it up by unanimous consent and pass it immediately and it were sent to the White House and the President signed it, and it became the law of the land; does not my friend from California know that he would be handing these aged men and women a "gold brick", because inevitably it would bankrupt the Government, which would not be able to pay them 10 cents under present, existing circumstances?

Mr. HOEPPEL. If the gentleman has absorbed what I have said and will follow me, he will recognize, I believe, that the plan which I am advancing will bring us out of our existing circumstances to which we have been brought by our careless acquiescence in the development of an economic system which permits an overprivileged class while millions of our people are denied even the necessities of life.

Mr. BLANTON. Does not the gentleman know that the Government could not pay this $24,000,000,000 annually?

Mr. HOEPPEL. I reiterate that the plan I propose, if adopted, would not necessitate additional taxes to pay the Townsend pensions. I propose that we take the twelve to fifteen billions of dollars from the overprivileged bankers and the financial ring and use this amount for the payment of the Townsend old-age pensions.

TOWNSEND PENSIONS WOULD REDUCE CRIME COSTS

We are spending today approximately $13,000,000,000 annually on crime prevention and control. Authorities state that crime would be reduced at least 25 percent if the citizens were prosperous and employed. No one with reason would question this assertion. This would give us another $3,000,000,000 or more annually in savings with which to pay the Townsend pensions. In addition, the provision in the Townsend plan that pensions will not be paid to those with criminal records would also act as a deterrent to lawlessness, with a consequent saving in crime-control costs.

ABOLISH POORHOUSES! RELIEVE OVERBURDENED YOUTH!

While figures are not available, it is very probable that at least a half billion dollars per annum is required to maintain our aged individuals in institutions. Furthermore, millions of our aged citizens are being maintained at an unusual sacrifice by their children and other relatives. One may estimate that at least another half billion dollars is expended for this purpose. The Townsend pensions would relieve these citizens of this burden which they are today called upon to carry at a sacrifice and disadvantage to themselves.

PURCHASING POWER AT THE GRASS ROOTS OF POPULATION

If the $12,000,000,000 today paid as interest by the underprivileged to the overprivileged financiers were paid into the National Treasury and paid out as Townsend pensions, it would, in a sense, be returning this money to the source from which it was obtained. This $12,000,000,000 plus the $3,000,000,000 savings resulting from a reduction in our crime bill, plus the half billion dollars from taxes on bonds now tax exempt, plus the half billion dollars saved on institutional care, plus the half-billion-dollar savings to private persons maintaining aged indigents, would total approximately sixteen and a half billion dollars annually. Another quarter billion dollars or more is paid out as pensions to aged veterans. While it is true that much of this represents purchasing power today, nevertheless, the bulk of this huge amount is not utilized as purchasing power by the financial interests but is applied rotatively to purchase additional tax-exempt securities, including foreign issues. If the Government would take the profits in banking and pay such profits as old-age pensions, it would establish a purchasing power at the very grass roots of population, in contrast to the present system under which the profits of banking go back into the financial hopper to be ground out in the purchase of tax-exempt paper, here and abroad.

Our volume of spending is not of sufficient proportion to generate real purchasing power. What this Nation needs and must have is increased purchasing power, distributed throughout the length and breadth of our country, virtually into every hamlet. The Townsend plan proposes this very remedy through the large amount of money which will be placed in circulation through its operation. As soon as purchases commence, the shelves of the storekeeper will become vacant. Presently, the broker will have such heavy demands on his stock that his shelves will also become empty. Next the manufacturer will be called upon to replenish the stock of the broker. And so the stimulative effect of increased purchasing power will be felt throughout all industry and unemployment will cease. There will be no necessity for unemployment insurance of any kind as the Townsend plan will start the cycle of buying which, in turn, will react on the cycle of production; and within a reasonable time after the pension plan is initiated, we will have generated a purchasing power which will bring about real recovery.

Funds for the initial payment of the Townsend old-age pensions may be obtained through the issuance of Treasury notes backed by the credit of the United States. I mention the credit of the United States reservedly as I do not wish to disturb our present huge gold surplus, which I believe should be maintained in the Treasury for purposes of international exchange only.

TAX-EXEMPTION UNDEMOCRATIC

It should be borne in mind that, if we socialize our banks, as described, we will not be taking anything from any citizen whatsoever, except the monopoly and subsidy which the private financier now enjoys through the exaction of interest on loans. If we refund our present interest-bearing bonded indebtedness, now tax-exempt, the tax on this huge amount of wealth will add at least another half billion dollars for payment of the Townsend pensions.

NO RELIEF EXPENDITURES UNDER TOWNSEND PLAN

The payment of the Townsend pensions during the past 2 years would have obviated the expenditure of $9,000,000,000 during that period for relief, and the further expenditure of $4,000,000,000 this year for this purpose, which is another item to be considered in the adoption of the Townsend plan.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BOILEAU. The gentleman is making a very fine presentation of his plan; but in view of the fact that the gentleman has an entirely different method of financing than the Townsend plan anticipates, it seems to me the gentleman is in error in calling this the "Townsend plan", because, as I understand it, the advocates of the Townsend plan insist that the money be raised in accordance with the provisions of that bill, and they want nothing else.

Mr. HOEPPEL. Answering the gentleman, I will say that to the millions who look to the Townsend plan for relief it means financial independence to our aged and our youth and economic recovery to the Nation. It is the embodiment of a broad, humanitarian principle. The mechanism of the plan is a necessary feature, of course; but so far as I am concerned, and so far as any individual who receives this pension is concerned, the equitable distribution of purchasing power among all the people, envisaged by Dr. Townsend, is our objective, and I believe any practical, effective means for obtaining the necessary funds will be acceptable.

SUDDEN, RAPID INFLATION DETRIMENTAL

It is self-evident to any monetary student that the injection of a large volume of money into immediate circulation will cause a rise in commodity values. This has been, and is yet, the principal objection that has been focused against the payment of pensions of $200 per month. Critics state that this large amount of money, thrown into the channels of trade monthly, would create a demand for goods which would cause the value of commodities to rise out of all proportion to the existing commodity level, with the result that the employed would find the cost of living far beyond their present incomes. In my opinion, this would be true. Therefore, it may be expedient that the Townsend pensions be authorized at $100 per month, with the stipulation, however, that the payments be progressively increased to $200 per month, so as not to violently disturb the commodity levels to the detriment of the individuals at present employed. Since wages always lag behind increases in commodity prices, I feel confident that it will be necessary, in order to prevent suffering and sacrifice on the part of the worker, that a modicum of pension payments be stipulated, predicated upon commodity price levels.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BOILEAU. I do not desire to be critical of the gentleman's remarks, but the gentleman has suggested an entirely different method of financing from the one the Townsend plan provides, and now the gentleman is cutting the amount down from $200 to $100.

Mr. HOEPPEL. I am advocating $200 per month pension. I admit that I am suggesting as a substitute for the sales tax a taxless plan for raising the necessary revenues which should effectively answer the vociferous objection of those who would discard the plan because of the sales-tax provision,

Mr. BLANTON. He is cutting the pension half in two.

Mr. HOEPPEL. No; I am not cutting it half in two.

Mr. BOILEAU. The gentleman is advocating a different plan.

Mr. HOEPPEL. I am advocating $200 per month.

Mr. BOILEAU. It is not the Townsend plan that the gentleman is discussing.

Mr. HOEPPEL. Many of the thousands of people who write to me say, "Let us have the legislation now, initiate the program, but, if necessary, begin the payments 2 or 3 or 5 months hence." As a compromise to this suggestion, I am suggesting the immediate granting of $100, to be increased to $200 per month in accordance with the rise in wage and commodity-price levels.

Mr. BOILEAU. Is the gentleman in position to say authoritatively that the Townsend plan advocates are willing to accept his method of financing?

Mr. HOEPPEL. I reiterate, the millions who are looking to the Townsend plan for relief are insistent upon increased purchasing power. That is what the Townsend plan means to them. It is the objective of the plan, not the mechanism for providing funds, upon which they will accept no compromise, no amendment. That is the attitude of the thousands who have written me on this subject.

Mr. MOTT. Mr. Speaker, will the gentleman yield for a question?

Mr. HOEPPEL. I should like to suggest another means of obtaining funds. My time is getting short and I should like to discuss other features of my plan. However, if the gentleman will get me more time after I conclude, I will answer all questions, if I can.

Mr. MOTT. Will the gentleman yield on the matter of time?

Mr. HOEPPEL. Yes.

Mr. MOTT. I understood the gentleman was to talk for 30 minutes on the Townsend plan. I know the gentleman is probably better informed on the Townsend plan than almost any other Member of this House except the other gentleman from California, Mr. McGROARTY, who introduced it. I think most of the Members who came over here today came with the idea that they were going to hear the gentleman discuss the Townsend plan. The gentleman has only 5 minutes more. I am interested, of course, in the speech he is making, but he is not speaking on the Townsend plan; and I want to inquire of the gentleman if I can get unanimous consent for him to proceed for 10 additional minutes, will he use those 10 minutes for a discussion of the Townsend plan, so that those of us who are interested in old-age-pension legislation may get some first-hand information about the particular plan of Dr. Townsend from a Member who, I know, knows a great deal about it.

Mr. HOEPPEL. Will the gentleman make that request?

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the gentleman from California be given 10 additional minutes at the expiration of his time for the purpose of discussing the Townsend plan as set forth in H. R. 3977, the Townsend old-age revolving pension bill.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the time of the gentleman from California be extended 10 minutes. The Chair will state that the gentleman from California has 4 minutes remaining.

Mr. BLANTON and Mr. YOUNG reserved the right to object.

Mr. BLANTON. Mr. Speaker, I reserve the right to object, because I object to the gentleman from Oregon [Mr. MOTT] taking the gentleman from California off his feet. The gentleman is discussing entirely extraneous matters here; and if you confine him to the Townsend plan, you will probably take him off the floor.

Mr. MOTT. Oh, no; that is not my intention. My intention is to give him the floor for 10 additional minutes for the specific purpose of having him discuss the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Oregon that the gentleman from California have 10 minutes more?

Mr. TRUAX. Reserving the right to object, I want to observe that the gentleman from California is discussing a vital topic, namely, the redistribution of wealth. I disagree with the gentleman from Texas that that will be taking him off his feet.

Mr. BLANTON. I reserve the right to object to state that the gentleman from Ohio [Mr. TRUAX] ought to be put in double harness with the gentleman from California so that they may jointly discuss both of the "hooey" plans for redistribution of wealth.

Mr. YOUNG. Reserving the right to object, the gentleman from California a moment ago in discussing the Townsend plan said he was interested in the youth of the country. I remember that a Washington newspaper the other day had a picture of a young man 23 who married an elderly lady of 64, and I was wondering about the gentleman's interest in the youth of the country. If the Townsend plan goes through, such marriages would not be news. The young men of the country would frequently marry the elderly ladies [laughter] and many girls would marry elderly gentlemen. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Oregon that the gentleman from California have 10 minutes more?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, knowing the legislative mind of many of my colleagues, I felt certain that I would be ridiculed if I attempted to discuss the Townsend pension plan on the floor, but for the information of my good friend from Ohio and others who may scoff and ridicule the plan, I wish to say that he who laughs last, laughs best. The people who have it in their power to determine who shall sit here in this Hall are going to have the last laugh, and many of you now present will not be here in the future unless you see the light. As Representatives, we are sent here for one purpose, and that is to express the will of our constituency, and the will of the people in reference to the Townsend plan will be expressed, if not by us and in this Congress, then by others at a later date.

Now, getting back to the Townsend plan. The crux of the opposition is epitomized in one question: How are the funds to be obtained to pay the Townsend pensions? I am going to propose several other practical methods which might be utilized.

OTHER MEANS OF OBTAINING FUNDS

In Europe, the various nations have monopolies on certain products, such as salt, tobacco, and so forth. As a means of crime reduction, in the furtherance of law observance, and in the interest of increasing national revenues, I suggest that our Government monopolize the liquor business and the traffic in arms. Both of these industries are basically nonessential and contribute more to every selfish and criminal instinct in man than any other. It is safe to assume that if the Government took over the monopoly of these industries, an additional one or two billions of dollars per year would accrue to the National Government while, in equal ratio, the crooked politicians and operations of the whisky ring would be reduced.

While I do not consider it necessary, nevertheless, the Government could add to its revenues immeasurably if it would also monopolize the tobacco industry which might be considered, likewise, as nonessential.

To those who decry the socialization of banking and the nonessential industries, which I have just described, under the usual plea that the Government is not qualified to act in this regard, I would recall the recent private banking debacle, which robbed millions of Americans of their life's savings. In my opinion, it requires considerable temerity and flagrant disregard of obvious facts, to voice such a protest. Certainly our past experience does not warrant any great degree of confidence in the merit or efficiency of our private banking system!

Mr. MOTT. Will the gentleman yield? I asked unanimous consent that the gentleman have 10 more minutes in which to discuss the Townsend plan, and that was the understanding when the gentleman was granted the additional 10 minutes. I do not wish him to discuss crime reduction or governmental monopolies. I wish him to discuss the Townsend plan.

Mr. HOEPPEL. What does the gentleman mean by the Townsend plan?

Mr. MOTT. I mean H. R. 3977, the bill introduced on the 16th of January by the gentleman from California [Mr. McGROARTY], and known as the "Townsend old-age revolving pension bill". I am anxious to hear the gentleman on that. Thousands of my own constituents are interested in that bill. The gentleman is an authority on it, and I want my constituents, as well as my colleagues, to have the benefit of his views and his argument. I hope the gentleman will confine himself to that bill for the remainder of his additional time.

Mr. HOEPPEL. I am informing the House how the additional revenues required to pay the Townsend old-age pensions can be secured. The principal criticism directed at

the Townsend plan is on its sales-tax feature, as no one dare controvert its recovery features, the positive relief it will afford to our aged citizens, and the increased opportunities to youth embraced in the plan.

Mr. SISSON. Mr. Speaker, will the gentleman yield for a question on the Townsend plan?

Mr. HOEPPEL. Yes.

Mr. SISSON. What is the estimated annual cost for the Townsend plan according to the gentleman's computation? I assume that he has made one.

Mr. HOEPPEL. I would estimate it as between $18,000,000,000 and $20,000,000,000. There are many old people who have incomes and many others who will not give up their positions and so will not be eligible for the pension. Only those who give up their present means of livelihood, their gainful occupations, will get the pension.

Mr. SISSON. What proportion would that take of the annual income, that is, the total earnings of all of the American people?

Mr. HOEPPEL. I am not speaking of income, I am speaking of revenue from the overprivileged class, which has been holding the American people in economic slavery. I am proposing to get the money from that class.

Mr. SISSON. Where does the gentleman propose to get the money, if not from income?

Mr. HOEPPEL. I propose that the necessary funds be obtained from the present interest-exacting and coupon-clipping class. I propose that the Government get the income from its own national credit instead of giving the bankers national credit and permitting the private financier himself to absorb the interest profits.

Mr. MOTT. Is that part of the Townsend plan, the McGroarty bill?

Mr. HOEPPEL. The principal and most vital feature of the McGroarty bill is that providing for the payment of $200 per month pensions. As there is concerted opposition to the sales-tax provision, I am showing how these funds can be obtained without an increase in taxation, by taking special privilege from the overprivileged.

Mr. MOTT. The gentleman was granted 10 minutes extra time to speak on the Townsend plan of financing a $200-per-month pension and not on his own or some other plan.

Mr. HOEPPEL. In my request for time to speak, I did not state that I would speak on the Townsend method of financing, but on the Townsend plan of pensions.

Mr. MOTT. Did not the gentleman understand the purpose for which he was given the additional 10 minutes? I ask the gentleman to use the 10 minutes to talk about the Townsend plan and I hope he will do it.

Mr. HOEPPEL. The gentleman from Oregon apparently wishes me to speak in reference to the sales tax. I will vote for a sales tax to pay the Townsend old-age pensions; but inasmuch as such violent opposition has developed in reference to this feature, I am suggesting means of obtaining the necessary revenues from the overprivileged and from entrenched and inherited wealth.

Mr. MOTT. I want the gentleman to speak for the Townsend plan. The sales tax, or transaction tax, is, of course, a part of that plan. It is the only tax proposed in the bill for financing the pension.

Mr. HOEPPEL. As I have stated, my objective is the enactment of the Townsend plan. I have not discussed the method of financing proposed by Dr. Townsend. As the opposition is using the sales-tax method as an entering wedge to defeat this humane pension, I am suggesting an alternative method of raising revenue, if necessary.

Mr. MOTT. Then the gentleman is speaking against the Townsend plan of financing the $200 per month pension?

Mr. HOEPPEL. I am not. How much time have I, Mr. Speaker?

The SPEAKER. The gentleman has 8½ minutes remaining.

Mr. HOEPPEL. I am going to touch upon another subject which is important and vital to our recovery.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. May I request that the gentleman kindly permit me to proceed in the presentation of my plan?

BASIC ADVANTAGES IN THE SOCIALIZATION OF BANKING

Following the orthodox thought, I suggested that in the socialization of banking, the Government continue to exact the same interest on national credit as is exacted now by the private banker on bank credit. It appears, however, that the best interests of the citizen would be served if national credit were extended to the citizen at cost, thus augmenting the purchasing power of the citizen rather than restricting his purchasing power by exacting interest payments. After all, what we must have is purchasing power which would be more directly applied if we did not exact from our citizens the present $12,000,000,000 to $15,000,000,000 of interest payments per annum. The issuance of credit to the citizen at a fraction of 1 percent, or at cost, and the absolute prohibition of any interest exactions on loans by private financiers would relieve the underprivileged from carrying the load of accumulated and inherited wealth of the overprivileged. Present public and private debts would be discharged through actual Treasury credits in notes or negotiable bonds without any interest payments attached thereto and with no tax-exempt provisions.

Under this procedure, every individual with surplus money would be confronted with the following situation: He could either take his money or credits and spend them for any purpose or he could deposit them in the Government bank for safe-keeping, without interest. Regardless of the wealth created and the amount which might be in the possession of any individual, such individual could only utilize this money for the purpose of engaging service or purchasing commodities. Of what utility would be the wealth of a Ford or a a Rockefeller if these huge fortunes could only be utilized in spending and if interest exactions, which feed on the needs of the people and threaten their very life sustenance, were outlawed? No fair-minded individual would object to the accumulation of wealth by honest means through individual effort and ingenuity but at the same time no fair-minded individual should be content to permit the recipient of such wealth to use it to enslave his fellow men.

Of course, it is obvious that if the Government exacts no interest on national credit, it will be necessary to obtain funds for the payment of the Townsend pensions from another source which, in this instance, may be through increased inheritance and income taxes and, if necessary, a limited sales tax, predicated upon an assured national income of $150,000,000,000 to $200,000,000,000 annually.

IRREDEEMABLE CURRENCY AND GOLD CREDITS

While the nations of the world worship at the altar of gold and silver, such type of currency is unnecessary domestically and, in a sense, internationally. However, not to depart too suddenly from an established system, I would suggest in the socialization of banking that there may be two kinds of currency: the "irredeemable", which is acceptable for all debts, public and private, and for the payment of taxes and all obligations, except, perchance, the payment of imposts; and gold and silver to be used only for purposes of international exchange. We should not be concerned or disturbed as to how much of this currency might be lent to foreign nations, nor how much might be spent abroad, inasmuch as such money would be of absolutely no value to any foreigner, except in the purchase of American products or services. If the foreigner were offered this type of money, with the full knowledge that it could not pass through international exchange and be redeemed by gold or silver, he would either be forced to decline this money or to utilize it to purchase American service or commodities. We know he would not decline to receive this type of currency. Consequently, for every dollar spent abroad, we could rest assured that the foreigner would purchase a dollar's worth of American products which, to even the most skeptical, would indicate that our foreign markets would be reestablished.

In the socialization of banking, gold and silver would be of absolutely no utility in domestic commerce and transac-

tions, as they are of no utility internationally, except through the value which foreign nations place upon them. Therefore, until an international agreement can be reached, our gold and silver stocks should be held in the Treasury for the sole purpose of making them the medium of exchange, wherever balances occur in our export or import trade. Our gold and silver should have an equal, if not a higher value than the value which the leading commercial nations put upon their own gold and silver stocks. In this way, we would have complete equality or stabilization in international trade, which is essential if we are to have world recovery.

Even though our imports should exceed our exports, nevertheless we could continue to maintain our present gold and silver stocks, since the United States produces approximately 25 percent of the gold of the world, and the Americas, including the United States, produce at least 75 percent of the silver. International trade would thus become, in a sense, more or less in the nature of barter, with periodical balances adjusted through gold and silver credits.

The adoption of this balance would prevent for all time the financial rape which was perpetrated on the American people by the international bankers preceding and following the World War, when gold credits approximating $40,000,000,000 were transferred by the international bankers of Wall Street to Europe and South America. It should be borne in mind that these credits are now all in default and virtually repudiated, thus becoming an absolute loss to the American people and reducing our national wealth. If the losses accruing from these huge loans were borne by the international Wall Street bankers alone, the average citizen could shed crocodile tears, but, unfortunately, the financial burden incident to the defaulting of our foreign debtors has been transferred through the international bankers to Mr. Average Citizen, who has lost billions in the failure of banks, foreclosure on homes, and shrinkage in property and other values.

FOREIGN INVESTMENTS SAP UNITED STATES WEALTH

Under the private-banking system, foreign business interests and foreign long-term investments take from the United States each year untold millions of American credit which the owners apply in building up the wealth of their own nations. Under the plan which I propose, these foreign individuals will not be in a position to sap the lifeblood of our financial system nor enrich their own nationals at the expense of the American citizen, as the credit which they will take abroad will be the irredeemable domestic paper currency which I explained a moment ago. This currency will be of no benefit to them unless they engage American service or purchase American commodities. This is indeed an easy application of the principle which I approve: "America for Americans, with justice to all nations and special privileges to none."

PROTECTION AGAINST CUTTHROAT FOREIGN COMPETITION

The adoption of the Townsend plan of old-age pensions of $200 per month and the consequent expansion of currency would increase all commodity prices in America and bring higher wage standards. Europe and the Orient would thus be in a position to undersell American-made products in our home markets and thus pervert to their own interests the advantages obtained through the socialization of banking and expansion of the currency. This situation, however, could be corrected by amending the provisions of the reciprocal-tariff legislation to authorize the President or the Tariff Commission to increase the tariff, from time to time, on foreign products which enter into competition with American manufactures, so that in every event the tariff, plus the cost of transportation and production or manufacture abroad, would be somewhat higher than the cost of production and distribution of the same commodity manufactured in our own country.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. WOLCOTT. How would the gentleman use silver to balance our international trade, when there are only three small countries on the silver standard at the present time?

Mr. HOEPPEL. The gentleman perhaps misunderstood me. I said "gold and silver." When we are dealing with a silver country in trade, we will take their silver in trade.

Mr. WOLCOTT. Will the gentleman yield further?

Mr. HOEPPEL. I yield.

Mr. WOLCOTT. When the trade balance was in favor of the United States on those foreign transactions, would the gentleman suggest that American citizens, in whose favor this trade balance appeared on the books, would be paid in this same currency?

Mr. HOEPPEL. American citizens with a trade balance against France, for instance, would be credited with irredeemable currency which I have described, thus maintaining at all times, in our import and export bank, our gold balance for future barter or trade transactions. Under existing law, they do not receive gold but our irredeemable paper currency.

Mr. WOLCOTT. Does the gentleman not think that France would have something to say about that herself?

Mr. HOEPPEL. Answering the gentleman, I would say that whenever we have a balance to our credit due from any foreign nation, it is not the business of such nation to indicate to our Government what we may or may not do with the indebtedness due us.

Mr. WOLCOTT. I understand the gentleman's plan is predicated upon the fact that we will enter into monetary agreements with foreign countries and that we will settle our trade balances on a bimetallic basis instead of on a gold basis, as at the present time?

Mr. HOEPPEL. It is not necessary to enter into trade agreements with any of those nations. They will accept our gold or silver in barter or exchange at the value which we place on it and we will accept their gold in the ratio which they themselves place on it. This condition exists today between the United States and France, where the gold value is not uniform.

Mr. WOLCOTT. There has not been any country in the world on a bimetallic basis for the last 70 years.

Mr. HOEPPEL. In the socialization of banking which I propose, the bimetallic standard is not necessary, but I merely mention it to satisfy the orthodox worshipers of the gold standard. We are transacting our domestic business today without the gold standard, and we can also transact our international business without either gold or silver.

Mr. MARSHALL. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. MARSHALL. I just wanted to ask the gentleman if he thinks that J. P. Morgan already has as much money as he should have?

Mr. HOEPPEL. As far as I am concerned, answering the gentleman's question, I do not care how much money J. P. Morgan has. It would be of no value to him under the plan which I propose unless he spends it for American goods or service. Unfortunately, today, through the issuance of tax-exempt bonds and interest exactions, we are giving Pierpont Morgan, Barney Baruch, and others the opportunity to enslave the borrower.

Mr. MARSHALL. I just wanted to know if the gentleman favored giving him $200 a month.

Mr. HOEPPEL. If he would get out of the banking and gambling business—that is, gambling with other people's investments—I would not object to his being given $200 per month.

Mr. MICHENER. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. MICHENER. As I understand the gentleman, he is opposed to the sales tax, as proposed in the McGroarty bill, for the purpose of financing the Townsend plan.

Mr. HOEPPEL. The gentleman misunderstood me. In my opening remarks I said I would support the Townsend plan as originally introduced, but if it were to be discarded because of the sales-tax provision, I suggested this.

Are there any other questions? I shall gladly answer any question to the best of my ability, along the lines of the economic changes which I have suggested.

Mr. DEEN. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. DEEN. I should like to ask the gentleman a question. The gentleman stated it would require about $20,000,000,000 annually to pay the Townsend old-age pensions. Is that correct?

Mr. HOEPPEL. Yes.

Mr. DEEN. Has the gentleman figured out how much assessment that would be on each person in the United States annually? Does the gentleman know it would require $166 per person on every person in the United States annually, or an average of $830 per family of five, to pay the Townsend old-age-pension plan?

Mr. HOEPPEL. I shall gladly answer the gentleman.

Mr. DEEN. I want to ask the gentleman one other question.

Mr. HOEPPEL. Answering the gentleman's question, I will state that in the field of mechanics, in the field of science, in the field of learning, in almost every field, we have progressed. We have built the most wonderful airships; in almost everything we are modern except in our finance and our monetary systems. The gentleman is basing his argument on the ancient and antiquated oxcart system of finance and private banking.

Mr. DEEN. One further question, if the gentleman will yield. Would the gentleman himself be willing to pay an assessment upon each member of his family of $166 every year? Will the gentleman answer "yes" or "no"?

Mr. HOEPPEL. It would not be necessary under the plan which I propose. The revenues for the payment of the Townsend plan would be obtained from the overprivileged, interest-exacting group.

Mr. MOTT. Would it be necessary under the Townsend plan?

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. Last year by taxing incomes, taxing inheritances, taxing liquor, taxing tobacco, an extra 2-cent tax on bank checks, extra postage, from every conceivable form of taxes, we were able to raise only $3,700,000,000 in total revenues. How would the gentleman propose to raise $20,000,000,000 extra? Just tell us how he would propose to raise that?

Mr. HOEPPEL. I believe I have already answered the gentleman's question. Twelve to fifteen billion dollars of the required amount would accrue to the National Treasury if the Government, in lieu of the private banker, extended credit, and if the Government exacted the same rate of interest as that now charged by the banking interests.

Mr. BLANTON. But who would pay it?

Mr. HOEPPEL. The same people would pay this twelve to fifteen billion dollars to the National Government, under a socialized banking system, as are today paying this amount to the private banker. In addition, limited, controlled inflation would add to our national income.

CONTROLLED INFLATION OUR SALVATION

Great Britain won the Napoleonic Wars through a controlled expansion of so-called "irredeemable" paper money. We can positively conquer our economic depression, solve our unemployment problem, and control the expansion of our irredeemable currency through the payments made to the aged and worthy citizens of our Nation through the medium of the Townsend old-age revolving pensions.

We should bear in mind that with the large expansion of credit and the slight expansion of actual money during the World War, we had an era of prosperity which permitted the humblest laborer to purchase luxuries. The price of wheat rose to $2.20 per bushel, wages were as high as $20 per day, there was virtually no unemployment, and not even the merest semblance of a bread line. Our national income increased to such proportions that the party in power advocated and actually reduced taxation. These facts clearly demonstrate that an expansion of credit and currency insures a high commodity-price level and at the same time increases the wages of the worker.

The payment of the Townsend old-age pensions would be a similar expansion of credit and currency in circulation and would increase our national income proportionately. With a present national income of approximately $41,000,000,000, the Federal income from all sources has been estimated at $3,711,650,688. Our national income, with the expansion of credit and currency through the Townsend plan, would be increased three- or fourfold and our Federal income would likewise be increased to approximately $15,000,000,000 per annum, thus giving another large source of income from which to pay the Townsend pensions.

In my opinion, income taxes would be unnecessary, although they could be applied whenever required in order to keep the Budget in balance. Inheritance taxes, however, should be radically increased.

The revolving, controlled, and limited inflation which would follow the enactment of the Townsend plan, in addition to other benefits I have described, would make it possible for all public and private debts, which today approximate $225,000,000,000, to be paid with the dollar of the same purchasing power as when the debts were incurred and would thus relieve the burden of the debtors in this proportion.

OLD-AGE PENSIONS A NATIONAL RESPONSIBILITY

Old-age pensions are, in my opinion, the sole responsibility of the National Government. The National Government alone has authority to take the youth of our land and send them to their death in war. By the eighteenth amendment the National Government virtually confiscated the property of the liquor interests, without indemnification.

What I have proposed in the socialization of banking is not confiscatory. It merely takes from the overprivileged few the right, through interest exactions, to pyramid their wealth on the backs of the less fortunate citizens. If, under the law, we have the right to stipulate what is a usurious rate of interest, we also have the right to stipulate that interest shall not be charged by any private citizen, but that this function is solely the prerogative of the Government.

In the presentation of these simple facts, I recognize that the departure suggested is indeed radical, but it is by no way inimical to the proper interests or rights of any individual, and is in accordance with the democratic principle that the common good of all should be our primary objective.

The religious leaders of America must interest themselves in the physical well-being of men in order to advance the spiritual issues in a more understanding and helpful manner. The hungry man, as well as the hungry animal with the God-given instinct of self-preservation, fears nothing—not even death itself. To interest a hungry man in matters of faith and the world beyond, while he is suffering the tortures of the damned through laws enacted in the interest of the overprivileged, is almost an impossibility.

The millions of sensible, outstanding citizens who have petitioned for the enactment of the Townsend plan and the additional millions who will rally to this principle, will be heard—if not in this session, then in the next.

The President, in his written pronouncements, has envisaged social security. We cannot afford to give a half loaf to our aged citizens by enacting inadequate old-age pensions.

While I do not suggest that the ideas I have advanced are perfect in themselves, or perhaps the only way out, nevertheless I do feel that I have suggested the vehicle by means of which economic recovery and humane and just consideration to our aged citizens may be secured. Can we consider ourselves humane and civilized if we permit the present suffering of our millions of aged citizens and the millions of our unemployed to continue, knowing as we do—without question—that the sole responsibility for their relief is that of the Congress of the United States and not that of the President or his appointed advisers?

The people elected us to represent them and we must express the will of the people or they will be justified in repudiating us. The Townsend old-age revolving pension

movement is an irresistible force. It is gaining momentum by leaps and bounds. I hope that my colleagues will investigate the facts which I have presented, and that when the petition to discharge the committee from further hearings on the Townsend plan is presented, as I propose to present it, they will join me in signing this petition in order to bring the Townsend pension bill to the floor of the Congress for action.

TOWNSEND PENSIONS WILL MODERNIZE OUR ECONOMIC SYSTEM

We pity the backward Eastern peoples who, with their teams of camels and oxen, slovenly cultivate the soil with a wooden plow. We have made enormous progress in the field of invention, discovery, physical science, and mechanics, but in our economic thinking, we still linger in the Stone Age and fight over bones!

