

894. Also, petition signed by 29 citizens of Douglas County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

895. Also, petition signed by 589 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

896. Also, petition signed by 761 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

897. By Mr. PFEIFER: Petition of the Commercial Cable Staffs' Association, New York City, opposing mergers in the communications field; to the Committee on Interstate and Foreign Commerce.

898. Also, petition of Verhovay Aid Association, Pittsburgh, Pa., favoring certain bills introduced in Congress providing for unemployment insurance, old-age insurance, etc.; to the Committee on Ways and Means.

899. Also, petition of the Minnesota Society, Sons of the American Revolution, to prevent the dissemination of communistic propaganda; to the Committee on the Judiciary.

900. By Mr. RANDOLPH: Petition of citizens from 11 counties of the Second West Virginia Congressional District, relative to passage of old-age pension legislation; to the Committee on Ways and Means.

901. By Mr. TAYLOR of Tennessee: Petition of W. M. Anderson and others of Knoxville, A. J. Creech and others of Habersham, A. J. Tidwell and others of Jacksboro, R. F. Lane and others of Clinton, A. L. Malone and others of Maynardville, P. Thompson and others of Winfield, J. E. Sweet and others of Fountain City, and J. M. Harmon and others of LaFollette, Tenn., favoring old-age pensions; to the Committee on Ways and Means.

902. By Mr. TARVER: Petition of W. R. Henton and 50 other citizens, of Floyd County, and W. H. Ballew and 19 other citizens, of Murray County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

903. By Mr. TINKHAM: Petitions of residents of Massachusetts, favoring the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

904. By the SPEAKER: Petition of the American Science Foundation, Kansas City, Mo., urging immediate payment of the bonus; to the Committee on Ways and Means.

905. Also, petition of the National Association of Real Estate Boards, regarding the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

906. Also, petition of the city of Portland, Oreg., urging repeal of section 15 of the present air-mail act; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 7, 1935

The Chaplain, Rev. Zebarny T. Phillips, D. D., offered the following prayer:

Eternal Father, creator and preserver of our life, who sleepest not, yet givest sleep to all the creatures of Thy hand; we yield Thee humble thanks for Thy sheltering care during the night that is past, as, with grateful hearts, we rise on the wings of the morning to meet Thy blessing.

Lead us this day to the door of utter self-surrender to Thy will, that we may find the Christ and walk with Him the way of life. Grant us to covet with a fervent mind only those things that shall be pleasing unto Thee, and give us grace that we may wisely ponder them, truly know them, and perfectly fulfill them to Thy honor and glory and the benefit of our beloved country, to the service of which we gladly dedicate our all. We ask it in the name of Jesus Christ, our Lord and Savior. Amen.

THE JOURNAL

The legislative clerk proceeded to read the Journal of the proceedings of Wednesday, February 6, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

Mr. BORAH. I desire to announce the necessary absence of my colleague [Mr. POPE] on account of illness, and ask that this announcement stand for the day.

Mr. LEWIS. I announce the absence of the junior Senator from Louisiana [Mr. OVERTON], caused by illness; the absence of my colleague the junior Senator from Illinois [Mr. DIETRICH], who has been called on official business to the State of Illinois; and the absence of the Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR], who are engaged on business of the Senate in connection with the Philippine Commission.

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent on business of the Senate in connection with the Philippine Commission.

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

REPORT OF THE BELLEAU WOOD MEMORIAL COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the honorary president of the Belleau Wood Memorial Association, transmitting, pursuant to law, a report of the association for the year ended December 31, 1934, which, with the accompanying report, was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Nevada, memorializing Congress to enact legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. MCCARRAN on the 6th instant, p. 1509, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of New Hampshire, relating to taxation by the Federal Government of net income from the sale of liquor by the State, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. KEYES on the 4th instant, pp. 1417-1418, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to provide relief for farmers in drought-stricken agricultural areas in Wisconsin, which was ordered to lie on the table.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 1629.)

The VICE PRESIDENT also laid before the Senate a resolution of the Legislature of the State of Nebraska, memorializing Congress to enact legislation establishing General Pulaski's Memorial Day, for the observance and commemoration.

ration of the death of Brig. Gen. Casimir Pulaski, which was referred to the Committee on the Judiciary.

(See resolution printed in full when presented on yesterday by Mr. NORRIS, p. 1510, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Cleveland, Ohio, protesting against the adoption of a policy suggested in an official Government bulletin, setting forth a segregation plan to be instituted in Cedar-Central housing project no. 1001, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of P. W. Harms and several other citizens of Berkeley, Calif., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a letter from Hon. F. A. DELGADO, Philippine Resident Commissioner to the United States, embodying the résumé of a resolution received from Gen. Emilio Aguinaldo, head of the Veterans of the Philippine Revolution, and adopted by that organization, favoring the granting of Philippine independence within 5 years, and protesting against certain alleged remarks made in Paris by the Senator from Maryland [Mr. TYDINGS] to the effect that the Filipino people made a mistake in demanding independence, and also protesting against an alleged statement of Commissioner GUEVARA favoring the establishment of a protectorate for 25 years over the Philippine Islands, which was referred to the Committee on Territories and Insular Affairs.

Mr. SHIPSTEAD presented resolutions adopted by members of the United States Old-Age Pension Association, of Cottonwood County, at Windom, Minn., favoring the enactment of old-age-pension legislation, operating through a revolving fund as outlined in the so-called "Townsend plan", which were referred to the Committee on Finance.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Appropriations:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress to enact a highway-safety program

Whereas over 750,000 motor-vehicle accidents in the United States each year cause the death of almost 35,000 persons, injuries to over 1,000,000 of our citizens, and property losses estimated at over \$1,000,000,000; and

Whereas improvements of our highways, with the objective of safety, such as widening of shoulders, culverts, and bridges, thus minimizing dangers of ditches and end walls, easing sharp curves and turns, banking flat curves, increasing vision at intersections and curves and elimination of other traffic hazards, will decrease this appalling toll; and

Whereas such a program would furnish employment to hundreds of thousands of our citizens; and

Whereas the Federal program known as the "C. C. C." is one of the most popular throughout the country: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Wisconsin Legislature respectfully urges the serious consideration by the President and the Congress of a program to be known as the "highway safety corps", patterned after the C. C. C., to carry out a highway-safety program, thus accomplishing much needed improvements of our highways and providing employment, which program would pay large dividends to the public by cutting down the staggering cost of motor-vehicle accidents, now causing deaths and injuries comparable to our casualties in the World War; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States and the United States Senators and Representatives from Wisconsin.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. LA FOLLETTE also presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution relating to memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin

Whereas the foremost industry in Wisconsin is dairying, and its farm population is dependent almost entirely on this source of income for its existence; and

Whereas the dairy herds of the State have been bred up and developed to a standard of excellence that has gained them not only national but international reputation; and

Whereas, due to one of the worst droughts in the history of the State, early season crops and small grains were ruined in large areas in the northern part of the State and in many smaller areas throughout the rest of the State; and

Whereas the critical situation of the farmers was accentuated by succeeding forest fires and killing August frosts; and

Whereas many thousands of farmers in this State have been forced to reduce their herds to less than will warrant support of the average farm family, and are still in need, and must obtain help to feed their remaining cattle; and

Whereas the constructive work that has been done through the toll of these people over a period of many years should not now be jeopardized for want of the necessary credit: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully memorializes the Congress of the United States to provide the necessary machinery and credit to provide loans and relief to the drought-stricken farmers of Wisconsin upon satisfactory terms: Be it further

Resolved, That the properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to enact the pending so-called "billion-dollar Home Owners' Loan Corporation bill", which was referred to the Committee on Banking and Currency.

(See joint resolution printed in full when presented by Mr. DUFFY on yesterday, p. 1509, CONGRESSIONAL RECORD.)

TOWNSEND OLD-AGE-PENSION PLAN

Mr. BORAH. I present a number of petitions with regard to old-age pensions having particular reference to the Townsend plan. I ask that the body of one of the petitions may be printed in the RECORD and that they be referred to the Committee on Finance.

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

The petitions presented by Mr. BORAH, numerous signed by sundry citizens of the State of Idaho, praying for the adoption of the so-called "Townsend old-age revolving pension plan", were referred to the Committee on Finance, and the body of one of the petitions was ordered to be printed in the RECORD, as follows:

To the Honorable W. E. BORAH,
Senator, State of Idaho:

The undersigned citizens of the United States request you to introduce in the Congress of the United States at your earliest opportunity the following bills and use your utmost effort to obtain their passage into law:

First. A bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of \$200 until the end of his or her life upon the sole conditions that he or she retires from all further business or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received.

Second. A bill creating a Nation-wide Federal transaction sales tax calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of bill no. 1.

It is obvious that the passage of these acts and the beginning of their operation will discharge the Nation's obligation to a class of her citizens deserving this reward for past services and at the same time place immediate buying power in the hands of the general public, thus stimulating every avenue of commerce and trade. A quick cure for this depression and a sure prevention of recurring ones.

REPORTS OF COMMITTEES

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 890) for the relief of Michael J. Moran, reported it without amendment and submitted a report (No. 65) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 891) for the relief of Hector H. Perry, reported it without amendment and submitted a report (No. 66) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 888) for the relief of Joseph Gorman, reported it without amendment and submitted a report (No. 67) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 889) for the relief of Albert A. Marquardt, reported it without amendment and submitted a report (No. 68) thereon.

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 887) for the relief of Edward T. Costello, reported it without amendment and submitted a report (No. 69) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1309) to amend section 114 of the Judicial Code to provide for terms of District Court for the Western District of Wisconsin to be held at Wausau, Wis., and for other purposes, reported it without amendment.

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. ROBINSON:

A bill (S. 1732) for the relief of certain persons whose cotton was destroyed by fire at Kingsland, Ark.; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 1733) for the relief of O. C. Stewart; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 1734) for the relief of Troy E. Wyatt; to the Committee on Claims.

By Mr. REYNOLDS:

A bill (S. 1735) for the relief of the estate of W. W. McPeters; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 1736) to provide for the purchase and sale of farm products; to the Committee on Agriculture and Forestry.

A bill (S. 1737) to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. NORBECK:

A bill (S. 1738) granting an increase of pension to Lovina Kenyon;

A bill (S. 1739) granting a pension to Charles H. Carpenter;

A bill (S. 1740) granting a pension to Charlie Kills-In-Sight or Kills in;

A bill (S. 1741) granting a pension to Augustine Whitebird;

A bill (S. 1742) granting a pension to Martin Suppan;

A bill (S. 1743) granting a pension to Running Grouse;

A bill (S. 1744) granting an increase of pension to Mary C. Booth;

A bill (S. 1745) granting a pension to Mattie Gilbertson;

A bill (S. 1746) granting a pension to Lightning;

A bill (S. 1747) granting a pension to Martin Erikson;

A bill (S. 1748) granting a pension to Anthony Penson;

A bill (S. 1749) granting a pension to Emily S. Marlett;

A bill (S. 1750) granting an increase of pension to Louisa J. Rubendall;

A bill (S. 1751) granting a pension to Harriett Warne;

A bill (S. 1752) granting a pension to Howard J. Sheehan;

A bill (S. 1753) granting an increase of pension to Anna Olson;

A bill (S. 1754) granting a pension to William H. Holt;

A bill (S. 1755) granting an increase of pension to Annie Remmert;

A bill (S. 1756) granting a pension to Mabel Parker;

A bill (S. 1757) granting a pension to Mrs. Daniel Ojinca, or Bobtail Bull;

A bill (S. 1758) granting a pension to C. F. Hall, or Holley;

A bill (S. 1759) granting an increase of pension to Hugh M. Jones;

A bill (S. 1760) granting a pension to Ben C. Ash; and

A bill (S. 1761) granting a pension to Mary J. Driscoll; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 1762) for the relief of George B. Pfeiffer; to the Committee on Claims.

A bill (S. 1763) to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930; to the Committee on Finance.

(By request.) A bill (S. 1764) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

(By request.) A bill (S. 1765) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; and

(By request.) A bill (S. 1766) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 1767) to amend section 751 of subchapter XII of the Code of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 1768) for the payment of the claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 1769) for the relief of Percy C. Wright; to the Committee on Military Affairs.

A bill (S. 1770) for the relief of Thomas T. Gessler; to the Committee on Naval Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 52) to authorize the erection on public grounds in the District of Columbia of a stone marker designating the zero milestone of the Jefferson Davis National Highway; to the Committee on the Library.

MORTGAGE AND HOUSING RELIEF

Mr. FLETCHER introduced a bill (S. 1771) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. FLETCHER. Mr. President, at this point in the RECORD I ask that a memorandum on the proposed home-loan and housing legislation may be printed.

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

MEMORANDUM ON PROPOSED HOME-LOAN AND HOUSING LEGISLATION

(1) Section 1 amends section 2, subsection 6 of the Federal Home Loan Bank Act so as to make mortgages on 4-family houses instead of 3-family houses eligible as collateral in Federal home-loan banks. This is done to conform with the provisions in Home Owners' Loan Act of 1933 and the National Housing Act.

(2) Section 2 amends section 6, subsection (k) of said act, so as to provide for dividends on Federal home-loan bank stock without preference. This is done so as to encourage these banks to lend money at lower rates and to induce member institutions to lend more money and at lower rates.

(3) Section 3 amends section 7, subsections (a), (b), and (c) of said act so as to reduce the directorate of Federal home-loan banks from 11 to 9 and so as to provide for 3 directors to be appointed by the Federal Home Loan Bank Board, instead of 2, with 6 to be elected instead of 9. This is done to reduce the expense of operating the banks, to provide for the appointment of more public-interest directors in consideration of the Government investment, and so as to conform to land bank and Federal Reserve bank directorates.

(4) Section 4 amends section 10, subsection (a) of said act, so as to permit Federal home-loan banks to make long-term loans on Government obligations and obligations guaranteed by the Government, as well as on mortgage collateral. This is done to encourage member institutions to borrow on Home Owners' Loan Corporation bonds on long term for relending.