We must modernize our economic system, loose the tenacious grip of antiquated thought and enervating tradition which binds us to the past, and, in the light of reason and common sense, face the issue courageously! In their championship of the Townsend plan, the people are but claiming their heritage of financial security and independence. The star of destiny leads on, and millions are turning toward the light that shall make them free! [Applause.]

The SPEAKER. The time of the gentleman from California [Mr. HOEPPEL] has again expired.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

The Honorable JOSEPH W. BYRNS,
The Speaker House of Representatives.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Military Affairs of the House of Representatives and request that the same take effect immediately.

Yours very sincerely,

JAMES M. FITZPATRICK.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 85

Resolved, That James M. Fitzpatrick, of New York, be, and he is hereby elected a member of the standing committee of the House of Representatives on Appropriations.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I offer a further resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 86

Resolved, That the following Delegate and Resident Commissioner be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

Merchant Marine, Radio, and Fisheries: Anthony J. Dimond, of Alaska.
Rivers and Harbors: Anthony J. Dimond, of Alaska.
Insular Affairs: Santiago Iglesias.
Agriculture: Santiago Iglesias.
Labor: Santiago Iglesias.

The resolution was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 88. Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes. Pending this motion, I ask unanimous consent that the substitute recommended by the House Committee on Banking and Currency be considered without the intervention of any point of order, and that the substitute may be considered under the 5-minute rule as an original bill.

The SPEAKER. The gentleman from Alabama asks unanimous consent that it shall be in order in the consideration of the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency; and that such substitute, for the purpose of amendment, shall be considered under the 5-minute rule as an original bill.

Is there objection?

There was no objection.

Mr. HOLLISTER. With the permission of the Chair, before the motion is put, may I ask the gentleman from Alabama what arrangement he desires to make as to time for general debate?

Mr. STEAGALL. What arrangement as to time would be satisfactory to the gentleman from Ohio?

Mr. HOLLISTER. We on this side should like an hour. We shall not want any more, and we may not use all of that.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, to be equally divided, one-half to be controlled by the gentleman from Ohio [Mr. HOLLISTER] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

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 consideration of the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with Mr. CALDWELL in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I move that further reading of the bill be dispensed with.

The motion was agreed to.

Mr. STEAGALL. Mr. Chairman, the original Reconstruction Finance Corporation Act granted the powers of the Corporation for a period of 1 year with authority conferred upon the President to extend those powers an additional year. At the end of 2 years of operation an act was passed extending the powers of the Corporation an additional year, to the 1st of February 1935. The time for the expiration of the powers of the Corporation is immediately at hand. The bill before us grants an extension of those powers for a period of 2 years, unless, as provided in the original bill, sooner terminated by order of the President of the United States.

Authority is granted for extending the final date of maturity of loans made by the Corporation to 1945, an additional 5 years. The bill provides a liberalization of the basis for loans to industry. Under the general provisions of the original bill the Corporation is required to take full and adequate security for loans. Under the provisions of the act of 1934, authorizing loans for industrial purposes, the Corporation was authorized to make loans upon adequate security. Under the provisions of the bill now before the House loans to industry would be authorized upon such security as in the judgment of the Board would reasonably assure repayment of loans. Provision is made for loans to institutions financing electrical appliances, both for rural and

urban uses. Another provision would liberalize aid to institutions loaning upon real-estate mortgages, which it is hoped will assist in reviving real-estate values and reviving construction activities.

Mr. KOPPLEMANN. Will the gentleman yield at this point for a question with regard to loans to industry?

Mr. STEAGALL. I yield.

Mr. KOPPLEMANN. Can the chairman of the Committee on Banking and Currency tell us what percentage of the money allocated to the Reconstruction Finance Corporation has been paid out and allocated?

Mr. STEAGALL. I cannot state in percentages the information the gentleman requests, but I may say that under the provisions of the act of 1934 the Corporation was authorized to use to a maximum amount of $300,000,000 funds for industrial loans. The amount of industrial loans that have been made is about $35,000,000.

Mr. KOPPLEMANN. In other words, slightly over 10 percent.

Mr. STEAGALL. Yes; a little over 10 percent would be correct.

I have not time at the moment to discuss the figures disclosing loans to industry by the Federal Reserve banks.

Mr. HANCOCK of North Carolina. Mr. Chairman, with the permission of the gentleman from Alabama, the amount of loans to January 1 was approximately $40,000,000.

Mr. STEAGALL. I was going to say that it was in the neighborhood of $40,000,000, or an amount slightly in excess of the loans extended by the Reconstruction Finance Corporation.

Mr. CELLER. Does that include both agencies?

Mr. STEAGALL. Just a moment, please. In this connection permit me to say that the provisions of the act of 1934 as applicable to Federal Reserve banks in the matter of securities to be required are more liberal than in the case of loans to be made to the Reconstruction Finance Corporation; and it is fair to say that the Treasury is obligated to supply the Federal Reserve banks an amount not in excess of $147,000,000 to be employed by the Federal Reserve banks in making loans to industry. The Federal Reserve banks were very desirous of legislation which would permit the banks to recapture the amount of $147,000,000 which they had subscribed to the capital stock of the Federal Deposit Insurance Corporation and the only way by which those funds could be taken back by the Federal Reserve banks was through the use of the fund in extending loans to industry as provided in the act of 1934.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CHRISTIANSON. The present law requires that loans to industry be adequately secured.

Mr. STEAGALL. That is quite correct.

Mr. CHRISTIANSON. The bill now before the House requires such security as will reasonably insure repayment of the loans. What distinction does the gentleman make between these two definitions? To what extent does the language of the pending bill broaden the discretion of the Reconstruction Finance Corporation?

Mr. STEAGALL. It is my personal view, I may say to the gentleman from Minnesota, and I take it my view represents that of the Members of the House, that the Reconstruction Finance Corporation, while designed to accomplish a measure of general relief for the Nation, was intended to operate as a legitimate loaning agency; and under the original law the Corporation was required to take full and adequate security for loans, which language would seem to carry with it the suggestion that the Corporation should pursue a sound, conservative, careful policy in lending Government funds. Later, as to industrial loans and to meet the exigencies of the emergency resulting in unemployment of labor and distress in industrial activities of the Nation, that language was so liberalized as merely to provide that such loans should be made upon adequate security. It was intended by the use of that language to liberalize the act somewhat as compared to the original provision.

The language of the present bill, instead of stating "full and adequate security" or treating the word "adequate" as meaning the same, provides that the Corporation may make such loans upon any security which in the judgment of the Board will reasonably assure repayment.

Does the gentleman think we should authorize this loaning agency of the Government to make loans without the requirement of security that would reasonably protect the Government in the matter of repayment?

Mr. CHRISTIANSON. May I say in answer to the question propounded by the gentleman that I recognize the difficulty the committee must have had in framing language which would definitely define its policy; nevertheless, I must say that I do not believe that by the use of this language the gentleman will succeed in causing the Reconstruction Finance Corporation to liberalize its policies. Our experience in the Northwest has convinced us that the Reconstruction Finance Corporation is even more hard-boiled than the bankers in passing on this class of loans.

Mr. STEAGALL. I do not think that conclusion is justified, and I do not think there is any doubt that under the language of this bill the Board would consider their authority as having been liberalized in the matter of security to be required. May I say further that the committee has the assurance of all of the officials of the Reconstruction Finance Corporation that the language employed in this act will be regarded by them in administering the law as a liberalization of their authority in taking security.

Mr. COX. The gentleman's committee has no intention of recommending anything to this House which if adopted would make the operations of the Reconstruction Finance Corporation a hazardous enterprise from the Government's standpoint?

Mr. STEAGALL. I will say to my friend, that there would be some hazard in any lending system that may be established now or that could have been established at the time or since the establishment of the Reconstruction Finance Corporation Act. But, I think I know what the gentleman has in mind. It is not our desire to have the Reconstruction Finance Corporation engage in extending favors to any without requiring at least such security as will reasonably assure repayment of the loans made.

Mr. COX. The committee does not anticipate that the Reconstruction Finance Corporation will make loans to a man who is running his business in a way that will cause inevitably a loss to the Government.

Mr. STEAGALL. I quite agree with the view as expressed by the gentleman from Georgia.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. Then, are we of the Congress to take the statement of the distinguished chairman of our committee to mean that under the language change made in the bill loans will be liberalized as compared to the loans which have thus far been made under this bill?

Mr. STEAGALL. I have not the slightest hesitancy in answering the gentleman's question affirmatively. We have the assurance of officials of the Reconstruction Finance Corporation Board that they will so administer the act, and may I also say in response to suggestions that have been made that I think certainly this agency of the Government has been administered with due regard to the directions and limitations imposed by the Congress in granting the powers of the Corporation. At every conference at which these gentlemen have been heard they have not hesitated to make suggestions to the committee handling the legislation involving the activities of the Corporation, but they have always assured us that they regarded themselves as servants of the Congress and of the country; that it was their duty to carry out in good faith the enactments of the Congress and to observe to the best of their judgment the limitations imposed upon them by the laws under which they were acting.

I have no doubt the Corporation has made mistakes. I have no doubt that more mistakes will be made. I do not

know of any business institution, or any lending agency, private or public, in the United States that has not made mistakes in recent years and that may not be expected to make more mistakes. I want to commend here and now the administration of the Reconstruction Finance Corporation under the management now in control.

May I say another thing in this connection. The President has surrounded himself with many able, patriotic public servants. I accord my tribute to all of them, but he has such a towering personality that many, if not most of those who surround him, are invisible to the public eye; however, Jesse Jones, chairman of the Reconstruction Finance Corporation Board, is one man who fully measures up to the requirements of his office and he is visible to the people of the United States.

Mr. SWEENEY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Ohio.

Mr. LUDLOW. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Indiana.

Mr. LUDLOW. May I ask the gentleman whether under his interpretation of this new act the Reconstruction Finance Corporation would have any latitude to take into consideration character and reputation in the matter of loans? Some of the best loans that were made in our section of the country in the old days were based on character. Was the applicant honest? Was he truthful? Was his reputation for faithful performance good? If the answers to these questions were favorable, the applicant got his loan, even if he was a little shy on collateral. Under the new language contained in this bill could the Reconstruction Finance Corporation take the character of the applicant into consideration?

Mr. STEAGALL. I fully sympathize with the view expressed by the gentleman from Indiana. If there is one man in this House who deplores the passing of the time when human character commanded value at the windows of banks and other business institutions in the United States, I am that man. May I also say to the gentleman that the language employed in this bill contemplates the very thing that he and I have in mind when it authorizes the Reconstruction Finance Corporation, instead of being governed solely by full and adequate security to protect a loan, to regard all factors in determining whether or not repayment of the loan is reasonably assured. That is the language which will permit consideration of the character of individuals responsible for the management of borrowing institutions.

Mr. LUDLOW. Is it not the gentleman's understanding from his observation in the administration of this matter that the Reconstruction Finance Corporation has been just as rigid in its requirements as the banks of the country?

Mr. STEAGALL. I do not think so, but the Corporation is in the nature of a bank and has been operating under a mandate of the Congress which you and I gave them to demand full and adequate security for loans. The remedy lies here in this House and at the other end of the Capitol if the administration of the Reconstruction Finance Corporation has not been satisfactory. I think that is a fair statement of the situation.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What limitation is there in the legislation as to the maximum loan that may be made to any one industry and as to the aggregate of all the loans made to all industries?

Mr. STEAGALL. In the former act there was a limitation fixing the maximum loan at $500,000. It was found in administering the law that at least some institutions large enough to need greater loans than the amount fixed in the limits of the act were denied the opportunity to obtain loans and to bring about desirable reemployment of labor because of this restriction. The limitation is not carried in the present bill.

Mr. CELLER. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. CELLER. I take it that the amendment which was offered relative to the reasonable assurance of repayment of loans was put into the bill because the committee felt that the amount, namely $4,000,000, thus far loaned to private industry was insufficient, and in order to put the country on its feet again more loans should be made to private industry and this was in the nature of an encouragement?

Mr. STEAGALL. Of course, that is the purpose and the hope of the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. Last year we appropriated at least $147,000,000 to be given to the Federal Reserve banks to make loans. What will become of that money that is not extended in the form of loans to industry? I understand they have only loaned about $40,000,000, and if I understand the matter correctly, if they lend this money and collect it back, it becomes theirs, and suppose they do not extend loans amounting to $147,000,000, what will become of the difference?

Mr. STEAGALL. Of course, it goes back to the Federal Reserve banks, and if my information is correct, and I have not recently consulted the officials of the Federal Reserve Board, but in consultation with the Secretary of the Treasury soon after the law was passed, I received the impression, and I think it has been confirmed by subsequent information, that sums advanced to the Federal Reserve banks for loans would be furnished only to supplement on a 50-50 basis loans made out of the funds provided in the act to be made by Federal Reserve banks.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York and then I must conclude, because I want to yield time to other members of the committee, and I shall not be able to discuss this bill in all its features.

Mr. FISH. I call the gentleman's attention to page 15, line 12, which reads:

> The amount of notes, bonds, debentures, and other obligations which the Reconstruction is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

I want to know whether there is any limitation.

Mr. STEAGALL. There is no limitation as to loans that may be made for the specific purposes of that section.

Mr. FISH. Could they issue $10,000,000,000 or $45,000,000,000?

Mr. STEAGALL. The original Reconstruction Finance Corporation Act placed a limitation on the issue of obligations by the Corporation and, of course, they would be governed by that.

Mr. FISH. But is there any limitation under this section?

Mr. STEAGALL. This section does not carry any limitation, for the reason it was thought this work was of such transcendent importance, to try to relieve the real-estate market, to try to revive construction and the reemployment of labor, that we should leave the Reconstruction Finance Corporation unhampered in the matter of loans of this type.

But let me say to the gentleman from New York that there is an automatic limitation upon the powers of this corporation. There are only now available funds amounting to something like $375,000,000. Of course, there will be collections from time to time, and while these collections have been in substantial amounts heretofore, we are approaching the time when collections will be far less than they have been in the past and under the bill before the House these loans or purchases can only be made with the approval of the President and the Secretary of the Treasury, and the President is authorized to terminate these activities at any time he sees fit, and if we were to defeat this bill the President, under other legislation, would still have the power to do substantially all the things that are provided for in this measure.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas and then I must conclude.

Mr. PATMAN. What is being done for the small, independent business institutions? I believe there is more to be done for the small, independent merchant and private industries than any other group or class in America today and I am wondering if there is a substantial step in the right direction in this bill to help the small, independent business man.

Mr. STEAGALL. I will say to the gentleman that we have provided for the use of every known kind of security by the banks of the country and we have made any and all kinds of securities eligible for loans and for rediscount at Federal Reserve banks. We have granted authority to the Reconstruction Finance Corporation to supply relief. We have gone about as far as we know how in authorizing such loans. The gentleman knows what business conditions are, the uncertainty as to values, and the destruction of values that has occurred during recent years in the United States. Of course, all intelligently conducted lending institutions must pay regard to the matter of repayment of loans. Those things rest in the realm of administration.

Mr. PATMAN. Does this bill contain a liberalization for the small business man in comparison with existing law?

Mr. STEAGALL. I do not know that this particular bill accomplishes anything more than existing law, except that we are liberalizing the provision regarding security for loans.

Mr. LUDLOW. May I ask the gentleman if his great committee contemplates in the future bringing out any further legislation replenishing or enlarging the amount that may be loaned to industries? I think that is very vital to the welfare of this country. My personal opinion is that some wise, well-considered, and liberal plan of extending credit to industry is the way to solid and permanent recovery. I should like to know whether we are to have adequate legislation to develop this vital plan to the full extent of its possibilities.

Mr. KOPPLEMANN. Mr. Chairman, I think it is unfair for the chairman to be interrupted. The gentleman from Texas [Mr. PATMAN] asked a question and I should like to hear the answer.

Mr. STEAGALL. I may say to the gentleman from Indiana that we cannot anticipate developments of the next 6 months, but I think that the Congress and the administration are fully and unreservedly committed to the use of the Reconstruction Finance Corporation for the support of business and the relief of the unhappy conditions that have existed in the United States during recent years and which still confront us. All will be done that can reasonably be done.

Mr. Chairman, I regret that I cannot more fully discuss the details of the bill. I must now conclude for the reason that I desire to be in position to yield time to other Members.

Mr. HOLLISTER. Mr. Chairman, I yield myself 15 minutes.

The chairman of the committee has handled in his usual efficient way the more controversial aspects of this bill. I should like to take a little time to run through the different sections of the bill so that Members who may not have a chance to study it may have it explained in a few words. Questions may then be put after I get through, if Members so wish.

The first section, of course, extends the life of the Corporation for 2 additional years. Section 2 provides that commitments shall not be outstanding indefinitely, that when the commitment is once made the disbursement shall be made within a year, except with respect to two particular classes of loans where it has been found that through no fault of the borrower disbursement within 1 year from the date of commitment is either impossible or inconvenient. It would manifestly be wrong for the Reconstruction Finance Corporation to make a commitment and have to hold it up indefinitely for several years because the borrower did not need the money at the time. Such funds would be desirable for other borrowers, but if tied up would not be available for the Reconstruction Finance Corporation to make other loans.

Section 3 is the provision which gives the right to make loans with 10 years maturity instead of 5 years maturity as at present.

It is thought by the Corporation that there are many worthy borrowers who would not be in a position to pay off a loan within 5 years.

Section 4 broadens the power of the Reconstruction Finance Corporation to assist railroads. At the present time the most the Corporation can do is to make loans. Under this provision they may acquire securities of railroads and may guarantee such securities to aid in financing, reorganizing, and consolidating of railroads.

This section also includes a provision not in the original act but which was inserted later by a special proviso. It permitted Reconstruction Finance Corporation assistance to the trustee of a railroad in process of reorganization under the Bankruptcy Act. In section 4 (b), page 13, you will notice that the proviso is stricken out as no longer necessary, since now included in the general provisions of section 4 (a).

Section 5 permits the Corporation to subscribe for or make loans on the stock of companies engaged in the mortgage business, or where nonassessable stock may not be issued, it permits the Corporation to acquire the capital notes and debentures of such institutions. The Corporation is desirous of this in order that it may help the general mortgage market. They feel that if they have the funds available to lend to mortgage institutions it might help the general mortgage situation throughout the country. There is, in addition, a provision that the Corporation may make loans to corporations, associations, or persons which are organized for the purpose of reorganizing real-estate properties. This is a special provision which is not found in the Senate bill, the wisdom of which, in my opinion, is somewhat doubtful, and certainly, if incorporated at all, I feel should include a limitation such as the gentleman from New York [Mr. FISH] attempted to point out a few minutes ago. Such a provision should not be included in the bill without some limitation as to the amount which could be expended for such purpose.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. GOLDSBOROUGH. Is it not a fact that the bill was unanimously reported by the committee?

Mr. HOLLISTER. The gentleman is certainly correct. I do not want the gentleman to misunderstand me. I am very much in favor of the bill. I think it is an excellent bill, but I think it is perfectly proper in discussing the matter, when there are a few minor provisions which do not seem to be perfect, to indicate my disapproval of them. I expect to support the bill. I have been in favor of the bill from the beginning.

Mr. GOLDSBOROUGH. I did not understand the nature of the questions of the gentleman from New York. They seemed to be inappropriate coming from a member of the committee.

Mr. HOLLISTER. I understood the gentleman was asking whether I thought the bill should be adopted without a limitation.

Mr. GOLDSBOROUGH. I do not see any reason why any member of the committee should ask questions about factual matters in the bill. It occurred to me members of the committee ought to know what is in the bill.

Mr. HOLLISTER. I am not endorsing the gentleman's questions. I am indicating that, in my opinion, a provision in any bill authorizing expenditure should never be adopted without limitation.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. MAPES. In the news dispatches which went out when this legislation was introduced, there was a paragraph which called attention to the provisions in the bill relating to the authority given to the R. F. C. to buy the bonds of railroads.

I had a communication from an investment banker rather approving that provision. I looked over the discussion in the Senate when the bill was under consideration there with that in mind, and I now ask the gentleman from Ohio [Mr. HOLLISTER] just how far and to what extent it is expected the R. F. C. will purchase bonds of railroad companies after this legislation is enacted.

Mr. HOLLISTER. That is a question, of course, that would be impossible for me to answer. Discretion is placed in the Reconstruction Finance Corporation as it is with respect to any loans made. Members frequently have an idea that there is some way in which Congress, by passing legislation, may compel the Reconstruction Finance Corporation to take certain action in making loans. The most that Congress can do is to give authority to take action under general provisions of this kind.

Mr. MAPES. I got the impression from reading the debate in the Senate that it was expected that that provision would apply only to two or three railroad companies which are now in the process of reorganization.

Mr. HOLLISTER. If that is so, it was not mentioned in the House committee hearings.

Mr. MAPES. Did the gentleman have occasion to look over the debate in the Senate?

Mr. HOLLISTER. I did not.

Mr. MAPES. Is it the gentleman's understanding that the R. F. C., under the provision in the House bill, may go out and buy the bonds of the railroad companies in the open market, if it sees fit to do so?

Mr. HOLLISTER. In the open market?

Mr. MAPES. Yes.

Mr. HOLLISTER. I doubt very much whether they have such authority under this bill. I do not understand that it is so intended.

Mr. MAPES. I got the impression from reading the debate in the Senate that it was not so intended.

Mr. HOLLISTER. The provisions are:

> May, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce—

And so forth.

I should doubt very much if that language could in any way be interpreted to permit the Reconstruction Finance Corporation to go into the open market and buy railroad securities.

Mr. MAPES. The last clause seems to be a little broader than that—

> Or, when in the opinion of the Corporation, funds are not available on reasonable terms through private channels—

And so forth.

Mr. HOLLISTER. To make loans. That has nothing to do with the purchase of securities.

Mr. MAPES. Can the gentleman say in a word whether this section in the House bill is the same as the corresponding section in the Senate bill?

Mr. HOLLISTER. I cannot offhand. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. In order to keep the record straight in reference to the inquiry made by the gentleman from New York [Mr. FISH], the gentleman understands, and I know he will state to the House, that this increased power applies only to the amount that could be loaned under the particular section.

Mr. HOLLISTER. Absolutely.

Mr. HANCOCK of North Carolina. And not to the general power of the Corporation?

Mr. HOLLISTER. Only to this particular section. I simply raised the question whether there should be any section adopted which had no limitation whatsoever, because this increases the general borrowing power of the Reconstruction Finance Corporation over and above the six and three-fifths times its capital stock which it now may issue in notes or debentures, but it would still have to be subject to the approval of the Secretary of the Treasury.

Mr. CELLER. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CELLER. I want to get the record clear. It may not be apropos to what the gentleman is now discussing, but I tried to get the answer from the chairman of the committee and could not do so. I want to be sure to get, as near as possible, the amount of money that has actually been disbursed to private industry.

Mr. HOLLISTER. Does the gentleman mean by the Reconstruction Finance Corporation or by Federal Reserve banks?

Mr. CELLER. The Reconstruction Finance Corporation.

Mr. HOLLISTER. The statement of the Reconstruction Finance Corporation through December 31, 1934, shows actual disbursements of $6,767,000.

Mr. CELLER. And what was authorized?

Mr. HOLLISTER. And commitments of $34,000,000. Of course, the commitments are similar to disbursements, because they are available to business. These amounts have been approved.

Mr. CELLER. Well, that is not necessarily so, because conditions may change; so that we can say today there is only a little over $6,000,000 actually disbursed to private industry?

Mr. HOLLISTER. Up to December 31, 1934.

Mr. DUFFEY of Ohio. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. DUFFEY of Ohio. I think the Members are heartily in favor of this bill, as was the Committee on Banking and Currency. There seems to be only two provisions that are causing confusion. The law of 1934 called for "full and adequate security." Now that is amended to read "reasonable and adequate security." In my interpretation, it must be "reasonable" if it is "adequate." I cannot see how the present rules and regulations, as adopted and enforced by the Reconstruction Finance Corporation, particularly in their application to small industry, are going to be thus liberalized. The rank and file of the people, who are intended to benefit by this legislation, ought to have some definite assurance that these rules and regulations will be liberalized.

Mr. HOLLISTER. I do not want to stop the gentleman, but my time is limited, and I will ask the gentleman to limit himself to a question.

Mr. DUFFEY of Ohio. I would like to know in what way we can liberalize these rules and regulations of the R. F. C. to help small industries?

Mr. HOLLISTER. I will answer the gentleman in this way: No one here wants to pass a law which compels the Reconstruction Finance Corporation to make bad loans.

Mr. DUFFEY of Ohio. No; it is not an eleemosynary institution. I appreciate that.

Mr. HOLLISTER. A great many Members who have discussed this subject, both with members of the committee and others, seem to think there is some way by which there can be wording placed in the act which will compel the Reconstruction Finance Corporation to make loans to industry.

Mr. DUFFEY of Ohio. Can that not be done by some form of definition of the word "reasonable"?

Mr. HOLLISTER. The most that can be done is to liberalize the wording so as to give full latitude to the Corporation. Then it is a question of judgment and discretion in that organization as to how far they shall go in following out the authorization which Congress has given them. I know of no other way by which Congress can do it.

Mr. DUFFEY of Ohio. One other question. On page 19, lines 1 to 4, what was the reason which actuated the committee in limiting the language to the sale of "electrical, plumbing, and air-conditioning appliances"?

Mr. HOLLISTER. It was stated by Mr. Jones that there was a general feeling that there could be developed very easily throughout the country buying power in the public generally—and the gentleman will notice it reads "both urban and rural"—to fix up their homes in better shape; a part of the housing campaign, by buying electrical appli-

ances, plumbing appliances, and air-conditioning appliances; and if the Reconstruction Finance Corporation was in a position to loan money to concerns which were financing purchases of this kind, then it would pump out a certain amount of money in that kind of business.

Mr. DUFFEY of Ohio. If it is true that the Reconstruction Finance Corporation is given the power of discretion on the question of "reasonable and adequate" security, why limit it by particular language when other industries might be benefited by giving the board the power of similar discretion?

Mr. HOLLISTER. What the gentleman probably does not realize is that this kind of an organization would not be able to borrow from the Reconstruction Finance Corporation under existing law, because these are financing institutions and probably do not come under the heading of "industrial or commercial business" as set out in the act. If it were not for that, of course, there would be no point in putting that language in.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BROWN of Michigan. I think there should be a statement placed in the RECORD made by the general counsel of the Reconstruction Finance Corporation.

Mr. HOLLISTER. Would the gentleman please take some of his own time to put that in? I have one or two other things that I would like to develop in the short time I have.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HOLLISTER] has expired.

Mr. HOLLISTER. Mr. Chairman, I yield myself 2 additional minutes. I just want to finish, in the short time I have remaining, my description of the various sections, in order that there may be some explanation before the House.

Section 6 is merely to relieve against the strict interpretation which has been placed in the past on that part of the act where power was given to buy or to loan on the assets of closed banks, counsel having ruled that this did not give the right to buy or lend on a portion of the assets. Now the Reconstruction Finance Corporation may acquire or loan on a portion of the assets.

Section 7 extends the life of the Commodity Credit Corporation for 2 years.

Section 8 increases from $50,000,000 to $75,000,000 the amount of Reconstruction Finance Corporation money which can be used in the subscription of stock to insurance companies.

Section 9 extends the life of the Export-Import Bank for an additional 2 years and, in addition, gives it the right of discount. It also takes off the 10-percent limitation which the laws of the District of Columbia would otherwise impose on its power to loan to a single individual.

This bank may desire to lend on several large transactions, perhaps, and it was felt that the limitation of 10 percent of capital on loans to a single individual was not broad enough.

Section 10 has been discussed adequately, and I shall make no further comment on it now.

Section 11 permits the substitution of collateral back of loans.

Section 12 changes the present provisions relative to making loans to the mining industry. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman, in answer to the question asked by the gentleman from Ohio [Mr. DUFFEY], I desire to read the interpretation put upon the new language in the bill by the General Counsel for the R. F. C., Mr. Reed. In his testimony before the committee Mr. Reed said in commenting on the language in the bill, which reads as follows:

Such loans shall, in the opinion of the board, be so secured as to reasonably assure the repayment of the loans.

We feel that it is much more liberal language than to say it shall be "adequately secured." We feel that it is much more liberal language that would permit us to lend more liberally on more liberal terms than if we said they should be "adequately secured", as the present law provides.

The General Counsel was, of course, referring to the new language contained in section 10 of the pending bill and was assuring the committee that the R. F. C., with this new language, respecting security would not construe it with the same strictness as the language contained in the original act, but would be more liberal in granting loans.

Mr. CELLER. I believe it would be very much in place to say that is the statement of Mr. Stanley Reed, a very distinguished lawyer, who has done a very fine piece of work.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, the Reconstruction Finance Corporation has proven itself to be one of the most useful agencies of the Federal Government in helping to bring about a permanent recovery. Under the present able management of that Corporation its efficiency in extending credit where such credit is needed to save financial, commercial, and industrial corporations in which the money of a large number of our citizens is invested and upon which great numbers of our people are dependent, directly or indirectly, for the continuance of business—and thereby the continuance of employment—has been greatly increased.

In pleasing contrast to the earlier days of the operations of the Reconstruction Finance Corporation, financial aid and credit has been, through this agency, extended to a greater number of small businesses and industries rather than to the larger banks alone, and also in pleasing contrast to the operations of the R. F. C. during the first year of its existence, 1932, its operations have, so far as can be at present determined, resulted in a profit to the Government, and thereby a saving to our taxpayers rather than a loss.

For many years we Democrats were accustomed to hear, during each political campaign, that the Democratic Party did not have men of sufficient business ability to manage and conduct the larger operations of the National Government and that for the efficient conduct of the business of the Government the people of this country must rely upon the Republican Party and should therefore continue that party in power. Now, I do not wish to taunt our colleagues on the other side of the House with any of the mistakes that were perpetrated under the last Republican administration. Our friends on the other side of the House, many of them have given us able assistance, for example, in the preparation of this bill containing important amendments to the Reconstruction Finance Corporation Act, and I am sure most of such mistakes were not the fault of the present membership of the House, but probably were due to the fact that they did not have the example now afforded by a Democratic majority in this body.

I am very pleased, however, to note that the operations of the R. F. C. under its present management not only show no loss, but bid fair to result in a profit to the Government which will largely offset, and perhaps entirely wipe out the enormous loss which the Government sustained through the operation of the R. F. C. during the last year of the Republican administration. I recall that in the campaign of 1932 one of the achievements of the Republican administration as told to us by Republican orators and representatives of the Republican Party in that campaign was the saving of a great bank out in Chicago. This bank, some of you may recall, was headed by a former Republican Vice President of the United States, and the loan in question was made shortly after that gentleman had terminated his connection with the board of the Reconstruction Finance Corporation. The attorneys for the Chicago agency of the R. F. C. have recently brought suit against the officers, directors, and stockholders of that bank upon that loan of upwards of $90,000,000 because of default in the payment of interest. However, we are all likely to make mistakes and I am speaking of this only that the people may know that the R. F. C. is now being just as efficiently managed as it

could have been under the most businesslike Republican administration, and also in the hope that when we make mistakes—as we are likely to do—our Republican friends may be a little more lenient with us.

Most of the provisions of this bill, setting forth the various amendments to the Reconstruction Finance Corporation Act, have been or will be sufficiently covered by the chairman and other members of the Banking and Currency Committee.

I wish briefly to call your attention to two or three which, from my point of view, are of special importance:

In the bill which this House passed during the second session of the Seventy-third Congress, authorizing the R. F. C. to make direct loans to industry and thereby making easier the granting of credit to industries, large and small, and to businesses, large and small, the House first fixed the limit upon the amount which was thereby authorized to be loaned to any one borrower of $100,000. The other body of the Congress contended for a limit of $1,000,000. There were many here who honestly believed that too much of the money would be used in helping big business alone unless the lower limit were fixed. They lost sight of the fact that the $300,000,000 available to the R. F. C. for this purpose was a revolving fund and that it would be difficult—if not impossible—for the R. F. C. to loan the money, after making the proper investigation, faster than it was paid back. I take some personal pride in the fact that at that time I contended that the R. F. C. should be authorized to loan up to at least $500,000 to one borrower, and so stated to the House in the debate upon that bill at that time. In the conference the conferees finally did agree upon $500,000. The able Chairman of the R. F. C. Board, in the hearings before the Banking and Currency Committee recently held, stated that there had been some instances where loans of a million dollars each could have been very profitably made, with the result that both those particular industries and other smaller industries would have been benefited and employment continued and increased; and that the R. F. C. Board was unnecessarily hampered in exercising its discretion in that respect. In the present bill our committee, profiting by the experience of the past few months of operation of this act, has taken off the limit and placed the matter entirely within the discretion of the R. F. C.

In answer to the question of the gentleman from New York [Mr. CELLER], I would call attention to the fact that, although out of a total fund of $300,000,000 but $7,000,000 has actually been loaned, $35,000,000 has been authorized, which is equivalent to being loaned, and is in line with the purpose of this section of the act. I think we should bear in mind the fact that this undoubtedly is operating in most sections of the country to loosen up credit in banks, and that the banks themselves have loaned more money for industrial purposes than they otherwise would, had it not been for this authorization extended to the Reconstruction Finance Corporation. I may say also that the Reconstruction Finance Corporation presents a very pleasing contrast to the Federal Reserve bank in this respect, because the Federal Reserve Bank of New York, in my own section, has lent very little money—I think less than $1,000,000—under the authorization it received in this part of the Reconstruction Finance Corporation Act.

Mr. FISH. Mr. Speaker, will the gentleman yield for information?

Mr. SISSON. I yield.

Mr. FISH. Does that include the entire State of New York or just the banks in the city of New York?

Mr. SISSON. I am speaking of the Federal Reserve Bank of the city of New York.

Mr. FISH. Have they made loans from any other source up-State?

Mr. SISSON. Yes; money has been loaned from several sources up-State.

Mr. FISH. But for the bank in the city of New York it is only $1,000,000?

Mr. SISSON. I am speaking of the Federal Reserve bank under this authorization. So we must give some attention to this section of the bill.

Mr. FISH. Only $1,000,000 up to the 31st of December 1934?

Mr. SISSON. Only $1,000,000.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SISSON. I yield.

Mr. CELLER. Does not the gentleman believe that had the original bill contained an amendment requiring reasonable security, that much more than $6,000,000, $7,000,000, or $8,000,000 in loans would be outstanding?

Mr. SISSON. I can very honestly and positively answer the gentleman in the affirmative. We cured that in this bill, and I intended to speak on that as the second feature in the bill which I regarded very important.

Mr. CELLER. That is, the suggestion that the R. F. C. be more liberal in connection with its loans?

Mr. SISSON. Yes. That was the suggestion from the chairman of the board of the R. F. C. and its counsel.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I had hoped we could progress through this bill devoid of all politics, and I regret very much that the gentleman from New York has seen fit to inject politics into this bill. Surely the members of the Banking and Currency Committee did not have politics in mind when they reported this bill, and the members on the Republican side of the committee did not have politics in mind when they offered suggestions which liberalized the terms of this bill in accordance with the wishes of the majority of the committee. I hold no brief whatsoever for the Chicago bank which borrowed $90,000,000 from the Reconstruction Finance Corporation. I do say, as I have said before in this House, that if the loan of $90,000,000 prevented a debacle in Chicago such as we had in Michigan, I think it was a pretty good investment on the part of the Government, even though they lose the whole $45,000,000 they are suing for. I assume the loan was made in accordance with the law, and that behind the loan there is "full and adequate security", together with the right of assessment against the stock of the corporation which will eventuate in the Reconstruction Finance Corporation collecting the full amount of the loan.

I may say in this connection that this act has been liberalized to overcome the results of the bank closings in Michigan, which resulted, in one of my counties where there were 21 banks, in only 2 of them remaining open and in operation. There was no more need of the Michigan bank closing in the first place than there is of one groceryman going out of business because the other one across the street goes into bankruptcy. However, this is incidental to what I wanted to say.

This bill broadens the powers of the Reconstruction Finance Corporation in two very important ways. In section 10, which amends section 5 (d) of the act, we do four things: First, we remove the limitation as to time. At the present time the Reconstruction Finance Corporation can make no loans to industries which were organized later than January 1, 1934. I may say in this connection that many new enterprises are coming into existence, and if the Reconstruction Finance Corporation can help capitalize these new industries, it may take up the welfare load of many of our localities. We felt that was a very desirable provision.

Second, we have removed the limitation as to amount. In the original act we placed a limitation of $500,000 on the amount that the Corporation could loan to any single enterprise. We have removed this limitation so that a loan may be made up to any amount within the discretion of the R. F. C. Board.

Third. There has been some discussion here with respect to the change in the security which the Reconstruction Finance Corporation may take. The present act does not say that a loan shall be fully and adequately secured; it merely says,

"It shall be adequately secured." The bill which we have before us provides in lieu of that provision that the Board shall have reasonable assurance that the loan will be repaid. Now, I assume if that does anything in addition to the present powers it allows the Reconstruction Finance Corporation to take into consideration more than it ever has before the character of the individual, the corporation, or the concern to which the loan is made. In banking we call them "character loans." A man of good character and who has a reputation for paying his bills and meeting his notes when they are due, may get a loan sometimes when a man with security cannot get it because of the question of character. I assume that this change will give the Reconstruction Finance Corporation the right to take into consideration the character of the concern to which it makes the loan in addition to the physical security which is provided.

Fourth. We have another provision in this act which is important to all of us outside of the scope of the Tennessee Valley Authority.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WOLCOTT. We provide that loans may be made for the sale of electrical, plumbing, or air-conditioning appliances, or equipment, both urban and rural. I can see in this provision an advantage to my section, and all of us outside of the scope of the Tennessee Valley Authority should be pleased to accept this provision, because it gives all of us, as I understand, some of the benefits which are now given under the Tennessee Valley Authority.

Mr. MAY. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. MAY. As a member of the committee I should like to get some information. I should like to know if the provisions relating to industrial loans have been liberalized to any extent in this bill as compared with what they were under the old bill?

Mr. WOLCOTT. Yes. I classified four advantages under this bill which did not exist under the other; namely, the limitation as to time has been removed; the limitation as to amount has been removed; certain limitations surrounding security have been removed, and we allow financing for the sale of electrical, plumbing, or air-conditioning appliances, both urban and rural.

Mr. FERGUSON. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. May I ask a question in connection with the matter just referred to. It is stated "through institutions hereafter established, financing principally the sale of electrical" and so forth. Could that not be just a rediscount agency for the sale of paper that is given to finance the purchase of electrical refrigerators, irons, or anything else?

Mr. WOLCOTT. That would be within the limitation established within the discretion of the board of the Reconstruction Finance Corporation.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, I am not disposed to make a speech, but as a member of the committee and one of the members who has devoted considerable time during the past 2 weeks to this measure, I felt that perhaps I have some information which would be of help and interest to the Members of the House. I shall spend 2 or 3 minutes making a very brief statement, and then will be glad to devote the remainder of my time to answering such questions as any Member cares to ask.

The committee has reported this bill unanimously. We believe it is a good measure. We believe it is an improvement on the present acts. Members of both parties have worked shoulder to shoulder in order to bring out the best sound measure we could to meet the present situation.

I think if the Membership of the House will refer to the report filed in January by Chairman Jones of the Reconstruction Finance Corporation, they will there see disclosed the genius of constructive management and the accomplishment in a sound and effective way of the purposes of the act. I think that detailed report is a more eloquent tribute to the work that has been done by the Corporation than any statement which I, or any other Member, could make.

The members of the committee have so far adequately covered many sections of this bill, but for one reason or another there has been no mention whatever made of section 5 (c), which to my mind is, perhaps, the most important section in the bill, in that it attacks or undertakes to attack the serious mortgage situation in America.

It is hoped that, through the powers conferred under section 5 (c), the Corporation will be able to promote and revive a normal mortgage market for real-estate mortgages. We know that one of the biggest problems facing our country today in its effort to regain its equilibrium and bring about recovery is the question of real-estate mortgages. There are, perhaps, $30,000,000,000 of unliquidated mortgages today in the urban field alone, a large portion of which are in distress. Under this section the Corporation will have the power to purchase nonassessable stock in mortgage companies, trust companies, and savings-and-loan institutions. This is a departure from the present act in that you are authorizing the Corporation to subscribe to common stock in order to provide capital with which to finance these mortgages.

Under title III of the Federal Housing Act, a plan was outlined to permit the setting up of national mortgage associations. Seven months have elapsed and not a single one of those corporations has been set up. Even if they had been set up under the provisions of that act, those corporations would have had authority to buy and sell mortgages and not to lend on mortgages.

We think there is great need for this particular provision, and, in my judgment, it has more far-reaching, beneficial potentialities than any other section in the bill. Few people seem to realize the desperate situation aimed to be rectified by this provision.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a question?

Mr. HANCOCK of North Carolina. I am delighted to yield to the gentleman from New York.

Mr. SIROVICH. Does my distinguished colleague from North Carolina know of any agency that has been established by the Seventy-second or Seventy-third Congress or any agency in the civilized world that has done more to rehabilitate our country than the magnificent work of the Reconstruction Finance Corporation?

Mr. HANCOCK of North Carolina. That is certainly a true statement. In addition to this particular section, there is one other section which, I think, holds wonderful potentialities for good.

Mr. WADSWORTH. Will the gentleman yield before going on to another section?

Mr. HANCOCK of North Carolina. Yes.

Mr. WADSWORTH. The gentleman is speaking of section 5 (c). I admit that I have not had a chance to study the bill and, of course, not being a member of the committee, I am not familiar with all the phases of the measure, but I notice in line 24, of page 14, a provision to the effect that these loans may be made to corporations, associations, or persons organized for the reorganization of real-estate properties, only upon the recommendation of the Securities and Exchange Commission and approval of the plan of reorganization proposed by such Corporation.

Mr. HANCOCK of North Carolina. That is an additional power conferred upon the Corporation and has no reference whatever to the language preceding it.

Mr. WADSWORTH. I am not referring to the additional power, but I am asking the gentleman if he thinks it is necessary, and does the committee think it necessary, to bring the Securities and Exchange Commission into this picture at all.

Mr. HANCOCK of North Carolina. I will state frankly to the gentleman that some members of the committee doubted the wisdom of doing it.

Mr. WADSWORTH. And may I make this observation—and I think I am correct—the Securities and Exchange Commission is charged with the duty, under the law passed by the last Congress, to look into the eligibility for listing of the stocks and other securities of corporations now in existence or to be formed in the future and give its permission for the listing of them on the stock exchanges of the country. I assume that none of these corporations or associations or persons organized for the reorganization of real-estate properties, or scarcely any of them, will be corporations seeking to list their securities on stock exchanges.

Mr. HANCOCK of North Carolina. That is true.

Mr. WADSWORTH. And you are bringing the Securities and Exchange Commission into a field of investigation which I think it was not intended to fill, and I am afraid you will delay and add a lot of red tape.

Mr. HANCOCK of North Carolina. I am afraid I could not offer any intelligence to the statement just made by the gentleman, but I will say that this particular amendment was the result of the work which has been done by the committee of the House investigating the real-estate bond situation in America. It is in need of vigorous governmental attention and investigation, in my opinion.

It was thought by the committee that if the R. F. C. should first be required to receive the approval of the plan it would, in a measure, protect not only the bondholders but the equity owners, and that the funds so disbursed through the R. F. C. would not be absorbed alone in taxes, attorney and receiver expenses, and other court costs.

Mr. WADSWORTH. Of course, I can see the necessity of going into the matter in each case very, very thoroughly, but I am willing to trust the R. F. C. to do this, and not bring another agency of the Government into the field, which I am afraid will result in delay and more red tape.

Mr. HANCOCK of North Carolina. I will say to the gentleman that I am perfectly willing to leave the final authority with respect to making any loan to the officials of the R. F. C., though I confess that it has not been as liberal in its lending to small industries and businesses as I thought it ought to be. I think the amendment which I offered in the committee liberalizing section 58 will produce the results desired.

The other important section is the one referred to by my good friend the gentleman from Michigan [Mr. WOLCOTT], section 10, which broadens the lending scope and powers of the R. F. C. so as to permit loans to companies engaged in financing electrical appliances.

If I am able to see down the road a little bit, that section is put in there as a companion measure to the administration's great national rural electrification program. It will enable the Reconstruction Finance Corporation, in addition to the capital it is loaning to the Electric Home and Farm Authority, to make loans to other companies engaged in the sale of these appliances, with the idea and with the hope that the grip that a few companies in America have had in the sale of these appliances will be broken and that the people throughout the United States will be able to buy at a fair price those things that relieve the family of drudgery and toil and are conducive to a better life.

The ends accomplished as a result of the set-up of the Electric Home and Farm Authority has been wonderful, and it is the hope and belief of our committee that with the additional power the people throughout every section of America will get the benefit of not only cheaper power rates but the appliances absolutely essential to receive the energy. [Applause.] One without the other would mean nothing.

I want to digress a moment, if I may, because I think in considering the purpose of this new section it is appropriate to pay a tribute to a North Carolinian who has had as much to do with shaping the effective policy of the Federal Power Commission in determining an honest price for electricity as perhaps any other individual in this country, and whose splendid efforts and constructive ability will eventually result in making power an article of standard use in America. [Applause.] I refer to the Honorable Frank R. McNinth, a trusted adviser of President Roosevelt. [Applause.]

[Here the gavel fell.]

Mrs. JENCKES of Indiana. Mr. Chairman, I ask unanimous consent for 1 minute in order to make an announcement.

The CHAIRMAN. We are in general debate, and that is not in order at the present time.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Does the lady from Indiana wish to make an announcement?

Mrs. JENCKES of Indiana. I do.

Mr. FISH. I yield the lady 1 minute.

Mrs. JENCKES of Indiana. Mr. Chairman, I desire to take the floor at this time and make a vigorous protest against the autocratic and bureaucratic attitude which the Chairman of the Interstate Commerce Commission, Mr. Joseph B. Eastman, and the Secretary of the Interstate Commerce Commission, Mr. George B. McGinty, have taken in connection with the release of the Eastman report on transportation.

As transportation, both rail and water, is a subject of great importance to my district, I learned of the existence of this report which was to be made to the President and to the Congress. I made a formal request for an advance copy of this report, under the seal of congressional secrecy. Several of my colleagues also made such a request. I was advised that the report was not in existence, notwithstanding the fact that I know positively that it is in existence.

I was advised today that the newspapers have been given copies of this Eastman report of 412 pages. I have been refused an advance copy of this Eastman report by Mr. Eastman personally, notwithstanding the fact that I had already filed for an advance release of this publication.

I protest against this autocratic and bureaucratic manner of the Interstate Commerce Commission. The Members of Congress are the elected representatives of the people. If we are not to have the reports under the seal of confidence from the heads of bureaus or various departments of the Government, then we are hampered in the performance of obligations to the people.

I hereby demand an explanation from the Interstate Commerce Commission as to why Members of Congress have been refused advance copies of this report, while newspapers have been given the report. I approve of giving the newspapers these reports, but I also believe that Members of Congress, the elected representatives of the people, should also receive them, especially when they are directly interested and have made repeated requests for same.

This should be a subject of investigation, as to the extent that bureaucracy controls the affairs of the people.

Mr. FISH. Mr. Chairman, my good friend and colleague from New York, an able and distinguished Member of the House, saw fit to inject some political views into the discussion of this bill which was reported unanimously by the committee. I would remind the Democratic side that the Reconstruction Finance Corporation Act was recommended by President Hoover as the means to preserve the credit of the country, to stabilize our industry, and to encourage private industry so that it might provide jobs for American wage earners. I submit that the Reconstruction Finance Corporation by making loans to the banks, railroads, insurance companies, and financial institutions on security, has accomplished more than all the experiments, panaceas, and unsound measures of the "brain trust" combined to stabilize industry as far as it was possible in this depression.

This Republican recommendation to the Congress at that time, when the banks were failing, preserved the credit of the United States and saved the railroads, the insurance companies, the private banks, and industry generally from failure. It preserved the credit of the Nation, and all other credit, which would have been paralyzed. That was a Republican recommendation based on loans to industry on adequate security, and 51 percent of the loans have already been repaid.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield in the short time I have.

Mr. SISSON. Mr. Chairman, I yielded to the gentleman.

Mr. FISH. I yield to my colleague [Mr. SISSON]. I was paying the gentleman a high compliment and I hope the gentleman heard me.

Mr. SISSON. And I want to pay my colleague from New York a high compliment, if possible, in return and say that I should have said, if I did not say, that I regard the creation of the Reconstruction Finance Corporation as perhaps the greatest constructive act of the Hoover administration.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I have only a few minutes.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I should like to yield, but my time is limited. I yield to the chairman of my committee.

Mr. STEAGALL. In order to keep the record straight, there was not a word about loans to industry in the original Reconstruction Finance Corporation Act.

Mr. FISH. I shall take that up, and I am glad the gentleman raised that issue. Also, for the sake of the record, I want to point out that Mr. Jesse Jones, of Texas, was appointed to the R. F. C. Board by a Republican President. I also want to join in the tributes paid to Mr. Jones as a man of high character and ability. He has carried out the intent and purpose of the law and has efficiently administered the R. F. C., except possibly in one instance, and that is the instance raised by the chairman of the committee. The gentleman from Connecticut [Mr. KOPPLEMANN] and myself introduced on the same day an identical bill, after working on it for months, to provide loans for industry. We did everything in our power to bring about meetings of the Committee on Banking and Currency in order to enact legislation that would provide loans for private industry. I believe most Members of the House agree that the most desirable act at the present time is to encourage private industry and make loans available for private industry that can give reasonable assurance of paying the loans back, in order to turn the factory wheels and employ American labor. That is the biggest issue before the country. If I were to continue my political reflections and observations further, I would call attention to the fact that there are a million and a half more unemployed today than there were a year ago, and one of the reasons for that is that the Congress has done nothing to help private industry by making loans available or at least if the Congress has, the Reconstruction Finance Corporation has failed to carry out the wishes and purpose and intent of the Congress. We appropriated $300,000,000, which was allotted to the R. F. C., for the purpose of making loans to private industry on adequate security. These loans would be paid back, and the funds would be used again. What happened? I think it is a justifiable criticism of the R. F. C. to say that only $7,000,000 out of the $300,000,000 was actually loaned, and that only $37,000,000 was authorized to be loaned. The R. F. C. will possibly come back and claim that the provision about loans was too drastic. The R. F. C. knew the purpose and intent of Congress. It knew that we wanted these loans made and this capital to go into private industry, and the reasons back of it, and it failed to help in accomplishing that purpose. Therefore, the Banking and Currency Committee has to amend the law and change "adequate security" into "reasonable security" and liberalize it to that extent which we all favor. I do not see that the Congress has accomplished very much by the action it took last year. All that has been done is to loan $7,000,000 to private industry. If I had my way, I would say that $300,000,000 is not sufficient. I should like to see a billion dollars, if reasonable assurance of repayment could be made, loaned to private industry in order to help private industry to get on its feet and employ American wage earners.

The gentleman from Nevada [Mr. SCRUGHAM] has amended the bill to include the authorization for loans to gold and silver mining operations and development. I suggest an amendment to include tin. The Committee on Foreign Affairs has been, under authorization of Congress, investigating the tin situation for the last 6 months. There is a foreign tin monopoly, and we in this country are the greatest consumers of tin. It appears that there are certain tin deposits in North and South Carolina and Alabama and I am told in some of the Western States. The purpose of my proposed amendment to include tin with gold and silver, would make it possible to conduct a proper investigation and find the facts by an adequate development of the tin deposits in the United States. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I think it is with a great deal of unanimity on the part of the whole House that we approve almost entirely what the Reconstruction Finance Corporation has done. However, we know that there is much for that organization further to do. We knew it last year, and we authorized $300,000,000 to be loaned to private industry. I understand $35,000,000 has been allocated, but only $7,000,000 loaned. I was responsible on the floor last year for having a very little word put into the bill we passed wherein the people could go either to the Federal Reserve "or" to the Reconstruction Finance Corporation.

Many of us would like to know how many of our people have been subjected to first going to their own bank, then to the Federal Reserve bank, and then finally to the Reconstruction Finance Corporation, only to be told when they finally arrived there that it must appear to be rather a poor loan. We tried our best to rescue our people from that sort of treatment.

In the hearings, I questioned regarding this matter and I learned that generally they were subjected to such procedure, although not always the case.

Now, we have done something in this bill that we hope will make it a little easier to obtain loans to industry. The two key words in section 5 (d) last year were that the loan should be adequately secured and the company should be solvent. The Reconstruction Finance Corporation has done very well, indeed, in interpreting the word "solvent" to mean solvent even after the money was loaned, but the term "adequate security" seems to have been the stumbling block. I ask you to read those words that we have carefully injected into this bill, and which the officials of the Reconstruction Finance Corporation say will help. We still use the word "security." They still must take security that will reasonably assure repayment.

Now, we all know that we have a bank in our own community which understands the problems of that community and is in sympathy with local conditions. There are 12 Federal Reserve districts and those Reserve banks look carefully after those districts. We should stand rather a better chance, do we not, of getting a loan from one of those local or district banks than if we have to come to some central authority here? This would usually be the case under ordinary conditions. What I fear and what so many other people fear today is that if we must go to a central bank located in Washington, where the rules and regulations are made, that the control of that institution may be prejudiced toward a certain locality or a certain industry. I pay high tribute to the Chairman of the Reconstruction Finance Corporation, although I did not know him personally until very recently. He may have been a little annoyed at my questioning in the committee, although I meant to be friendly. But there is no word in this law that would prevent the rules and regulations made by the head of that institution discriminating against a certain locality or a certain industry. I am speaking plainly, because we must speak plainly, and I am accustomed to, as you well know. The Reconstruction Finance Corporation is one instrumentality that can save the textile industry of the United States, in all probability. We wish to be sure that they are sympathetic, not only with the textile industry of the South but with the textile industry of New England. We are not really suspicious, but too many people in this House have said to me, "Is not the New England tex-

tile industry a declining industry; and can we really save that industry in that locality?"; thereby showing the thought which may exist in the minds of some people. When we can go to banks in our own community, we feel sure of relief if it can be granted. If we must come to Washington, we want to know that the R. F. C. officials are sympathetic with the entire country and entirely unprejudiced. May I say I believe they are unprejudiced, and I will try to continue to believe it.

However, under this language in this bill, they still must have security. Formerly they had to have adequate security, "adequate" supposedly meaning "equal thereto." They must take something from you equal in value to what they loan. As bankers, however, they scan the management who carry on the industry, and then might say, "If those are the kind of men who are going to run it, we will not loan any money." Just so long as that word "security" remains in this act they do not have even the authority of a Federal Reserve bank. A Federal Reserve bank can take a corporate note, and here we demand more, even though we want them to be more liberal. The R. F. C. must continue to demand security. They cannot, under this language, take a corporate note. They have allocated a billion dollars to buy cotton and tobacco and it bothers me to know that they have only used $322,000,000 and still obligated for so great an allocation. Their assets disclose they have only about $4,000,000 in cash on hand. They have a borrowing capacity of $800,000,000, and we took $500,000,000 the other day away from that. Here we want $300,000,000 for industry alone. Now, the probable amounts available ought to be fully explained during the debate. Will repayments come in fast enough to take care of their commitments and authorize them to do what we want them to do under this act? It would seem to be an emphatic "no." Their investment in capital issues, amounting to more than a billion dollars, in banks, will be slow in repayment; that the really quick assets or repayments have largely come in; that they have collected 51 percent of what they loaned. It looks to me as though there will be a great shortage of funds. I gathered this opinion from the officers of the Reconstruction Finance Corporation who came before our committee. They claimed they wanted to do only what Congress wanted them to do. They did not like to ask for more power; they did not like to ask for more money; but in their report they suggest that their borrowing power would not be enough if we took that $500,000,000 away as we did last week. Under the industrial paragraph in which we are interested more than any other, we still have the limitation of $300,000,000. If industry today should get what it wanted, if plants worth a million or two million dollars need to borrow $500,000, or more, how far will $300,000,000 go to lift the country out of its present condition?

I felt, Mr. Chairman, in the committee that perhaps I would appear too liberal. It is not pleasant to read a scorching editorial such as appeared in the Washington Post that our committee wanted the R. F. C. to embark upon a wasteful spending or lending program.

I have a list of the assets and liabilities of the R. F. C. Read it. What are they? Among them we have given to Harry Hopkins over $1,000,000,000. It is carried on their books as an asset. How has that money been spent? Much has been given away to hundreds of municipalities amply able to have taken care of their own relief. We expect the R. F. C. to be careful but reasonable and carry out the intent of the Congress.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, a great deal has been said with regard to the small amount of money the Reconstruction Finance Corporation has loaned to industry. The actual amount disbursed, we are told, is $6,000,000, and the amount allocated is about $34,000,000. I wonder how many of the Members who have been complaining about this have had an experience similar to the experience I had with regard to the R. F. C. branch in Los Angeles. Many applications for loans were brought to them. After they looked them over they made suggestions to the borrowers of such a helpful character as to enable them to get the money from their local banks. To that extent they relieved their financial necessity and got private money back into the regular channels of trade.

Another provision which interests me mightily is the provision liberalizing loans to the mining industry. This is Nation-wide in its scope. It applies equally to the West, East, and South. There are mining properties in the Carolinas, Virginia, Georgia, and all through the South. We in the West have the most of them, it is true; 12 of our Western States are interested. By thus liberalizing the Reconstruction Finance Corporation Act you will probably put to work in the western and southern areas anywhere from 12,000 to 25,000 men within the next year. To date $3,000,000 has been loaned on mining security, and this $3,000,000 has put to work over 2,500 men; and the money has been only partially paid out. As it is paid out and as these mining properties are developed, more men are going to work every day; so in adopting this provision you will provide for an industry that will actually put thousands of men to work at a very early date.

Mr. MAY. Mr. Chairman, will the gentleman yield at this point, section 14, pages 20 and 21, of the bill?

Mr. FORD of California. I yield.

Mr. MAY. I am somewhat interested in this section. It seems to be confined in its language to the mining of ores, having reference particularly to gold and silver.

Mr. FORD of California. Yes.

Mr. MAY. That would leave out of consideration entirely persons or corporations engaged in the mining of coal or the transportation and mining of gas and oil?

Mr. FORD of California. Yes; it does.

Mr. MAY. I think it ought to be enlarged and extended so as to include minerals and oils. I think an amendment to meet this objection should be inserted immediately after the word "smelting", appearing in line 24, on page 20.

Mr. FORD of California. Mr. Chairman, I cannot yield further.

Mr. Chairman, another factor in this measure that appeals to me very strongly is the taking off of the date we had in the old law, a provision to the effect that unless an organization had been going since 1934 it could not get a loan. The liberalizing of this feature is going to do a great deal in the industrial field; and particularly am I thinking of one industry which at the present time affects the South especially, the slash pine of the South. They have apparently found a process by which slash pine, of which there are immense stands and for which but little use has been found heretofore, can be used for the manufacture of paper and rayon. It is proposed to start these operations through a loan of this character if it can be obtained; and this, I presume, would, in addition to creating employment, add literally hundreds of millions of dollars to wealth of the United States and to that particular section.

It is constructive steps of this character that we have been able to achieve through the liberalization of the lending process of the Reconstruction Finance Corporation; and I personally have so much confidence in Chairman Jones and in his Board that I am willing to liberalize the act to any extent and give them almost any amount of latitude in the handling of industrial and other loans that tend to develop industry and put men to work in the United States, for I believe that is what they want to do, and I know it is what Congress wants to do.

Mr. WOLCOTT. Mr. Chairman, I yield 6 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I am for the legislation included in this bill. Coming as I do from one of the largest industrial districts in the United States, I am naturally keenly interested in the provision for industrial loans. I hope the liberalization which the committee says is in the bill will prove to be a fact and it will be of some benefit to the industries of this country. My past experience has been the loans to industry have been a mirage which has lured many of the small business men of the country to

destruction. Elaborate and detailed reports are required of those who seek loans, which are expensive and take a long time to assemble. When they are completed, invariably the applicant is informed, if he succeeds in proving the merit of his request, that if other claims against the industry are subordinated to that of the Government he may have his loan. The Members of this House appreciate in only few instances can this be brought about, and this is one of the reasons why you find so few loans made and so few applications. I believe we are now discussing one of the most vital problems in connection with recovery. We may give the people relief, and, of course, it is necessary in order to tide over the period of depression, but there can be no recovery in this country until we stimulate industry and put people to work at real wages. I hope this will be materially aided in this present bill, and the long delays in considering applications will be overcome.

I want to point out one instance in my own district where a great contribution could be made to recovery, and I believe would eventually result in saving the country some money. A few weeks ago one of the greatest textile establishments in Massachusetts—in fact, in New England and the country—employing some 3,200 people closed its doors. It was an industry that had been for many years operated profitably, but in the last 3 or 4 years lost considerable money.

I believe if the Government would make a substantial loan to a concern of this character it would resume operations and provide employment for hundreds of people, and take them off the relief rolls. We would do more good for these people in putting them to work than in giving a relief contribution. When we lend money to industry there is a reasonable expectation the money will be returned. In my section of the country at least, you will find there is always considerable security back of the loan. It may be the collateral is slow moving just now, but it is nevertheless real, substantial collateral.

I recall another instance of a man who had a small enterprise. He bought a building, probably worth $25,000, and due to the depression secured it for $10,000. He had a $4,000 mortgage upon the place, and applied to the Government for a two- or three-thousand-dollar loan so the business might continue. The Reconstruction Finance Corporation said they would probably make the loan if the applicant could get the man who held the mortgage to subordinate his claim to the Government. Of course, that was impossible. You would not do it if you held the mortgage. The result is the concern was refused the money and the little enterprise, employing a number of people, is in peril.

We are spending billions of dollars for relief, and I repeat it is necessary to spend this money. I am unqualifiedly for all the necessary relief, but let us take a reasonable risk, a reasonable chance to make these various industries again prosperous, so that our relief bill can be reduced. In my opinion, we can make no greater contribution to recovery than to make it possible for men and women to get jobs in mills and factories at wages which will make it possible for the workers to buy the products of the southern and western farms. I believe it is good business sense to try and get the people to work in their normal occupations; and that even if we lost some of the loans, that would be a saving to the Treasury by reducing relief demands.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Does the gentleman think that they have broadened the powers in reference to lending money?

Mr. MARTIN of Massachusetts. I am afraid not, but I hope they have, because we are never going to get out of this depression as long as the industrial enterprises of the country are permitted to languish. The quicker we make up our minds to that fact the quicker we will get back to prosperity.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

THE R. F. C.

Mr. PATMAN. Mr. Chairman, this is one of the best bills that the Banking and Currency Committee has brought out. If it is administered as well as we believe its provisions are, it will bring great relief. When the R. F. C. Act was originally enacted in 1932 it only applied to banks, railroads, and insurance companies. There was an effort made to help the country by pouring money in at the top. The little man was entirely ignored. In the last 2 years an effort has been made to convert the Reconstruction Finance Corporation into an institution that will help the people generally all over the Nation, and one of the best steps in this direction was the provision permitting direct loans to industry.

DIRECT LOANS TO INDUSTRY

Under the amendment permitting direct loans there was the requirement of "full and adequate security." For this reason many people who really had good, going business institutions could not qualify. I want to commend this committee for bringing in a bill that qualifies the provision which will enable other considerations than just Government bonds and just cold securities of different kinds to be acceptable. In this case any security will be acceptable where there is reasonable assurance that there will be repayment of the loan.

JANUARY 1, 1934, PROVISION ELIMINATED

Another provision of the bill I am interested in is the one permitting loans to be made to industries commencing operation after January 1, 1934. Under the existing law an industry could not get its application considered if it had commenced business after January 1, 1934. This takes off the limit.