(5) Section 5 amends section 10, subsection (b) of said act, so as to make mortgages having a maturity up to 20 years eligible as collateral and so as to make mortgages up to \$20,000 in amount instead of mortgages on property valued at \$20,000 eligible as col-

lateral. This is done to conform to the insured mortgage under the National Housing Act and the Federal Savings and Loan Association mortgage.

(6) Section 6 amends section 13 of said act, so as to give consolidated Federal home-loan bank bonds or debentures the same tax status as the bonds of individual Federal home-loan banks. This is done to correct an oversight in the legislation last year.

(7) Section 7 amends section 19 of said act to provide for the receipts of the Federal Home Loan Bank Board from assessments on Federal home-loan banks and for examination of Federal Savings and Loan Association and other receipts to be deposited in the United States Treasury and withdrawn for expenses. This is done to provide the necessary flexibility for handling funds collected for examination and supervision, as is already provided by law for the Federal Reserve Board and the Comptroller of the Currency.

(8) Section 8 amends section 4, subsection (c) (1) of Home Owners' Loan Act of 1933 so as to increase the authorized bond issue of Home Owners' Loan Corporation from \$3,000,000,000 to \$4,500,000,000 and so as to give slightly more flexibility in calling in and retiring bonds. This is done to provide the Corporation with additional resources in its effort to assist individual home owners and to assist in solving the home-mortgages problem.

(9) Section 9 amends section 4, subsection (m) of said act by increasing from \$300,000,000 to \$400,000,000 the total amount which may be used for repairs and improvements.

(10) Section 10 amends section 4 of said act so as to authorize the Corporation to buy Federal home-loan bank bonds or debentures or Federal Savings and Loan Association shares. The purchase of such shares is placed on the same basis as the Secretary of the Treasury now buys the same; \$250,000,000 of the resources of the Corporation is made available for this purpose. This is done to enable the Corporation to provide funds to expedite normal mortgage lending by providing cheaper money for the Federal home-loan banks than can be obtained in the market and by encouraging the development of these thrift associations.

(11) Section 11 amends section 6 of said act so as to transfer \$200,000 heretofore appropriated for the purchase of Federal Savings and Loan Association shares to a fund for the continued development of Federal Savings and Loan Associations. This is done to enable the Board to continue the development of these associations and to expedite the use of private funds as well as Government funds in lending through such associations on homes.

(12) Section 12 amends section 8, subsection (d) of said act, which is the criminal section, by adding several sections of the United States Code so as to make it a Federal offense when dealing with an official or employee of Home Owners' Loan Corporation as it would be when dealing with a Government employee or official. The purpose of this is to prevent frauds against the Corporation and its property and in connection with its operations.

(13) Section 13 amends section 8 of said act so as to make it a criminal offense to charge a borrower the difference between the market value and par value of Home Owners' Loan Corporation bonds. This is done to prevent oppression of applicants for loans.

(14) Section 14 amends section 402, subsection (c), paragraph (5) of the National Housing Act, affecting Federal Savings and Loan Insurance Corporation by giving that Corporation the use of the mails and providing for its expenditures. This is done to correct an oversight in the original legislation.

(15) Section 15 amends section 403, subsection (b) of the National Housing Act, affecting said Insurance Corporation by extending from 10 years to 20 years the period during which insured institutions are required to build their maximum reserves, and by permitting an insured institution to pay dividends in any 1 year when losses are chargeable to reserves, if such are approved by the Insurance Corporation. The purpose of this is to make the insurance easier to carry and to enable insured institutions to lend at lower rates.

(16) Section 16 amends section 403, subsection (d) of the National Housing Act, affecting said Insurance Corporation, to provide for an admission fee after the first year, measured by the reserves of the Insurance Corporation. This is to correct an error in the legislation of last year.

(17) Section 17 amends section 404, subsection (a) of the National Housing Act, affecting said Insurance Corporation by changing the required annual insurance premium from one-fourth of 1 percent to one-eighth of 1 percent, and changing the additional assessment which may be made from one-fourth of 1 percent to one-eighth of 1 percent of the total amount in insured accounts, plus creditor obligations. This is done for the purpose of reducing the cost of insurance and to enable insured institutions to lend money at lower rates.

(18) Section 18 amends section 406 of the National Housing Act, affecting said Insurance Corporation, so as to give it power to make loans to, buy the assets of, or make a contribution to an insured institution, in its discretion, to prevent defaults. This is done to give the Insurance Corporation greater flexibility and enable it better to protect itself in connection with its insurance contracts.

(19) Section 19 amends the last sentence of section 2 of the National Housing Act, which is a part of title I, providing for modernization loans, so as to authorize the Federal Housing Administrator to insure not only \$2,000 advanced on ordinary property, but also to insure up to \$50,000 advances for financing alterations, repairs, and improvements upon apartment houses, hotels, office buildings, hospitals, commercial buildings, manufacturing and industrial plants, including installation of new permanent

equipment and machinery in such manufacturing and industrial plants. This is done for the purpose of enabling the Administrator by insurance to promote work on large buildings.

(20) Section 20 amends section 301, subsection (d), of the National Housing Act so as to reduce the required capital of national mortgage associations from \$5,000,000 to \$2,000,000. This is done to make it easier to organize these associations.

(21) Section 21 amends section 302 of the National Housing Act so as to permit national mortgage associations to issue debentures up to 15 times the aggregate par value of outstanding capital stock instead of 10 times as at present.

(22) Section 22 requires expenditures of Home Owners' Loan Corporation, Federal Savings and Loan Insurance Corporation, and Federal Housing Administration to be submitted to the Director of the Budget for his approval before obligations are incurred or expenditures made, and provides for the Secretary of the Treasury to prescribe by regulations the method of keeping a record of such. This is done to give the Director of the Budget and the Secretary of the Treasury control over expenditures.

AMENDMENT OF GENERAL LEASING ACT

Mr. O'MAHONEY. I introduce a bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", and so forth, which I ask may be referred to the Committee on Public Lands and Surveys and published in full in the Record.

There being no objection, the bill (S. 1772) to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended, was read twice by its title, referred to the Committee on Public Lands and Surveys, and ordered to be printed in the Record, as follows:

A bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended

Be it enacted, etc., That sections 13, 14, 17, and 28 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended, are amended to read as follows:

"Sec. 13. That the Secretary of the Interior is hereby authorized, until and including July 1, 1935, but not thereafter, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this act a prospecting permit, which shall give the exclusive right, for a period not exceeding 2 years, to prospect for oil or gas upon not to exceed 2,560 acres of land wherein such deposits belong to the United States, and are not within any known geological structure of a producing oil or gas field upon condition that the permittee shall begin drilling operations within 6 months from the date of the permit, and shall, within 1 year from and after the date of permit, drill one or more wells for oil or gas to a depth of not less than 500 feet each, unless valuable deposits of oil or gas shall be sooner discovered, and shall, within 2 years from date of the permit, drill for oil or gas to an aggregate depth of not less than 2,000 feet unless valuable deposits of oil or gas shall be sooner discovered. The Secretary of the Interior may, if he shall find that the permittee has been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding 2 years, and upon such conditions as he shall prescribe: *Provided*, That no extension of any permit shall be granted under the authority of this act or of any other act after July 1, 1935. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filing his application for permit, locate such lands in a reasonably compact form and according to the legal subdivisions of the public land surveys if the land be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times its width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than 4 feet high, at some conspicuous place thereon, and shall post a notice in writing on or near said monument, stating that an application for permit will be made within 30 days after date of posting said notice, the name of the applicant, the date of the notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the land, stating the amount thereof in acres, he shall during the period of 30 days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within 90 days after receiving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground, and shall post in a conspicuous place upon the lands a notice that such permit has been granted and a description of the lands covered thereby: *Provided*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding 4 years, actual drilling operations shall begin within

2 years from date of permit, and oil and gas wells shall be drilled to a depth of not less than 500 feet, unless valuable deposits of oil or gas shall be sooner discovered, within 3 years from date of the permit and to an aggregate depth of not less than 2,000 feet unless valuable deposits of oil or gas shall be sooner discovered, within 4 years from date of permit: *Provided further*, That in said Territory the applicant shall have a preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for 6 months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit: *And provided further*, That any person holding a permit to prospect for oil or gas, issued under this act or extended under the authority of this or any other act in force on or after July 1, 1935, or for which timely and acceptable application for extension shall have been filed prior to said date, shall have the right prior to the termination of such permit to exchange the same for a lease to the area described in the permit without proof of discovery, at a royalty of not less than 12½ percent or value of the production, to be determined by the Secretary of the Interior by general rule and under such other conditions as are fixed in section 17 of this act."

"Sec. 14. That upon establishing to the satisfaction of the Secretary of the Interior that valuable deposits of oil or gas have been discovered within the limits of the land embraced in any permit, the permittee shall be entitled to a lease for one-fourth of the land embraced in the prospecting permit: *Provided*, That the permittee shall be granted a lease for as much as 160 acres of said lands, if there be that number of acres within the permit. The area to be selected by the permittee shall be in compact form and, if surveyed, to be described by the legal subdivisions of the public-land surveys; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease in accordance with rules and regulations to be prescribed by the Secretary of the Interior, and the lands leased shall be conformed to and be taken in accordance with the legal subdivisions of such surveys; deposits made to cover expense of surveys shall be deemed appropriated for that purpose, and any excess deposits may be repaid to the person or persons making such deposit or their legal representatives. Such leases shall be for a term of 20 years upon a royalty of 5 percent in amount or value of the production and the annual payment in advance of a rental of \$1 per acre, the rental paid for any one year to be credited against the royalties as they accrue for that year, and shall continue in force as prescribed in section 17 hereof for leases issued prior to July 1, 1935. The permittee shall also be entitled to a preference right to a lease for the remainder of the land in his prospecting permit at a royalty of not less than 12½ percent in amount or value of the production, and under such other conditions as are fixed for oil or gas leases issued under section 17 of this act, the royalty to be determined by competitive bidding or fixed by such other method as the Secretary may by regulations prescribe: *Provided*, That the Secretary shall have the right to reject any or all bids."

"Sec. 17. All lands subject to disposition under this act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior after July 1, 1935, to the highest responsible qualified bidder by competitive bidding under general regulations. Such lands shall be leased in units of not exceeding 640 acres, which shall be as nearly compact in form as possible. Such leases shall be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall be not less than 12½ percent nor more than 25 percent in amount or value of the production, and the payment in advance of a rental to be fixed in the lease of not less than 25 cents per acre per annum, which rental shall not be waived, suspended, or reduced unless and until a valuable deposit of oil or gas shall have been discovered within the lands leased: *Provided*, That the rental paid for any one year shall be credited against the royalties as they accrue for that year."

"The Secretary of the Interior, for the purpose of more properly conserving the oil or gas resources of any area, field, or pool, shall also require that leases hereafter issued be conditioned upon an agreement by the lessee to operate under such a cooperative or unit plan for the development and operation of any such area, field, or pool, as he may approve or prescribe."

"Leases hereafter issued under this section shall be for a period of 5 years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are not within any known geological structure of a producing oil or gas field, and for a period of 10 years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are within any known geological structure of a producing oil or gas field: *Provided*, That no such lease shall be deemed to expire by reason of suspension of prospecting, drilling, or production pursuant to any order of the said Secretary: *Provided further*, That no lease on lands not within any known geological structure of a producing oil or gas field shall be issued if the Secretary shall find upon certification to him by the Director of the Geological Survey that there is no reasonable prospect of the discovery of oil or gas on the lands for which application is made: *And provided further*, That the person first making application for the lease of any lands not within any known geological structure of a producing oil or gas field who is qualified to hold a lease under this act shall during the period of 30 days after the filing of such application be entitled to a preference right over others to a lease of such lands without competitive bidding."

"Leases issued prior to July 1, 1935, under the authority of this act shall continue for a period of 20 years, with the preferential right in the lessee to renew the same for successive periods of 10 years upon such reasonable terms and conditions as may be prescribed by the Secretary of the department having jurisdiction thereof, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That any such lease that has become the subject of a cooperative or unit plan of development or operation, or other plan for the conservation of the oil and gas of a single area, field, or pool, which plan has the approval of the Secretary of the department or departments having jurisdiction over the Government lands included in said plan as necessary or convenient in the public interest, shall continue in force beyond said period of 20 years until the termination of such plan: *And provided further*, That said Secretary or Secretaries shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance."

"Any cooperative or unit plan of development and operation, which includes lands owned by the United States, shall contain a provision whereby authority, limited as therein provided, is vested in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under said plan. The Secretary of the Interior is authorized, whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order to suspend or modify the drilling or producing requirements of any oil and gas lease not subject to such a cooperative or unit plan, and no lease shall be deemed to expire by reason of the suspension of production pursuant to any such order."

"Whenever it appears to the Secretary of the Interior that wells drilled upon lands not owned by the United States are draining oil or gas from lands or deposits owned in whole or in part by the United States, the Secretary of the Interior is hereby authorized and empowered to negotiate agreements whereby the United States or the United States and its permittees, lessees, or grantees shall be compensated for such drainage."

"Whenever the average daily production of the oil wells on an entire leasehold or on any tract or portion thereof segregated for royalty purposes shall not exceed 10 barrels per well per day, the Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of oil and in the interest of conservation of natural resources, is authorized to reduce the royalty on future production when, in his judgment, the wells cannot be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases issued under this act not included in an approved cooperative or unit plan of development and operation."

"Any lease issued after July 1, 1935, under the provisions of this section, except those earned as a preference right as provided in section 14 hereof, shall be subject to cancellation by the Secretary of the Interior after 30 days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas. Such notice in advance of cancellation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered such notice shall also be posted for a period of 30 days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such leased land then in the post office nearest such land. Leases covering lands known to contain valuable deposits of oil or gas shall be canceled only in the manner provided in section 31 of this act."

"Sec. 28. That rights-of-way through the public lands, including the forest reserves of the United States may be granted by the Secretary of the Interior for pipe-line purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this act, to the extent of the ground occupied by the said pipe line and 25 feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, and/or purchase without discrimination, on a 100-percent volume-measurement basis, oil and/or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: *Provided*, That the Government shall in express terms reserve and shall provide in every lease of oil lands hereunder that the lessee, assignee, or beneficiary, if owner or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government, or of any citizen or company not the owner of any pipe line, operating a lease or purchasing gas or oil under the provisions of this act: *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and conditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding."