TEN-YEAR LOANS INSTEAD OF FIVE

There is another provision which is very helpful and constructive, and that is the one which permits 10-year loans instead of 5-year loans. There is another one involving rural electrification, which is also important.

CONSOLIDATION OF R. F. C. AND FEDERAL RESERVE BANKS

Mr. Chairman, I am preparing, and I hope to introduce in the House in a few days, a bill which I know we cannot get adopted in a few weeks or a few months, but I think eventually we will get it or something similar adopted. This bill provides that the Government take over the Federal Reserve Banking System by paying the $140,000,000 invested by the banks in the System to those banks, the Government taking over the Federal Reserve System, and then, after the Government has taken over the entire System of 12 banks, the R. F. C. and Federal Reserve Banking System to be consolidated and coordinated so as to abolish the present Federal Reserve Board and substitute therefor the Board of the Reconstruction Finance Corporation. There will be no member banks. Loans will be permitted to all banks and to industry. The profits will go to the Government instead of to a few bankers. The Government's credit will be used in the interest of the people. It will break the grip of the Money Trust and be a long step in the right direction.

LOANS FOR ONE-EIGHTH OF 1 PERCENT INTEREST

In addition to this, I expect that a provision will be inserted to permit the Government's credit to be used for the benefit of cities, counties, and States for public improvements and educational purposes for an interest rate as low as one-eighth of 1 percent, which will be practically at cost. I see no reason why the Government should pay interest on its own obligations; neither do I see any reason why our Government should require cities, counties, and States to pay interest on obligations that are intended solely for public improvements and educational purposes. If this can be done without detriment to a sound monetary system—and it can—I believe the country will adopt it. If we succeed in making it plain that it can be done, I believe we have a chance of getting it adopted.

Again I want to commend the committee for this very fine piece of legislation and I hope it will pass unanimously. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, what I had intended saying in regard to this bill has already been said several times, and for once I am pleased to know that the American Congress seems to be practically unanimous in its praise and general approval of the work that has been done by Mr. Jones and his organization in the R. F. C. I have been interested in this work from the very beginning, and I am especially interested at this time in that provision of the bill that is supposed to liberalize and broaden the powers of the Corporation with respect to loans to industry.

As I read the pending provision, it says "reasonable security." I do not see how you could go very much further, so far as enacting a law or expressing yourself is concerned, than to ask this Corporation to get "reasonable security." Nevertheless, we are faced with a condition here, and as I have listened to the various Members express themselves here today, I think the feeling of the Congress is that the R. F. C. should be very liberal in construing "reasonable security."

We all know that industry today cannot borrow money from the banks. I feel it would be a great deal better for this Government to lend $10,000 to a small industry in a community over here in Maryland, for instance, that would keep 10 or 15 or 20 or 25 men employed for a year, and keep them off the relief roll with reasonable expectation of getting part or all of it back, than to apply that same amount of money to some of these other experiments that are being carried on by the Government at the present time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Certainly.

Mr. McCORMACK. May I suggest that in voting for this bill, and for that particular provision, that the Reconstruction Finance Corporation will also have in mind the past record of the applicant in paying loans previously incurred by him in connection with what is reasonable security? In other words, the applicant's record with his bank or with any other business connection he may have had in the past in respect of obtaining loans and the payment thereof should be considered by the R. F. C.

Mr. SNELL. I am in entire accord with the statement of my friend from Massachusetts, and I wish to emphasize the fact that they must be liberal in making these loans.

The administration itself says that in the final analysis we must depend upon industry to take up the slack in unemployment. If this is the crux of the whole situation, we had better take longer chances in encouraging industry to go ahead and do this work and aid in the relief of the unemployed than to go to some of the other experiments we are trying at the present time. To me, this is very important, and I think there is an opportunity here to do some very good work, and I expect, under the expressed will of Congress, the R. F. C. will do it.

Personally, I should prefer to have $500,000,000 or $1,000,000,000 for private industry rather than $300,000,000, as carried in the bill, because this would be definite and would encourage the men who are doing business and who think there is a possibility of getting a loan. If you start up an industry in your community, it revives hope, and it is a great deal better to have 10 men continually employed at a reasonable wage than to have 50 men on the relief rolls.

I feel there is opportunity here to do some good work, and I hope the Reconstruction Finance Corporation will administer the law from the point of view of the Congress along this line. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman and Members of the Committee, I think it is rather axiomatic that there are two sources of employment. The one is the pay roll of a political subdivision, and the other is private industry. If one is fortunate enough to be elected a Member of Congress or to secure a position as a mail carrier or a city clerk of some city or find some lucrative position with any other political subdivision, that is one source of employment. All the other, and the largest majority, is private employment.

It seems to me that the only hope of solving unemployment is to encourage the absorption of men into private industry.

That is the reason why there was so much interest in the bill passed by the Seventy-third Congress expanding the functions of the R. F. C., providing $300,000,000 for loans to industry, and $280,000,000 for the same purpose through the Federal Reserve banks.

We went back home with high hopes that it would revive industry in the entire country.

The various branches of this Reconstruction Finance Corporation began to entertain applications. I tried to steer three or four through the office in Chicago, and I fell down in each one. We asked for an investigation. The Treasury sent credit agents out to the seventh Reserve district, which has its center in the city of Chicago. That district comprises the entire States of Iowa, Illinois, Michigan, and Wisconsin, and is the largest Federal Reserve district in the United States. They sent 66 field agents into the district to make exhaustive investigations.

Here are some of the things in Dr. Viner's report, representing the findings of that committee. He says that there exists a genuine unsatisfied demand for credit on the part of solvent borrowers, many of whom could make economically sound use of working capital, but they do not get it either from the banks or from the Federal Reserve or the R. F. C.

Here is what the report says with respect to small business, in answer to the question of the gentleman from Texas [Mr. PATMAN]:

> That, so far as small business is concerned, the difficulty in getting bank credit has increased more as compared with a few years ago than is the difficulty in getting trade credit.

And finally the report says that, so far as both the Reserve banks and the R. F. C. are concerned, their activities, insofar as the administration of industrial loans goes, has had a negligible effect upon the general subject of credit.

Dr. Viner, of the Treasury Department, has given us that report. There is the summary of the findings of fact, and then there is a long list of recommendations as to what ought to be done. Having had some experience with some of these applications, I can readily sympathize with the gentleman from Wisconsin who apparently stated to an investigator that one of the reasons they had so much difficulty was because it cost an interminable sum to prepare the report, which is the same for both the Federal Reserve and the R. F. C.

One Wisconsin firm alleged it spent $10,000 in connection with its application. There is page after page of detailed information required, and whether it is furnished to the fiscal agent of the Federal Reserve or to the R. F. C. makes no difference. There is entirely too much detail. Take the firms to whom applications have been sent and most of them throw the applications into the wastebasket. Why? They said it was too formidable to fill out, and after having helped to fill out three of them, I can readily sympathize with those who filled out those applications. Therefore it seems to me that there are many other things that we can liberalize, not only the terminology of the bill that deals with adequacy or reasonability of security but we can go further and strip away some of the prolixity and red tape in the hope of actually getting this money out to industry. Everyone admits it has been a flat failure thus far—$300,000,000 provided, of which $37,000,000 are committed, and only six and one-half million dollars actually paid out; and, after all, it is the money on the line that counts and not the number of commitments or applications.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

> That until February 1, 1937, or such earlier date as the President may fix by proclamation, the Reconstruction Finance Corporation

is hereby authorized to continue to perform all functions which it is authorized to perform under law, and the liquidation and winding up of its affairs as provided for by section 13 of the Reconstruction Finance Corporation Act, as amended, are hereby postponed during the period that the functions of the Corporation are continued pursuant to this act.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 10, line 14, insert a new section, as follows:

"SEC. 2. Subsection (a) of paragraph 605b, title 15, United States Code, Supplement VI, otherwise known as the Reconstruction Finance Corporation Act and Emergency Relief and Construction Act of 1932, be and the same is hereby, amended as follows:

"6. To make loans to colleges, universities, and institutions of learning, with interest thereon at not more than 3 percent per annum, to aid in the financing of buildings, structures, and other self-liquidating projects."

Mr. WOODRUM. Mr. Chairman, I hope the Committee will accept this amendment. It will be observed that it is not mandatory on the Reconstruction Finance Corporation. It merely broadens their power and authority to make loans. I believe it is readily agreed by all of us that when you can erect a building or dig a ditch, you are thereby striking at the very fundamentals of putting people to work. There are 500 standard colleges in America as well as a great many more of preparatory educational institutions, non-State owned, that are solvent, that are badly in need of repairs and of additional buildings or expansion, and the insertion of this language in the bill merely makes it optional or gives the authority to the Reconstruction Finance Corporation to make loans to those insolvent institutions for self-liquidating projects. If we want to put people to work, I cannot see why that is not a sound and logical amendment to the bill, and I hope the Committee, on consideration, will not object to it.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MEAD. Does the gentleman limit the amendment to educational institutions?

Mr. WOODRUM. That is the way I have drawn it.

Mr. MEAD. I understand that a great many hospitals, privately owned, are in the same situation.

Mr. WOODRUM. I have no objection to that addition to the amendment. Mr. Chairman, I ask unanimous consent to amend my amendment by inserting after the word "to make loans to", the word "hospitals."

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Without objection, the Clerk will report the amendment as amended.

There was no objection, and the Clerk read as follows:

Amendment by Mr. WOODRUM: Page 10, line 14, insert a new section:

"SEC. 2. Subsection (a) of paragraph 605b, title 15, United States Code, Supplement VI, otherwise known as the Reconstruction Finance Corporation Act and Emergency Relief and Construction Act of 1932, be, and the same is hereby, amended as follows:

"6. To make loans to hospitals, colleges, universities, and institutions of learning, with interest thereon of not more than 3 percent per annum, to aid in the financing of buildings, structures, and other self-liquidating projects."

Mr. WOODRUM. Legislation similar to this has been offered many times before, but usually it has provided authority to make loans for the refinancing of already existing indebtedness. I want to direct attention to the fact that this amendment calls for new construction, and thereby is a direct aid to the President's recovery program; and the Reconstruction Finance Corporation has authority to do it or not to do it. We do not compel them to do it, but they have the right to do it.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HANCOCK of North Carolina. Since the gentleman discussed with me his amendment this morning, I wonder if he has given any thought to the fact that these institutions are eligible under the big work-relief bill which the gentleman ably aided in steering through this House the other day?

Mr. WOODRUM. They might be eligible under that, but the gentleman knows——

Mr. HANCOCK of North Carolina. If the gentleman will pardon me, I also think if he will examine closely section 5 (c) of the present bill, he will see that these institutions could be taken care of through a mortgage company, the common stock of which the Reconstruction Finance Corporation will have authority to subscribe.

Mr. WOODRUM. The Reconstruction Finance Corporation, I am afraid, would not so construe it. I will say that this makes it perfectly plain. It clarifies it and leaves no room for doubt about it. There cannot be any objection to putting it in.

Mr. STEAGALL. If the gentleman will yield, there cannot be the slightest doubt about the eligibility of loaning institutions obtaining funds from the Corporation, secured by and to cover loans made for the very purpose contemplated.

Mr. WOODRUM. They have never been able to get one up to the present time.

Mr. STEAGALL. I will say that the bill now before us liberalizes the Reconstruction Finance Corporation Act in that regard and gives them much larger loaning power.

Mr. WOODRUM. I will say to the distinguished chairman, whose judgment I rely upon usually in these matters, that I should like to see the House of Representatives put language in here to let the Reconstruction Finance Corporation know that it would like to see these loans made where they are sound, solvent, and self-liquidating. There certainly cannot be any harm in doing it.

Mr. SIROVICH. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SIROVICH. It does not mean only for new construction, but reconstruction as well?

Mr. WOODRUM. Certainly.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CHRISTIANSON. I am generally in accord with the gentleman's ideas, but is not the gentleman limiting unduly the character of structures that could be erected when he uses the word "self-liquidating", because obviously there are very few buildings that a college would erect that would be self-liquidating.

Mr. WOODRUM. It limits it to dormitories, athletic stadiums, and things of that nature.

Mr. CHRISTIANSON. Does the gentleman think the language should be so limited?

Mr. WOODRUM. I think perhaps there should be some limitation. I think they should be self-liquidating loans.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

Mr. GREEN. Mr. Chairman, I move to strike out the last word. I support the amendment offered by the gentleman from Virginia [Mr. WOODRUM]. We have had cases in my State in which, for instance, our University of Florida and the Florida State College for Women, I understand, have been trying for many months, in fact, a couple of years, to obtain loans to enlarge their buildings and their educational plant generally. It is obvious that any loan that is made by the Reconstruction Finance Corporation to a State or a subdivision thereof is a valid loan and will be repaid. I know of no better purpose for which Federal loans could be offered than to institutions of higher learning and to hospitals, as was mentioned by the gentleman from New York, Dr. SIROVICH. A number of our counties and States that are now not able to establish and maintain hospitals would be able, under this amendment, to establish such institutions. I know of a number of counties which are now trying to obtain funds to establish hospitals, as well as cities, which would like to enlarge their hospital facilities. To what more laudable purpose could Government funds be applied than to the relief of the sick of our Nation? After all, many of our local units are not now in a position to finance hospital construction and reconstruction. In my section of the coun-

try, at least, practically the only source of credit is the Federal Government. Loaning institutions are not able to offer adequate loans.

I should also like to have the attention of some member of the Banking Committee as to whether or not under the language of the bill loans can be made, upon the passage of this bill, to small industries, small printing and newspaper plants, small business establishments of various kinds? Can they obtain loans under the language of this bill?

Mr. GOLDSBOROUGH. Yes; they can.

Mr. GREEN. I am also deeply interested in whether or not municipalities can obtain loans for waterworks and sewage systems and enlarging electrical plants. I have in mind a town in my district, a small town which was required to vote at public election a bond issue, validate through the courts those bonds, and offer same to the Reconstruction Finance Corporation. And, in fact, I do not believe they ever did obtain the loan. There was more redtape, or an equal amount of redtape, than would be required by most prudent bond purchasers of our country. I want to know if this security requirement is liberalized in this bill and if the promissory note of a municipality may be accepted as security for a loan. Is there any member of the Banking and Currency Committee who can give me this information? I think that is very important. Will the R. F. C. be authorized to loan on the promissory note of a municipality for the enlargement or construction of a public utility, such as a municipally owned water plant, sewage plant, or electric-light plant, or will the municipality have to go through the regular bond issuing and validating processes, as has been required heretofore?

Mr. GOLDSBOROUGH. Under the language of the bill they can do it.

Mr. GREEN. Then I want to congratulate the Banking and Currency Committee for this liberalization, because when you augment the source of credit for the small-business institutions, for the small enterprises and subdivisions of the Government, then you are hitting at the very heart of recovery.

It is impossible for us to bring about recovery in this country by offering the facilities of recovery to the large institutions only. When you offer them to the small institutions, to the small municipality, to the small voting precincts and districts, whereby bonds are issued for various public improvements—when you carry this source of credit to the local units, then you are offering effective credit and your program will be successful. [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it would seem that the Members of the House, at the outset of the debate on amendments which will now follow, shall know something about what the Reconstruction Finance Corporation is.

If I remember correctly, the gentleman from Virginia who proposed this amendment is the same gentleman who played a large part in carrying through the House the recent public-works bill which provides almost $5,000,000,000 to be spent ostensibly for public relief. We were told that that was a relief bill. I shall not at the present time go further into the discussion of that highly controversial question, but the point we want to remember is that the Reconstruction Finance Corporation is not a relief agency in the sense that it is supposed to be in a position to give funds out freely to any group or to any individual who may need the money. That is the purpose of a relief bill, I understand. When people are suffering, when people are starving, they should have some place to which to turn; but that is not the purpose for which the Reconstruction Finance Corporation was authorized. As I understand it, the Reconstruction Finance Corporation was authorized at a time when credit generally in the country had fallen down, and it was the outgrowth of an effort to help the financial institutions of the country and to bolster up the economic structure. It does seem to me that we should not get too far away from the original purpose, and we should not go too far in contributing to this, that, or the other demand or request, high-minded though they may be. We should keep the Reconstruction Finance Corporation for the purpose for which it was originally constituted.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last two words for the purpose of asking the gentleman from Virginia a question. Does the gentleman's amendment provide only for new construction?

Mr. WOODRUM. It provides for the construction of hospitals, educational-institution buildings—self-liquidating projects.

Mr. COCHRAN. New projects?

Mr. WOODRUM. And for reconstruction. I believe it would be broad enough to include remodeling and reconstruction of existing facilities which are self-liquidating.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. McCORMACK. Is the word "reconstruction" in the amendment?

Mr. COCHRAN. The word "reconstruction" is not in the amendment.

Mr. McCORMACK. As I understand it, reconstruction is not provided for.

Mr. COCHRAN. Mr. Chairman, I cannot yield further.

At the proper place I intend to offer an amendment which is germane to the bill, an amendment which will authorize the Reconstruction Finance Corporation not to provide additional funds for the construction of more hospitals, institutions of learning, and churches; but to provide funds only for the purpose of saving the hospitals, the churches, and the institutions of learning in this country that need refinancing.

I offered such a bill in the last Congress, and I offered it again in this Congress. The bill is pending before the committee in charge of this bill.

Hospitals and churches in this country, Mr. Chairman, have their backs against the wall. Hospitals are taking in sick people whether they have the money or not. Hospitals are letting the people owe the hospital, hoping when they get well again and get the money they will pay the bill. I would rather loan money to a hospital or to a church than to a lot of railroads that are never going to pay it back. [Applause.] In my city there are a half dozen hospitals far superior to any hospital in the city of Washington. Some of the hospitals were constructed when costs were excessive and are in need of help. They need refinancing with a lower rate of interest. That is what the amendment will do. If this corporation may loan money that it is doubtful whether it will ever be returned to the Government, I say it should loan money to the hospitals and churches of this country in need, with adequate security, who will some day pay back the Government. I hope when the time comes, my amendment will receive the support of the House.

Mr. TRUAX. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. TRUAX. Does the gentleman's amendment provide for the refinancing of churches that are in distress?

Mr. COCHRAN. It does, if they have proper security. It provides that the real estate owned by churches is adequate security for the loan.

Mr. HANCOCK of North Carolina. The gentleman understands that under the provisions of the bill as now drafted, the institutions to which he refers may be financed through a mortgage company. The amount of money that may be loaned for this purpose is unlimited in the present act. In addition to that, under section 5 (c) the Congress is now authorizing the Reconstruction Finance Corporation to subscribe to the nonassessable stock of trust companies, mortgage companies, and saving-and-loan associations, the principal business of which is financing real-estate mortgages. If this were not so, I would favor the amendment, I want these worthy institutions taken care of, but it should be done by the present method. The interest rate is the same.

Mr. COCHRAN. Mr. Chairman, I have had my experience with mortgage associations as well as building and loan asso-

ciations. They refinance absolutely nothing. Are they refinancing mortgaged homes at the present time?

Mr. HANCOCK of North Carolina. There are only a very few mortgage companies that are solvent today, and the purpose of this bill is to help them to solvency.

Mr. COCHRAN. We cannot get banks to lend money. Why wait until mortgage companies become solvent? No one knows when that will be. What I want is the right to refinance at a low rate of interest.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the amendment.

I should like to know if the chairman of the committee is going to allow this amendment to be passed on without opposition.

Mr. STEAGALL. I intend to oppose it.

Mr. GIFFORD. If I had known that was the case, I would not have taken the floor at this moment. But may I call attention to the fact that we could load this bill down with a great many amendments. When we voted $4,000,000,000 for the public-works program, which is a construction program, I am sure we provided unlimited latitude for non-Federal and semi-quasi-public works. If we put this amendment on, it implies that the Reconstruction Finance Corporation ought to do this work. This is a refinancing corporation. It is not a new construction corporation. The whole bill tends to refinancing and recovery. If you begin to add amendments, we shall find that some very embarrassing amendments will be offered, and I yield at this time to see if the chairman would oppose this amendment.

Mr. STEAGALL. Mr. Chairman, I hope the House will not adopt this amendment. I am sure every Member of the House is solicitous for the successful operation of all schools and hospitals throughout the country. We are willing to extend relief to these institutions just as far as we can through the Reconstruction Finance Corporation.

We have had called to our attention the provision of this bill which takes off the limit as to the amount of loans to be made available and which permits the Corporation not alone to lend such institutions, but to replenish the capital stock of institutions engaged in financing real-estate mortgages on real estate. It was thought when we had authorized the Reconstruction Finance Corporation to make loans and subscribe for capital stock of corporations doing this kind of business that we had gone as far as it was practical to go in relieving situations of this kind.

There is a limit to what the Reconstruction Finance Corporation can do, unless we are to open up the Treasury without limit and establish an enormous personnel organization in the effort to administer this act. Surely the House is willing to trust the use of the funds voted a few days ago for general-relief purposes and a building program for the purpose of reemployment without at this time opening up the Reconstruction Finance Corporation for loans to schools, hospitals, and churches. If we do that, we might as well pull the bridles off and remove all limitations.

Mr. Chairman, I move that all debate on this amendment be now closed.

A division was demanded.

The Committee divided; and there were—ayes 82, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 40, noes 70.

So the amendment was rejected.

Mr. STEAGALL. Mr. Chairman, I offer an amendment, which I am sure will be acceptable to the Committee.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: On page 10, line 13, strike out the period, insert a colon, and add the following: "*Provided*, That no officer or employee of the Reconstruction Finance Corporation shall receive salary at a rate in excess of $10,000 per annum, except that in the case of any position, the salary of which at the date of the enactment of this act is at the rate of $12,500 per annum, such salary may continue at such rate."

Mr. STEAGALL. Mr. Chairman, this amendment is acceptable to the Committee and only clarifies what is generally understood to be existing law and which we thought was the law, but the matter has been called to our attention by the Appropriations Committee and the administration desired that it be made definite.

The amendment was agreed to.

Mr. LAMNECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to take much time, but I could not sit here and permit this bill to be passed without expressing my opinion. If I had my way, I would abolish the R. F. C. on February 1, 1935. [Applause.] I know this opinion will not prevail, but I know something about the operation of the R. F. C. It was designed by the bankers to lend money to the railroads, insurance companies, and banking institutions, and for no other purpose.

If you men and women sitting here expect that you are going to get any loans to private industry, I want to say to you now that you are not going to get them, and I should be willing to bet you are not going to get them. The bankers who are in charge of this institution are not going to lend money to private industry because they do not want to lend money to private industry. I am willing to stake my reputation as a prophet upon this statement.

They have offered a little bait in this amendment, whereby they are going to permit you fellows from the West to mine gold and silver, and they are going to lend you $10,000 to go out and do a little prospecting. I think that is about the silliest thing I have ever heard, and do you know why they are doing this? They were not so sure you were going to pass this bill and extend the life of the R. F. C. They thought by a little bait, telling you how they were going to let you mine gold and silver out West, you might support the proposition.

I simply want to call your attention to the fact that you are not going to accomplish what we want to do, which is to extend credit to industry. Why do they not tell you that the Department of Commerce has made a survey of the credit situation in this country and the recommendations say that the R. F. C. ought to be abolished and that we ought to establish another credit institution? Why do they not tell you this? No; they do not want you to know it. This institution ought to be abolished, and I simply wanted to call your attention to the facts and to express my own opinion.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for an observation?

Mr. LAMNECK. I yield.

Mr. O'CONNOR. I agree with the gentleman to the extent that when the R. F. C. had control of housing loans they did nothing. I also believe the R. F. C. has no sympathy whatsoever with making loans to industry. I believe the people at the head of the R. F. C. have no intention of making loans to industry. It is not a question of the principle; it is a question of the people who are now administering the R. F. C.

Mr. LAMNECK. The gentleman is absolutely correct.

Let me give you a little personal experience. I went down there with the application of a firm. It had been presented for a long time. Their assets were $1,800,000. They had a statement that could have secured a loan in any bank in the universe if the banks had been lending money. They went there and said, "We want a loan", and Jones said, "Why do you not get the loan from your bank?" The answer was, "The banks will not lend any money." Then Mr. Jones said, "I will tell you what we will do. We will lend you $300,000 provided all the stockholders in the company sign a note and provided you assign your accounts receivable to us and provided you give us a mortgage on your plant and equipment for $600,000." I should hate to tell you what the president told him, but he told him plenty, and then said, "If I cannot get a loan under any other circumstances than that, you can keep your money."

Let me warn you that you are not going to get loans for industry under this bill, and do not forget it.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. DIRKSEN. You folks are in power; why do you not abolish the personnel of the R. F. C.? If you recognize the soundness of the principle of the institution, why do you not get new personnel to direct its operations?

Mr. TRUAX. Mr. Chairman, will the gentleman yield to me?

Mr. LAMNECK. I yield.

Mr. TRUAX. Does the gentleman from Ohio know that with all of their boasted lending they have lent to only 10,589 separate borrowers, aggregating over $5,000,000,000? This is service to only a few of the people and to a few of the special-privilege class of this country.

Mr. LAMNECK. I know that we provided in the bill $300,000,000 of capital, and I know they only loaned $6,000,000; and if that is lending to industry, then I do not know anything about the matter.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. HANCOCK of North Carolina. The gentleman understands that the R. F. C. has aided more than 25,000,000 depositors of closed banks, does he not?

Mr. LAMNECK. That may be; I am not disputing that. [Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I move to strike out the last two words.

I want to tell the distinguished gentleman from Ohio that my experiences with the Reconstruction Finance Corporation have uniformly been the very reverse. The Reconstruction Finance Corporation members have been very amiable, gracious, courteous, and hospitable to me and have helped in every conceivable way those that have come before them from the congressional district that I represent. I desire at this time to pay the tribute of my homage and respect for their magnificent cooperation with the merchants and business men of the Fourteenth Congressional District that sought their cooperation and secured their deserving financial assistance.

The pro forma amendment was withdrawn.

Mr. CELLER. Mr. Chairman, I move to strike out the last three words.

I want to say that the Reconstruction Finance Corporation does not deserve the disparagement offered by the gentleman from Ohio. I agree with the gentleman from New York [Mr. SIROVICH]. My experience has been contrary to that of the gentleman from Ohio. I have had favorable consideration given applicants who applied to the R. F. C. for loans. I have received most courteous treatment from the R. F. C. and its officials. Numerous of the applications I was interested in were denied, notwithstanding.

You must remember that Congress put the Reconstruction Finance Corporation in a strait-jacket and did not give it the liberality in making loans that was really required. Now we have changed and instead of requiring adequate security in providing loans, loans can be made with a "reasonable assurance" for the repayment within the time specified. With that liberality it will be able to make more liberal loans and to that extent satisfy the caustic critics here this afternoon.

Mr. WHITE. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. WHITE. Is the gentleman in favor of making loans on inadequate security?

Mr. CELLER. I am not, but I believe with this amendment in this language "reasonable assurance" you will have a different story to tell, and I am quite sure your constituents entitled to loans will get their loans under this new language.

Mr. STEAGALL. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. STEAGALL. I just want to call attention to the fact that the Reconstruction Finance Corporation has authorized loans of $1,045,000,000 for the relief of depositors in closed banks. In the last 6 months they have loaned $252,000,000 and distributed $241,000,000 for relief of depositors in closed banks.

Mr. CELLER. I say that the Reconstruction Finance Corporation has done a fine job. I thank the gentleman for the information.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. HANCOCK of North Carolina. Does not the gentleman think it is fair in his splendid statement to let the House know that a billion dollars has been transferred for the relief of borrowers, and more than half a billion to aid the marketing of products like cotton, corn, and other articles?

Mr. CELLER. I agree with the gentleman. I say also that the Chairman of the R. F. C. has done a splendid work as Chairman, and so have the other members of that Corporation. They are entitled to great praise.

Mr. McCORMACK. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. McCORMACK. I agree with the gentleman; and may I call attention to the fact that they must administer the law in accordance with the law which Congress provided—a full and adequate security? If they did not take full and adequate security, then they would be subject to investigation.

Mr. CELLER. And those gentlemen who are criticizing would be the first to complain if losses would result that they made loans without proper security.

Mr. DUFFEY of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. DUFFEY of Ohio. Many instances have come to my attention where, in the enforcement of securities which are adequate, where there has been no fault, suit has been threatened to the injury of the debtor. Will these liberalized rules permit some liberality in that regard?

Mr. CELLER. I am quite sure they will, and if the gentleman goes to Mr. Stanley Reed, the General Counsel, or to Mr. James Alley, his able assistant, or to Mr. Jones or his colleague, I am sure that he will get the redress that he is entitled to. Mr. Reed as General Counsel is a splendid gentleman, a wise and sagacious lawyer, and a hard worker. He never lends a deaf ear to any reasonable plea.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. CONNERY. Has the gentleman had any instance of any industry in his own district, as I have had, going to the R. F. C. with decent and proper security and being stalled around for a couple of months and then had said to them, "We regret we cannot do it, because your bank will do it for you"?

Mr. CELLER. I have had no such experience as that.

Mr. CONNERY. I have. They have not done a thing for the textiles or for shoes or leather or anybody else that was looking for aid.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. The New York agency offered to loan a concern in my district $50,000, a shoe-manufacturing concern, which very likely buys leather from the gentleman's constituents. The loan came down to Washington, and the R. F. C. said that the company was entitled, not to $50,000, but to $100,000, on one condition, that the New York banks would loan 40 percent of that amount, namely, that the New York banks would put up $40,000 of the $100,000 and the R. F. C. would take $60,000 and subordinate the $60,000 to the $40,000, and the banks refused to cooperate.

Mr. CONNERY. In other words, if they play with the right bank they would get it.

Mr. CELLER. But in this instance they did not get it, because the banks refused to go into the loan at all. But the

R. F. C. did not forsake the company. It finally reapproved the original loan for $50,000.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. O'CONNOR. I have been talking particularly about loans to industry. Although we pressed for 2 years to put through that provision and we passed the law last June, only a comparatively few dollars have been loaned. Does the gentleman know of any case of a loan to industry that went through in less than 6 months?

Mr. CELLER. Yes; I have one in my own district that went through in 2 months, and I say to the gentleman it is not fair to say that only $7,000,000 have been loaned. Forty million dollars has been authorized, and the money is there for the borrowers when they want it, although to date the companies may have only drawn 7 million or so on their credit of 40 million.

Mr. O'CONNOR. Forty million dollars out of what—the hundreds of millions of dollars that we authorized?

Mr. CELLER. I admit that if we had been more liberal in the wording of the original bill, or in the amendment last year, there would have been more money loaned, and I am sure that more money will be loaned under this amendment.

Mr. O'CONNOR. It is a question of administration.

Mr. CELLER. I disagree with the gentleman. The R. F. C. administers as best it can under the rules we lay down for it.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The Clerk read as follows:

SEC. 2. (a) Except as provided in section 5d of the Reconstruction Finance Corporation Act, as amended by section 10 hereof, and in section 9 of "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", approved June 19, 1934, no funds shall be disbursed on any commitment or agreement hereafter made by the Reconstruction Finance Corporation to make a loan or advance, subscribe for stock, or purchase capital notes or debentures, after the expiration of 1 year from the date of such commitment or agreement; but within the period of such 1-year limitation no provision of law terminating any of the functions of the Reconstruction Finance Corporation shall be construed to prohibit disbursement of funds on commitments or agreements to make loans or advances, subscribe for preferred stock, or purchase capital notes or debentures.

(b) Notwithstanding any other provision of law, disbursement may be made at any time prior to January 31, 1936, on any commitment or agreement heretofore made by the Corporation to make a loan or advance, subscribe for preferred stock, or purchase capital notes or debentures.