SEC. 2. (a) That the Secretary of the Interior is authorized to issue new leases to lessees holding oil or gas leases under any of the provisions of this act at the time this amendatory act becomes effective, such new leases to be in lieu of the leases then held by such lessees and to be at a royalty rate of not less than 12½ percent in amount or value of the production, and upon such other terms and conditions as the Secretary of the Interior shall by general rule prescribe.

(b) Nothing contained in this amendatory act shall be construed to affect the validity of oil and gas prospecting permits or leases previously issued under the authority of the said act of February 25, 1920, as amended, and in existence at the time this amendatory act becomes effective, or impair any rights or privileges which have accrued under such permits or leases.

SEC. 2. That the provisions of this amendatory act shall not be in force and effect until July 1, 1935.

DELIVERY OF OBLIGATIONS UNDER FOREIGN-DEBT AGREEMENTS

Mr. SHIPSTEAD introduced a joint resolution (S. J. Res. 53) directing the Secretary of the Treasury to request the delivery of marketable obligations under foreign debt-funding agreements, which was read twice by its title and ordered to lie on the table.

Mr. SHIPSTEAD subsequently said: Mr. President, this morning I introduced a joint resolution and asked that it lie on the table. I now ask unanimous consent that the joint resolution be printed in the RECORD, and with the resolution paragraph 7, appearing on page 259 of the document entitled "Combined Annual Reports of the World War Foreign Debt Commission—With Additional Information Regarding Foreign Debts Due the United States—Fiscal Years 1922, 1923, 1924, 1925, and 1926."

There being no objection, the joint resolution (S. J. Res. 53) was ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of the Treasury is authorized and directed to request any foreign government which has heretofore entered into an agreement for the funding of the indebtedness of such government to the United States to issue, in exchange for the bonds issued under such agreements and held by the United States, definitive engraved bonds in form suitable for sale to the public, in accordance with the terms of such agreement.

Also, there being no objection, the matter referred to by Mr. SHIPSTEAD was ordered to be printed in the RECORD, as follows:

7. Exchange for marketable obligations: France will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. France will deliver definitive engraved bonds to the United States in accordance herewith within 6 months, or receiving note of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in France, will first offer them to France for purchase at par and accrued interest, if any, and France shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. France agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in France, or elsewhere, and that if requested by the Secretary of the Treasury of the United States it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

WORK RELIEF PROGRAM—AMENDMENT

Mr. HASTINGS. I submit an amendment on behalf of the Senator from Michigan [Mr. VANDENBERG] and myself, intended to be proposed by us to House Joint Resolution 117, making appropriations for relief purposes, the amendment

being for the purpose of striking out certain language in the joint resolution and inserting a new section.

The amendment was ordered to lie on the table and to be printed, as follows:

On page 6, line 8, to strike out all after the words "joint resolution" down to and including line 10, and insert a period in lieu thereof.

On page 6, between lines 10 and 11, to insert the following new section:

"SEC. 7. (a) It shall be unlawful for any person selected or appointed by the President to perform any duties under this joint resolution, or any officer or employee selected or appointed under section 3 hereof, or any officer or employee or any corporation created under this joint resolution, or any officer or employee of any existing corporation operating under the provisions of this joint resolution, to—

"(1) Embezzle or willfully misapply any money, goods, or anything of value belonging to the Federal Government;

"(2) Embezzle or willfully misapply any money, goods, or anything of value belonging to any corporation designated by the President to perform any function under this joint resolution;

"(3) Directly or indirectly use any money, goods, or anything of value belonging to the Federal Government or the corporations herein described for any partisan or political purpose.

"(b) It shall be unlawful for any person to pay, or offer or promise to pay to another any money; or to give, offer to give, or promise another anything of value; or to receive or offer to receive any money or anything of value as an inducement to have any person charged with any responsibility under this joint resolution, or any Executive order or rule or regulation issued by the President to carry out its provisions, from doing or refraining from doing, directly or indirectly, any official act hereunder: *Provided, however,* That nothing herein contained shall prevent any person from employing lawyers to defend their personal or property rights, or from presenting any claim against the Federal Government or its corporate agent.

"(c) Any person violating any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by fine of not to exceed \$5,000, or imprisonment for not to exceed 2 years, or both."

On page 6, line 11, to strike out "7" and in lieu thereof insert "8."

On page 6, line 17, to strike out "8" and in lieu thereof insert "9."

PRINTING OF REPORTS OF FEDERAL POWER COMMISSION

Mr. NORRIS. Mr. President, yesterday I submitted Senate Concurrent Resolution 8, which was referred to the Committee on Printing, it having to do with the printing of a preliminary report made by the Federal Power Commission. I desire to withdraw that resolution and to offer in its stead another concurrent resolution on the same subject and have it referred to the Committee on Printing.

The VICE PRESIDENT. Without objection, the Committee on Printing will be discharged from further consideration of Senate Concurrent Resolution 8, and the resolution will be indefinitely postponed.

The concurrent resolution now submitted by the Senator from Nebraska will be received and referred to the Committee on Printing.

The concurrent resolution (S. Con. Res. 9) was referred to the Committee on Printing, as follows:

Resolved by the Senate (the House of Representatives concurring). That the reports submitted to the Congress, or which may hereafter be filed pursuant to Public Resolution No. 18, Seventy-third Congress, second session, relative to the investigation by the Federal Power Commission of rates charged for electrical energy, be printed, with accompanying illustrations, as a document; and that there be printed 10,000 additional copies of the preliminary section of said report on domestic and residential electric rates, submitted under date of February 4, 1935, of which 2,500 copies shall be for the use of the Senate, 5,500 copies for the use of the House of Representatives, and 2,000 copies for the use of the Federal Power Commission.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 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.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 58) to provide for defraying the expenses of the

American section, International Boundary Commission, United States and Mexico.

The message further announced that the House had passed a joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington was read twice by its title and referred to the Committee on the Library.

GOVERNMENTAL EXPENDITURES—NEW YORK HERALD TRIBUNE EDITORIAL

Mr. HASTINGS. Mr. President, I have here an editorial from the New York Herald Tribune of January 28, 1935, entitled "The Senate's Opportunity", which I ask unanimous consent to have printed in the RECORD.

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

[From the New York Herald Tribune, Jan. 28, 1935]

THE SENATE'S OPPORTUNITY

It remained for Mrs. Franklin Roosevelt, whose frankness is one of her many engaging qualities, to drop a casual sentence which expresses with deadly accuracy the point of view of the administration over which her husband presides. The muddle that is Reedsville was under fire. Its \$500,000 deficit had been announced—a small item among the billions pouring out of Washington hither and yon, yet still just so many dollars which hard-pressed taxpayers will sooner or later have to pay.

Responsibility for this unexpected loss has not been easy to fix. Colonel Howe has gallantly agreed that he ordered the portable homes which proved a costly error of judgment. Correspondents in Washington, trying to delve more deeply, were brushed aside by the calm assumption that a wastage of this magnitude was natural enough in an experiment. So they turned to Mrs. Roosevelt, whose interest in Reedsville had been active from the start. They were told that Mrs. Roosevelt had no comment to make on the \$500,000. Her secretary ended the episode with these words: "Mrs. Roosevelt says that financial matters don't concern her."

Of course, Mrs. Roosevelt was quite accurate in her remark, and we quote it with no thought of criticizing her. But the point of view has a dismaying universality of application to the whole administration. Finance, whether in terms of thousands or millions or billions of dollars, whether touching the source or destination of public funds, is the last thing that President Roosevelt likes to talk of. It would seem to be equally remote from the minds and tongues of all the other members of the administration who are responsible for the raising and expenditure of moneys and the balancing of the Budget.

In Mr. Farley's case, he not only ignores financial matters so long as the stream of public funds is watering his political acres; but, according to the philatelic societies, he brushes them aside when he is giving his friends sheets of stamps printed by the United States of America. "What's a sheet more or less of unperforated and unissued stamps between friends?" seems to be his attitude. The stamp experts protest in their wrath that in the case of Mr. Ickes, for example, it is a matter of some \$50,000 or \$60,000, if and when he chooses to sell them. Here again we have another example of the unconcern of the administration toward financial matters. Mr. Farley's heart beats generously for his friends as it does for faithful Democrats throughout the 48 States. Why should he worry about the Budget or the taxpayer?

We hope and expect that the Senate will have a somewhat different attitude when the \$4,800,000,000 work-relief fund comes before it. Here is doubtless the greatest single sum ever appropriated anywhere. The President asks that it be turned over to him upon the vaguest terms, with almost nothing explained as to where or how it will be expended. It is to be for work relief, and the President has expressed a pious hope that it will not compete too gravely with private business. For details Congress and the country must wait and see.

Nor has the President made any clear statement as to the relation which this policy bears to the balancing of the Budget. It obviously constitutes a flat abandonment of his plan announced a year ago. What of the future? What of the next fiscal year and the year after that? The answer is silence. No pledge or plan is promised or suggested.

The House dutifully affixed its rubber stamp to the President's bill, closing debate with a highhandedness that has no precedent in any nation pretending to democratic rule. The responsibility cast upon the Senate is all the greater. Since no one in the Roosevelt Administration regards financial matters as his concern, we suggest that the Senate step forward and assume the burden. We hope and expect that there will be a full and prolonged debate of the measure and that such definitions and safeguards as can be devised in the interest of the whole Nation will be added.

If the Nation is not to be plunged downhill into financial disaster, someone must give a thought to financial matters. The Senate has an unusual opportunity to halt the Roosevelt Administration's orgy of spending and insist that carefully planned expenditures follow prudent appropriations. First of all let there be light. The country has a right to know far more of the President's plan than he has yet condescended to reveal. Then let there be a proper debate of its financial soundness—in relation to the Nation's credit and to the Budgets to come. Before Reedsville, before C. W. A., before P. W. A., before all the other lavish streams of expenditure, President Roosevelt expressed a sound dread of an unbalanced Budget. In his economy message of March 10, 1933, occurred these striking sentences: "Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger." The Senate would render a real public service if it could recall him to this earlier outlook.

EDUCATIONAL PROGRAM FOR SHARE-OUR-WEALTH SOCIETY

Mr. LONG. Mr. President, I send to the desk, and, in order to save time, ask to have printed in the RECORD a statement entitled "Educational Program for Share Our Wealth Society."

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

EDUCATIONAL PROGRAM FOR SHARE OUR WEALTH SOCIETY—GOVERNMENT ASSUMES THE COST AND BURDEN TO GUARANTEE COLLEGE, PROFESSIONAL, AND VOCATIONAL EDUCATION TO ALL STUDENTS

Under the present policy of government the young man and young woman whose parents are possessed of means can be given a college education or vocational and professional training. There are some exceptions to this rule; that is to say, that in some cases students can find work by which to pay their expenses through college. As a general rule, however, only those with parents possessing extraordinary means can attend college.

"All men are created equal", says the Declaration of Independence, and to all those born the Constitution of our Nation guarantees "life, liberty, and the pursuit of happiness."

These provisions of our immortal national documents are not observed when the right to education rests upon the financial ability of one's parents rather than upon the mental capacity of a student to learn and his energy to apply himself to the proper study necessary for him to learn.

The "share our wealth" program contemplates that from the billions of excess revenue brought into the United States Treasury by limiting fortunes to a few million dollars to any one person, that such large sums will be expended by the Government as will afford college education and professional training to all students based upon their mental capacity and energy rather than upon the wealth of their parents. Such an education contemplates not only the scholarship but such supplies and living costs as a student may have in order to attend college.

This will transfer the youth of our land into making preparation for building a better and greater nation. It will take their surplus labor out of the ranks of employment and afford more room for others; it will mean an immediate expansion of our educational facilities and the bringing back into active service of hundreds of thousands of learned instructors whose intellect and capacities, now idle, may be used for the moral, spiritual, and intellectual uplift of the Nation. Architects, engineers, builders, material men, and craftsmen now idle would find extensive and continued field for employment in providing and maintaining such extended educational facilities in the Nation.

All in all, the program is one of national organization; it means no great or burdensome outlay because there is a surplus of the goods and things needed for the care of all students, and the consuming of the same will immediately aid our problems of over-production.

HUEY P. LONG,
United States Senator.

THE PRESIDENT—ARTICLE BY ARTHUR BRISBANE

Mr. ROBINSON. Mr. President, I ask that a copyrighted article from the pen of Mr. Arthur Brisbane, published in the Washington Herald under date of February 7, 1935, may be printed in the RECORD.

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

[From the Washington Herald, Feb. 7, 1935]

A HARD-WORKING PRESIDENT—HIS EXCELLENT LETTER

By Arthur Brisbane

(Copyright, 1935, by King Features Syndicate, Inc. International copyright and all other rights reserved)

The President writes that Government wishes to know "that those who claim to represent the employees and their wishes are in fact their duly designated and authorized representatives." The President implies that he was elected to represent 125,000,000 Americans, not to represent exclusively and subserviently some small groups organized in labor unions.

It is evidently not clear to the President that his chief duty is to help self-appointed leaders to herd men into unions and collect dues from them. That is the plain English of it. Many union men, paying dues without much information as to what becomes of the money, will approve the President's answer to a union labor official who rebukes the President, because his automobile labor board proceeded to act "without the consent and against the wishes of organized labor."

The President's communication has had a wholesome effect already. William Green, head of the American Federation of Labor, a well-balanced man, walking the tight rope between the left and right wings of union labor, now expresses a desire to seek an appointment with the President to discuss labor matters, and says:

"Roosevelt is our hope and our strength. We want to go over to the White House and discuss all labor problems, and show our faith in him."

That is better than recent messages addressed to the administration by Mr. Lewis, of the miners' union, and others, applying the unpleasant epithet "traitor" to Donald R. Richberg, who is learning now, if he did not know before, that one thing you need not expect when you try to help others is gratitude.

The President looked well, full of energy, as he sat in his White House office yesterday morning, looking out over the snow and discussing, for an hour, matters that interest the public. Every one of the millions that voted for him in the 42 States out of 48 that he carried would vote for him again, some of the missing 6 States also, if they could have heard his conversation and seen his earnest face. Each time you see President Roosevelt you are more deeply grateful that in these times, under these conditions, there should be in the White House a man absolutely honest intellectually, as well as in less important ways, and fearless, with no false front for the crowd that elected him, no back-door entrance for the select few that usually think they own a President.

President Roosevelt will make mistakes. No man could deal with millions of people, billions of dollars, and this depression without mistakes. But they will be his mistakes, not dictated to him by any superpower, and he will be first to recognize them when they are made clear to him.

No sweatshop slave works harder than the President; no man in the world carries responsibilities involving so many difficult problems.

It is unjust to himself, his family, and the public interest for him to remain in the White House, under the existing pressure, for more than 4 weeks at a stretch.

He should get away from Congress, telephones, reporters, labor men, and the diminishing thin red line of worried rich men for at least 3 weeks in every 60 days.

NEBRASKA'S ONE-HOUSE LEGISLATIVE SYSTEM

MR. COSTIGAN. Mr. President, Hon. GEORGE W. NORRIS, senior Senator from Nebraska, delivered an instructive and valuable radio address on Sunday, December 16, 1934, on the unicameral legislative system adopted by vote of the people of Nebraska at the last general election in that State. The one-house legislative system, which was originated and carried through by Senator NORRIS, is a noteworthy innovation. It is the latest of many experimental proposals of a remarkable American statesman—still, happily, a Member of this body—to increase efficiency, economy, and representative flexibility in popular government on this continent. I ask unanimous consent to have Senator NORRIS' address printed in the CONGRESSIONAL RECORD.

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

At the recent election in Nebraska the people of that State approved an amendment to their constitution which provides that the legislative authority of the State shall be vested in a legislature consisting of one house of not less than 30 nor more than 50 members, elected on a nonpartisan ballot. The amendment also provides that any one member of the legislature shall have the right to demand and secure a roll call upon any motion that may be pending. This advanced step taken by the people of Nebraska is in accord with the opinion of honest students of government everywhere. It cannot be assailed successfully from any unbiased viewpoint.

Why should a State have a legislature composed of two bodies with the same qualifications and exactly the same jurisdiction? The idea of a two-branch legislature in this country was originally copied from the mother country, where a two-branch legislature was then in force. One of these branches—the House of Commons—represented the common people, the other branch—the House of Lords—represented the aristocracy, men of wealth. The House of Commons was elected by the common people; the House of Lords was selected by the King, and membership in the House of Lords was of a life tenure. They were not intended to be responsible to the people. It was intended that the House of Commons and House of Lords, selected in entirely different ways and representing entirely different constituencies, would be a check upon each other and that in this way neither class would be able to legislate to the detriment of the other. Assuming two such classes

exist and that their interests conflict, there is some reason for a two-house legislature, but in this country we have no such classes and the constitutions of our various States are built upon the idea that there is but one class. If this be true, there is no sense or reason in having the same thing done twice, especially if it is to be done by two bodies of men elected in the same way and having the same jurisdiction. The principle of two branches of a legislature is not applied to any other governmental business or economic activity.

A bill to become a law in a two-house legislature must pass both branches in exactly the same form. Where there is a disagreement between the two houses, it is referred to a conference committee. This conference committee constitutes in reality a third house. It is more powerful in all matters referred to it than either house, or than both houses combined. Moreover, it transacts its business in an un-American and undemocratic manner. Its meetings are held in secret; there is no such thing as a roll-call vote, and there is no record of its proceedings. A bill, once referred to a conference committee, cannot become a law unless it is agreed to by a majority of the conferees representing each house. Thus, it is within the power of the conference committee, in secret and without a record vote, and without any public record whatever, to absolutely prevent legislation, and to kill or to modify, at its pleasure, any proposed legislation within its jurisdiction.

The conference committee is usually composed of 6 members, 3 members representing one legislative branch and 3 representing the other. They do not vote as an ordinary committee does. The 3 members in the conference committee who represent the senate, for instance, control the vote of the senate; the 3 members representing the house control the vote of the house. In order to reach an agreement, the conferees on the part of the house and the conferees on the part of the senate must vote for the same identical provisions. Therefore two members of the conference committee on the part of the house can, by controlling the house vote, absolutely prevent a conference agreement. Likewise, the two members constituting a majority of the senate conferees have the same power and can, by its exercise, prevent any agreement, or, as often happens, compel a compromise suitable and agreeable to those two members. We thus have legislation on almost all important bills by this third house. Two members can prevent a report or can compel a compromise agreeable to them before any report is agreed to. If a report is agreed to, it is then reported to the house and to the senate, and the bill thus reported cannot be amended. It must either be accepted as a whole or rejected in its entirety. Thus, members of the house and the senate are compelled, without an opportunity to offer amendments, to vote for or against the conference bill as a whole. In order to get the good they may believe to be in a bill, they must accept the bad. If, on the other hand, they think the bad predominates, then, in order to reject the bad, they must likewise reject the good.

I am not complaining of the existence of this conference committee as long as we have a twohouse legislature. In such a legislature the conference committee is a necessity, and without exception exists everywhere in the civilized world where there is a legislature of two houses of equal jurisdiction. Nor am I complaining that the report of the conference committee cannot be amended. This rule is an absolute necessity in order that an agreement may be reached, and exists wherever there is a conference committee.

The only way to abolish the conference committee and its evil effect upon legislation is to provide for a legislature of one house. In a legislature of one house there will be no such thing as a conference committee. The conference committee enables unworthy representatives to cover up their tracks so that their constituents cannot tell just what their records are. It also makes it difficult, and sometimes impossible, for an honest member of the legislature to make a record so clear and simple that it can be understood by the ordinary person without the necessity of becoming a parliamentary expert in order to untangle fully the difficult parliamentary steps through which every bill must pass that is referred to a conference committee.

It must be understood, in considering this question, that special interests, corporations, and monopolies are not as a rule interested in securing the passage of legislation. They are almost universally interested in preventing legislation—legislation which in one way or another regulates their activities and prevents injustice by means of monopolistic control. In order to prevent the passage of legislation it is not necessary to control both the house and the senate. It is only necessary to control one body, or to control the conference committee, or, as we have seen, to control two members of the conference committee from either house. Thus, legislation can be prevented by the handling of two men, and in every conference committee there are two opportunities to control these two men, either the house conferees or the senate conferees.

But that is not all. It often happens that legislation not desired by special interests is prevented by the control of the speaker of the house or the presiding officer of the senate, who by virtue of their official positions appoint the conferees both of the house and of the senate. Upon the convening of every legislature in every State in the Union, there is usually a hard and determined fight made over the election of speaker. If such an election is dominated or controlled by monopoly, the special interests have an advantage during the entire session of the legislature, because in this way they are able to influence, and often absolutely control, the appointment of the conference committees. It thus often happens in a two-house legislature that legislation is influenced

and often defeated by the control of one man, and again the lobbyists or special interests have an opportunity of two chances in the control of two different individuals, one the speaker of the house, the other the presiding officer of the senate.

In a one-house legislature nothing of this kind can occur, especially if any one member of this legislature has the power to demand and secure a roll call upon every vote.

These objections which I have enumerated, together with others I do not have time to mention, must absolutely condemn the two-house legislature as out of date and permitting the control of legislation by special interests, which, through the instrumentality of shrewd paid lobbyists, are able to defeat the will of the people at every session of a legislature consisting of two houses.

The fears of the honest citizen that it is easier for such interests to control legislation in a one-house legislature than it is in a two-house legislature thus entirely disappear. The reverse is absolutely true. In a one-house legislature, where one member of the body has a right to secure a roll call on every vote, it is impossible for anything to be done in secret. Every act of the legislature and every act of each individual must be transacted in the spotlight of publicity. In a two-house legislature, with its necessary conference committee, all kinds of opportunities are offered to perform public business in secret and to cover up the record so the people will not know just who is to blame for the defeat of good laws or for the inclusion of jokers and other undesirable provisions. This is also shown from the fact that in any attempt to adopt a one-house legislature, the proposition is always bitterly fought by trusts, monopolies, lobbyists, and special interests.

It is not only necessary in a democratic form of government to punish the unfaithful public servants, but we should be just as anxious to reward those who are faithful, and the two-house legislature makes it impossible for us either to punish the unworthy or to reward the faithful, without spending a great deal of time in unravelling and uncovering the parliamentary maze through which important bills have to pass in every two-house legislature. In a one-house legislature this difficulty would entirely disappear. Through the daily press it would be a simple and easy matter for the voters to follow the records of the members of such a legislature. There would be no controversy over the election of a speaker. There would be no conference committee; there would be no such thing as passing the buck from one house to the other; and there would be no such thing as shifting responsibility.

That would mean the faithful servant would find his record understood by his people, and it would be impossible for the unworthy legislator to cover up his tracks. The professional lobbyist would find his occupation gone, because his success depends upon his ability to assist the unworthy legislator to make such a record that his constituents cannot easily determine just what it is. A roll call in a one-house legislature would be had upon every amendment and upon every bill of any importance. It would not require an expert to determine just exactly what the record of any member was. The record would be made in the open. Legislation would therefore be simplified and the people of the State would be able, without any difficulty, to punish and reward according to the record.

In a one-house legislature, special interests desiring to control legislation would have to control a majority of the legislature itself. They would have to do this without any possibility of covering up their tracks. If, in this way, they did control a majority of the legislature, the people of the State would know the next morning when they read their newspapers, or perhaps that same day when they listened to the radio, just how it was done. Every student of government knows that when legislators are untrue to their trust, an attempt is made to cover up their tracks and to disguise the record, so it cannot be readily understood. If the methods of legislation were so simplified that such a thing were impossible, a very large percent of such practices would not even be attempted. The adoption of the one-house legislature would bring about such a result and make it impossible for any deception to be practiced. If men sold out, they would do so in the face of the entire public. In a two-house legislature, dust is thrown in the eyes of the people so they are not able to really understand what the records of their public servants are.

In a two-house legislature, special interests attempting to control legislation are able to do so, as we have seen, first by the passing of responsibility from one house to the other; second by the control of two members of the conference committee from the house; third by the control of two members of the conference committee from the senate; fourth by the control of the speaker of the house; fifth by the control of the presiding officer of the senate; and sixth by the handling of parliamentary procedure in such a way that no ordinary person would be able, unless he took a great deal of time, to analyze the parliamentary situation and discover just what the record was.

Nothing of this kind could happen in a one-house legislature. It would be necessary, in such case, to control a majority of the membership of the legislature itself. Not only would this be necessary, but this control would have to take place in the open, in the light of publicity. No opportunity would be presented to shift responsibility or to cover up the tracks of the members.

In addition to this we must not forget that the adoption of the one-house legislature would save a large amount of money to the taxpayers. We could increase the individual salary of the member of the legislature, which we should do in many cases, and yet in the aggregate save a great amount of money in salaries alone. The two-house legislature, especially where the members are elected on a partisan ballot, spend a great deal more of the taxpayers' money than will be necessary in the one-house legisla-

ture. There are a great many more appointments to make. There is more than double the expense for printing. There are a great many partisan workers who must be supplied with official positions. There are a hundred different ways and means by which the one-house legislature will be much less expensive to the taxpayers than a two-house legislature. In addition to this, in a one-house legislature public attention will be focused upon a single body, permitting close scrutiny of all legislative proceedings. In a one-house legislature responsibility cannot be avoided. The record of every member can be easily followed by his constituents. Proposed legislation cannot be bandied back and forth between the two houses. Conference committees will be entirely abolished. No legislation will take place in the dark. There will be no item of legislation without a public record. All legislative proceedings will take place in public. Legislative matters will be so simplified that the ordinary person will see through them and understand them perfectly. Logrolling, delays, and deadlocks between the two houses cannot occur. Many of such deadlocks are brought about intentionally by professional lobbyists controlling the activities of public servants.

There is no more reason for a two-house legislature in any of our States than there is for a bank to have two boards of directors or for a city to have two separate boards of aldermen. Indeed, there is no more use for a two-branch legislature than there is for two governors. A two-house legislature makes a safe place for corrupt lobbyists to prevent the people of the State from having the legislation they want.

The adoption of a one-house legislature by the State of Nebraska is a progressive step toward greater democracy. The double house originally came into existence as a defense for royalty and aristocracy. It has no place in a democratic form of government. The original idea was that the monarchy needed a house of lords to protect one class against the inroads of another. It has no place in any country where class distinction has been abolished. The great wonder is that it has been maintained so long in a democracy like ours.

It is worthy of note also that since we modeled our legislatures after Great Britain, that country has made wonderful advance along democratic lines, and today Great Britain, for all practical purposes, is governed by a one-house legislature. Gradually the legislative power of the House of Lords has been taken away until that House is but little more than an ancient relic on the road of human progress. And yet the aristocratic precedent followed by us more than 150 years ago still stands in the way of democratic government in every State in the Union. Great Britain's colonies have also followed the mother country in the march of human progress. Today eight of the nine Provinces of the Dominion of Canada operate under one-house legislatures.

The newest republic in all the world is the proposed new government of the Philippine Islands. Their constitution, which will soon be submitted to our Government for approval, provides for a one-house legislature.

The amendment adopted by the people of Nebraska also provides that the members of the legislature shall be elected on a nonpartisan ballot. While this provision is not fundamentally involved in the one house legislative plan, it is nevertheless of vast importance. Under the partisan system we elect members of State legislatures on a false issue. Our great political parties are divided on questions of national importance, such as the tariff, ship subsidy, League of Nations, our foreign policy, and other questions of national import.

State legislatures have no jurisdiction whatever over any of these national questions. Their jurisdiction is confined to State matters and State issues which usually are entirely different from national policies and with which they are in no way connected. Members of State legislatures should be elected on State issues and the people of the State should vote for or against them according to whether they agree or disagree with them on matters that are State issues. Under the partisan system we select members of the State legislatures because they happen to bear the party label of national candidates. It often happens that the candidate for the legislature may agree with the voter in his alignment on party issues and entirely disagree with the voter upon State matters over which the legislature has jurisdiction. The voter who votes the ticket straight therefore very often votes for a candidate for the State legislature who disagrees with him entirely upon all matters over which he will have jurisdiction, if he is elected to the State legislature.