Mr. FISH. Mr. Chairman, I move to strike out the last word. I hope the chairman of the committee will give the fullest latitude to the discussion of this important question of loans to private industry. I believe every Member on both sides is interested personally in his own district and in the welfare of the whole country. That the R. F. C. has failed must be evident to everyone—failed lamentably to carry out the purpose and intent of Congress to make loans available to private industry, but we cannot shirk our own responsibility. We wrote into the law a provision that was too harsh, demanding adequate security. The trouble is, however, as my colleague from New York [Mr. O'CONNOR] says, that the personnel in the R. F. C. lean over backward. They look at these loans with a glassy eye or with two glassy eyes. Perhaps the gentleman from New York may be right, that they do not even want to make the loans. But we have the responsibility as well, because we wrote that provision into the law—adequate security, and these legalistic minds in the R. F. C. lean over backward to find out whether there is full and adequate security. Of course, when they insist on carrying out the limitation to the fullest extent, they made practically no loans. What we tried to do has been an utter failure. We are now trying to remedy that situation by amending the law to read "reasonable assurances of repayment." That was the idea all the time—to liberalize the law. I believe this will liberalize the law. I believe these legalistic experts who have not been doing anything will wake up to the fact and understand in plain language that we want $300,000,000 to go into private industry on a reasonable basis to promote employment. If any Member does not think that that is enough, if that provision is not liberalized enough, this is the time to act and liberalize it further. I, however, believe it is sufficient; but let us have ample time to discuss this issue now and not just railroad it through and then afterward blame the R. F. C. or somebody else for failure to make loans to industry.

It is up to Congress to amend the law or change the law so that it will mean exactly what you want it to mean.

Mr. COX. Will the gentleman yield?

Mr. FISH. I yield.

Mr. COX. The gentleman, I am sure, would not be willing to be more liberal in the loaning of his Government's money than in the loaning of his own money. Does he not think that the language in the original act properly safeguarded against loss?

Mr. FISH. I can only answer this way, that I believe in the amendment, "reasonable assurances of repayment." I think that is sufficient. I think that will carry out the desire of Congress. I can give no guaranty, but that is my opinion. It is certainly the desire and wish of the Congress, and the employees in the Reconstruction Finance Corporation ought to know it. But let us not confine our criticism to the Reconstruction Finance Corporation. We authorized the Federal Reserve banks to make the same kind of loans, identically the same kind of loans, and we provided $137,000,000 for that purpose. They were to take $137,000,000 in addition out of their reserves. They, too, have failed. They have only made loans up to $14,000,000. They have done exactly what the Reconstruction Finance Corporation did. They insisted on the fullest kind of collateral with the result that practically no loans are being made.

Mr. TRUAX. Will the gentleman yield?

Mr. FISH. I yield.

Mr. TRUAX. Now what about the adequacy of the security of General Dawes? What is the condition of that loan today? Can the gentleman tell me that?

Mr. FISH. That has already been discussed, and I think the gentleman also wants to have these loans made to private industry, and I do not want to have a red herring brought in here to change the issue. The issue is: "Are we going to legislate so that private industry will get these loans or not?" The gentleman is not helping the situation at all.

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. McFARLANE. I am in sympathy with the gentleman's amendment. I will say for the benefit of the record that in my State——

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 1 additional minute in order that I may ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McFARLANE. In the State of Texas we have received very little benefit from these direct loans to industry. In fact, the monthly statements of the Reconstruction Finance Corporation, which I have in my office, show that very few loans of this kind have been made in our section. To my knowledge, numerous applications have been made, and not one single cent has gone into my district. I am for stopping the whole thing.

Mr. FISH. Well, that is the reason, because the law said "adequate security." Now, we make it read "reasonable assurances of repayment." Let us serve notice upon the Reconstruction Finance Corporation and the Federal Reserve banks that we want action and not excuses.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

I am pleased that I am able to agree on one proposition with the gentleman from New York [Mr. FISH], namely, that the Federal Reserve is just as guilty as the Reconstruction Finance Corporation in refusing to aid industry. But the fault is not ours. If President Hoover had not vetoed

the bill which we originally passed, I feel that all these amendments that have been adopted in the last 2 years would have been unnecessary. The original bill that I introduced, and as it has been amended and as the bill passed, did provide for direct loans to industry, to individuals, to States, and to municipalities; but at that time, in the last hours of the Seventy-second Congress, President Hoover vetoed that bill, and we, hastily, in a desire to bring forth some legislation that would be helpful, were obliged to pass a bill eliminating the most beneficial provisions of that bill. We were obliged to accept provisions such as only for self-liquidating projects, and other limitations on the loans. I am satisfied—and I think the chairman of the committee and the Members will agree with me—that if the original bill had been signed by President Hoover, a great deal could have been accomplished; industries could have been aided and relieved, and it would not have been necessary for us, every few months, to come in with additional amendments granting additional power to the Reconstruction Finance Corporation. I believe that the organization has accomplished a great deal. I hope that it will accomplish much more.

I will shortly offer an amendment that will still further relieve the people of America who, above any other, need some relief from the Reconstruction Finance Corporation. I am, of course, thankful to the committee for adopting an amendment to this bill as originally drawn, which is in the right direction, but I am hopeful they will agree to accept the other amendment that I intend to offer, which I believe will strengthen the bill and will aid millions of our people and safeguard the action of the Reconstruction Finance Corporation.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SABATH] has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we might as well be fair with ourselves as well as with the Reconstruction Finance Corporation. If there is any limitation upon the activity of the Reconstruction Finance Corporation, it is in the act creating that organization. We passed that act. I believe they have done a remarkably good job, under the circumstances. When you take into consideration that the Federal Reserve banks at the present time have in excess of $1,800,000,000 in excess reserves for which there is no demand by private industry; when you take into consideration that the Reconstruction Finance Corporation, I am informed, have had applications aggregating only a little more than a hundred million of the $300,000,000 fund, I think they have done a pretty good job to loan even forty million of it. Fundamentally and basically, the reason why this credit is not being pumped out into industry is because there is no demand from industry for this credit. You remove the obstacles which are standing in the way of normal and natural business progress today and you will find business in here anxious to take advantage of these credit measures which we have passed within the past 3 years.

The reason there is not this demand for credit, the reason there is not a demand for industrial loans from the excess reserves in the Federal Reserve banks today, is because business lacks the confidence to branch out, to expand, to put men back to work; and that is why we on this side of the aisle advocate that you establish a sound and definite monetary policy, that you establish a sound and definite economic policy. Then you will see business borrow this money, expand, and put men to work. Then there would be no need for this Congress to authorize $4,800,000,000 work relief, or any other kind of relief. Business is just "rarin' to go", yet we are sitting on the lid; we will not let off that steam that business needs today to get back on its feet. While we are talking here about the Reconstruction Finance Corporation and its giving of this credit, let us take into consideration the fact that we have made no strong demands upon the President of the United States to put his feet on the ground and stay there long enough for business to know where he is going. [Applause.]

Mr. WHITE. Mr. Chairman, if the gentleman will yield, the gentleman says business is raring to go and there is no demand for credit. I ask the gentleman if availability of credit is not a great factor in the situation?

Mr. WOLCOTT. Velocity of credit has more to do with it than anything else.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this section do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 3. Notwithstanding any other provision of law limiting the maturity of obligations taken by it to shorter periods, the Reconstruction Finance Corporation may make loans or advances or renewals or extensions thereof to authorized borrowers or by other suitable agreement permit them to run so as to mature at such time or times as the Corporation may determine, not later than January 31, 1945: *Provided*, That in respect of loans or renewals or extensions of loans or purchase of obligations under section 5 of the Reconstruction Finance Corporation Act, as heretofore and herein amended (U. S. C., Supp. VII, title 15, ch. 14), to or of railroads, the Corporation may require as a condition of making any such loan or renewal or extension for a period longer than 5 years, or purchasing any such obligation maturing later than 5 years from the date of purchase by the Corporation, that such arrangements be made for the reduction or amortization of the indebtedness of the railroad, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

Mr. DEEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask for this time to thank the Committee on Banking and Currency for liberalizing section 5 (d) of the original Reconstruction Finance Corporation Act by striking out the time limitation which related to industries organized prior to January 1, 1934. This liberalization will make it possible for the establishment of a new industry in which the South is interested at this time.

I want also to thank the Committee on Banking and Currency for doing me the kindness of listening for a few minutes the other day while I presented the possibilities of a great industry for the South. I am very grateful to the chairman and to all the members of that committee, especially to my colleague the gentleman from Georgia [Mr. BROWN], who was very considerate of this matter and who has rendered a great service on the committee in behalf of this legislation.

For the information of my colleagues I have here samples of the newest product of an industry of the South; and I am sure that all of them, whether they live in the South or not, will be interested in these samples of the product of the slash pine, an abundance of which we have in the South. I hold in my hand here samples of paper pulp made from slash pine; and I hold in my hand also a sample of rayon made from that pulp. Both pulp and rayon were made in the laboratory of Dr. Charles H. Herty, of Savannah, Ga. Here are other samples of pulp Dr. Herty made from slash pine, from loblolly pine, and from spruce pine grown in Georgia; also various samples of newsprint which were made in the same laboratory.

I present to the Members of the House a copy of the Savannah Morning News, one of the leading daily newspapers of my State, printed November 20, 1933, on newsprint paper made from Georgia pine trees in the laboratory of Dr. Herty, of Savannah. I also hold in my hand various samples of paper made by Dr. Herty, samples of book paper on which the Saturday Evening Post or any other magazine or book could be printed, together with a sample of bond paper similar to Hammermill bond, or other bond paper; and I have here various other samples of paper which Dr. Herty made in his laboratory in Savannah.

What I am interested in, Mr. Chairman, and what the Georgia delegation and other Members of the House are interested in is the development of an industry which will

put men to work and which will bring about sound recovery. The South, particularly Georgia and neighboring States, has an abundance of pine trees from which we can manufacture paper pulp, and from this pulp, rayon. Within the next 12 months I believe the people of the South, or, as far as that is concerned, people all over the country, will be wearing clothes—the ladies at least—made from Georgia pine trees.

This new industry might be somewhat in opposition to our cotton production. We have, however, an oversupply of cotton; we are curtailing the production of cotton. We, therefore, are very much interested in the possibility of this new industry for the South.

Mr. Chairman, a paper mill will cost from $4,000,000 to $6,000,000. Our people cannot finance a paper mill; we have not the money. On January 16 I introduced an amendment to liberalize the Reconstruction Finance Corporation Act, making it possible to secure loans to assist private investors in establishing paper pulp mills. The distinguished gentleman from Alabama [Mr. STEAGALL], Chairman of the Committee on Banking and Currency, and his committee have reported out the bill with this provision of my amendment, liberalizing the act so that new industries, including paper mills, can be established in this country. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Georgia gave me the information I have been trying to secure for the last few days. I received communications from certain paper-mill interests in Wisconsin, to the effect that an effort was being made to make funds available for the erection of new paper mills in some of the Southern States. I have been going through this bill and have prepared an amendment which I intend to offer to section 10 which would prohibit the lending of money to business institutions not now in existence, which would compete with those industries that are now having enough trouble trying to get along.

Mr. Chairman, we have passed the N. R. A. Act for the purpose of trying to give relief to industries who found it impossible to get along under the methods of competition which have been in existence for the last few years. If the N. R. A. is economically justified from the standpoint of protecting industry from unfair competition, it would be unfair competition, and unjustifiable for the United States Government to make funds available for southern interests to expand the paper-mill business in competition with our northern mills who are finding it difficult to get along.

May I say that during the last few years the South, in my opinion, has fared exceptionally well in this recovery program. I do not believe there is any other section of the country as well off as the cotton- and tobacco-growing sections of the South. They have had benefits under the Agricultural Adjustment Act which have been far greater than other sections of the country. I find no fault with that situation. I am perfectly willing to go along and try to protect southern interests, but I do not believe the United States Government should make funds available for you to go into competition with our industries.

Until such time as we are able to produce our paper and sell it at a profit, there does not seem to be justification for the South going into this business any further than they have in the past. May I also say that there have been certain interests in the Northern States and some interests in Canada that have in recent years poured millions of dollars into the paper industry of the South, and because of their cutthroat tactics they have utterly ruined the paper industry of the North. The paper industry is just now getting back on its feet, and there is no justification, in my opinion, for lending this money for the purpose of expanding the paper industry. When we come to section 10, I propose to offer an amendment prohibiting the lending of this money to any business institutions or to any industry not now in existence. I believe that it is an amendment that should appeal to the fair judgment of the Membership of this House.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 4. (a) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp VII, title 15, ch. 14), is further amended by striking out all of the third sentence of the third paragraph thereof through the first colon and inserting in lieu thereof the following: "Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided*, That in the case of loans to or the purchase or guaranty of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans made for the maintenance of, or purchase of equipment for, such railroads: *Provided further*, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans:".

(b) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out at the end of the third paragraph thereof the colon and the following: "*Provided further*, That the Corporation may make said loans to trustees of railroads which proceed to reorganize under section 77 of the Bankruptcy Act of March 3, 1933", and inserting in lieu thereof a period.

Mr. GREEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely wish to advise the Members that the pulp and paper industry is not an industry new to the South. It is well established in my State. There is one large mill in operation in the western part of my State, in district ably represented by my colleague [Mr. CALDWELL], who is now in the chair. This plant is making a superior product, shipping it not only to points in this country but to foreign countries. We are now making an effort to obtain trade agreement whereby certain foreign countries may take more of this kraft paper manufactured in the South. So this is not a new industry in the South. It is not a sectional industry at all, because we have for years had paper-pulp mills in my section and other sections of the South, and it would be a waste of natural resources if the pine trees of the South were not converted into this product. I cannot believe that any Member of the House would desire to see the profitable utilization of a natural product neglected or would like to see the natural resources, regardless of where they may be, not fully developed and the best possible results realized therefrom.

This industry is growing rapidly. We have made application for Federal assistance, and Federal assistance will be furnished from Public Works funds and/or R. F. C. funds. Private capital has already gone into this field. I understand in the last few days arrangements have been made by private capital to establish another paper-pulp mill in Florida. Private capital must be encouraged and protected.

Mr. DEEN. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Georgia.

Mr. DEEN. May I ask the gentleman a question for the benefit of the gentleman from Wisconsin, who seriously objected to my statement. Does the gentleman know that we import into the United States now, according to the figures obtained from the newsprint industry, 70 percent of all the newsprint consumed in the United States?

Mr. GREEN. Yes. It is brought from Norway and other foreign countries, including Russia, by the way. Are there

any of my colleagues who want to throttle an American industry in order that the Soviet Union may continue to send its products to America to take the place of those which we can produce?

Mr. BULWINKLE. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. Did I understand the gentleman to tell the Committee and to give us assurance that this industry in Florida does not need assistance at the present time?

Mr. GREEN. Not at all.

Mr. BULWINKLE. That it had already received sufficient support?

Mr. GREEN. Private capital has already gone into the field. It is also true that the natural resources there are so great and the possibilities so great that it is a field where additional capital lent by the Government would be a safe loan and one which would be repaid with interest. It will give employment to now idle people and will utilize a raw product which is in the South in abundance.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Georgia.

Mr. COX. Considering the fact that the production of cotton is one of the oldest industries in the country and that the manufacture of paper is in direct competition therewith, does not the gentleman think that the gentleman from Wisconsin [Mr. BOILEAU] takes a rather narrow view of the matter when he insists that the paper mills of his State should be given a monopoly, supported by the Government, in the manufacture of paper?

Mr. GREEN. Precisely. I do not think the gentleman from Wisconsin really knew that the industry existed in the South or he would not have used the terms he did.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am sorry, I have so little time. I am sure the genteman from Wisconsin [Mr. BOILEAU] had no intention for leaving the impression that this is a pioneer industry and we were trying to bring in a new industry to compete with his beloved State with Government money. I know he does not, because the domains of our great Nation are broad and there is room for the development of all of our industries for the benefit of the American people. [Applause.]

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. BOILEAU. Mr. Chairman, I rise in opposition to the pro forma amendment.

I wish to say to my distinguished friend from Florida that I am well aware of the fact that the paper-mill industry has been growing in recent years in the South. I wish also to say I am well aware of the fact that there has been a good deal of private financing in the paper industry. I am very certain that in the last few years there have been paper mills established in the South when there was no justification for more mills being established in this country, and that these new mills depressed the paper-mill industry of the entire country until just recently, and before the N. R. A. was put into effect many of the mills that had been in operation in all of the Northern States for many years were put into a position where they could not continue to operate at a profit. This was because of the fact that they were having cutthroat competition from the southern mills that were also operating at a loss.

Since the N. R. A. has come into existence the paper industry has been materially benefited.

I am not claiming, as the distinguished gentleman from Georgia [Mr. Cox] inferred, that we are entitled to a monopoly for Wisconsin or any other State.

Mr. COX. Will the gentleman yield?

Mr. BOILEAU. In just a moment. I want to reply first to the gentleman's statement.

No one State has a monopoly in this industry. New York, Michigan, Wisconsin, and several other States of the North have been engaged in the paper industry, as well as have many Southern States. My only opposition to this proposition is that I do not believe it is economically justified for the Government to lend money to put more mills in operation when there are mills now that are not working to capacity; when there are efficient mills that are not able to keep their crews working; when there is plenty of equipment and plenty of mills ready to take all the orders they can possibly get. I do not believe, in view of this situation, the Federal Government should lend itself to the ridiculous proposition of making money available for putting more mills in operation.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I must first yield to the gentleman from Georgia.

Mr. COX. Would the gentleman make the concession that after domestic demand had increased to the point of taking the entire output of the mills in existence, it would then be wise that a loan be made for the construction of paper mills in the South where the raw materials are present in great abundance.

Mr. BOILEAU. If there is economic demand or need for the construction of more mills and private capital cannot be found to construct such mills, then I say there is some justification for the Government to loan this money.

Mr. COX. Suppose there is the demand but there is lack of capital for the development of such mills in the South, would the gentleman then be in favor of Federal aid?

Mr. BOILEAU. I may say to the gentleman that there is no demand for more mills at the present time.

Mr. COX. I understand that, but if there were the demand——

Mr. BOILEAU. If there were demand for more mills and the funds were not available——

Mr. COX. Would the gentleman then insist upon the right to increase the capacity of his plants in order to satisfy the demand?

Mr. BOILEAU. I would not make any demand for my section that I would not be perfectly willing to accept with respect to yours, but I do say that the money of the Federal Government should not be used to compete in a presently depressed industry.

I now yield to my colleague from Wisconsin.

Mr. SCHNEIDER. Is it not true that in the South at the present time nearly all the paper mills are operating part time, and at Moss Point, Miss., a $5,000,000 plant has now been closed down for 3 years, as well as a number of other plants in the South including, for instance, plants in Texas. I think the Members from Texas can testify that in that State there is a large paper mill shut down because of lack of orders to operate, and there is no newsprint paper being made in the South at the present time.

Mr. BOILEAU. The gentleman is absolutely correct.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. CULKIN. Does the gentleman know there are a number of such plants in New York State where the investment was made prior to the R. F. C. that are not running at all?

Mr. BOILEAU. That is absolutely correct and I hope the gentleman will support my amendment to prevent these loans being made to institutions that are not now in existence.

Mr. CULKIN. And it is hardly fair for the South to ask the development of this industry at this time.

Mr. BOILEAU. I agree with the gentleman and thank him for his contribution.

Mr. SCHNEIDER. If the gentleman will permit, I may say, further, that there is no newsprint paper or any other paper, now or since the establishment of the Soviet Government, being shipped into the United States, although there is certain raw materials, such as wood, being shipped into this country, but not any paper.

Mr. BOILEAU. That is correct.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Two years ago, when we tried to get a 30-hour-week law, I had a provision in that bill that provided that whenever the total-landed cost of any article coming to the United States was less than the cost of production of similar articles in the United States the shipment should be barred. If that provision were enacted into law, you would not have any trouble in Wisconsin or in Florida, because you would have plenty of demand. It is the admission into this country of foreign imports that is doing away with your business, both in Wisconsin and in Florida.

Mr. BOILEAU. I agree with the gentleman. The gentleman from Massachusetts and I entertain the same views with reference to foreign competition, but, unfortunately, the Democratic majority does not take that view.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 5. The Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by inserting after section 5b thereof the following new section:

"SEC. 5c. To assist in the reestablishment of a normal mortgage market, the Reconstruction Finance Corporation may, upon the request of the Secretary of the Treasury, with the approval of the President, subscribe for or make loans upon the nonassessable stock of any class of any mortgage-loan company, trust company, savings-and-loan association, or other similar financial institution, now or hereafter incorporated under the laws of the United States, or of any State, or of the District of Columbia, the principal business of which institution is that of making loans upon mortgages, deeds of trust, or other instruments conveying, or constituting a lien upon, real estate or any interest therein. In any case in which, under the laws of its incorporation, such financial institution is not permitted to issue nonassessable stock, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such financial institutions: *Provided further*, That the Reconstruction Finance Corporation, in addition to the foregoing powers, is authorized and empowered to make loans to corporations, associations, or persons organized for the reorganization of real-estate properties, upon the recommendation of the Securities and Exchange Commission and its approval of the plan of reorganization proposed by such corporations, associations, or persons in connection with which such loan is sought. Notwithstanding any other provision of law, the Reconstruction Finance Corporation may, with approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe (which regulations shall include at least 60 days' notice of any proposed sale to the issuer or maker), sell, at public or private sale, the whole or any part of the stock, capital notes, or debentures acquired by the Corporation pursuant to this section, and the preferred stock, capital notes, or debentures acquired pursuant to any other provision of law. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section."

Mr. SABATH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 14, line 20, after the colon, insert the following:

"*Provided*, That any assistance given to or for any financial institution by the Corporation shall be conditioned upon the agreement of the financial institution so aided that it will not use, directly or indirectly, the funds so obtained in the reorganization of any real-estate enterprise with outstanding debts of $50,000 or more, unless the plan of such reorganization and the fees and expenses to be paid in connection therewith shall be approved by the Securities and Exchange Commission, such approval to have regard not only to the fairness of the plan as among existing creditors and/or stockholders, but also to have regard to the initial investment of such creditors and/or stockholders."

Mr. SABATH. Mr. Chairman and gentlemen of the Committee, this to me is a very important amendment. I want to say to the Banking and Currency Committee that I am indeed grateful and appreciative for the courtesy they have extended to me and also for the time they have given me.

I have devoted 6 long months to investigating the bond situation, the so-called "protective bond committees" throughout the United States, and I have filed the report this morning.

What I am to accomplish by this amendment—and I know if the chairman of the committee and the splendid members of the committee had all of the facts before them they would have gladly adopted this amendment of mine. I assure you gentlemen I do not wish anything for myself, but I have the interest of 4,000,000 bondholders at heart.

What this amendment will provide for is this: In the last few years hundreds of thousands of bondholders were obliged to dispose of their bonds for 8, 12, and 15 cents on the dollar. There are many of the mortgage companies and institutions that we are going to aid in this bill that have purchased these bonds for that low price after they have sent out statements that brought about the reduction in the price of the bonds and caused the selling of them.

What my amendment seeks to do is this: That the reorganization, where the Government advances the money for the purpose of reorganization, the actual price paid for the bonds should be taken into consideration, and those people who acquired by questionable methods these bonds for 10, 12, and 15 cents on the dollar shall not receive in reorganization the same price as you and you who have paid, namely, 100 cents on the dollar for your bonds. Therefore I believe this amendment is of tremendous importance, and I hope that the Committee will accept it. Had the Committee all of the facts before it I feel that they would have adopted it before this.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. CONNERY. I have just read the gentleman's amendment, and I am in entire sympathy with the idea of protecting the bondholders. Why does the gentleman confine this simply to real estate?

Mr. SABATH. Because I have information on that point. As the Chairman of the Select Committee to Investigate Real Estate Bondholders' Reorganizations, appointed in the last Congress, I devoted, as I said, about 6 months of time to investigate these frauds perpetrated on 4,000,000 people in the United States. I am trying to protect them to the best of my ability. I do not know enough about the other securities, and that is the reason I do not offer an amendment on other matters. I am not as well informed upon them as I am on this question.

Mr. CONNERY. And as to organizations that have outstanding indebtedness of more than $50,000, the gentleman would not permit the Reconstruction Finance Corporation to loan to banks or permit banks to loan to them?

Mr. SABATH. No; all I desire is where the loan is above $50,000 that the Securities and Exchange Commission be given the same power and authority as is given in this bill to the Interstate Commerce Commission in passing upon railroad securities. It has been investigating some phases of bondholders' reorganizations and it is my opinion that its powers should be extended so that it may pass upon a loan application to determine whether it is equitable, fair, and just, and also that the amounts that should be allowed on reorganization are in accordance with the actual payments made for those bonds, which is justice and equity.

The Banking and Currency Committee approved an amendment which will permit direct loans and relief to the real-estate bondholders. It reads as follows:

Provided further, That the Reconstruction Finance Corporation, in addition to the foregoing powers, is authorized and empowered to make loans to corporations, associations, or persons organized for the reorganization of real-estate properties, upon the recommendation of the Securities and Exchange Commission and its approval of the plan of reorganization proposed by such corporations, associations, or persons in connection with which such loan is sought.

The proposed bill permits the Reconstruction Finance Corporation to purchase or acquire the capital stock or notes of mortgage companies who then would be enabled, with such Government financial aid, to make loans which would subject the borrower to unnecessary costs, fees, and expenditures that would be charged them by these mortgage companies.

The amendment will eliminate the necessity of going through this procedure and will in addition place the stamp

of approval upon such real-estate reorganizations by the Securities and Exchange Commission.

Since July 1933 the staff of the Securities and Exchange Commission has been engaged in the examination and analysis of reorganizations which were required to be filed under the Securities Act. Since the enactment of the Securities Act of 1934 the Commission has been devoting considerable time to the investigation of reorganizations and is thoroughly familiar with the ramifications and activities of bondholders' protective committees, voting trusts, and reorganization plans. The utilization of the staff and facilities of the Commission to either approve or disapprove such reorganizations, based upon the fairness and equity to all parties concerned in any reorganization, will tend not only to safeguard the interests of these parties, particularly the bondholders, but will assure the efficient and expedient supervision and administration of the provisions of this amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, by the terms of House Resolution 412, adopted in the second session of the Seventy-third Congress, a special committee was authorized to investigate bondholders' protective committees. That committee found, after holding hearings in New York, Detroit, Milwaukee, and Chicago, that there had been issued in the lush, abundant days from 1920 to 1930, approximately ten billion or eleven billion dollars of real-estate securities on large apartment buildings, hotels, and commercial structures. The committee found also that about $8,000,000,000 of those bonds are now in default. So long as the rate of occupancy was high, so long as rentals were reasonably high, so long as conditions were sound, the houses of issue, and the trustees, managed to pay the interest and retire these serial bonds year after year. Then came the depression and they could not pay the interest, and the bonds went into default. It became necessary to reorganize these various properties, and in the process of reorganization there were set up hundreds of so-called "bondholders' protective committees", in all the large centers of the country. They even operate in chains. There is one committee in New York that is handling I believe over 214 pieces of property scattered in 21 States. There is a chain committee in Chicago that is operating in 18 States and handling over 400 pieces of property.

Here is what this special investigating committee found. They found that the receivers' fees, the trustees' fees, and fees for the management corporations, and fees for bondholders' protective committees were pyramided to such an extent that it would take the aggregate of all the rentals of a great many of these large and beautiful apartment buildings and business buildings for over 10 years, just to pay for the fees and for high-powered attorneys who have been trying to bilk the bondholders. We sought a remedy.

We thought that money could be advanced to these bondholders to help to re-create more purchasing power and make a decided contribution to the resumption of prosperity, but how to get the money to them was the question. From the R. F. C.? That was a problem. Look at the first of section 5 (c) in this bill, and you will see that the R. F. C. is empowered to subscribe to the nonassessable stock of any class of any mortgage-loan company, trust company, savings-and-loan association, and in any case in which under the laws of its incorporation such financial institution is not permitted to issue nonassessable stock, the Reconstruction Finance Corporation is authorized to purchase the legally issued capital notes or debentures of such financial institutions. Now, here is the difficulty you run into. The same people who are reorganizing these properties and grabbing all the fruits are the same fellows who will organize these mortgage institutions, so that the money advanced from the R. F. C. may go only so far to pay taxes and fees and not put a dime into the hands of the bondholders.

The language in the amendment of the gentleman from Illinois [Mr. SABATH], plus the terminology in the bill now, is designed only to give to the Federal Security Commission such recommendatory and supervisory power in the event that these reorganizations of real-estate properties are not definitely in the interest of the parties in interest; namely, the original holder of the paper, then to refuse its approval and thereby not hand out that money. That was the only purpose, and to implement this argument I am going to be very personal about it.

There is a gentleman associated with the R. F. C. who had promoted $3,000,000 worth of such property on which the bonds were in default. This property was finally reorganized, so that the properties were sold for $450,000, out of which they offered to the holder of every $1,000 bond only $148. Under the language in the first section of this bill, in 5 (c), it will be possible for the very people who have been reorganizing these properties, and who are getting all the fruits of these properties, to set up their own mortgage institutions, to gather fees and pay off the taxes and probably to hand back to the bondholder a piece of property that might not be encumbered, but not to give him a dime. That is the thing we object to. As an instance of these manipulations in New York City, for instance, there were three trustees who were going to get a fee of $100,000 each for 18 months' work and one law firm was going to get $425,000. Who pays the freight? It has to come out of the property, and so ultimately the bondholder pays it either in having his earnings deferred for more than 10 years or otherwise in reducing his original investment and vitiating his security.

So I say to the gentleman from New York, who raised the question a while ago, that while I appreciate the fact that it enlarges somewhat the provisions of the Securities Commission——

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. I quite appreciate that we are projecting the Securities Commission into an enlarged field, yet I do not see how you can give any protection to the 4,000,000 distressed holders of real-estate paper in this country today without placing supervisory and recommendatory power in some agency other than the Reconstruction Finance Corporation, because, frankly, I have no faith in some of those who are going to administer this. I am afraid that through the instrumentality of some of these mortgage associations we are not going to get to the heart of the problem.

Mr. DUFFEY of Ohio. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DUFFEY of Ohio. Why did not the chairman of the special committee, or the gentleman, who is a member of that committee, submit some remedial legislation, if they thought it was necessary, rather than to bring it in in connection with this bill?

Mr. DIRKSEN. Let me say that the special committee has in mind submitting new, substantive legislation, but we are confronted now with the reorganization of many properties, a great deal of which will slide away from the bondholders, unless there is some legislation right now. It is time for action and for cash.

Mr. DUFFEY of Ohio. Does the gentleman recognize that this bill must be perfected by the 31st of January?

Mr. DIRKSEN. Yes; and we also recognize that if we bring in a new bill it will be April or May or June before it could pass, and then when we set up the necessary agencies with which to administer its provisions, the gentleman will find that bondholders will have lost over $100,000,000 in that period. That is the reason for putting it in this bill. I am in favor of the amendment offered by the gentleman from Illinois [Mr. SABATH] because it sets up these additional safeguards.

Mr. CULKIN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CULKIN. In view of the gentleman's statement that

certain members of the Reconstruction Finance Corporation group are not to be trusted——

Mr. DIRKSEN. Let us not throw any aspersions upon members of the R. F. C. I only want to say that recognizing human nature for what it is, we do not want to take that chance and let this matter be deferred or have the benefits of this legislation get hung up in some mortgage institution and never get to the bondholder.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has again expired.

Mr. STEAGALL. Mr. Chairman, the committee considered this amendment. I dare say the membership of the House is not sufficiently informed to vote on a provision so far-reaching and so extensive without a better understanding of it than is possible to be had at this time. The legislation really should go to the Committee on Interstate and Foreign Commerce and be passed upon on its own merits and dealt with in the regular way. The Committee on Banking and Currency did not think that we could properly undertake to include it in the legislation now before the House. I hope the House will not agree to the amendment. I ask that we have a vote on the amendment for the reason that we must finish this bill today. If we do not, it will be impossible to get it to conference and get it enacted into law before the 1st day of February, at which time the powers of the Reconstruction Finance Corporation will terminate under existing law.

Mr. DIRKSEN. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. DIRKSEN. Let me observe that the substance of this amendment is already incorporated in this bill, on page 14, beginning with line 20, but the additional language offered by the gentleman from Illinois [Mr. SABATH] only tends to clarify it and probably add a few additional safeguards.