As a result, we are likely to get a State legislature which is not in harmony with the people of the State on State issues. The legislature elected on a nonpartisan ballot will therefore be one which represents the ideas and views of the people of the State on State matters, but not necessarily upon national questions. This would give us a legislature which would not be responsible and would owe no allegiance to a partisan political party divided on issues which are entirely different and have nothing to do with matters of State importance.

Nebraska, like a great many other States, has for several years elected all its judges and its State and county superintendents of schools upon a nonpartisan ballot. How inconsistent it is to elect a judge who interprets the laws on a nonpartisan ballot, and at the same time elect members of the State legislatures who make the laws upon a partisan ballot.

While a nonpartisan provision for the election of members of State legislatures will give the States better laws and come nearer to providing that the State legislature shall represent the people of the State on State matters, yet, one of the greatest benefits that will come to a legislature thus elected will be that it frees

the members from any obligation to political parties organized and existing under national issues. It will free members of the legislature entirely from the influence and the control of party machines and party bosses. It will have a tendency to make of a State a business organization, rather than a political machine. Where a member of the legislature is elected because he has borne the party label of a political party, we cannot expect him to be free from the influence and domination of politicians. It is a very common occurrence for an official of a party organization to become a lobbyist before the legislature of his State. When such a lobbyist makes a request of the member of the legislature who has been elected through his power and influence, there is a great temptation for the member of the legislature to follow the leader's suggestion and to be controlled in his official action by the demands of the party leader. When he is threatened with defeat at the primary or at the election, it is only human that he should hesitate to go against the wishes or the demands of his party organization.

The members of a nonpartisan legislature will not be responsible for their official acts to party leaders and bosses. They will be responsible to their constituents and to them alone.

It very often happens where the legislature is elected on a party basis that most of the time of the session is taken up in the game of politics. A nonpartisan legislature will be free from this influence. Such a legislature will be a business organization. Matters of interest to the people of the State will be discussed and decided, regardless of the wishes or interests of party bosses and party machines. This change is, of course, opposed by professional politicians who would lose the control they now have of members of the State legislature. The professional politician is mainly interested in jobs. He deals in political jobs and sells them across the political pie counter much as the merchant sells calico and boots and shoes, and he is, of course, opposed to any provision of law which will deprive him of a livelihood.

In the State of Nebraska the present legislature consists of 133 members, 33 in the senate and 100 in the House. In the ordinary session of a legislature there are about as many political appointees as there are members. All of these jobs are taken away from the politicians. They therefore find their power and their influence greatly diminished, and, of course, they object to the change.

The constitutional amendment agreed to in Nebraska provides that the legislature shall consist of not less than 30, nor more than 50 members. It is made the duty of the existing legislature to district the State and is given jurisdiction to fix the number of districts anywhere between 30 and 50. As to just how many members there should be in any legislature is a question upon which honest men will differ. In a general way, it can truthfully be said that the legislature never should be so large that in the transaction of its business it will be necessary to delegate to a committee the power to control its deliberations. If such a step becomes necessary, it follows that to some extent at least, the control of legislation is delegated to a comparatively few men. This action is similar, in a small degree it is true, but similar nevertheless, to shifting the burden of legislation to a conference committee. A legislature, to be most effective and do the best work, would be one in which there is no possibility, directly or even indirectly, for any member of the legislature to shift any responsibility. If this principle is right, then it follows that most of our State legislatures are entirely too large. A smaller number will give more deliberation, more consideration, and do better work than a larger number, where this responsibility can be shifted and divided. The membership in a small body is of greater importance, the responsibility is greater, and it is much easier for the people of a State to follow the workings of a small legislature than it would be to accurately keep track of one composed of a larger number.

In addition to this, where the number is comparatively small, we can pay a larger individual salary, and still reduce the aggregate expense of the taxpayer. This is an important consideration. Most of our State legislators are underpaid. Legislatures make our laws under which we live and do business. Their function is of vast importance, and the members should be paid a reasonable salary for their services.

This smaller number will do better work and save the taxpayers a vast amount of money. It will have a tendency to concentrate power that must be exercised before the scrutiny of the public gaze and cannot be shifted to other shoulders.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar is in order. The clerk will state the first bill in order on the calendar.

BILL PASSED OVER

The bill (S. 396) to amend section 1180 of the Code of Law for the District of Columbia, with respect to usury, was announced as first in order.

Mr. ROBINSON. Mr. President, there has been some agreement among Senators particularly interested in the bill. No agreement has been entered of record. I should like to inquire if any Senator is present who is especially familiar with the bill and what disposition is proposed to be made of it.

The VICE PRESIDENT. The clerk calls the attention of the Chair to this statement in the CONGRESSIONAL RECORD of January 30:

Mr. BULKLEY. Mr. President, I ask that that bill go over; and in that connection I wish to state that the Senator from Utah knows I have no purpose to obstruct the bill, but there are certain constructive amendments which are being prepared. I therefore ask unanimous consent that this bill be passed over until notice be given by the Senator from Utah and myself that it may be proceeded with.

Mr. ROBINSON. That is a very unusual proceeding, but under the circumstances I ask that the bill be passed over for the day.

The VICE PRESIDENT. The bill will be passed over for the day.

MILES THOMAS BARRETT

The Senate proceeded to consider the bill (S. 546) for the relief of Miles Thomas Barrett, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 5, after the word "of", to strike out the words "Bridgeville, Pa.", and insert in lieu thereof the words "Portland, Oreg.", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miles Thomas Barrett, of Portland, Oreg., the sum of \$109.85 for his services in the United States Army as a private in the Corps of Engineers for the period of May 7, 1918, to August 19, 1918, both dates inclusive: *Provided,* That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

Mr. ROBINSON. Mr. President, there is a somewhat unusual provision in the bill. It is the proviso at the end of the bill reading:

That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

I do not know what the intention or effect of this provision may be. The Senator from Washington [Mr. SCHWELLENBACH] reported the bill. May I ask him for an explanation of the provision?

Mr. SCHWELLENBACH. Mr. President, this man enlisted in the Marine Corps during the war. He was sent to Texas. He did not desire to serve in this country but desired to serve in France. He therefore left his company in Texas and reenlisted in another company and went to France, where he served with such valor that he was decorated three times by this Government and once by the French Government. It was the feeling of the committee that he should be restored to his rights and be given an honorable discharge.

Mr. ROBINSON. His action was a mere technical breach of discipline?

Mr. SCHWELLENBACH. Yes. It was the fact of his valorous service in France which caused the committee to feel that this action should be taken.

Mr. ROBINSON. Very well.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MICHAEL ILITZ

The bill (S. 488) for the relief of Michael Iltz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army, Michael Iltz, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916: *Provided,* That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

FRED M. MUNN

The bill (S. 417) for the relief of Fred M. Munn was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Fred M. Munn, who served as a private in Troop L, Second

Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on January 10, 1878: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

FARM CREDIT ACT OF 1935

The Senate proceeded to consider 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, which had been reported from the Committee on Banking and Currency with amendments.

Mr. LONG. Mr. President, will the Senator from Florida tell us just what the bill is?

Mr. FLETCHER. Mr. President, the bill was referred to the Committee on Banking and Currency and reported out last week. When it came up on the floor for consideration some members of the committee and others wanted to be heard on it, claiming that they had not had an opportunity of examining it. I asked to have it recommitted. It was recommitted. On Tuesday we held further hearings and now the bill is reported again as a result of the recommitment of the bill to the committee.

It is intended to amend the Emergency Farm Mortgage Act of 1933, the Federal Farm Loan Act, the Agricultural Marketing Act, and the Farm Credit Act of 1933, mainly clarifying and to some extent extending the operations of the administration with reference to those acts.

The whole matter is fully covered by the report of the committee. It is quite a long report and it would take some time to read it, but if the Senator wants it read he may have it read.

Mr. KING. Mr. President, I should like to ask the Senator from Florida, as I am not a member of the committee and not very familiar with the bill, what provision of the bill deals with the increases in compensation or salaries of some of the employees serving under the administration. There is a limitation now, and I understand the bill removes the limitation so that any salary might be paid up to the highest conceivable sum.

Mr. FLETCHER. That matter is covered by section 16, page 14, of the bill now reported.

Mr. KING. I want to object to that proviso and shall move to strike it out when it is reached.

Mr. FLETCHER. The present limitation on salaries is \$10,000, though in a few instances I believe it is \$12,000. Some of the agents functioning for the Federal land bank, some for the intermediate credit bank, and some for the co-operative banks in the purchasing of supplies, seed, and so forth, are very high-class men, men of experience who have been with these organizations a number of years. Private enterprise wants to get them, and is offering more money than the law now permits the administration to pay, \$10,000 being the limit. The administration wants a little leeway so they can keep these men who are trained and experienced and very valuable men, holding positions of great responsibility. It was thought advisable by the committee that the limitation of \$10,000 should be removed.

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

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

Mr. FLETCHER. I yield.

Mr. CLARK. How much is it proposed to authorize the Farm Credit Administration to pay these men?

Mr. FLETCHER. There is no amount named. That is a matter to be considered by them. It cannot be charged that they have been paying exorbitant salaries to any of their officers or employees. It may be that \$12,000 or \$12,500 will enable them to hold these men. It is not advisable, we thought, to fix any limit, because if we do that the effort will be made to reach that figure right away, whereas they may be able to keep some of these men at the present salary. We did not want to name a figure which would place it beyond their power to hold these men in their service.

Mr. CONNALLY. Mr. President, has the Senator in mind any particular individuals who are threatening to leave these banks now because private concerns are after them with offers of higher salaries?

Mr. FLETCHER. I think some of them have been offered higher salaries. I have not any particular individuals in mind, but there are only 12 of them in the whole country.

Mr. CONNALLY. That is true; but I am very much opposed to the provision.

Mr. CLARK. Mr. President, if the Senator will permit me, I think it would be a godsend to the country if some of the people in the Farm Credit Administration would leave.

Mr. FLETCHER. That raises another question. We are not now dealing with that section.

Mr. CLARK. We are not?

Mr. FLETCHER. No; we are dealing with section 16.

Mr. NORRIS. Mr. President, I desire to call the attention especially of the chairman of the committee, the Senator from Florida [Mr. FLETCHER], to the fact that, in my opinion, this bill is not properly on the calendar, at least at this point.

Mr. FLETCHER. It is on the calendar.

Mr. NORRIS. It may be printed on the calendar, but it has not any right to be there at this place, at least. It was recommitted to the committee.

Mr. FLETCHER. And reported back.

Mr. NORRIS. And reported back; but then it would go on the calendar at a different place.

Mr. FLETCHER. Oh, no!

Mr. NORRIS. It could not retain its place on the calendar after it had been recommitted to the committee.

Mr. FLETCHER. The bills on the calendar had been disposed of when the report came in. This bill took its place in the regular order of reported bills.

The VICE PRESIDENT. The Chair is advised by the parliamentary clerk that the bill took its regular calendar number. Is the Senator from Nebraska satisfied?

Mr. NORRIS. I am satisfied.

The VICE PRESIDENT. The amendments of the committee will be stated.

The first amendment was, in section 2, page 2, line 10, after the word "additional", to strike out "purposes" and insert "purpose"; in line 19, after the word "section", to insert "(1)"; in line 20, after the word "any", to strike out "individual" and insert "person"; in line 25, after the word "farmer", to insert "(2) the term 'person' includes an individual or a corporation; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for"; and, on page 3, line 22, after the word "corporation", to strike out "either in cash or in bonds of the corporation at his election, or, at the option of" and insert "and may make such loans either in cash or in bonds of the corporation, or, if acceptable to", so as to make the section read:

SEC. 2. (a) Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is further amended by striking out of the third sentence the following: "and made for the purpose of reducing and refinancing an existing mortgage."

(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: "Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other:

Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, (1) the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations, and includes a personal representative of a deceased farmer; (2) the term 'person' includes an individual or a corporation; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

(d) Such section 32, as amended, is further amended by striking out the eighth and ninth sentences and inserting in lieu thereof the following: "Until February 1, 1940, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans either in cash or in bonds of the corporation or, if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after February 1, 1940, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the Corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section."

(e) Such section 32, as amended, is further amended by inserting at the end thereof the following: "Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation."

The amendment was agreed to.

The next amendment was, in section 6, page 7, line 10, after the words "section 21 of", to strike out "title" and insert "Title", so as to make the section read:

SEC. 6. (a) Subsection (a) of section 203 of the Federal Farm Loan Act (U. S. C., title 12, sec. 1041) is amended by striking out the proviso and inserting in lieu thereof the following: "*Provided*, That the aggregate amount of the outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its benefit and account, shall not exceed 10 times the surplus and paid-in capital of such bank."

(b) Such section 203 (U. S. C., title 12, secs. 1041-1043) is further amended by adding at the end thereof the following new subsections:

"(d) Whenever it shall appear desirable to issue consolidated debentures of the 12 Federal intermediate credit banks and to sell them through a common selling agency, and the Federal intermediate credit banks shall, by resolutions, consent to the same, the banks may issue and sell said debentures subject to the provisions of this section and the provisions of section 21 of title I of this act, insofar as applicable. As used in this act, the term 'debentures' includes such consolidated debentures.

"(e) All debentures issued by Federal intermediate credit banks shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof."

The amendment was agreed to.

The next amendment was, in section 11, page 10, line 2, after the word "rate", to strike out "of", so as to make the section read:

SEC. 11. Subsection (a) of section 8 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141f), is further amended to read as follows:

"(a) Loans to any cooperative association shall bear such rates of interest as the Governor of the Farm Credit Administration shall from time to time determine to be necessary for the needs of the lending agencies and shall by regulation prescribe (but in

no case shall the rate of interest exceed 6 percent per annum on the unpaid principal): *Provided, however*, That the rate of interest on any loan made under the provisions of section 7 (a) (1) hereof, other than upon the security of commodities, shall conform as nearly as may be practicable to a rate 1 percent in excess of the prevailing interest rate paid by production credit associations to the Federal intermediate credit bank of the land-bank district in which the principal business office of the borrower is located; and that the rate of interest on any loan made under the provisions of section 7 (a) (2) hereof shall conform as nearly as may be practicable to the prevailing rate on mortgage loans made to members of national farm loan associations."

The amendment was agreed to.

The next amendment was, in section 12, page 11, line 3, after the word "therein", to strike out "and", so as to make the section read:

SEC. 12. Subsection (a) of section 15 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141j), is further amended to read as follows:

"(a) As used in this act, the term 'cooperative association' means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

"First. That no member of the association is allowed more than 1 vote because of the amount of stock or membership capital he may own therein;

"Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

"And in any case to the following:

"Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association."

The amendment was agreed to.

The next amendment was, in section 15, page 13, line 13, after the word "canceled", to strike out the comma, so as to make the section read:

SEC. 15. (a) The first sentence of subsection (a) of section 35 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134k) is amended by striking out the period at the end and inserting in lieu thereof a comma and the following: "except that, in connection with any loan made on the security of commodities, the borrower shall be required to own, at the time the loan is made, only such amount of stock as may be prescribed by rules and regulations of the Governor."

(b) Subsection (a) of such section 35 is further amended by striking out the second sentence and inserting in lieu thereof the following: "Upon discharge of the loan, stock held by the borrowing association may be, and upon the concurrent or subsequent request of the borrowing association shall be, retired and canceled and the association shall be paid therefor an amount equal to the amount paid for such stock or loaned to subscribe therefor, as the case may be, minus the pro rata impairment, if any, of capital and guaranty fund of the Central Bank, as determined by the chairman of the board of the Central Bank."

(c) Such section 35 is further amended by adding at the end thereof the following new subsection:

"(c) In any case where the debt of a borrower to the Central Bank is in default, the bank may, in accordance with rules and regulations prescribed by the Governor, retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be."

The amendment was agreed to.

The next amendment was, in section 17, page 14, line 12, after the word "four", to strike out "year" and insert "years", so as to make the section read:

SEC. 17. (a) The first sentence of subsection (a) of section 30 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "two years" and inserting in lieu thereof the words "four years."

(b) The fourth sentence of subsection (b) of such section 30 is amended:

(1) by striking out the words "occurring more than 60 days after the date of enactment of this act"; and

(2) by striking out the words "a period of 2 years from the date of enactment of this act" and inserting in lieu thereof the following: "a period of 2 years from the date of the enactment of the Farm Credit Act of 1935."

SEC. 18. (a) The first sentence of subsection (a) of section 31 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "for 2 years from the date of the enactment of

this act" and inserting in lieu thereof a comma and the following: "until May 13, 1937".

(b) Subsection (b) of such section 31 is amended by striking out the words "such 2-year period" and inserting in lieu thereof the following: "the period of postponement."

The amendment was agreed to.

The next amendment was, on page 15, after line 6, to insert:

SEC. 19. No obligations, contingent or absolute, shall be incurred for the expenditure or other disposition of funds heretofore or hereafter appropriated, or otherwise obtained, for the carrying out of functions of the Federal Farm Mortgage Corporation unless within estimates of such obligations and expenditures approved by the Director of the Budget; and, to the extent that the Secretary of the Treasury may consider practicable and under such rules and regulations as he may prescribe, there shall be maintained on the books of the Treasury Department such accounts as may be necessary to give full force and effect to this provision.

The amendment was agreed to.

The next amendment was, on page 15, after line 17, to insert:

SEC. 20. Paragraph "Sixth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 771), is further amended by adding at the end thereof the following new sentence: "As used in this paragraph the term 'person' includes an individual or a corporation and the term 'corporation' as used in this paragraph shall include any incorporated association; but no such loan shall be made to a corporation (1) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (2) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

Mr. FRAZIER. Mr. President, when this bill came up the other day I made some objection to the amendments which allow corporations to be considered eligible for loans under the various farm-loan set-ups. I attended the hearings day before yesterday before the Banking and Currency Committee, and it seems to me the amendments put in the bill will properly safeguard the matter of preventing what is known as "corporation farming" in the agricultural States.

We have in those States what are known as "corporation farms", where insurance companies or mortgage companies have foreclosed on a number of farms, and then have organized a corporation which operates all those farms under an overseer or foreman. In that way they are doing a great deal to the detriment of the ordinary, everyday, individual farmer, because the corporation farms can buy and sell collectively, and the individual farmer cannot compete with them.

I believe, however, the amendments which have been inserted in the bill to provide how these loans shall be made, and to limit the way in which they shall be made, properly safeguard that matter. The only fear I have is that this is a step toward financing general corporation farming; that amendments to the law will be requested at the next session of Congress, or some other session, to include general corporation farms. If such a proposal comes up while I am here, I shall be forced to fight it, because I feel that it will be detrimental to the general farm situation.

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

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

Mr. FRAZIER. I do.

Mr. KING. I invite the Senator's attention to lines 18 to 21, on page 16, reading as follows:

Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association.

Does not that provision contravene the position just taken by the Senator?

Mr. FRAZIER. Mr. President, that is just a slight amendment to the present law. The present law says "natural per-

sons." This amendment leaves out the word "natural." That is the only difference. It means that where no farm-loan association has been formed, 10 or more persons can set up a new organization, a farm-loan association. That is the intention of this part of the measure.

Mr. KING. Would not this provision permit individuals remote from the land to form one of these associations for the purpose of acquiring large holdings in the States, and then to make them tenant lands? Would it not, in other words, encourage absentee landlordism?

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

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Wyoming?

Mr. FRAZIER. Yes.

Mr. CAREY. I think the Senator misunderstands the purpose of the amendment. The amendment is to make it possible, where there is no farm-loan association, for 10 or more persons to form one. If there is already a farm-loan association in that locality, they cannot form another one.

That is the sole purpose of the amendment. It does not relate to corporations. It is to permit the organization of an association where it is necessary.

Mr. FLETCHER. Mr. President, each of those 10 persons must be a borrower in order to form a farm-loan association. The amendment, as the Senator has said, does not change the present law, except to strike out "natural" and permit a corporation such as can qualify under the previous section to act as one person in the formation of a farm-loan association.

Mr. NORRIS. Mr. President—

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

Mr. FRAZIER. I yield.

Mr. NORRIS. Somewhere else in the bill—I have not the provision before me at this moment—is not the word "person" defined so as to include a corporation?

Mr. FLETCHER. That is the section we are talking about now—section 20, on page 15.

Mr. NORRIS. I know what section we are talking about now, but if the word "person" includes a corporation, why could not several corporations combine? In other words, what is the reason why the committee has struck out of the present law the word "natural" before "persons"? The present law provides that natural persons may form one of these loan associations; but under this measure, where that word is left out, would it not follow that several corporations, each one acting as a person, could form a loan association?

Mr. FLETCHER. If we should leave the word "natural" in this section it would be in conflict with the previous section, which under certain circumstances and conditions permits a corporation to be formed and become eligible for a loan. That is where the owners of the stock of a corporation are all actually engaged in agricultural pursuits. Where all the stock of the corporation is owned by persons who are actually engaged in the cultivation or operation of land or in the raising of livestock the corporation would be eligible to constitute 1 of the 10 borrowers contemplated by this provision.

Mr. NORRIS. I was moved in the question I asked by a fear that was aroused by what the Senator from North Dakota [Mr. FRAZIER] said that this provision might result in absentee landlordism, and the owning of immense tracts of land by corporations instead of individuals, and we would ultimately drift into that kind of farming.

Mr. CAREY and Mr. HATCH addressed the Chair.

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

Mr. FRAZIER. I yield first to the Senator from Wyoming.

Mr. CAREY. Mr. President, under this amendment no corporation can borrow unless the stockholders themselves of the corporation are actually engaged in farming. That does not mean that any absentee landlord can borrow. The purpose of this amendment—it is my amendment—was to take care of stockmen in the West whose business is largely

incorporated. Many of them are in desperate circumstances through loans on their livestock, and if they could borrow on their lands they could liquidate some of that indebtedness. It would aid materially in liquidating the Regional Agricultural Credit Corporation, which has a great many livestock loans at this time, if those companies could borrow.

There is a proviso at the end of this section under which loans cannot be made by interlocking corporations. For instance, it is not possible for a number of different corporations to be organized simply to borrow. Further than that, the bill itself limits the amount of the loan, so that after a corporation gets that limit, which is \$25,000—or \$50,000, I believe, with the approval of the Land Bank Commissioner—that is all any corporation can borrow; and, as I say, they cannot, through affiliates, borrow as the measure is drawn.

I call the Senator's attention to the last part of the proviso on page 3, lines 12 to 16. We have tried to safeguard this measure so that the amendment would take care of the men who are actually operating their own business, and to preclude in any way we could any outside corporations engaging in long-distance farming under the bill. I do not think they can borrow as the bill is drafted.

Mr. BORAH. Mr. President, do I understand the Senator to provide that a corporation cannot borrow under this bill unless its stockholders are personally engaged in agricultural pursuits?

Mr. CAREY. Personally engaged; yes, sir.

Mr. FRAZIER. Unless at least 75 percent of them are.

Mr. CAREY. Seventy-five percent; yes.

Mr. FRAZIER. Mr. President, I do not think there is any question that 10 corporations can organize a farm-loan association if they qualify under the provisions of the bill; but, as the Senator from Wyoming [Mr. CAREY] has said, with these limitations it seems to me the matter is fairly well protected. They may get around it; I do not know; but if they do, we will ask for amendments at the next session of Congress.

Mr. FLETCHER. Mr. President, I think the representatives of farm organizations feel that under the present provisions of the bill there is no danger of corporations being formed for the purpose of holding large tracts of land and going into farming. They agree to that. Their only objection to the bill is that they do not like to see corporations of any kind or character admitted under the law at all. They feel that this may be an entering wedge, as they express it. I do not see that there is any danger in this at all, because very few could ever qualify; and under the other limitation of the bill, and under the law generally, there is no danger of corporations acquiring large tracts of land and operating in mass production. They could not do it at all under this provision. All the owners of the stock of a corporation such as the Senator from Wyoming [Mr. CAREY] mentioned must be people who themselves, individually, are actually engaged in livestock raising or agriculture.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment inserting a new section numbered 20.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 16, after line 14, to insert a new section, as follows:

SEC. 21. (a) The first sentence of the sixth paragraph of section 7 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 716), is amended to read as follows: "Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association."

(b) The sixth paragraph of such section 7 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term 'person' includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act."

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 17, after line 2, to insert a new section, as follows:

SEC. 22. (a) The first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 745), is amended by striking out the words "any natural person" and inserting in lieu thereof "any person."

(b) The fifth paragraph of such section 9 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term 'person' includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act."

Mr. NORRIS. Mr. President, I could not get the meaning of the first part of the amendment as it was read. I ask that it be read again.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk again read the proposed amendment.

Mr. ROBINSON. Mr. President, I may say to the Senator from Nebraska that this is to conform to amendments which have already been adopted.

Mr. NORRIS. I am wondering whether this new definition would have any application to any other law than the pending measure. If it applies only to this one, it would be all right.

Mr. CAREY. Mr. President, I may explain to the Senator from Nebraska that the set-up in the first part of the bill as to corporations applies to land bank commissioners' loans. The part under consideration now is in the latter part of the bill, which refers to farm-mortgage loans from the Federal farm-loan banks.

Mr. NORRIS. My question is whether the proposed definition of "person" could be construed to apply to any other law except the pending measure.

Mr. ROBINSON. I think not, Mr. President.

Mr. FLETCHER. It would apply only to this measure.

Mr. NORRIS. The Senator from Florida answers that it would not apply to any other law. I should not like to have a definition made here which might apply to some other law.

The PRESIDING OFFICER. The question is on agreeing to the proposed amendment on page 17, line 3.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 17, after line 13, to insert a new section, as follows:

SEC. 23. The first sentence of the first paragraph of section 31 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 931), is amended to read as follows: "Any applicant for a loan under this act, or officer or representative of any such applicant, who shall knowingly make any false statement in the application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding 1 year, or both."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 18, line 1, to insert a new section, as follows:

SEC. 24. Paragraph "fifth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., supp. VII, title 12, sec. 771), is further amended by inserting after the third sentence thereof the following: "In determining the earning power of land used for the raising of livestock, due consideration shall be given to the extent to which the earning power of the fee-owned land is augmented by a lease or permit, granted by lawful authority of the United States or of any State, for the use of a portion of the public lands of the United States or of such State, where such permit or lease is in the nature of a right adjunctive to such fee-owned land, and its availability for use as such during the terms of the loan is reasonably assured."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 18, after line 13, to insert a new section, as follows:

SEC. 25. On and after the date of enactment of this act no person shall be eligible for appointment or election as an administrative or executive official or as a member of the board of directors

of a Federal land bank, or shall continue to hold office as such member or as an ex-officio director of a Federal intermediate credit bank or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed on page 18 to renumber section 19.

The amendment was agreed to.

Mr. LONERGAN. Mr. President, on page 18, after line 23, I move to insert a new section.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. On page 18, after line 23, it is proposed to insert the following:

SEC. 26. The first sentence of the act entitled "An act to authorize production credit associations to make loans to oyster planters", approved June 18, 1934 (U. S. C., title 12, sec. 1131j), is amended by striking out the following: "who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof."

Mr. FLETCHER. Mr. President, I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, section 26 as it now appears in the bill will be renumbered so as to be section 27.

Mr. COSTIGAN. Mr. President, in my judgment section 16 of the bill, appearing on page 14, should be stricken from the bill, and I move that it be stricken. Perhaps in explanation I should direct attention to the significance of the section.

It is proposed by section 16 to amend section 66 of the Farm Credit Act of 1933, which reads as follows:

No director, officer, or employee of the Central Bank for Cooperatives, or any Production Credit Corporation, Production Credit Association, or Bank for Cooperatives shall be paid—

At that point it is proposed in section 16 to insert the words "by any such bank, corporation, or association." Then section 66 continues:

compensation at a rate in excess of \$10,000 per annum. No officer or employee of the Farm Credit Administration engaged in carrying out the provisions of titles I to VI, inclusive, of this act shall be paid compensation at a rate in excess of \$10,000 per annum.