Mr. STEAGALL. We went as far as we could when we provided for loans to organizations or institutions, upon the approval of the Exchange Commission, organized for the purpose of reorganizing real-estate loan agencies.

Mr. O'CONNOR. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. O'CONNOR. When the gentleman agreed to provide loans for real-estate reorganization, then he clearly can have no objection to this amendment, which is a companion amendment, to the effect that when these loans are made by the Reconstruction Finance Corporation these safeguards shall be thrown around them. If the gentleman from Alabama [Mr. STEAGALL] suggests that this amendment be in the form of a bill, brought out by the Committee on Interstate and Foreign Commerce, I cannot understand what possible connection there is. This amendment properly belongs in this bill and should be voted into the bill.

Mr. STEAGALL. But let me say if this additional amendment is put in the pending measure, it simply leads to confusion and intermingling of administration by two agencies of the Government, which we think would be unfortunate and impractical. I hope the amendment will be voted down.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much surprised to hear any worry at all about what might be added as amendments to this bill. The way we have been going lately, they take an omnibus bill and stick everything into it and send it to the Ways and Means Committee. So I do not think we need worry about what amendments should go on to a bill if they are good amendments. If it is a good amendment to protect the American people, to protect bondholders from unjust loss, it should be passed, as was rightly said by the gentleman from New York [Mr. O'CONNOR]. I do not like to see anything like this rushed. I would like to have this matter discussed a little. If it is going to protect people who have put their money into these bonds and is going to allow the Securities Commission to look over the situation and protect these people, it seems to me that these few words put in by the gentleman from Illinois [Mr. SABATH] ought to be passed on, and passed on favorably, to protect these bondholders. So I intend to vote for the Sabath amendment.

Mr. CULKIN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CULKIN. Does the gentleman know that the gentleman from Illinois [Mr. SABATH] and his committee have been over this entire field and this amendment is the result of their investigation?

Mr. CONNERY. Yes.

Mr. CULKIN. Does the gentleman know that the gentleman from New York [Mr. O'CONNOR] is a member of that committee?

Mr. CONNERY. I did not know that the distinguished Chairman of the Rules Committee [Mr. O'CONNOR] was a member of it.

Mr. CULKIN. He is a member of this special committee, which is headed by the gentleman from Illinois [Mr. SABATH]; so the gentleman from Illinois [Mr. SABATH] and the gentleman from New York [Mr. O'CONNOR] speak as technicians in this field.

Mr. CONNERY. And I am with them. I am not a technician, but I am glad to support that amendment.

Mr. HANCOCK of North Carolina. Mr. Chairman, if the gentleman will yield, does not the gentleman also understand that the committee has not submitted any report whatever to the House on the subject?

Mr. CONNERY. I understand that; and I understand also that the gentleman said they were going to bring in a special bill a little later. But, as the gentleman from Illinois [Mr. DIRKSEN] said, for the thing to drag along until June and people to lose hundreds of millions of dollars should not be allowed. I think this amendment ought to be adopted now.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois.

The amendment was agreed to.

Mr. SWEENEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SWEENEY: Page 14, line 7, after the word "class" insert "of any national mortgage association organized under title III of the National Housing Act, and."

Mr. STEAGALL. Mr. Chairman, there will be no objection to the amendment, I think.

Mr. SWEENEY. I understand the committee has agreed to accept the amendment.

Mr. STEAGALL. It was only through oversight that this language was not included in the bill.

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio.

The amendment was agreed to.

The Clerk read as follows:

SEC. 6a. Section 5e (a) of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VIII, title 15, ch. 14), is amended (1) by inserting in the first sentence thereof, after the words "the assets" and before the words "of any bank", the following: ", or any portion thereof"; and (2) by inserting in the second sentence thereof, after the words "such assets" and before the words "held for the benefit", the following: ", or any portion thereof."

(b) Section 5e of such act, as amended (U. S. C., Supp. VII, title 15, sec. 606a), is hereby amended by adding a new subsection:

"(d) The Corporation is authorized and empowered to make loans secured by the assets of any corporation the capital stock in which is wholly owned by any bank that is closed or in process of liquidation to aid in the reorganization or liquidation of such bank upon application of such wholly owned corporation or the receiver or liquidating agent thereof in the event such corporation is also in receivership or liquidation."

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to strike from the bill all the language on page 16 from line 1 down to the period in line 11. This language was included in the bill by clerical error. It was not adopted by the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. McLEOD. Mr. Chairman, I object.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Strike out all of the subsection beginning with line 1, page 16, and ending with the quotation mark at the end of line 11.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 15 after line 25, add a new section as follows:

"SEC. 7. The Corporation is authorized and empowered to make loans to any public or private hospital and/or to any corporation, trust, foundation, congregation, organization, or association organized (not for profit) under the laws of any State or Territory and operated for religious purposes, to aid in financing the operation and maintenance of institutions for religious instruction and worship. The interest on any such loan shall not be at a rate in excess of 4 percent per annum. Such loans may be made for a period of 5 years during which period no amortization or reduction of the principal shall be required, and real estate owned by any institution authorized to borrow under this section shall be deemed adequate security for a loan to such institution."

Mr. COCHRAN. Mr. Chairman, this amendment is easily understood. It provides that the Reconstruction Finance Corporation may make loans to hospitals, churches, and institutions of learning not organized for profit, the real estate they own being the security. I do not think there is a Member of this House who has not been appealed to by hospitals, churches, and institutions of learning to be recognized under this law. I cannot conceive any reason why they should not be.

My amendment does not provide for any new construction. It provides for refinancing the hospitals, churches, and institutions that come within the purview of the amendment.

Mr. Chairman, I know the situation that affects the hospitals of this country, and I know the situation that affects some churches. If we are not going to have faith in our religious institutions and permit them to borrow money from the Government, then I think we should stop this lending of money entirely. Can you conceive of better security than that which these good Christian people of all denominations can offer to the Reconstruction Finance Corporation in support of a loan that will help them refinance their financial obligations?

Every month the hospitals in my city aid people by the score, people who do not have a dime. They extend credit. If these people are ever able to pay, they will pay, but many of them never leave the hospital alive, and the hospital gets no money for the care the sick received.

Mr. Chairman, I think this amendment is sound. It has been before this committee for 2 years. Hearings were held by the subcommittee in the last Congress, a subcommittee presided over by Mr. Prall, of New York. People came here from all over the country and appeared before the subcommittee in support of this amendment. It was introduced rather late in the last session, however, and was never reached.

This is the proper place for the amendment. There is no use of me proceeding further, for I have explained it fully. You understand it; I repeat it simply gives the right to hospitals, churches, and institutions of learning not organized for profit to borrow if they can offer adequate security.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. SHORT. Mr. Chairman, I am very sympathetic with my colleague so far as his purpose is concerned; but the gentleman does not advocate having the church and state one institution, does he? Does not the gentleman think it would be wise to keep the church and state separate as they always have been in this country in the past?

Mr. COCHRAN. There is no such thought in my mind. This will not in any way bring about the condition the gentleman mentions. I think it would be wise to adopt the amendment and help congregations and associations not organized for profit. In other words, help the people of this country retain their place of worship and help them to maintain their hospitals, and get well by enabling them to refinance their outstanding obligations.

Mr. WADSWORTH. Does not the gentleman from Missouri realize that if the United States Government starts in financing religion in this country, we depart from our age-old policy of keeping the church and the state utterly separate?

Mr. COCHRAN. Is there anything in the amendment that brings the United States Government into control of religion. I want the church and the state separate as does the gentleman from New York. This simply provides for the lending of money to churches in distress.

Mr. WADSWORTH. It brings the church and the state into a relationship one with the other, which spells danger to both.

Mr. COCHRAN. I am unable to agree with the gentleman's view.

Mr. WADSWORTH. The church becomes the debtor and the Government becomes the creditor. There must always be a relationship existing between debtor and creditor, which if applied to religion and the Government, is a dangerous, dangerous thing. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. May I say to the gentleman from New York that I do not want this country in any manner, shape, or form, any more than he does, to interfere with the church; but if it is necessary to save the church because of financial difficulties, then I say, if we are going to save the railroads and the other corporations, I think it would be a mighty good idea to save the churches also.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. McLEOD. Mr. Chairman, I offer a perfecting amendment, which I send to the desk.

Mr. SWEENEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SWEENEY. Is the amendment offered by the gentleman from Missouri now before the House?

The CHAIRMAN. The amendment of the gentleman from Missouri is before the House, and the gentleman from Michigan has offered a perfecting amendment.

The Clerk will report the amendment of the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: On page 15, after line 25, insert the following:

"Section 5e (a) of the Reconstruction Finance Corporation Act, as amended, is further amended by striking out in the first sentence thereof the word 'empowered' and inserting in lieu thereof the word 'directed'; (2) by striking out in the first sentence thereof the words 'make loans upon or'; (3) by striking out in the first sentence thereof the words 'on or after December 31, 1929, and'; (4) by striking out in the second sentence thereof the words 'or make loans on'; (5) by striking out in the fourth sentence thereof the words 'or loan on'; (6) by striking out in the fifth sentence thereof the words 'as security for loans.'"

Mr. SWEENEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SWEENEY. Is the amendment offered by the gentleman from Michigan [Mr. McLEOD] an amendment to the amendment offered by the gentleman from Missouri [Mr. COCHRAN], or is it a separate amendment?

The CHAIRMAN. The amendment offered by the gentleman from Michigan is a perfecting amendment to section 6.

The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was rejected.

The Clerk reads as follows:

SEC. 8. Section 1 of the act entitled "An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes", approved June 10, 1933, as amended (U. S. C., Supp. VII, title 15, ch. 14, sec. 605e), is amended by striking from the last sentence thereof "$50,000,000" and inserting in lieu thereof "$75,000,000".

Mr. KOPPLEMANN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KOPPLEMANN: Page 17, line 4, strike out all of section 8, lines 4 to 11, inclusive.

Mr. KOPPLEMANN. Mr. Chairman, a year ago during the great emergency that was upon certain weak insurance companies I supported a measure aiding insurance companies to the extent of $50,000,000. As I understand it, aid was given to the extent of $35,000,000. The insurance companies that were in difficulty and in trouble were taken care of. The crisis was met and passed. The other day when Mr. Reed appeared before our committee I asked him the reason for increasing the amount from $50,000,000 to $75,000,000 in this bill now under consideration. Our committee records show he was unable to answer the question. I then asked him to prepare an answer to the question and let me have it. He sent to the chairman of the committee a statement containing a great many figures showing that $35,000,000 had been lent to insurance companies, but there was nothing in answer to my query as to the reason for the continuance of these loans or the need for the increase from $50,000,000 to $75,000,000.

Now, Mr. Chairman, I know something about insurance companies. I know that the old-line companies were opposed to this aid to the smaller, weaker companies, but I took the position that because legislation was being passed to help those in distress these insurance companies should also receive aid; but I do not know of any reason why this aid should be increased now. The amendment which I have just offered simply leaves $50,000,000 to the Reconstruction Finance Corporation to continue their work, but cuts out the extra $25,000,000. In view of the fact that no statements have been made which would justify even a continuance of the $50,000,000 and no answer made as to the reason for the increase, I urge the adoption of my amendment.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. Certainly.

Mr. HANCOCK of North Carolina. In order to keep the record straight, is it not a fact that the general counsel of the Reconstruction Finance Corporation fulfilled his promise made to the gentleman and had the information before the committee and the chairman sought the gentleman, but could not find him?

Mr. KOPPLEMANN. I have that information.

Mr. HANCOCK of North Carolina. And every bit of the information has been delivered to the gentleman.

Mr. KOPPLEMANN. No; that is not correct. The information that was given to me was given through the chairman of the committee. I have that information, but the information only gives the figures as to the amounts that have been loaned up to now, $35,000,000. This is all the information that was contained in that answer.

Mr. HANCOCK of North Carolina. I may say to the gentleman that I have in my possession, which I will be delighted to turn over to him, information which fully substantiates the recommendation made by the general counsel that the Corporation would need additional funds for this purpose.

Mr. KOPPLEMANN. Will the gentleman take time in opposition to my amendment in order to give us that information?

Mr. HANCOCK of North Carolina. I shall be delighted to furnish the gentleman with a copy of it and let him use it himself.

Mr. KOPPLEMANN. I think the Members of the House ought to have it. I asked for it, but I have not had it. All I received were some figures as to money that was loaned since this bill was enacted at the last session of the Congress. If the gentleman has any further information, I should be glad to have it, and I am sure the Members of the House ought to have it.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut.

I dislike to take issue with my good friend the gentleman from Connecticut [Mr. KOPPLEMANN], one of the able members of our committee, but I happen to have been present at the meeting of the committee when the chairman sent a special messenger to the gentleman from Connecticut [Mr. KOPPLEMANN] in order to hand him the memorandum containing the data which had been prepared by the general counsel of the Reconstruction Finance Corporation.

In the act which we passed last year an appropriation of $50,000,000 was earmarked and set apart to be used in the purchase of preferred stock or loans on preferred or capital notes of these casualty companies. My understanding is that up to date $100,000 has been subscribed in preferred stock and $35,000,000 has been loaned on preferred stock or debentures to eight or ten different companies. The schedule showing full details of loans was presented to the committee and is available to anyone wishing to see it.

My understanding is that much good has been accomplished through these loans.

Personally, when this amendment was first offered on the floor of the House, some of the Members will probably recall that I opposed vigorously the idea of the Government matching capital with these insurance companies unless the insurance companies furnished new cash capital.

The House approved the amendment which I offered, inserting the word "cash." When the bill went to conference it came back without the word "cash." The conferees probably had good reasons for deciding that it ought to go out, as they do in respect to many matters placed in bills by the House.

The fact is these institutions are in the process of reorganization and rehabilitation. They are not only engaged in writing indemnity and contract insurance of all kinds but they are obligated for many million dollars in real-estate obligations. I understand if we continue the R. F. C. they can extend life to these institutions and bring about a great saving to the bondholders and equity holders of this mortgage property. My chief interest is in seeing that these funds of the taxpayers are used to aid the mortgagor in adjusting his obligations, a large percentage of which are usurious. This is certainly true in North Carolina.

Mr. SIROVICH. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. SIROVICH. Since some aspersions might inadvertently have been cast by the previous speaker against the character of the general counsel of the Reconstruction Finance Corporation, Hon. Stanley Reed, will the gentleman concede with me that he is, in my humble opinion, one of the most brilliant and gifted attorneys in this or any other department?

Mr. HANCOCK of North Carolina. I will; and I will also add that I know that my friend from Connecticut [Mr. KOPPLEMANN] did not intend to cast any reflection or aspersion upon his ability or character.

Mr. KOPPLEMANN. Mr. Chairman, my friend the gentleman from North Carolina has given information exactly as I gave it to you before he started his remarks. I had that information, and that information was given to me and given to the committee and to the Congress and the country, but it does not substantiate in the least one reason for the increased financing of these insurance companies.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. GOLDSBOROUGH. Does not the gentleman think that after the assistance that the Hartford companies have received that he ought not to make this criticism?

Mr. KOPPLEMANN. That is an insinuation not based on the facts. No Hartford insurance company has received any of this money from the Finance Corporation. That remark has nothing to do with the situation.

Mr. GOLDSBOROUGH. That may be so. I am not questioning what has been done.

Mr. HANCOCK of North Carolina. Thereby enabling an orderly liquidation of much distressed property throughout America.

Mr. KOPPLEMANN. Yes; but the gentleman will agree with me that that is beside the question.

Mr. HANCOCK of North Carolina. No; I agree that that is inside the question.

Mr. KOPPLEMANN. I am satisfied that we should continue the work that was started, that those companies which had received money should continue to receive it until they are well out of the woods, but $50,000,000 is more than is necessary. There is no reason for the increase, and my amendment simply calls for continuing the fifty-million basis instead of increasing it to $75,000,000.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. Yes.

Mr. CELLER. Does the gentleman know whether there are any applications pending in the office of the R. F. C. from insurance companies?

Mr. KOPPLEMANN. All those questions were asked, and I was not able to get an answer and I waited a sufficient time for them to give me an answer. The answer was not given.

Mr. HANCOCK of North Carolina. Will not the gentleman refresh his recollection and admit that the general counsel of the Reconstruction Finance Corporation told the committee that applications on hand and prospective applications would require a considerable amount?

Mr. KOPPLEMANN. The gentleman has a copy of the hearings, and I should like to see that. I cannot remember any such statement. That is why I asked him to prepare a statement, because he said he could not give us the information and we have not had it up to the present time. I am simply trying by this method to save the Nation from allocating $25,000,000 more, which amount is something which no one has any reason for voting for at this time.

Mr. CELLER. I assume that the gentleman has faith and confidence in the officials of the R. F. C.

Mr. KOPPLEMANN. I am not questioning that.

Mr. CELLER. And that he knows that those officials would not ask for these funds if they were not needed.

Mr. KOPPLEMANN. Let me say for the information of the gentleman that we were told in committee hearings that certain features of this bill were put in at the request of other departments, not the R. F. C., so we are not impugning the R. F. C., or anyone else. There are things in this bill not in there because the R. F. C. asked for them, or that any of the officials of the R. F. C. asked for. That is an unfair question to ask, and so, Mr. Chairman, I think it is good policy for this Congress to be careful in the appropriation of large sums of money, especially when apparently no one is asking for them.

Mr. WOLCOTT. May I suggest this merely raises the authorization which the R. F. C. can use for this purpose, and it in nowise increases the amount which the R. F. C. can use, and is not a charge against the Treasury of the United States. We are making no new appropriation. It merely increases the amount which the R. F. C. can use out of the funds available for this purpose.

Mr. KOPPLEMANN. All of that may be true, but the gentleman knows that if you allocate $75,000,000 the insurance companies will come in and try to get it.

Mr. STEAGALL. They did not get all of the other.

Mr. KOPPLEMANN. They got $35,000,000 out of the $50,000,000.

Mr. STEAGALL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. KOPPLEMANN].

The amendment was rejected.

The Clerk read as follows:

SEC. 10. Section 5d of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is amended (1) by striking out all of the first sentence thereof after the word "industry" and the remainder of the first paragraph, and inserting in lieu thereof the following:

", and to any institution, now or hereafter established, financing principally the sale of electrical, plumbing, or air-conditioning applicances or equipment, both urban and rural. Such loans shall, in the opinion of the board of directors of the Corporation, be so secured as to reasonably assure repayment of the loans, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall mature not later than January 31, 1945, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine.";

And (2) by striking out from the second paragraph thereof the figures "1935" wherever they appear herein and inserting in lieu thereof the figures "1937."

Mr. DUFFEY of Ohio. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DUFFEY of Ohio: Strike out on page 19 all of lines 1, 2, 3, and that part of line 4 to the period after the word "rural."

Mr. DUFFEY of Ohio. Mr. Chairman, I recognize that this is not the first time that the Membership of the House is called upon to stay late in the consideration of emergency legislation. It is not my disposition or intent to delay the matter longer than necessary. I cannot find anything in the lines on page 19 I seek to strike out that is either necessary or proper in the pending legislation. I find on page 12 in the report submitted by the Committee on Banking and Currency the original language of existing section 5 (d) of the Reconstruction Finance Corporation Act. That language as it exists is broad enough to take care of this particular purpose. I am at a loss to understand what is meant by the word "institution" as it appears in line 1, on page 19. I know that reasonable minds may differ in the interpretation of that word. I do not know any reason why a particular industry, whether it directly or indirectly benefits the people through public utilities, should be specially favored, or why these favors should not be extended to other institutions. If it is now covered by existing law, then the striking out of these words would not do any harm and might disabuse the minds of many people in our Nation who sometimes feel there has been some favoritism shown or that something has been done by the R. F. C. not entirely to the general benefit.

Mr. HILL of Alabama. Mr. Chairman, I rise in opposition to the amendment. The members of the committee will recall the passage by the last Congress of the Tennessee Valley Authority Act. When the bill creating the Tennessee Valley Authority was in the Committee on Military Affairs, I introduced and the committee adopted the following amendments:

This policy (the power policy of the Authority) is further declared to be that the projects herein provided for shall be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity.

The T. V. A. carrying out this policy has greatly reduced the cost of power to farmers and to domestic consumers in the towns and cities in the valley of the Tennessee and has made possible the use of much more power by the people of the valley. For instance a farmer in the T. V. A. territory can buy 200 kilowatt-hours of electricity per month for $4.50. This is sufficient power to light his home, pump his water, and operate his refrigerator, radio, electric iron, electric churn, washing machine, and electric stove. The same power in the great agricultural State of Iowa would cost the farmer $14.50, while just across the river here in Virginia it would cost the farmer $12.50. A farmer today in the T. V. A. territory can purchase about 42 percent more power at about 66 percent less cost than he could in the old days from the private companies, and here let us note that the T. V. A.

yardstick in working for the T. V. A. rates has brought about a reduction in the rates of the private companies and has saved the consumers of the country millions of dollars.

Before the T. V. A. could distribute and sell its power, the consumers had to secure the necessary electrical equipment and appliances such as electric pumps, stoves, refrigerators, and the like. With the depression and the economic condition as they were, most of the people of the Tennessee Valley did not have the money with which to buy the necessary equipment and appliances, so the T. V. A. proceeded to organize as a subsidiary corporation the Electric Home and Farm Authority, and the R. F. C. made available $10,000,000 to this Authority to aid in financing the purchase of the necessary electrical equipment and appliances. Through the aid of the Electric Home and Farm Authority, the consumers have not only secured the necessary equipment and appliances but have also secured them at fair and reasonable prices.

We hear much today in protest of the Government's going into business. We are told that the Government should not sell and distribute power. The work-relief bill which we passed the other day will make available funds for loans to utility companies for the generation and distribution of power. This section in the bill, which the gentleman's amendment would strike from the bill, would provide funds for the purchase of the necessary electrical equipment and appliances. In other words, this section, together with the provisions of the work-relief bill, would give to private industry the opportunity to secure the necessary funds to go ahead and finance the sale and distribution of power along the lines of the T. V. A. Today nearly all the dams, power houses, generating facilities, high-tension lines, and distribution systems are owned and operated by private industry.

Under the program of President Roosevelt, we are going forward with plans for cheaper power, better homes, and rural electrification; and unless private industry is willing to come forward and do its part in the attainment of that program, the Government will go forward and attain the program itself. I repeat that this section in the bill gives to private industry its opportunity to come forward and at least do its part in the program.

Mr. MAY. Is not the sole purpose of this section to enable loans to be made to the Tennessee Home and Farm Authority?

Mr. HILL of Alabama. Not necessarily. It would open the door to the institutions that might be in the business of financing or selling electrical equipment and appliances.

Mr. DUFFEY of Ohio. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. DUFFEY of Ohio. Would this include the automobile business?

Mr. HILL of Alabama. No; it would not include the automobile business. It only includes electrical equipment and appliances.

Mr. Chairman, my time has expired and I must close, but I wish to urge as strongly as I can the defeat of the amendment. We must and we shall have cheaper power, better homes, and rural electrification.

Mr. STEAGALL. Mr. Chairman, I do not care at this late hour to discuss the merits of this proposition, but I do wish to have a clear understanding as to the technical significance of the language which it has been proposed to strike from the bill. The existing law provides for loans to industrial and commercial institutions. The language of the bill before us, which it is proposed to strike out, authorizes loans to entirely different agencies, namely, financial institutions engaged in the specific business of financing the sale of the various electrical appliances and equipment outlined in the act. I wish it clearly understood that there can be no serious contention that the original act accomplishes the results that are designed and will be accomplished by the language of the act before us. I simply wish to make clear what we are attempting to do by the provision under consideration. I leave discussion of the merits to the gentlemen who wish to be heard, but I am in full accord with all that has been so well said regarding the purpose of the section.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment. If I am familiar with any phase of legislation that comes before this House, it is legislation of this kind.

Let me say to the gentleman from Ohio [Mr. DUFFEY] that I regard this as probably the most valuable provision of this bill. This is not for the benefit of the people in the Tennessee Valley altogether; it is not for the benefit of the people in the Tennessee Valley area. I do not live in the valley. I live in the valley area. But this is for the benefit of all the American people.

Now, we use, on an average, 50 kilowatt-hours per month in the United States, while the Canadian uses seven times that amount, or more than 350 kilowatt-hours per month. I mean in that area that is being served from Niagara Falls. Strange to say, we pay as much for our 50 kilowatt-hours as they pay for their 350. But I will go into that at another time.

One thing that has prevented our people from using electricity is the high price of appliances, and the impossibility of securing appliances at reasonable prices. The producers of electricity have held their rates so high that people could not afford to buy the equipment, because they could not pay the power rates.

The people sold equipment at high prices, prices so high that people could not afford to buy the electricity to run them, because they could not afford to pay for the equipment. They, therefore, strangled each other. The Electric Home and Farm Authority has more or less broken that strangle hold and it is enabling people to buy electric equipment, from radios to washing machines, from cooking stoves to water pumps, until the American people everywhere are clamoring for cheap power and lower-priced electrical equipment. This is not confined to the people who buy electricity from the Tennessee Valley Authority or to those who use electricity generated by the Tennessee Valley Authority. But people everywhere are demanding, and I hope they will continue to demand, that electricity be furnished at reasonable rates. The T. V. A. demands it before the purchase of these appliances will be financed through the Electric Home and Farm Authority.

We are entering an electric age. We want to put cheap electricity into the home of every American. That is what we are striving for. We want to put cheap electricity into every nook and corner of the United States. We have a sufficient amount of electric energy. Enough power is going to waste in our navigable streams today to supply every home in America; and if we can get the prices of electrical equipment down and also get these developments made and get this power to the people at reduced rates based upon the cost of production, transmission, and distribution, you will see the greatest progress made in America in the next few years that has ever been made in any country in all the history of mankind. [Applause.]

[Here the gavel fell.]

Mr. SWEENEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes so I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Chairman, I admire the gentleman from Mississippi in his serious fight against public utilities and against the Power Trust; but I am a little concerned about the language in this bill. The phrase "electrical equipment" is a pretty broad term. If it be construed to mean merely small household appliances, washing machines, radios, and so forth, my objection would not be so serious; but suppose the construction were placed upon this term that it meant a turbo-electric generator, or a Diesel generator, or a Diesel engine, and some corporation sets itself up to sell and finance such heavy generating equipment, and along comes my city or some other subdivision of government and wants to expand its municipal light plant. We would have to pay an enormous price and high interest rates to the corporation, which, in turn, would get money from the R. F. C. at low interest rates.

Mr. RANKIN. My friend is unduly exercised on that point.

Mr. SWEENEY. I wish the gentleman would tell me about it.

Mr. RANKIN. The phrase "electrical equipment" is well understood by people engaged in the industry, both those who manufacture and those who sell it. It does not mean turbines and large machinery such as the gentleman mentioned.

Mr. SWEENEY. What would the gentleman call a turbo-generator, if not electrical equipment?

Mr. HILL of Alabama. When people want such machinery as that, they specify turbines, and so forth.

Mr. SWEENEY. But the phrase "electrical equipment" in the bill might include an engine.

Mr. RANKIN. Oh, no; it cannot.

Mr. DUFFEY of Ohio. Mr. Chairman, if the gentleman will permit, while he has the floor I wish he would interpret the meaning of the word "institution."

Mr. RANKIN. I will say to the gentleman from Ohio that I do not know that I am prepared to give a definition of the word "institution"; but I would say the term, as used here, means a corporation, partnership, or firm organized to engage in business.

I hope this amendment will be voted down.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. CONNERY. Mr. Chairman, I rise at this time to get some information from both the gentleman from Mississippi and the gentleman from Alabama. I am entirely in sympathy with their idea of getting electricity into every home, but I do not want to help concerns, such as the New England Power Trust, to be able to borrow money from the R. F. C. when they are charging exorbitant rates, sometimes as much as 600-percent profit. I do not want to give them an opportunity to come to the R. F. C. and get more money to finance equipment they will sell to the people of Massachusetts and New England. What I want to know is whether under the provisions of this bill they can do that.

Mr. RANKIN. I thoroughly agree with the gentleman from Massachusetts. Because of belief in this principle, when the Electric Home and Farm Authority was created and put into operation it was provided that before those power companies could get the benefit of its aid they must bring their rates down.

Mr. CONNERY. I agree with the gentleman there.

Mr. SWEENEY. That is not provided in the pending bill, though.

Mr. CONNERY. I understand thoroughly how you are bringing rates down, and I hope when the President gets this wonderful program going all over the United States that the power rates will be materially reduced; and there is every evidence that the President's sincere effort to help the people of the United States in this regard will be productive of great good; but what about the equipment; what is to prevent them from soaking the people on this equipment?

Mr. RANKIN. As I say, that will be under regulation.

Mr. CONNERY. I want to get directly to those who, for instance, will sell washing machines, electric refrigerators, and electric irons to the people in Tennessee.

Mr. RANKIN. May I say to the gentleman that this kind of an arrangement was made. The directors of the Tennessee Valley Authority called in the large manufacturers of equipment and said to them, "We are going to assist you as much as possible, but you must bring the prices of your equipments down so that the people can afford to pay for them." An electric stove, for instance, that formerly cost $135, today sells for about $57.50. They are making more money because they are selling more of them.

Mr. CONNERY. Here is what I mean. In my home city of Lynn, the Lynn Gas & Electric Co. are the ones that sell refrigerators, irons, and everything else that goes into the home, and I do not want them to get anything from the United States Government. They put in a lot of time and expended considerable money trying to defeat me for reelection to Congress because I was against them.

Mr. RANKIN. I presume this will or should have some safeguards thrown around it that before they can secure these loans they must at least bring their equipments down to a reasonable basis, and before they can be supplied through any power company or their subsidiaries they must bring power rates down to a reasonable basis.

Mr. CONNERY. Does the gentleman think then that the language now in the bill will help the people of the United States get cheaper electricity and cheaper equipment and will enable them to have electricity in their homes?

Mr. RANKIN. Yes; I think it will.

Mr. CONNERY. Then I am for it.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Mr. BOILEAU moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOILEAU. Mr. Chairman, I regret very much that the gentleman from Alabama would not permit me to offer my amendment in the ordinary way and have 5 minutes time as every Member is entitled to under the rules of the House. I consider this amendment very important, especially in view of the fact that in the debate this afternoon I stated I intended to offer the amendment. I do not believe it is going to facilitate the passage of the bill tonight any quicker.

I am offering the amendment in all seriousness. It is in conformity almost with the present law now in effect. Referring to the amendment I propose to offer and which will be offered, although I will not have an opportunity to address my remarks to the particular amendment, it will provide that the words "now established" be inserted on page 19, line 1, before the quotation marks. The law at the present time provides that the R. F. C. may make loans to industrial and commercial businesses that were established on January 1, 1934. My amendment allows just 1 more year, but provides that loans cannot be made to any industry excepting those industries that are now established. The obvious purpose of that is to prevent the R. F. C. from lending money to new industries.

Mr. BULWINKLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BULWINKLE. The gentleman from Wisconsin is not talking upon his motion to strike out the enacting clause.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BOILEAU. Mr. Chairman, may I have a ruling to determine whether I was in order in proceeding the way I did proceed?

The CHAIRMAN. The gentleman may discuss the bill.

Mr. BOILEAU. Mr. Chairman, this bill, in my opinion, carries a very bad provision and should be amended as I suggested; that is, to prevent loans being made to business establishments not now in existence. I do not offer this merely as a gesture in favor of the paper industry I referred to sometime ago. Other business enterprises are in the same position.

We find that the Reconstruction Finance Corporation is trying to rehabilitate businesses that are now in existence, and I cannot see where there is any justification to encourage new business enterprises and to make loans to people who want to go into business to compete with people who are now in need of help. May I say furthermore to the Members from the Southern States, who have the paper industry in their States, that they have a great deal of responsibility on their shoulders. If you want to have other interests get money from the Federal Government to organize paper mills to compete with the paper mills now in existence in your State, that is your responsibility. This is not only a matter of interest to the State of Wiscon-

sin and to the State of New York but to other States as well, who may have the paper manufacturing and pulp industry in their States. I submit that not only the paper industry is interested in this matter but all business should be interested.