The committee's report on this amendment is as follows:

Section 16, by amending section 66 of the Farm Credit Act of 1933, will make the present limitation (\$10,000) on the salary which any officer or employee of a production credit corporation or bank for cooperatives may receive applicable only to the salaries paid to such officer or employee by that institution, and will have the effect of permitting any such institution to participate in the payment of a salary in excess of \$10,000 to the general agent, who serves as a coordinating officer, and is the joint employee of the four major district institutions. It is essential that each production credit corporation and bank for cooperatives be permitted to participate with the Federal land bank and Federal intermediate credit bank of the district in paying, for the position of general agent, a salary which will enable them to secure and retain the best available talent.

We had in the committee hearing, where Governor Myers appeared on January 29, a frank discussion of this section. Governor Myers, with great candor and evident sincerity, urged that there ought not to be any limitation placed, such as the \$10,000 now permitted by law. Governor Myers contended that the general agent for these institutions should be permitted a salary in excess of \$10,000. At the hearings the able chairman, the Senator from Florida [Mr. FLETCHER] asked Governor Myers this question:

Do you think that is wise? Is not \$10,000 enough for any such officer or employee?

To which Governor Myers replied:

I think it is necessary, Senator. We expect to exercise close control and to operate these institutions as economically as it is possible to operate them; but the general agent or any person who is the joint employee of the four major institutions referred

to and who is in charge of coordinating their work—one of the Federal land banks has now around \$400,000,000 in loans, for which he is to a certain extent responsible. Intermediate credit banks are large financial institutions. The production credit corporations and the banks for cooperatives are sizeable financial institutions; and as business improves, if we are going to run the system efficiently, we must be able to retain some of the most competent men in competition with private business. It just removes what I think is an arbitrary limit and gives somewhat greater freedom in enabling a business institution to attract and keep men who are competent to run the organization.

The Senator from Wyoming [Mr. CAREY] asked:

Who fixes these salaries?

Governor Myers replied:

They are fixed by the board of directors, subject to the approval of the Governor.

An effort was made to persuade Governor Myers to suggest an outside maximum limit on such salaries. He declined to fix such a limit and indicated clearly that he felt that in bidding for a general agent for these institutions the Government's representatives ought to be free to offer salaries competitive with those in private business.

It is obvious, I think, that there ought to be some limitation upon such salaries. In such legislation there is a growing inclination to look with disfavor on what are treated as meager salaries paid to Members of Congress—at least there is such an inclination among business men, but insofar as we have to do with the determination of such salaries in this period of widespread economic distress, I have no hesitation in urging that the present limitation in the law be retained.

Mr. MCGILL. Mr. President—

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Colorado yield to the Senator from Kansas?

Mr. COSTIGAN. With pleasure.

Mr. MCGILL. Is it the Senator's understanding that the proposed amendment would apply to any officials of the Farm Credit Administration other than the general agents?

Mr. COSTIGAN. So far as the discussion of the subject developed information it was understood that the limitation was merely to be lifted in the case of general agents.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Missouri?

Mr. COSTIGAN. I yield.

Mr. CLARK. If section 16 in the proposed bill should be enacted into law, there would be absolutely no restriction on the power of the Governor of the Farm Credit Administration to fix the salaries of these agents at any sum he might see fit, even if he chose to put it up to \$40,000, \$50,000, or \$60,000 a year. Does the Senator think there would be?

Mr. COSTIGAN. The Governor testified that the salaries would be fixed by the board of directors, subject to the approval of the Governor.

Mr. CLARK. But there is nothing to hamper him in fixing the salaries at \$40,000, \$50,000, or \$60,000 a year, is there?

Mr. COSTIGAN. Absolutely not. Indeed, in the discussion it was clearly indicated that the salaries might go as high as \$50,000 per annum, and no limitation whatsoever was favored by Governor Myers.

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

Mr. COSTIGAN. I yield.

Mr. MCGILL. The Senator understands that the general agents today are paid a salary at the rate of \$10,000 a year? Is that not true?

Mr. COSTIGAN. That is my understanding.

Mr. MCGILL. Does the Senator, as a member of the Committee on Banking and Currency, know of any general agent who is about to abandon the office to which he has been selected by reason of the salary?

Mr. COSTIGAN. No such information was given to the committee, nor has it been given to members of the committee individually, so far as I know.

Mr. MCGILL. No testimony indicating anything of that character was brought before the committee by the Farm Credit Administration or from any other source.

Mr. COSTIGAN. None while I was present or of which I know.

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

Mr. COSTIGAN. I yield with pleasure.

Mr. FLETCHER. I do not know whether it developed in the hearings or not, but they lost such an agent in St. Louis.

Mr. CLARK. I will say that no better thing has happened to the Federal Farm Credit system than the loss of that agent.

Mr. FLETCHER. I do not know as to that, but I know they lost him.

Mr. WHEELER. Mr. President—

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

Mr. COSTIGAN. I yield.

Mr. WHEELER. The truth about this matter as to the Farm Credit Administration is that they have a number of broken-down bankers who failed and who could not make a living, and now they are on the public pay roll in many instances, and being on the public pay roll, they want to get their salaries raised. Mr. President, if some of them should leave there can be found plenty of other people just as good who would be glad to take their places.

Permit me to say, while I am on my feet, that in many of the bureaus we have set up in the last 2 years, we are paying exorbitant salaries all the way down the line, and it ought to be stopped.

Mr. FLETCHER. Mr. President, will the Senator from Colorado further yield?

Mr. COSTIGAN. I yield.

Mr. FLETCHER. I may say that these people are not on the public pay roll at all. They are not paid by the Government. The salaries are furnished by the agricultural organizations. They elect their directors and elect their officers.

Mr. WHEELER. Yes; but they are paid by the farmers who have to get the loans from the organization.

Mr. COSTIGAN. Precisely.

Mr. FLETCHER. They are paid by the associations, who contribute to pay the salaries. Several contribute to pay one salary. So I think it is a mistake to limit the compensation of the general agent. He represents about four organizations handling an immense amount of funds and transactions.

Mr. GORE. Mr. President, I rise to inquire whether there has been an excessive number of resignations on account of the salaries being too low?

Mr. FLETCHER. I do not know.

Mr. GORE. Until it becomes a real menace, threatening the public service and reaching the point where we cannot get anyone at all to take the jobs at the present salaries, I think we might well let the matter rest.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. COSTIGAN].

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the section will be renumbered as made necessary by the amendment.

Mr. HATCH. Mr. President, on page 2, after the words "farming operations" on lines 21 and 22, I move to insert the words "or livestock growing."

Mr. ROBINSON. Mr. President, I think there ought to be an explanation of the amendment.

Mr. HATCH. The reason for the suggested amendment is that in a decision recently rendered by the Federal Court of Nevada it was held that the word "farmer" did not include one engaged in livestock raising. I think it is the intention of the Senate that "farmers" should include livestock raisers. For that reason the amendment is offered, merely to clarify the provision, and I will say that the Farm Credit Administration now construes the present act in accordance with this amendment.

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

Mr. HATCH. I yield.

Mr. FLETCHER. I think it is quite true that they do construe those engaged in livestock operations as engaged

in farming, but I have no objection to the amendment. That is clearly what they are already doing.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. GORE. Mr. President, I desire to offer the following amendment: On page 2, beginning with line 20, to strike out through and including line 16 on page 3. It is striking out the two provisions authorizing loans to be made to agricultural corporations. It is the beginning of a new scheme of loans. It is recognizing and enfranchising agricultural corporations. I think this is as harmless as any provision upon that subject that could be drafted, but everyone knows it is the thin edge of the wedge. Everyone knows it is the nose of the camel. There is no stopping this business when once you start it. I believe the State of Kansas has enacted a law prohibiting corporations from engaging in agriculture; that law was the outgrowth of experience with incorporated farming. I know there is a wide-spread sentiment against it in my State, and I think in the Middle West generally. I do not think we ought to let his serpent creep into this garden, modest as is his first appearance in this bill, and I move to strike it out.

Mr. CAREY. Mr. President, the purpose of this amendment is not to encourage corporate farming, but its purpose is to furnish credit to a large number of men who are actively engaged in agriculture, who have been obliged to incorporate their business. In the West many livestock men have businesses which they are required to incorporate. If they had to carry on their businesses under partnership agreements, in time it would involve them in great difficulties. Many of these corporations are very small affairs.

There are other corporations which are entirely family affairs.

As I have explained two or three times on the floor of the Senate, the purpose is not to encourage people to form corporations, to encourage them to buy up lands and operate those lands, and thus encourage absentee landlordism, but it is to take care of men who are actually working on the range and on the ranch and trying to make a livelihood, and all those men have been denied credit through the Federal farm banks. There are many cases where a loan on their real estate, which they cannot obtain in other places, would make it possible for them to work out of their difficulties.

This provision would also aid in the liquidation of the Regional Agricultural Credit Corporation. That Corporation is owned by the Government and holds a large number of loans on livestock.

I have some figures, which I have obtained from the Agricultural Credit Corporation, showing the percentage of those who are farmers who have incorporated their business. Many of these individuals if they could get loans on their lands could pay off their loans to the Government. As it is now, they have short-time paper, and long-time loans would materially benefit them at this time. These are the figures of the percentage of operators whose business is carried on through corporations and who are borrowers from the R. A. C. C.

At the Cheyenne office 6 percent of the borrowers are incorporated; at Wichita, Kans., 5 percent; at Denver, 5 percent; at Santa Fe, 5 percent; at San Angelo, Tex., one-half of 1 percent; at Oakland, Calif., 10 percent of those who are borrowers have incorporated their business; at Salt Lake City, 5 percent; at Helena, Mont., 10 percent of the borrowers are men who have incorporated; and at Boise, 7 percent.

I feel that these men should not be denied the benefit of this proposed act simply because they have incorporated their business. Because two or three men incorporate, instead of operating under a partnership, is no reason why they should be denied the privilege; and I want to say to Members of the Senate that the passage of this bill will be of material benefit to all the States in which the business of livestock growing is conducted. I hope the amendment will not be stricken from the bill.

Mr. VANDENBERG. Mr. President—

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

Mr. CAREY. I yield.

Mr. VANDENBERG. I should like to say to the Senator that the situation which he describes is in no sense confined to the West nor to the livestock industry. Precisely the same situation exists in respect to certain apple orchards in the State of Michigan, for example, where the ownership is essentially related to apple-growing operations; it is intrinsically an apple-growing operation, yet it is so large and so involved that there has had to be incorporation. In at least one of these instances there has been serious handicap to the operation of orchards through the inability of such a corporation to secure these loans. I entirely agree with the Senator's viewpoint.

Mr. FLETCHER. Mr. President, we have previously been all over this matter, and I have no further remarks to make except that I think the amendment ought to be defeated.

Mr. GORE. Mr. President, I will ask to have read to the Senate a statement made yesterday before the Senate Committee on Banking and Currency by a representative of one of the large farm organizations, I think the Farmers' Union. I should like to have the Senate understand what the farmers themselves think about this proposal to invite corporations to invade the field of farming and sooner or later to oust the individual. I should like to have Senators hear what this man, representing the farmers, says.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Mr. HORSFORD. If I had time I could have brought some very good facts about what corporation farming has done to us in the past. We cannot compete with them. It is impossible to compete against mass production. They do not pay property taxes. They have bunk houses and cookhouses on rubber tires, and they engage in mass production. They run tractors day and night; and if we are going to maintain rural agricultural communities we cannot tolerate corporation farming.

Mr. GORE. That is the view of a farmer representing a farm organization. I think his word is entitled to some weight in this assembly. I remember some 3 or 4 years ago I met a one-horse farmer on the street in a little town of Oklahoma. He whispered to me, as I passed by, "Do not permit corporations to engage in farming." He said, "We farmers want to build homes and to be able to maintain homes and raise our families. We cannot do that if you permit corporations to compete with us by engaging in farming." I think that statement, from a humble farmer, contains a warning that the Senate ought to heed and not begin this policy that we will never end, having once begun it.

I wish to have the entire statement printed in the RECORD. I only had one paragraph read.

The PRESIDING OFFICER (Mr. McGILL in the chair). Without objection, the statement will be printed.

The matter referred to is as follows:

ADDITIONAL STATEMENT OF OSCAR HORSFORD, WOLF POINT, MONT.

Mr. HORSFORD. All that I have to state this morning, Senator, is that after going back to our committee room, after leaving here with Senator CAREY's amendment, and after discussing it, we decided that we should like to further state that we are opposed to leaving an opportunity for an opening wedge for the Government to loan to corporations.

Senator GORE. When you say "we", to whom do you refer?

Mr. HORSFORD. I am representing the Farmers Union Legislative Committee of the Northwest.

Senator GORE. What is your name, sir?

Mr. HORSFORD. Oscar Horsford. I am also interested in the activities of the cooperatives, representing about 75,000 farmers. I have been authorized this morning to speak for Mr. Everson of the National Farmers Union, and they agree with our sentiments relative to loaning to any corporation for farming purposes. We feel that it would let the bars down to big corporations, interlocking with processors and packing plants and large ranch holders, and would make a hardship on the farmers.

The CHAIRMAN. Yet, as to this particular amendment that the committee decided on yesterday, you can see no harm, but you do not like the idea of making a start at loaning to corporations for agricultural purposes.

Mr. HORSFORD. That is it. We feel that it might be an opening to make a start.

Senator GORE. Do you think you can ever stop after you start?

Mr. HORSFORD. No, sir.

Senator GORE. Have you watched the evolution of this lending business?

Mr. HORSFORD. Yes, sir.

Senator GORE. You have seen a group of bills pass, liberalizing lending. If you start to loan to corporations for farming purposes, how are you going to say no to the next man that comes along? Will you say, "This first fellow had a good case, but you have not"? I think we are opening the floodgates. I agree with you. It is like a leak in a dam. The dam will go out by and by.

Mr. HORSFORD. That, Senator GORE, is our attitude exactly.