It is a question, in my opinion, of saving the presently organized business institutions, and I do not believe there is justification for changing the name of this act from the Reconstruction Finance Corporation Act to the New Construction Finance Corporation Act. I maintain that if the Federal Government is going to make funds available for the purpose of strengthening the present business structure to enable them to employ men, to enable them to keep their feet on the ground, and to enable them to stay in business, the money should not be diverted for the purpose of encouraging people to take the reverse position from that which the Government has taken and put other businesses in direct competition with business establishments now in existence.

I ask the Members from the South to note this particularly. You may have in the beginning taken this as a sectional fight between the North and the South, but that was the furthest from my purpose at that time. I made the remark earlier in the day that the paper industry of the North was entitled to some protection. I say that the paper industry of the South is also entitled to some protection, and we should not encourage at this particular time more competition in an industry that is now overcome and suffering.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Wisconsin [Mr. BOILEAU].

Mr. Chairman, I do not share the apprehensions of the gentleman from Wisconsin, who is my friend and who comes from an adjoining State; nor would I knowingly do anything to harm the gentleman or his State.

You will recall that the original act empowered the R. F. C. to lend only to those businesses that were in existence on or before the 1st day of January 1934. Some suggestion has been made to strike that date from the act and permit the R. F. C. to lend to businesses that may be organized after the 1st of January 1934, with the suggestion from the gentleman from Georgia [Mr. DEEN] that there is a possibility of the R. F. C. permitting some sundry millions of dollars to be used for the development of pulp and paper mills in Georgia.

While I live above the Mason and Dixon's line, I am entirely in favor of this provision whereby this pioneering may be done in the South, and I will tell you why. Last year we imported $170,000,000 worth of pulp from other countries, including Finland, Sweden, Norway, and principally, Canada. There is a reason for this. In these countries they have spruce that has a small resinous content, and consequently it can be fabricated into pulp and paper with a minimum of difficulty. They have carried on some experiments at Savannah, Ga., and they find that slash pine, which will yield about 2 cords to the acre per year, will make the finest kind of paper. It can even be developed into rayon at a very cheap price.

Now, here is a singular thing about the experiments that have been conducted. They can convert Georgia slash pine into paper at a conversion cost of $19 a ton, whereas it costs $28 in Canada and almost $43 in the United States at the present time. This is the reason why more than 70 percent of all our pulp is imported from foreign countries at this time.

Here is an opportunity to save this business for our country. I do not mind confessing that I am very decidedly a nationalist and I believe that in proportion as we can pioneer, we carry out the basic purposes of this act to provide loans to industry and give employment to our people.

If we can develop a new industry in the South, ultimately, to take care of much of the land that has been worn out and eroded and can no longer be given over to the cultivation of cotton, I see no reason why we should not do it now as a part of a 10- or 15-year planning process whereby we will ultimately save them from difficulty and from a very acute and serious problem.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BOILEAU. Does not the gentleman think it is rather inconsistent for the Government to have these various measures restricting industry and at the same time lend money to engage in industry in competition with an industry that is now suffering?

Mr. DIRKSEN. I would say to the gentleman that he confuses administrative and political policy with what ought to be considered as an economic policy. This matter of developing new industries is very essentially economic. If any restrictions are imposed upon existing paper mills whereby they find it difficult at the present time to get along, I would say they are administrative restrictions that should be lifted, but do not go to the fundamentals of this proposal.

Mr. BOILEAU. May I call attention to the fact that there is nothing in the language of this amendment that refers to the paper industry. That is a matter, of course, of some concern to me, but it is also a matter of concern to me that we are lending money to industries to compete with industries now having a difficult time standing up and doing business.

Mr. DIRKSEN. Let me say that this is entirely permissive legislation. This does not direct or make it mandatory that the Reconstruction Finance Corporation should advance any money for this purpose. It merely provides that if it is good business, then it shall be done.

[Here the gavel fell.]

The CHAIRMAN. The question now is on the motion of the gentleman from Wisconsin [Mr. BOILEAU] to strike out the enacting clause.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 19, line 1, after the quotation marks, insert "now established."

The amendment was rejected.

Mr. FERGUSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 19, line 2, after the word "sale", insert "of farm equipment."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of section 10 insert a new paragraph, as follows:

"That the first paragraph of section 5d of the Reconstruction Finance Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is amended by adding after the first sentence thereof the following: 'or where the major portion of the investment in such industrial or commercial business (to develop the point of production) has been made prior to January 1, 1934.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was rejected.

Mr. FISH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 19, line 16, after the word "exceed", strike out "$300,000,000" and insert "$500,000,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 11. In all cases where the Reconstruction Finance Corporation shall hold any bonds or other evidences of indebtedness of any borrower under section 201 (a) of the Emergency Relief and Construction Act of 1932, whether heretofore or hereafter

acquired, and such borrower shall be able and willing to substitute or cause to be substituted therefor any other bonds or other evidences of indebtedness, whether of the same or longer maturities or otherwise differing, which, in the judgment of said Reconstruction Finance Corporation, are more desirable than those so held, the said Reconstruction Finance Corporation is authorized to accept such bonds or other evidences of indebtedness in exchange and substitution for such bonds or other evidences of indebtedness so held by it, upon such terms and conditions as may be agreed upon with such borrower at the time of, or in contemplation of, such exchange and substitution.

Mr. CRAWFORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 21, line 8, after the word "are" strike out the word "more" and insert the word "as."

After the word "desirable" strike out the word "than" and insert the word "as."

Mr. CRAWFORD. Mr. Chairman, this amendment is offered in all seriousness. I shall speak of this from a practical standpoint. I assume the desire of the committee and of the House is that, where a borrower has collateral up as security and desires to substitute some other collateral therefor, the Reconstruction Finance Corporation should have the privilege of accepting in lieu of that collateral, other collateral just as good. We should not require the Corporation to demand collateral of a greater value than that originally placed to secure the loan.

Mr. STEAGALL. Mr. Chairman, I do not think there will be any objection to the gentleman's amendment.

Mr. CRAWFORD. Very well. I would like, however, to call the attention of the House to this:

I had a practical experience with the Reconstruction Finance Corporation in which I asked for a loan of $500,000, which would liquidate itself within 12 or 14 months, and for which I offered collateral of $1,600,000. This loan would have placed some 4,000 people on the pay roll, which would have paid them a minimum wage of 32½ cents an hour. I sat on the doorstep of the Reconstruction Finance Corporation for some 8 or 9 days awaiting the acceptance of that application. The undertaking had to do with processing farm crops and was of a nature which required prompt action in order to give the farmers a chance to plant the crop before the time of planting expired or before the season was gone. The work had to be done then or not at all. The appraisals were made, and elaborate details were filed, and all requirements of the R. F. C. were complied with insofar as furnishing data was concerned, and when the loan was denied the Corporation did not extend the courtesy of stating why the loan was not granted. The only information I received was a very brief telegram stating "loan denied."

In behalf of private industry in this country, which desires fair treatment on the applications which it sends in, I hope something will be done in setting up administrative rules at the R. F. C. office so that when a legitimate loan is turned down the man who desires to borrow the money will have a reasonable statement from the R. F. C. as to why the loan is denied, because when loans are turned down as the one I referred to was turned down, and without any reason at all being given, it breaks down the confidence of the borrowing public in the Reconstruction Finance Corporation. It is not fair treatment because in banking circles it is very difficult to negotiate a loan after you have been denied it by some financial institution, and particularly when you cannot give an answer as to why the loan was denied by the previous firm who was approached in respect to borrowing the money.

I hope the members of the Reconstruction Finance Corporation, if they are listening, will bear that in mind.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. FORD of California. Did the gentleman go to a bank before he went to the R. F. C.?

Mr. CRAWFORD. We had the matter up with the banks, but they felt they should not make loans without having what might be termed "liquid collateral", as this loan could not have been paid before 12 to 14 months or until the crops had been grown, processed, and placed on the market. The banks felt they should keep their money invested in more liquid collateral or investments, such as Government bonds, instead of lending it to private industry in this manner.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The Clerk read as follows:

SEC. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon sufficient security to recognized and established corporations, individuals, and partnerships engaged in the business of mining, milling, or smelting ores. The Reconstruction Finance Corporation is authorized and empowered also to make loans to corporations, individuals, and partnerships engaged in the development of a quartz ledge, or vein, or other ore body, or placer deposit, containing gold or silver, or gold and silver, when, in the opinion of the Reconstruction Finance Corporation, there is sufficient reason to believe that, through the use of such loan in the development of a lodge, ledge, or vein, or mineral deposit, or placer gravel deposit, there will be developed a sufficient quantity of ore, or placer deposits of a sufficient value to pay a profit upon mining operations: *Provided*, That not to exceed $10,000 shall be loaned to any corporation, individual, or partnership, for such development purposes: *Provided further*, That there shall not be allocated or made available for such development loans a sum in excess of $10,000,000.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to make a correction of a clerical error in the bill. In line 10, on page 21, the figures "$10,000" should be "$20,000", and I ask that that be corrected.

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

Mr. FISH. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 21, line 3, after the word "gold", strike out the word "or", insert a comma, and after the word "silver" add the words "or tin."

Mr. FISH. Mr. Chairman, I hesitate at this late hour to encroach upon the patience of the House, and I would not do it except that this is a very important amendment. The Committee on Foreign Affairs of the House has been investigating the tin situation for the last 6 months through a subcommittee authorized by the Congress. The fact is that we import $70,000,000 worth of tin each year. There is a worldwide tin monopoly which controls the price of tin. We are the largest consumers of tin in the world. We consume over 50 percent of all of the tin produced and consumed. It appears that there are many possible tin deposits throughout the United States, in most of the States of the Union, but particularly in Alabama, North and South Carolina, North and South Dakota, New Mexico, and California.

This amendment merely makes available $20,000 for development purposes. By making this $20,000 available we may discover sufficient tin to make it minable. We might thereby save 10 percent of $70,000,000 or more. There is no reason to believe that these tin deposits do not exist in the United States. I believe they do, in North and South Carolina and in Alabama, and in addition it is reported they are present in about 20 other States. I have not the time to mention all the States, but in view of the fact that the matter contained in this section was brought up in the Banking and Currency Committee—I don't know why as I was not there at the time—it seems to me that this is an opportune time to offer the amendment that I have, to include tin. I have spoken to the sponsor of the original amendment in the committee [Mr. SCRUGHAM] and he has agreed to accept my amendment.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. FITZPATRICK. How much tin is produced in the United States?

Mr. FISH. That is just it, very little.

Mr. FITZPATRICK. Less than 1 percent.

Mr. FISH. Just about 1 percent.

Mr. FITZPATRICK. Less than 1 percent.

Mr. FISH. Very well. Less than 1 percent.

Mr. FITZPATRICK. And 37 percent of all tin used here is reclaimed tin.

Mr. FISH. Certainly. The point is that we import $70,000,000 worth of tin. The point is that the Congress of the United States authorized an investigation of the situation for the purpose of national defense and to develop, if possible, a tin industry in the United States. It is essential to develop and encourage domestic production of tin and not be at the mercy of foreign nations. We are in a dangerous position without any minable tin. We are absolutely powerless without it. We have no means of getting it except from Great Britain, Holland, Bolivia, or China unless we discover sufficient quantities in our own country, and for that reason we should accept this amendment. There is only $20,000 involved. There is no partisanship in this, and I hope the amendment will prevail and that it will provide sufficient sums to promote the development of tin in the United States.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were ayes 83 and noes 32.

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 21, line 3, after the word "silver", insert the words "and copper."

Mr. WOLCOTT. Mr. Chairman, the great State of Michigan is one of the largest copper-producing States in the world. At the present time, in what we in Michigan call the "Northern Peninsula of Michigan", the mining industry is at its lowest ebb in several generations of mining, due to the fact that large ore deposits have been found in South Africa and other parts of the world, which I am told, can be mined much more cheaply than our copper in Michigan and that in many other of the copper-producing States of the United States.

It is only natural that we should include copper in this bill, because I am told that silver is a byproduct of copper. It would be rather inconsistent to include silver without including copper. What I am trying to do for my State, and what many of you from other copper-producing States of the United States want to do for your States, is to take these miners from the welfare rolls and put them back into the mines with a living wage. If the Reconstruction Finance Corporation will but give some encouragement to the mining companies which are trying to hold these experienced men together to do their mining for them, we will take probably 80 percent of the men, women, and children in the Northern Peninsula of Michigan and other States of the Union from the welfare rolls and we will give them employment in gainful occupation.

Mr. SHORT. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SHORT. What the gentleman says applies particularly to the district which I have the honor to represent, which produces two-thirds of the lead and zinc produced in the United States, and where 27 percent of our present population is on relief.

Mr. WOLCOTT. I am glad to have the gentleman's comments.

Now, we want to do something to relieve unemployment. This is how we can do it in these particular districts of the United States.

I ask favorable consideration of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 38 and noes 83.

So the amendment was rejected.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: Page 20, line 24, after the word "smelting", insert the words "coal, minerals, and ore."

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 14, noes 72.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 21, line 15, insert a new section, entitled "Section 12–A", as follows:

"The Reconstruction Finance Corporation, in addition to the foregoing powers, is authorized and empowered to make loans to any institution the principal business of which is that of lending money to taxpayers at an interest rate not exceeding 4 percent per annum, plus a service charge of not in excess of 2 percent, for the payment of real-estate taxes, water rates, or special assessments on real estate against the security of tax liens or any interest therein held by the taxing authority."

Mr. STEAGALL. Mr. Chairman, the head of the Reconstruction Finance Corporation has said he did not especially object to this; that it could be administered. I am not going to offer any opposition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 20, line 24, after the word "ores" and the period, strike out the balance of the section.

Mr. TABER. Mr. Chairman, this section permits the R. F. C. to grubstake all kinds of prospectors for gold and silver. It seems to me an absolutely ridiculous thing, and I have offered this amendment to strike out that part of the section. I hope my amendment will be adopted.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WADSWORTH. Does not the gentleman see in this section the implied necessity of the Reconstruction Finance Corporation's embodying mining experts to accompany prospectors in order to make up their minds whether the lode, or ledge, or quartz is an ordinarily profitable prospect?

Mr. TABER. If they were going to exercise any prudence whatever, they would have to do that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 33, noes 83.

So the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 20, line 24, after the word "ores", insert "or mining and/or developing merchantable clays."

Mr. RANKIN. Mr. Chairman, the Tennessee Valley Authority through its investigation has discovered in northeastern Mississippi, and possibly in adjoining States, a tremendous store of ceramic clays, from which pottery, china, and so forth are made. Practically all this material used in this country today comes from foreign countries. I would say 90 percent of it comes from foreign countries. Not only do we have the raw material there but also we have the electric energy necessary to develop it. In order to develop ceramic clays an enormous amount of cheap electrical energy is required. This we have, as I say, in abundance; and already enterprises are looking to this development which will mean a great deal not only to that section of the country but to the country as a whole.

I sincerely trust this amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. HOLLISTER. Mr. Chairman, I move to strike out the section.

Mr. Chairman, it seems to me that we have gotten into a rather ridiculous situation. I believe in protecting a bill as well as it is possible to protect it, but we have reached the point now when we are tacking on every kind of amendment we can think of; and the Members, without paying very much attention, are voting first "yes" and then "no" without any real consideration of what is in the different amendments. We tackled on tin, and yet we just refused to tack on copper. Now we are asked to tack on ceramic clays. We have an opportunity to tack on this, that, and the other thing.

We tacked on an amendment to lend taxpayers money with which to pay their taxes. Why not tack on an amendment lending money to a lot of other people who cannot pay their bills and allow 1, 2, 3, or 4 percent interest?

It seems to me that the Membership ought to stop and consider what is being done to this bill, and in order to get rid of what has been added to it we might just as well strike out the whole section without doing the bill the slightest harm. At the present time the Reconstruction Finance Corporation authorizes the lending of money for mining purposes. If we strike out the whole section, all we do is to leave things as they are and merely eliminate some of the amendments which have been attached today, which the committee had no chance to consider, and which the Reconstruction Finance Corporation officials had no chance to discuss with the committee and tell whether or not they were in favor.

Mr. THOM. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Ohio.

Mr. THOM. I notice in section 14, the first sentence, it is provided that loans shall be made on sufficient security. When you come to the second sentence providing loans for prospecting, there is no mention of security, and it says the loans should be made upon the judgment of the Reconstruction Finance Corporation as to the possibility of finding ore. I believe that both provisions ought to have a requirement for security, if they are to stand.

Mr. HOLLISTER. Mr. Chairman, I appeal to the Membership of the House merely in the interest of orderly legislation. Let us strike the whole section out and leave the question of loans for mining interests in status quo. I think this exhibition of offering amendment after amendment that the committee never has had a chance to consider and that the Reconstruction Finance Corporation has never been questioned on is an exhibition of futility, perhaps induced by the lateness of the hour and the fact that there are few Members here, and those Members are tired. I say again that I believe in the interest of passing the proper kind of bill and in the interest of protecting orderly legislation, we should strike out section 14 of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 48, noes 81.

So the amendment was rejected.

The Clerk read as follows:

Sec. 13. Notwithstanding any other provision of law, the Reconstruction Finance Corporation is authorized and empowered to use as general funds all receipts arising from the sale or retirement of any of the stock, notes, bonds, or other securities acquired by it pursuant to any provision of law.

Mr. CONNERY. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 21, line 20, after the word "law" insert a new section to read as follows:

"SECTION 15. No part of any of the funds of the Reconstruction Finance Corporation shall be loaned to any railroad, insurance company, mortgage or loan association, bank, or any business institution, in which any member or employee of the Reconstruction Finance Corporation has any financial interest or connection of any kind, either directly or indirectly."

Mr. CONNERY. Mr. Chairman, I am not going to take the time of the House to explain the amendment. It speaks for itself and merely states that any individual who is an officer or an employee of the Reconstruction Finance Corporation cannot borrow money under the Reconstruction Finance Corporation law. The amendment speaks for itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 34, noes 73.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CALDWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. STEAGALL, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—RECONSTRUCTION FINANCE CORPORATION

Mr. SMITH of Washington. Mr. Speaker, as I am attending the sessions of the Committee on Rivers and Harbors, which is holding hearings this week, I desire to briefly state for the RECORD my reasons for favoring this legislation.

I agree with the gentleman from Texas [Mr. PATMAN] that in the past 2 years, since 1932, we have succeeded in changing the character of the R. F. C., which was originally designed to aid only banks, railroads, and insurance corporations. In fact, it was claimed that R. F. C. stood for "Recovery for Charley", meaning for Charley Dawes, on account of the loan of $92,000,000 which he received for his big bank in Chicago during the last national administration. We have changed the functions and scope of the institution to make it one of real service to all the people.

The distinguished Chairman of the Committee on Banking and Currency, the gentleman from Alabama [Mr. STEAGALL], has called attention to the fact that the Reconstruction Finance Corporation has authorized loans of $1,045,000,000 for the relief of depositors in closed banks and that in the last 6 months it has loaned $252,000,000 and distributed $241,000,000 for relief of depositors. This is relief which I joined with the gentleman from Michigan [Mr. McLEOD] in fighting for in the last Congress, and our efforts were partly successful to that extent, which has proved a blessing to many citizens in my district in southwest Washington.

LOANS TO PRIVATE INDUSTRY

However, in my opinion, the liberalized provision for direct loans to private industry is the most important in the bill. In the bill which we passed last year we authorized loans upon "adequate security", and as a result the Corporation has not been able to make very many loans, having loaned out only about $34,000,000 of the maximum authorization of $300,000,000. This situation which, in my opinion, is due to no fault of Hon. Jesse Jones and his associates has seriously impeded business recovery. This requirement has now been modified to authorize loans upon such security as in the judgment of the Board will "reasonably" assure repayment of loans. This will render it possible for the Reconstruction Finance Corporation to adopt a more liberal loaning policy

and thereby provide worthy industrial firms with the financial assistance necessary to carry on and expand their operations. This result is needed more than any other one thing in our country today. We can never have any permanent recovery in business in the United States on a basis of giving citizens "a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks", to quote the words of President Franklin D. Roosevelt in his message of January 4, 1935.

We must provide normal employment at decent wages in the industries and factories in every community in order to restore consumer purchasing power throughout the Nation. In order to bring this about we must finance the pay rolls of many worthy industrial enterprises, which did not and cannot secure funds from the private banking institutions which have practically ceased to make loans to their customers. I have a number of industrial firms in my district which have been successfully managed in the past by experienced owners who thoroughly understand the business in which they are engaged, who stand ready and willing to give remunerative employment to many of their former employees but who are not able to do so for lack of funds. I sincerely hope that the amendment which we have made in the law today will make it possible for these employers of labor to obtain loans to carry on their operations. I hope that the liberalization in the law will give an impetus to industrial employment in every congressional district in the country, which will afford our only avenue of egress from this depression.

Mr. FARLEY. Mr. Speaker, this bill as we have amended it in the Committee on Banking and Currency should become the law. Nobody here questions that the work of the Reconstruction Finance Corporation should be extended for the 2 years provided in the bill. Nobody anywhere questions that this work should be continued—nobody, at least, who knows what the Corporation has done and knows how much more and how much better it will be enabled to do under the added provisions carried by this bill. My associates on the committee and many others outside the committee know that I have not been and am not now an unqualified endorser of all that the Reconstruction Finance Corporation has done; it may be I shall not care to be an underwriter of everything that hereafter the Corporation may do. But I have not been an unfriendly critic. It has been and it will remain my desire that all the possible good shall attend the Corporation's efforts.

It has been made clear that some of the things many of us have desired which were not done were made difficult and in instances impossible from the manner in which the Corporation was hedged about by the laws under which it operated. We have undertaken in amendments to this bill to remove some of these trammels. We have undertaken in these amendments to give the Finance Corporation authority that is broader in certain directions in which its movements have been restricted.

In section 5 (c) the committee has brought to you an amendment that to my mind will result in one of the most signal and wide-spread benefits the Corporation will ever have to its credit. We have attempted to open the way by which some millions of owners of real-estate mortgage bonds can recover a substantial portion of the billions in money they have invested in securities of that type. Unless the way be found to make possible that these investors shall be able before a great while to realize, their investments will come very near to total loss. Already, as we know, devious processes are active in dubious hands over the country to acquire these bonds at a small fraction of their true value. Even in the face of the tremendous collapse of the enterprises upon which these securities were based, 5 or even 10 cents on the dollar is at once an absurd and pitiful shaving of value from these securities in the only market they can have for the present. If this provision, in which we have made for a reestablishment, through the Reconstruction Finance Corporation, of a normal mortgage market, be availed of and given operation, we shall be able to save to some of these millions of investors some billions of their investments.

The plight of the greater number of the owners of these mortgage bonds is most unfortunate. They were not of the wealthy classes to whom an investment in these securities did not mean the staking of all they had on a single venture. They were people who for the most part had put their eggs in one basket when they purchased these bonds. There are thousands of these people in my own district. They are people whose means were limited and who were seeking good investment of the modest substance they possessed at the time.

In large numbers they were school teachers, mostly women no longer young, widows owning small estates, retired farmers of moderate resources, and others who in about the same degree were in like circumstances. The greater part of what they had went into these investments. The investments looked good at the time. By all reasonable, if not ultra-conservative, standards of that day the securities appeared to be sound and the investments safe. The collapse of values upon such a scale and to such a depth as actually happened was not foreseen. It could not have been foreseen by these investors, and it certainly was not apprehended by those who headed the enterprises upon which these investments were made.

Still underlying these investments is potential value. A large portion of the value thought to exist when the enterprises were advanced and when the investments were made is still there. Sooner or later it will be recovered by those who may happen to own the bonds at the time recovery is made. The country is not always to remain in its present condition. If we can do something to effect a reestablishment of the normal mortgage market, much will be done to restore the values underlying these investments. It will enable these distressed investors to recover a large part of the money they have put into the securities for which today, if they can sell at all, they are unable to obtain more than 5 or 10 cents on every dollar. If we assist to bring this about through the measures we are now considering, we shall raise from a condition of helplessness and distress a great army of people who will otherwise be kept for the remainder of their lives naked to the storms of adversity which now beat upon them.

This help we propose will not merely aid those who have been afflicted by losses and are unable to help themselves. It will have positive consequences in the general revival we are striving to bring about. Business will feel its impulse, and all will share in the good made possible by this act. I will have the candor to say to you, however, that first ones in my concern for the benefit that I believe will flow from this act are those who have been stripped by the collapse of the mortgage market and the disappearance of value from their investments. I know the class of people who for the most part have been the victims and are now the sufferers from these conditions. They had been the industrious, the hard-working, the prudent, the thrifty. In the day of their vigor and opportunity they had sought to take hostage against the sunset period of their lives and to lay by something for the inevitable time when they could no longer work and earn and store up. Throughout their capable days they were laboring and saving to secure themselves against forced dependency when the shadows of the closing scene would begin to fall across their paths. Into these investments went their modest substance. They thought it safe. They believed it promised well. None had misgivings. They wanted security for their little hoards. They believed they had found it. And who was there, in that confident time, who did not believe it? They deserve consideration, and we should grant it in the practical way we now submit to your judgment.

This is not a proposal to spend money that will never come back. It is based on exactly the same presumption running all through the R. F. C. loans that the money will be repaid, just as an immense volume of such loans already has been repaid. If we do this thing, we shall rekindle hope in the bosoms of millions who now despair. We shall

effect a vast and wide-spread distribution of means to a class of people who but for this thing will be distressed and in need of relief from some source to the end of their days. It is in behalf of these that I speak.

To one other point of this bill I desire to direct your attention. It is the amendment that is purposed to strengthen and enlarge the provision we made in our last session to give help to the smaller industries. That provision has seemed not to work with the effect we had in mind and intended it should have. The Finance Corporation has made heavy loans to various industries operating on the larger scale. Little has gone to industries operating in narrower fields and in more modest volume.

Let us bear in mind that it is not the gigantic industrial enterprises, hugely capitalized and employing people by the tens of thousands, that make up the backbone of employment in this country. The larger industries, I grant you, must keep going to furnish employment and supply trade with commodities and to meet general demand for necessaries. But "Big Steel" and General Electric and Bethlehem and other great employers, immense as they are, do not provide work for and pay wages to the larger mass of those employed in our manufacturing industry.

Same facts procured from the Bureau of the Census sharply illumine this point. The figures are for 1929, our peak year in industrial activity, output, and employment. It is the latest year for which figures are available, and it is shown that in 1929 there were 208,241 manufacturing and printing and publishing establishments, none among them employing more than 500 wage earners, in which altogether 5,501,763 people were employed. In the same year 206 establishments, each with more than 2,500 on its pay rolls, employed a total of 1,015,254 wage earners. In other words, those establishments which employed only 500 or less had at work five times as many wage earners as those employing 2,500 and on up into the tens of thousands who were provided with work and wages by Steel, Electric, General Motors, Ford, and other mammoth enterprises. The larger enterprises in many instances entered the era of depression with cash reserves and other details of good financial position which enabled them to weather the storm. The smaller industries, with few exceptions, had no such advantage. Some of them have gone by the board. Others are still struggling. Among these are many which will be saved if help can be given. And if they can be saved and kept going by means to tide them over until the revival of business gives them support, it will mean employment and independence for millions of industrious and willing men and women in industry. Without the diversity given to our general industry by these smaller manufacturing enterprises, our times would have been much harder and our recovery far more difficult.

As it has been amended by the committee and reported here, I trust this bill may be passed by this House. I trust it will please the Senate to accept this result of our labors, which have been painstaking, conscientious, and purposed to effect the widest possible good directly to many people and, in its broader consequences, to all the country.

Mr. REILLY. Mr. Speaker, the pending bill comes before the House with the unanimous report of the Banking and Currency Committee.

The Reconstruction Finance Corporation has now been in existence for 3 years. It constituted really the first important piece of emergency legislation written to aid in bringing about a revival of industry in this country. The law was first enacted in the last year of Mr. Hoover's administration, with the life of 1 year, and since that time its life has been extended on two different occasions for 1 year at a time.

There has been more or less criticism of the workings of the Reconstruction Finance Corporation since it became a law. Charges have been made that it was only designed to help banks and big business and that it was not an important factor in bringing about better economic and industrial conditions in any way.

The general view as to the efficacy of the Reconstruction Act as a means of helping to bring about better times has changed, and it is submitted that the best-informed opinion today is to the effect that the Reconstruction Finance Corporation has played an important part in our recovery program.

The Board of Directors of the Reconstruction Finance Corporation has handled billions of Government money through loans to various agencies in an effort to put up the strongest fight possible against the forces of the depression.

To be exact, since the establishment of the R. F. C. in February 1932, during Mr. Hoover's administration, to January 1, 1935, loans have been authorized to the amount of $8,964,712,929, of which sum $784,266,128 was withdrawn and $6,848,073,233 was disbursed or loaned.

It thus appears that there are about two billions in loans authorized that have not been disbursed. This sum is made up of loans canceled or those which have not all been called for. Of the loans authorized from the beginning of the existence of the Corporation to the present date, about $2,780,000,000 were made during the Hoover administration and $6,171,000,000 during Mr. Roosevelt's administration.

One reason for the increase in loans under the Roosevelt administration was the authority granted by the Seventy-fourth Congress to the Reconstruction Finance Corporation to aid in releasing depositors' money in closed banks by making loans on bank assets, and also the authority given to the Corporation to strengthen the capital structures of banks throughout the Nation by the purchase of preferred stock, capital notes, or debentures of these institutions.

The actual disbursements to closed banks amounted to $761,704,109, of which sum more than $300,000,000 has been repaid. The actual amount of money advanced for purchased stocks and capital notes to rehabilitate banking structures of this country amounts to about a billion dollars.

While it is true that the banks and railroads have been the biggest borrowers from the Reconstruction Finance Corporation, it is also true that thousands of other business institutions have received aid; in fact, something like 20,000 individual loans have been made by the Corporation.

Several hundred million dollars have been furnished by the Corporation for relief work under Executive orders, and it has about $800,000,000 on hand at the present time.

One gratifying feature of the report recently filed by Mr. Jesse Jones, Chairman of the Corporation, is the showing made on repayments of loans. Of the total sum loaned over $6,000,000,000—51 percent—has been repaid, and if we leave out of consideration the loans to banks, which are long-term loans, the total repayments made to date equal 61 percent of the sums loaned.

At the last session of Congress the original law was modified so as to permit loans to be made to industry, particularly to the smaller industries of the country. Both Federal Reserve banks and the Reconstruction Finance Corporation were authorized to make these loans. At that time a survey of the country had been made, and it was reported that something like $600,000,000 could be used advantageously by the smaller industries of the country, and some of the larger ones also, to keep men employed and to put more men on the pay rolls.

The authority given in the last session of Congress to the Reconstruction Finance Corporation and the Federal Reserve banks to make loans to industry has not worked out satisfactorily for some reason or other. Both institutions to date have loaned to industries only about $80,000,000.

It is stated that the failure of the Federal Reserve banks and the Reconstruction Finance Corporation to make more loans to industry is due entirely to the fact that the present law is too rigid in its requirement as to the securities necessary. The existing law declares that such loans shall be made on adequate security; that is, security which would make certain repayment of the loan. The purpose in writing this provision into the old law was to have these loaning institutions make loans to industry with the idea of keeping them running and employing men and women, and even if the Goverment did lose some of such loans, it might just as well

lose them through such a method, as otherwise the same money might go out of the Treasury for relief purposes.

In the pending bill this provision of the old law has been amended so as to provide that the security shall be such as in the judgment of the Board will reasonably assure repayment. It is the opinion of the Chairman of the Reconstruction Finance Corporation, Mr. Jones, that under the language just quoted, it will be possible for his Corporation to be more liberal in making loans to industry.

While the Corporation in the past has loaned considerable money to the railroads of this country, the Board is of the opinion that there will be but little ultimate loss to the Government, and this loss will result from the deplorable financial condition of a few of the 58 railroads which have been borrowers from the Reconstruction Finance Corporation.

Under the Reconstruction Finance Corporation Act, as amended in this bill, the Corporation will be privileged to extend further loans to railroads, which may help materially in the reorganization and consolidation of the roads. While the railroads have been loaned something like $400,000,000 to date, the security collateral that has been pledged for these loans is said to be worth in excess of $600,000,000.

The Reconstruction Finance Corporation is one of the recovery agencies which is no additional expense to the taxpayers of this country. The Corporation has its principal set-up in Washington, but it functions also through 32 other agencies scattered throughout the country. The operating expenses of the Corporation have been less than one-half of 1 percent on loans and investment authorized. During the period of its existence the Corporation has made clear above all operating expenses $65,000,000, which is certainly a very good showing.

It would seem that from the experience which the Corporation has had to date in using Government funds to aid what might be called practically the whole industrial and agricultural life of the country, that with the bill as now amended the Corporation will be able to function more beneficially, not so much in avoiding all losses of any small loans but rather in carrying out the fundamental purpose of the legislation, and that is to help business, railroads, banks, insurance companies, agriculture, and, in fact, all lines of business, to keep on functioning, so as to make it possible to put more of our unemployed to work.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THE WORLD COURT

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the World Court.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, no Representative in the Congress of the United States wants to assume the role of a Senator, and certainly I do not desire to trespass upon territory reserved for legislators at the other end of the Capitol. However, it becomes the duty of every American citizen, both in and out of Congress, to lift his voice when the sovereignty of his country is threatened and its security is imperiled.

At this particular hour our Nation's safety is at stake. The future of our glorious Republic hangs in the balance. Today the welfare of our posterity will be determined. Either America will remain America, steering clear of the pitfalls of intrigue and the political machinations of European powers, refusing to adhere to the World Court, or else America will ignore the lessons of history, reject the traditions of our fathers, join the League of Nations through its Court, to become the easy prey of the combined jealousies of selfish European nations.

For many years I have consistently, continuously, conscientiously, and strenuously fought America's entrance into the World Court. I studied in Germany and England after the war. I have since traveled through the different countries of Europe—most of them for the third or fourth time. I think I know the feeling in those countries toward the United States of America. After spending our blood and treasure unselfishly on foreign soil to help our allies win the war we were indiscreet enough to advance them $11,000,000,000 in loans. These loans, with the single exception of the one to little Finland, have been flagrantly repudiated by our debtor nations. The only appreciation we have received from those we assisted has been the finger of scorn and the tongue of contempt. For our charity we have been paid in vituperation, and the only recompense for our generosity has been the insulting epithet of "Uncle Shylock."

Now, when the American people are in the throes of the most prolonged and devastating depression in our history, while we are still suffering hysteria, it is proposed by the same idealistic, imaginary, impractical, "brain-trust" professors, who continue confusion at home, to add chaos to our woes by pushing us, against our will, into the League of Nations via the World Court. God help us today to ignore them and their teachings and return to the advice of Washington, Adams, Jefferson, Madison, and the other founders of this free Government—the first ever established among men.

In the past the Democrats have charged the Republicans with being narrow nationalists, dumb isolationists, provincial cranks, unsympathetic to the suffering of humanity, and unwilling to play our part in world affairs. If putting America first, though always considering the rights of others, if wanting to live in peace and amity with all nations, but ever cautious and careful to protect our own liberties and to defend our American institutions against dangers from without and weaknesses from within, if demanding only what is just—and no more—and at the same time being generous and helpful to others—if this be narrow nationalism and isolation, then all Republicans are guilty of the charge, and proud of it.

Modern inventions have made the world smaller, and new methods of rapid transportation have brought countries closer together. Today nations are largely interdependent. The economic health and political stability of one depends largely upon the economic health and political stability of another. There is an exchange of ideas as well as of goods. Because of our great wealth and power we must necessarily take interest in world affairs. No nation of any importance can or desires to live unto itself alone. But America does not want to become entangled in Old World politics or European alliances. Our fathers came to this new land of freedom to get away from such things. America will help Europe and any nation all she can, but she will do it by example, suggestions, and cooperation rather than by dictation, compulsion, and active participation. Though we are not isolated, the indisputable fact is that 3,000 miles of deep blue water are between America and Europe; and, personally, I find it very comforting to muse upon that fact. The inherited prejudices, the bitter jealousies, the entrenched interests, the historic hatreds existing between nations of the Old World are not our problems. Europe, and not America, must solve them. We have no business sticking our nose in where it does not belong unless we are particularly desirous of getting it smashed. Because of our remoteness and disinterestedness, Europe will listen to us more than if we became involved in her quarrels.

Though this international tribunal is referred to as the "World Court," it is, in reality, the League's Court; and by entering it, we enter the League of Nations through the back door. It is amazing that after the American people so overwhelmingly voted against our entrance into the League of Nations in 1920, the President would at this particular time, when we are faced with so many baffling and complex domestic problems, ask the Senate to sanction our becoming a member of this offspring of the League of Nations. It only goes to corroborate the fact that this administration still prefers to try experiments rather than follow experience. However, it is gratifying that there are so many patriotic and well-informed Democrats in the United States Senate

who will never surrender the sovereignty or impair the safety of America by joining this Court, but will continue to uphold the Constitution and follow the advice of the Father of our Country, in his Farewell Address:

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow citizens, the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. * * * The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. * * * Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our interests. * * * Why quit our own stand to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? (Sept. 17, 1796.)

EMERGENCY FEED FOR LIVESTOCK IN THE NORTHWEST

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the relief situation.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, since reporting to this House the conditions in the Northwest, with respect to the feed situation—see speech under date of January 21—no material change has been made in the feed situation in North Dakota. The two impediments that prevent farmers from securing feed from the Government still are present and are blocking all efforts to get this mountain of feed—belonging to the Government—to the starving livestock.

I desire once more, Mr. Speaker, to call this important matter to the attention of this House. The two reasons why livestock is perishing in North Dakota now, and have been for 30 days, are:

The emergency crop and feed loan section, with L. J. Paulson, regional manager, office Minneapolis, Minn., and in charge of feed in North Dakota, demands that before any feed is furnished that the mortgagees must be consulted and nondisturbance agreements obtained from them. The purpose evidently is to prevent the mortgagees from foreclosing on the stock in the spring after the Government had fed the stock through the winter. In other words, the Government will not trust these mortgagees to do the right thing. The Government is about right on this conclusion, but let me call your attention to the fact that these nondisturbance agreements are not and never were necessary in North Dakota, where we have a moratorium that makes all foreclosures unlawful. They could not foreclose if they wanted to. The mortgagees are prevented in North Dakota from disturbing the livestock, hence these agreements in that State are unnecessary. In addition to that the Government has an equitable lien on any livestock fed, superior to any mortgage lien, which any equity court in the State would uphold. The Government is, therefore, perfectly safe in advancing the feed.

What is the result of the method now followed? If a mortgagee for any reason, pure meanness or otherwise, refuses to sign a nondisturbance agreement, the feed cannot be obtained; and the result is that the livestock dies in the very sight of great stacks of Government hay. I desire to submit a few actual cases of this kind.

One Arthur Scofield, Devils Lake, N. Dak., needed feed for his stock. He owed the Northern Investment Co., Devils Lake, a mortgage; and this company refused to sign a nondisturbance agreement unless Scofield would deliver to them some of the cattle to apply on his debt to them. When the agreement could not be obtained, L. J. Paulson wrote Scofield as follows:

We are obliged to inform you that your feed application, dated September 26, 1934, has been disapproved by the examiner in this office, and we are therefore returning your papers.

That ended the relief, and the cattle are starving. Scofield now says to me, on January 24, 1935:

If I can't get feed they (cattle) will be soon dropping off. I have a fine milch cow that don't give enough to feed her calf. With no stock hardly in the country, it seems to me a small bunch of milch cows would be worth saving. This is all our living, and it seems hard to force us to live on relief, which we will now have to do. Perhaps because I must drive 4 miles to work when it is 30 below zero and can't do it is the reason why I can't get feed.

ARTHUR SCOFIELD.

A letter from Mr. Nick Kohm, of Werner, N. Dak., states:

Now, Mr. BURDICK, is there any way we can get help? If there is a way, please be so kind and do it right away. All we have for our stock is thistles; and if we get nothing else, we are sure to lose all our stock.

In this case the reason why Mr. Kohm cannot get feed is that the First National Bank of Killdeer, a mortgagee, will not release unless Kohm will deliver over to the bank certain machinery upon which they have a mortgage. And the letter of the First National Bank on file here states:

I have also been informed that if you will make out an affidavit that the tractor, thresher, and manure spreader is not entirely necessary for you to farm that you will get your feed.

This is signed by the vice president of the First National Bank of Killdeer.

Mr. Kohm writes that this machinery is necessary if he is to continue in the farming business. He says in regard to the tractor that—

My horses are now nothing but skin and bones and I have no feed, and I will have nothing to put the land in with except the tractor. I asked the Minneapolis Moline Plow Co. to sign a nondisturbance agreement, but they will not do it, so we are sitting out here at 35° below zero without having enough feed for the stock, but the Government has enough feed out here but we can't get it. Now, please, Mr. BURDICK, if there is any way to help us, please do it right away.

The seed and feed loan division operating out of Minneapolis have demanded of S. S. Blocher, of York, N. Dak., that he give a mortgage on the 1935 crops for seed obtained in prior years. This Mr. Blocher refused to do, upon which the field agent of the Government said:

If you do not sign this mortgage, you might be refused further feed loans.

And Mr. Blocher writes to me to find out what to do. His livestock will starve, and he wants to know if he must surrender and comply with the demand of seed and feed loan division at Minneapolis. While the Farm Credit Administration has taken the stand here at Washington that it is not necessary to mortgage the 1935 crop for prior seed advances, yet the division office at Minneapolis, managed by L. J. Paulson, is still sandbagging the farmers into giving mortgages for prior advances, and this last one is a new scheme to coerce and browbeat the farmers into giving this mortgage for fear that feed for their starving livestock will be taken away. There has been so much trouble on this source from the Minneapolis office that the removal of L. J. Paulson as director of the feed and seed loan division seems to be the only way to end this trouble. I have been slow to form a conclusion as to who is responsible for this determined effort to sew up the 1935 crops with all prior advances, but the evidence is overwhelmingly here now, in my possession, that it is not the Farm Credit Administration at Washington, but that it is the responsibility of Mr. L. J. Paulson and no one else, and for that reason I publicly ask for his removal from the position.

The attitude of the Farm Credit Administration on sums to be advanced for feed over $25, and the Federal Emergency Relief Administration on sums up to $25, in demanding a nondisturbance agreement to be signed by the mortgagee—when they will not sign—is responsible for the starvation of cattle in the very sight of mountains of Government hay. Why cannot this Congress either interpret the old act or pass a new act giving these administrations directions which will prevent the starvation of stock? Why cannot this Congress consider House Joint Resolution 86, introduced by me on January 14, 1935, and now before the Committee on Rules? Why will this Congress refuse the prayers of our Chaplain, who so brilliantly each day calls attention to the words of the Master: "Love thy neighbor as thyself; do unto others as ye would they should do unto you"?

I have exhausted every means at my command to draw the attention of the Nation to starving livestock in the North-

west and the impediment in the administration which causes it.

When I complain to either the Federal Emergency Relief Administration or to the Farm Credit Administration, my complaint, with supporting affidavits, are forwarded back to the Federal relief administrator in North Dakota or to the feed and seed division in Minneapolis. On the average it takes 3 weeks for these complaints to make the rounds, and finally I am again advised that releases or nondisturbance agreements must be obtained from the mortgagees before the farmers can secure feed. In the meantime the livestock dies.

The mortgagees care nothing for humanity and the words of Christ; they want and take and are taking advantage of the farmer. By coercion, duress, and undue influence are attempting and actually are either forcing the farmer to give up his necessary farming equipment or force the starvation of the livestock. This Congress should speak up immediately and permit the feed to go out to the livestock and force these mortgagees to release their strangle hold on the farmers, and thus save the remaining livestock industry of the Nation.

Remember, too, that if the livestock or the farmer is permitted to perish because of the inactivity of this Congress, then the Government will be faced with the much greater obligation of supporting by charity the impoverished farmers where their only means of support has been taken away.

Shakespeare said:

> You take my house when you do take the props
> That doth sustain my house; you take my life
> When you do take the means whereby I live.

The Government has already gone to the expense of assembling hay, straw, oats, and corn in every center of the States affected in sufficient quantities to feed the remaining livestock. The farmers have consented to the stock-reduction program of the Department of Agriculture; but for the reasons already stated, the feed remains unused. My warning is that in the bright spring, if rains do come—as they surely will—millions of tons of feed will rot in the depots, while the familiar sight of feeding cattle on the summer grass of the Great Plains area will not be witnessed, and the bleached bones of livestock scattered across the prairies will be the mute testimony of the inhuman conduct of mortgagees permitted by a monumental blunder of the Government.

All I can do now is to hope that this Congress will act without further delay.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to—

Mr. BINDERUP, for today, on account of illness.

Mr. CROSBY, for the balance of the week, on account of illness.

ANNOUNCEMENT OF APPOINTMENTS

The SPEAKER. The Chair announces the following appointments, which the Clerk will read.

The Clerk read as follows:

Pursuant to the provisions of title 34, United States Code, section 1081, the Chair appoints as members of the Board of Visitors to the Naval Academy the following Members of the House:

Mr. BULWINKLE, Mr. COLE of Maryland, Mr. TOLAN, Mr. REED of New York, and Mr. GUYER.

Pursuant to the provisions of the act of June 10, 1872 (17 Stat. L. 360), the Chair appoints as members of the board of directors of the Columbia Hospital for Women, the following Members of the House:

Mrs. NORTON and Mrs. KAHN.

Pursuant to the provisions of House Resolution 44, the Chair appoints as members of the Special Committee on Wild Life Conservation to fill existing vacancies thereon the following Members of the House:

Mr. PARSONS, Mr. HILDEBRANDT, Mr. RICHARDS, Mr. ANDRESEN, and Mr. ALLEN.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6:43 o'clock p. m.) the House adjourned until tomorrow, Wednesday, January 30, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

170. A letter from the Administrator of the Federal Housing Administration, transmitting the first annual report of the Administration for the period commencing with the approval of the act on June 27, 1934, and ending December 31, 1934 (H. Doc. 88); to the Committee on Banking and Currency and ordered to be printed with illustrations.

171. A letter from the Secretary of Commerce, transmitting draft of a proposed bill for the relief of A. Cyril Crilley, assistant trade commissioner, and a special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the matter of a certain expenditure; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Select Committee to Investigate Real Estate Bondholders Reorganizations. House Report 35. A preliminary report pursuant to House Resolution 412 (73d Cong.). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H. R. 4018. A bill to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States; without amendment (Rept. No. 36). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CITRON: A bill (H. R. 4979) to insure domestic tranquillity, to provide for the common defense, and to promote the general welfare of the United States by improving the navigability, controlling the flood waters, and eliminating the pollution of the Connecticut River and its tributaries; by providing for the development and improvement of forest reserves, recreational grounds, parks, and highways, and the preservation of wildlife; by promoting agriculture and industry, and by producing electrical energy for interstate transmission, and also by providing healthy water supplies; and for the relief of unemployment among the people in the Connecticut River Valley and neighborhood; and further, for the creation of a corporation to carry out the aforesaid; to the Committee on Flood Control.

By Mr. COLMER: A bill (H. R. 4980) to incorporate the Eagles of America; to the Committee on the Judiciary.

By Mr. O'MALLEY: A bill (H. R. 4981) authorizing the Postmaster General of the United States to issue a series of special postage stamps in commemoration of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's service in the Revolutionary Navy; to the Committee on the Post Office and Post Roads.

By Mr. SIROVICH: A bill (H. R. 4982) to amend the Ship Mortgage Act of 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of vessels of the United States, as defined in said act, of less than 200 gross tons; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. COLMER: A bill (H. R. 4983) to authorize a transfer of forest-reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes; to the Committee on Agriculture.

By Mr. FENERTY: A bill (H. R. 4984) to extend to contractors with the District of Columbia whose costs of performance were increased as a result of compliance with the National Industrial Recovery Act the same relief as is provided in the case of contractors with the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. McLEOD: A bill (H. R. 4985) permitting single signature in patent applications and validating joint patent for sole invention; to the Committee on Patents.

By Mr. SIROVICH: A bill (H. R. 4986) to limit the life of a patent to a term commencing with the date of the application; to the Committee on Patents.

By Mr. BYRNS: A bill (H. R. 4987) to amend title II, section 203 (a) (2), chapter 67, Public Acts of Seventy-third Congress; to the Committee on Ways and Means.

By Mr. GASQUE: A bill (H. R. 4988) for the erection of a public building at Kingstree, S. C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4989) for erection of monument to Gen. Marquis de Lafayette; to the Committee on the Library.

By Mr. GUYER: A bill (H. R. 4990) authorizing loans by the Reconstruction Finance Corporation to publicly and privately controlled colleges, universities, and other institutions of higher learning, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEA of California: A bill (H. R. 4991) authorizing superannuation disability pay for alien employees of the Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE: A bill (H. R. 4992) for the cancelation of construction and water charges outstanding against the landowners in the Yellowstone Irrigation Project No. 2; to the Committee on Irrigation and Reclamation.

By Mr. McDUFFIE: A bill (H. R. 4993) authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes; to the Committee on Insular Affairs.

By Mr. DIMOND: A bill (H. R. 4994) providing for the elimination in the Territory of Alaska of the conversion of herring into oil, meal, or fertilizer, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. MAPES: A bill (H. R. 4995) to amend the Clayton Act to prohibit unjust or unfair price discriminations; to the Committee on the Judiciary.

By Mr. MAY: Resolution (H. Res. 88) providing for the appointment of a committee of five Members of the House of Representatives to investigate conditions in the coal industry in Harlan County, Ky.; to the Committee on Rules.

By Mr. BOLAND: Resolution (H. Res. 89) to pay to Daisy C. Bruce, widow of David Bruce, 6 months' compensation and not to exceed $250 funeral expense; to the Committee on Accounts.

By Mr. McFARLANE: Resolution (H. Res. 90) to investigate the distribution of patronage under appointments of the Civil Service Commission; to the Committee on Rules.

By Mr. CONNERY: Joint resolution (H. J. Res. 141) to prohibit the use of supplies and equipment furnished by the United States to the National Guard while on service in connection with any labor dispute without express approval of the Secretary of War; to the Committee on Military Affairs.

By Mr. THOMASON: Joint resolution (H. J. Res. 142) providing for the remission of duties on certain cattle which have crossed the boundary line into foreign countries; to the Committee on Ways and Means.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to establish a national memorial park on the site of the Battle of Washita, near Cheyenne, in Roger Mills County; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRUNNER: A bill (H. R. 4996) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff; to the Committee on the District of Columbia.

By Mr. BYRNS: A bill (H. R. 4997) for the relief of the George R. Jones Co., a corporation organized under the laws of the State of New Hampshire; to the Committee on Claims.

By Mr. COOPER of Ohio: A bill (H. R. 4998) for the relief of John C. Cuthbertson; to the Committee on Military Affairs.

By Mr. EICHER: A bill (H. R. 4999) for the relief of Marie Linsenmeyer; to the Committee on Claims.

By Mr. FENERTY: A bill (H. R. 5000) for the relief of Alexander H. Vivian; to the Committee on Military Affairs.

Also, a bill (H. R. 5001) for the relief of Benjamin Franklin; to the Committee on Naval Affairs.

By Mr. FOCHT: A bill (H. R. 5002) granting an increase of pension to Margaret E. Laidig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5003) granting an increase of pension to Mary Rinard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5004) granting an increase of pension to Mary E. Dile; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5005) granting a pension to Jacob Franklin Dale; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5006) granting an increase of pension to Emma E. Clouser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5007) granting a pension to Minnie G. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5008) granting a pension to W. Grant Mellott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5009) granting a pension to William Cloyd Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5010) granting a pension to Mary C. VanZandt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5011) granting a pension to Lucretia E. Barton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5012) granting a pension to Lucy A. Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5013) granting a pension to Elizabeth S. Houtz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5014) granting a pension to Sylvia I. Whiteman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5015) granting a pension to Allen E. Heck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5016) granting a pension to William M. Atkinson; to the committee on Invalid Pensions.

Also, a bill (H. R. 5017) granting a pension to Sadie E. Goshorn; to the Committee on Invalid Pensions.

Also, a bill, (H. R. 5018) granting an increase of pension to Mary E. Mearkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5019) granting an increase of pension to Katie Kelso; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5020) granting a pension to Harvey Messerman; to the Committee on Invalid Pensions.

By Mr. GASQUE: A bill (H. R. 5021) granting a pension to Lillian T. Skinner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5022) granting a pension to Jerusha C. Howell; to the Committee on Pensions.

Also, a bill (H. R. 5023) granting a pension to Josephine Hammond; to the Committee on Pensions.

Also, a bill (H. R. 5024) granting a pension to Edgar R. Joyner; to the Committee on Pensions.

Also, a bill (H. R. 5025) granting a pension to Willie D. Miles; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 5026) for the relief of Henry W. Rust; to the Committee on Military Affairs.

Also, a bill (H. R. 5027) granting a pension to Annie Jones; to the Committee on Pensions.

By Mr. HARLAN: A bill (H. R. 5028) for the relief of Walter C. Arnold; to the Committee on Naval Affairs.

By Mr. JENKINS of Ohio: A bill (H. R. 5029) granting a pension to Clara B. Wilson; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 5030) granting an increase of pension to Alice F. Wright; to the Committee on Pensions.

Also, a bill (H. R. 5031) granting an increase of pension to Marie Schneider; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 5032) to correct and complete the military record of Carl Lindow, known also as "Carl Lindo"; to the Committee on Military Affairs.

By Mr. LEHLBACH: A bill (H. R. 5033) for the relief of the Reliable Importing Co.; to the Committee on Claims.

By Mr. LEMKE: A bill (H. R. 5034) granting a pension to Hans Simonsen; to the Committee on Pensions.

By Mr. McMILLAN: A bill (H. R. 5035) for the relief of the Carteret Street Methodist Episcopal Church South, Beaufort, S. C.; to the Committee on War Claims.

Also, a bill (H. R. 5036) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. MAPES: A bill (H. R. 5037) granting a pension to Elva Amy; to the Committee on Invalid Pensions.

By Mr. MARSHALL: A bill (H. R. 5038) for the relief of John B. H. Waring; to the Committee on Military Affairs.

By Mr. MORAN: A bill (H. R. 5039) to authorize the Secretary of Commerce to convey to Charles E. Robinson, of Isle au Haut, in the county of Knox and State of Maine, the Isle au Haut Lighthouse Reservation, Maine; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT: A bill (H. R. 5040) to authorize preliminary examination and survey of De Poe Bay, Oreg.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5041) authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

Mr. ROBSION of Kentucky: A bill (H. R. 5042) granting a pension to Leonard D. Wood; to the Committee on Pensions.

Also, a bill (H. R. 5043) granting an increase of pension to James W. Taylor; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 5044) granting a pension to Cecelia H. Shrock; to the Committee on Pensions.

By Mr. SHORT: A bill (H. R. 5045) granting a pension to Angeline Hart; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H. R. 5046) for the relief of William Gattel; to the Committee on Military Affairs.

By Mr. THOMAS: A bill (H. R. 5047) for the relief of Robert A. Dunham; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 5048) for the relief of Michael F. Clark; to the Committee on Military Affairs.

By Mr. WARREN: Resolution (H. Res. 87) to pay a gratuity to Daisy M. Bruce; to the Committee on Accounts.

PETITIONS, ETC.

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

528. By Mr. BRUNNER: Resolution of the Woodside Civic Association, Woodside, Long Island, N. Y., in the interest of 8,000 home owners who have made applications for Home Owners' Loan Corporation loans, urging Congress to put forth and enact such legislation which will take care of as many of those distressed cases as are worthy of consideration; to the Committee on Banking and Currency.

529. By Mr. BUCKLER of Minnesota: Petition of Andie Peterson, adjutant, and members of the Irvin Blix Post, No. 16, of the American Legion, department of Minnesota, mostly all citizens of Bagley and vicinity in Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

530. Also, petition of George Big Bear and 260 other members of the Chippewa Band of Indians, all residents of the White Earth Reservation of Minnesota, praying for legislation to give each enrolled member of the tribe a payment of $50 from their tribal funds; to the Committee on Indian Affairs.

531. By Mr. CHAPMAN: Petition of Jane Vires, Newton Angel, Clayborn Johnson, Minerva Campbell, and 16 other citizens of Lone, Lee County, Ky., urging the enactment of old-age pension as embodied in House bill 2856; to the Committee on Ways and Means.

532. Also, petition of Mrs. Joe Monroe, Mrs. Margaret Hillard, and Mrs. Martha Carrier, Harrodsburg, Mercer County, Ky., urging the enactment of old-age pension as embodied in House bill 2856; to the Committee on Ways and Means.

533. Also, petition of Charlie Stanley, Chill Chadwick, Catherine Skiles, May Ball, and 15 other citizens of Henry County, Ky., urging the enactment of old-age pension as embodied in House bill 2658; to the Committee on Ways and Means.

534. By Mr. CULLEN: Petition of the National Guard Association of the State of New York, petitioning Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36 any provision or proviso which in any way might or could affect the right to Federal pay and allowances or Federal recognition of any member of the National Guard of the State of New York qualified to serve therein pursuant to the provisions of the National Defense Act and the military law of the State of New York; to the Committee on Military Affairs.

535. By Mr. CUMMINGS: Memorial of the General Assembly of the State of Colorado, favoring the immediate cash payment to veterans of the World War of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

536. By Mr. FORD of California: Resolution of the Greater Hoover Boulevard Improvement Association, Los Angeles, Calif., petitioning the city council, Board of Supervisors of Los Angeles County, the State of California, and the Federal Government to allocate necessary funds, maps, plans, and specifications to widen Hoover Boulevard from Thirty-second Street to the northerly extremity without assessment to the district; to the Committee on Roads.

537. Also, Joint Resolution No. 4 of the California Assembly, memorializing the President and Congress to enact old-age-pension legislation; also Joint Resolution No. 9, California Assembly, memorializing the President and Congress to enact legislation to provide for a working week of not more than 5 days of 6 hours each, without any corresponding reduction in the present compensation or salary; to the Committee on Labor.

538. By Mr. GUYER: Petition of citizens of the Second Congressional District of Kansas, asking support for national old-age pensions as provided by House bill 2856; to the Committee on Ways and Means.

539. Also, petition of citizens of the Second District of Kansas, urging enactment of House bill 2856; to the Committee on Ways and Means.

540. By Mr. KENNEY: Resolution of the New Jersey State Horticultural Society, favoring all moves to reduce restrictions of all kinds on our export trade; to the Committee on Interstate and Foreign Commerce.

541. By Mr. KIMBALL: Petition of citizens of the Third District of Michigan, favoring legislation for the Townsend plan of old-age pensions; also a Federal transaction sales tax calculated to produce revenue to meet requirements of such pensions; to the Committee on Pensions.

542. By Mr. KERR: Petition of the General Assembly of the State of North Carolina, requesting Congress to pass an act authorizing the immediate payment to veterans of the World War the face value of their adjusted-service certificates; to the Committee on Ways and Means.

543. By Mr. KVALE: Resolutions adopted by the Minnesota Labor Association, at their first annual convention held at Montevideo, Minn., urging enactment of legislation to bring about social, agricultural, and veteran relief; to the Committee on Ways and Means.

544. By Mr. LUNDEEN: Petition of the Oakwood Precinct Old Age Townsend Pension Club of Columbia Heights, Minneapolis, Minn., urging the enactment of the Townsend old-age pension bill; to the Committee on Ways and Means.

545. Also, petition of teachers and school employees of Minneapolis, Minn., urging Federal aid for schools to the amount of at least $25 per pupil; to the Committee on Appropriations.

546. By Mr. MEAD: Petition of the National Guard Association of New York State, asking Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36 any provision which in any way might affect the right to Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

547. By Mr. MERRITT of New York: Resolution passed by Second Division Post, No. 860, American Legion, New York, endorsing House bill 3896, introduced by Hon. FRED M. VINSON of Kentucky, in behalf of payment of adjusted-service certificates; to the Committee on Ways and Means.

548. Also, resolutions adopted by Hornell Division No. 83, Buffalo Division No. 84, Rochester Division No. 149, and Port Jervis Division No. 82, of the Order of Benefit Association of Railway Employees, appealing to Congress to support to the fullest extent enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator and covered in the Pettengill bill (H. R. 8100) introduced at the last session of Congress; to the Committee on Interstate and Foreign Commerce.

549. By Mr. MILLARD (by request): Resolution of the Rahman-De Bella Post of the American Legion, urging the immediate payment of the bonus; to the Committee on Ways and Means.

550. Also, resolution adopted by the Joyce Kilmer Council, No. 1177, Knights of Columbus, Suffern, N. Y., protesting certain alleged acts of the national revolutionary party in Mexico; to the Committee on Foreign Affairs.

551. By Mr. PARKS: Petition regarding old-age pension; to the Committee on Pensions.

552. Also, petition of numerous citizens of Arkansas, protesting enactment of any laws taxing gasoline or lubricating oils or the renewing of any such taxes; to the Committee on Ways and Means.

553. By Mr. PFEIFER: Petition of the National Guard Association of the State of New York, at their convention at Albany, January 19, 1935, concerning appropriation in the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36; to the Committee on Appropriations.

554. Also, petition of Knights of Columbus, Lexington Council No. 293, New York City, protesting against the persecution of religious people in Mexico; to the Committee on Foreign Affairs.

555. By Mr. ROGERS of Oklahoma: Petitions from 853 citizens and residents of Okfuskee, Alfalfa, McIntosh, Pushmataha, Le Flore, and Logan Counties, Okla., urging the enactment of House bill 2856 embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

556. By Mr. SANDERS of Texas: Petitions of numerous citizens of Rusk, Van Zandt, Panola, Wood, Smith, and Gregg Counties, Tex., urging passage of old-age pension as embodied in House bill 2856, by Hon. WILL ROGERS of Oklahoma; to the Committee on Ways and Means.

557. By Mr. SUTPHIN: Petition of the Title Abstracters' Association of New Jersey, favoring the continuance of white collar service projects under the Federal Emergency Relief; to the Committee on Appropriations.

558. Also, petition of the New Jersey Horticultural Society, heartily favoring moves to reduce restrictions of all kinds on export trade and praying for the support of Congress with a view to such an end; to the Committee on Interstate and Foreign Commerce.

559. By Mr. TARVER: Petitions of Mrs. Mollie Ayers and 19 other citizens of Haralson County, Mrs. W. H. Tudor and 9 other citizens of Chattooga County, James W. Riley and 15 other citizens of Walker County, George Bennett and 19 other citizens of Bartow County, Mrs. D. E. Daniel and 19 other citizens of Floyd County, D. E. Daniel and 18 other citizens of Floyd County, and J. H. Caldwell and 22 citizens of Floyd County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

560. Also, petitions of R. L. Hyde and 20 other citizens of Floyd County, J. J. Wallace and 29 other citizens of Floyd County, S. B. White and 10 other citizens of Cobb County, S. P. Cobb and 20 other citizens of Polk County, L. C. Warnock and 43 other citizens of Walker County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

561. By Mr. TRUAX: Petition of Independent Order, Sons of Italy, Grand Lodge of Ohio, Cleveland, Ohio, by their secretary, G. R. Venditti, urging that Congress enact a Federal system of genuine unemployment insurance as contained in the workers act (H. R. 2827); to the Committee on Labor.

562. Also, petition of United Brick and Clay Workers, Local No. 473, by their secretary, David Reiger, Dover, Ohio, requesting the Honorable ROBERT F. WAGNER, of the State of New York, to again introduce his labor-disputes bill in its original form at the convening session of Congress; to the Committee on Labor.

563. Also, petition of United Rubber Workers Federal Labor Union, composed of approximately 7,600 employees of the B. F. Goodrich Tire & Rubber Co., Akron, Ohio, by their president, S. H. Dalrymple, requesting the immediate and full payment of the veterans' adjusted-compensation certificates; to the Committee on Ways and Means.