Senator GORE. Yet you are going to tolerate the amendment that was adopted yesterday?

Mr. HORSFORD. No, sir. We wanted to declare ourselves as opposed to that. We are opposed to leaving an opening wedge.

Senator GORE. I think farmers ought to be able to make homes on the farms. Corporations do not abide on farms; a farm is not their home.

Mr. HORSFORD. If I had time I could have brought some very good facts about what corporation farming has done to us in the past. We cannot compete with them. It is impossible to compete against mass production. They do not pay property taxes. They have bunkhouses and cookhouses on rubber tires, and they engage in mass production. They run tractors day and night; and if we are going to maintain rural agricultural communities, we cannot tolerate corporation farming.

Senator GORE. We are just raising a Frankenstein to destroy the one- or two-horse farm. Has not Kansas passed a law prohibiting corporation farms?

Mr. HORSFORD. I hope they have, because that is where there has been quite a lot of it going on.

If there are no further questions, and if I have made myself clear—

The CHAIRMAN. I think I understand you.

Senator GORE. In my campaign I met a one-horse farmer on the street. He stopped for a second and whispered in my ear. He said, "Don't let these corporations engage in farming. We farmers want our homes and we want to build homes and maintain homes. The corporations do not. You are not building up agriculture when you privilege them to engage in agriculture."

Mr. HORSFORD. We agree with that, Senator.

The CHAIRMAN. Under this amendment the people that would be eligible for loans are people actually engaged in farming. The stockholders of such a corporation, under this amendment, would have to be actually engaged in farming.

Senator GORE. There is the trail of the serpent. It just shows how this thing creeps, and creeps, and creeps, and if you open the door an inch these big fellows will force their way in sooner or later; and a year from now you will be here again.

The CHAIRMAN. The limit of the loan is \$7,500, so the big fellows would not get very much.

Senator GORE. What did it start with in the Farm Loan Act? What was the limit?

The CHAIRMAN. \$10,000.

Senator GORE. What is it now?

The CHAIRMAN. \$50,000.

Senator GORE. There you are! And that is the history of it. You cannot stop it. I do not know what the sentiment is; I do not know whether these western men are still interested. If they are, I believe we can make a drive on the floor. I do not know.

Mr. HORSFORD. I want to thank you very much, Senator.

The CHAIRMAN. We will have your statement printed in the hearings.

Senator GORE. I want to offer an amendment that the law be kept as it is as to the minimum rate. The clerk can put it into form. I do not think we should be exposed to that pressure or that people should be exposed to that temptation. Just let the record show that I made such a motion.

Now I want to offer an amendment that the business done with nonmembers will not exceed the amount done with members. In other words, I want to keep the law as it is.

The CHAIRMAN. Fifty-fifty?

Senator GORE. Yes. I have not had an opportunity to go through this bill from end to end. Does this enable the Commissioner or the land bank to continue refinancing for farmers? Suppose an insurance company holds a mortgage on a farm and the farmer wants to get bonds to pay off that mortgage to the insurance company and have the land bank take over the mortgage. Does this have anything to do with that?

The CHAIRMAN. It does not change the law with regard to that, as I understand it.

Senator GORE. What I want is this, and this is what we ought to have done with the farm-loan business and the refinancing and the Home Owners' Loan Corporation. The mortgagee of the old mortgage ought to have endorsed the obligation and stood between the Government and the farmer. Take a building-and-loan concern as an illustration. They have unloaded their bad loans on the Government through the Home Owners' Loan Corporation—

Senator BARKLEY. If that had been required, Senator, there never would have been any refinancing.

Senator GORE. Yes; I think there would. Wherever it was safe and sound, there certainly would have been. You would not be in any worse position.

Senator BARKLEY. It was hard at first to get them to refinance at all.

Senator GORE. In my State now over half of it has been building-and-loan financing, and they have kept their good loans in their portfolios and unloaded the bad ones on the Government.

The CHAIRMAN. On that subject, Senator Gore, the bill reads [reading]:

"Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

Senator GORE. I want to offer an amendment, and I am prepared to offer it on the floor, that the mortgagee shall endorse the mortgage and become responsible.

I want to say, Senator BARKLEY, that half of these Home Owners' loans in some places are in default now.

Senator BARKLEY. I think you are wrong there, Senator.

Senator GORE. I say, in some places. They report down here 70 percent. I called up and tried to obtain the information. You cannot find out a thing about it in this town; and two people there were rather offensive when I asked about it. I was talking to a State manager about 3 days ago. I said, "They report that 70 percent have paid off and 30 percent have defaulted." He said that that was untrue; that in his jurisdiction half of them were in default. A lot of them have never made a payment.

Mr. CAREY. Mr. President, day before yesterday the same farmer who gave that testimony appeared before the committee when I happened to be present—I was not there yesterday when he appeared—and he agreed with me that this amendment, as drafted, absolutely protected the farmer against corporations getting control of their business. He was perfectly satisfied with it. As I understand now, the only objection that he has to this amendment is that it may be an entering wedge for something to come in the future. One man comes in here saying he represents the farmers—I can say that I represent hundreds of men who are engaged in agriculture—and because he comes here and makes this statement, should we deny these men what they are entitled to?

Mr. CONNALLY. Mr. President—

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

Mr. CAREY. I yield.

Mr. CONNALLY. What is the purpose of the amendment and what kind of corporations does it embrace?

Mr. CAREY. Under the amendment any corporation in order to borrow must have the owners of its stock themselves actively engaged in the conduct of the business. It does not mean that a man can sit in New York City and own a farm or ranch and borrow, but under this provision he has to be actively engaged on the ranch or on the farm, attending to that business, and taking part in the business.

Mr. CONNALLY. What kind of existing corporations is it desired to include? Under the amendment I understand a group of farmers, just so they own land of their own and operate farms, could then go out and form a corporation which would be independent of their own efforts, and conduct farming on a large scale, provided the stockholders had been farmers.

Mr. CAREY. They have to be actually engaged in farming when they make the loan.

Mr. CONNALLY. I understand; but they might not continue actively to engage in farming.

Mr. CAREY. Oh, yes; they might die or something like that.

Mr. CONNALLY. I really do not see the reason for this amendment from my viewpoint.

Mr. CAREY. The reason for it is to take care of the livestock men, and those in Michigan such as the Senator from Michigan [Mr. VANDENBERG] describes who are in the apple-growing business, who have incorporated their business, and who cannot now borrow, although they have been incorporated for years.

Mr. LONG. Mr. President—

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

Mr. CAREY. I yield.

Mr. LONG. I might say to the Senator from Texas that last year a man in Louisiana incorporated his cotton farm. He had a little stove mill and he had a little cotton farm. Business had been so precarious that, in order to get credit for the stove mill, he had to incorporate his farm; in other words, he was compelled to do that so that his mill would not be responsible for the farm debt in case of a failure. At the end of the year he was just as much of a farmer as he ever had been. When the time came to apply the Frazier-Lemke law, due to the oversight in not taking care of such corporations, this man's farm was sold and he could not take advantage of the Frazier-Lemke law as he could have done if there had been an amendment to that law to include farm corporations. All this amendment does, as I understand, in this precarious business of farming where a man does not want to be condemned to a farm loss for the remainder of his life and incorporates his business, is to allow him to obtain Government loans under this bill or Government benefits or whatever they may be, the same as though he engaged in the business in his own name. I do not see why, if it is a good law, it should not apply to farm corporations, with the particular provision having been inserted that the owner of the stock of the corporation must be actively engaged in the farming business. It seems to me it would be wise.

Mr. CONNALLY. If a farmer is engaged actively in the farming business, he has got enough to tend to on his farm and probably does not have any extra cash to invest in a corporation formed to conduct farming operations.

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

Mr. CONNALLY. I yield.

Mr. LONG. It is not possible, according to the Government statistics, for a farmer to make a living and engage only in the farming business. [Laughter.]

Mr. CONNALLY. The Senator wants him to engage in two farming businesses?

Mr. LONG. Yes; to engage in more than one business.

Mr. CONNALLY. After he has been wrecked in his private business, it is proposed to wreck him again by forming a corporation, according to the Senator's view?

Mr. LONG. No; the Senator misunderstands me.

Mr. CONNALLY. I do not believe that we ought to encourage even indirect corporate farming, because everyone knows that one of the important objects the Government had in mind when it adopted the Farm Credit Act originally was to encourage home ownership, individual farm ownership, rather than the accumulation of large tracts of lands in the hands of a few people and their operation as great commercial or industrial enterprises. I know that this proposal apparently is diluted and dehorned and denatured under the pretext that the men who are going to form the corporation must themselves be directly engaged in farming; but, just as certainly as we adopt this amendment, at the next session of Congress they will be back here to ask that some other sort of relaxation of the loaning rules be made, and cattle corporations will then be here wanting to borrow on their ranches; and all sorts of efforts will be made to extend the operation and scope of what we are undertaking to do.

Mr. HATCH. Mr. President, the cattle organizations are here now. One of the purposes of the provision is to relieve those now engaged in the cattle industry.

Mr. CONNALLY. Exactly. The Senator points out that the cattle corporations are already here, and so they are. As I suggested a moment ago, because they are in that will be used as an argument why we must put somebody else in; and when we put these people in, at the next session of Congress we will have two arguments instead of one to put in somebody else, or some other sort of a corporation. Thus it goes; little by little they nibble off and dig in and chisel away the safeguards we are undertaking to erect in order to protect and to build up the individual farmer who owns his own home.

Mr. WHEELER. Mr. President—

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

Mr. CONNALLY. I yield.

Mr. WHEELER. I do not know just what the provision is of this particular bill, but in my State a few years ago a corporation was organized by a man who farmed probably twenty or thirty or forty thousand acres of land. Would he be able to come in under this bill and borrow money and carry on his farming operations? Certainly we ought not to be loaning money to relieve that particular class of individuals.

Mr. CONNALLY. Mr. President, the corporation idea has permeated practically every industry and every commercial undertaking of the people of the United States. Agriculture has been the one place where there is to be found any individuality, any feeling that man is still in control of his own business. Let us not destroy that condition. Let us not turn over agriculture to corporate exploitation and to corporate organization. I am opposed to it. Senators may argue that this much of a concession does not do any harm, but after we make this concession they will be demanding other concessions. I am opposed to turning over to corporations the control of the real estate essential to the farming operations of America.

Talk about peonage in farm management! Here is a corporation engaged in farming, owning thousands of acres of land. It can only have tenants; it can only be worked by hired labor or by tenants. There is no sense of possession, no sense of personal or individual identity with the enterprise except as hired men.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

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

Mr. CONNALLY. Certainly.

Mr. O'MAHONEY. Has the Senator read the amendment?

Mr. CONNALLY. The Senator has.

Mr. O'MAHONEY. How can he argue that it will allow tenants of a corporation to occupy or work the land when the amendment specifically declares that a corporation to be eligible to a loan must be composed of stockholders who themselves are engaged in agriculture on the land affected?

Mr. CONNALLY. To be sure, as I pointed out, it is not required that they be engaged in this particular corporation's activities. So long as they own a little 10-acre tract somewhere, they can be stockholders in a corporation owning thousands or hundreds of thousands of acres.

Mr. GORE. It does not require even that. It does not require them to own a single acre.

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

Mr. CONNALLY. I yield to the Senator from Iowa.

Mr. MURPHY. I should like to ask the Senator from Wyoming, in connection with the observation he just made, whether there occurs in the amendment at any point a statement that a stockholder in the corporation must be the owner of the land operated?

Mr. CONNALLY. No; he might be only a tenant.

Mr. O'MAHONEY. I will say to the Senator that the amendment has apparently been changed since it was discussed on the floor several days ago. I have not had an opportunity as yet of reading the revision, but it was my understanding that my colleague, who introduced the amendment, intended that this restriction should be included. Am I not correct, may I ask my colleague?

Mr. CAREY. Mr. President—

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

Mr. CONNALLY. I yield.

Mr. CAREY. If the Senator will read the amendment on page 3, line 3, restricting those who can become eligible, he will find that it reads:

Unless the persons who own all the stock of the corporation are actually engaged in cultivation or the operation of or in the raising of livestock on the farm to be mortgaged.

On that particular farm. They may not buy or own 10 acres elsewhere and borrow on some other land.

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

Mr. CONNALLY. I yield.

Mr. GORE. The required ownership of even 10 acres would be a much more stringent requirement than the section which the Senator just read. That does not require the ownership of 10 acres. It does not require the ownership of 1 acre. The parties may all be tenants and yet worked as peons, as the Senator from Texas suggests, by those who own the corporation and who direct the tenants.

Mr. CAREY. I cannot construe the language to mean that.

Mr. GORE. Would the Senator be willing to insert a provision that they must own the land?

Mr. CAREY. How could they borrow on land they do not own?

Mr. GORE. They could borrow through the corporation, I assume.

Mr. O'MAHONEY. Mr. President—

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

Mr. CONNALLY. Certainly.

Mr. O'MAHONEY. I desire now to read the revised language. I had not read it when the Senator from Iowa [Mr. MURPHY] directed his question to me.

Mr. CONNALLY. The Senator was very much concerned a moment ago because the Senator from Texas had not read it, and yet he states now that he himself has not read it.

Mr. O'MAHONEY. My examination of the provision shows that I was correct in my understanding. It reads as follows:

But no such loans shall be made to a corporation (A) unless the persons who own all the stock—

Not a part, but all the stock!—

unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on—

On what?—

on the farm to be mortgaged as security for the loan.

The stockholders could not possibly borrow on any land unless they were all actually engaged in agriculture upon it. The corporation of which they are stockholders must be the owner of the particular farm upon which the loan is to be made. How could there be any peonage or tenantry under such a proposal?

Mr. CONNALLY. I shall try to answer the Senator. I thank the Senator from Wyoming for his very clear enunciation with reference to this particular clause. I want to make a little enunciation of my own about it now.

The corporation owns the land, of course. It owns the soil. It has control of it. It has dominion over it. No one else but the corporation can own the land, the Senator admits. But it is provided that everybody who has stock in it must be—what?

Unless the persons who own all the stock of the corporation are actually engaged in the cultivation of—

All right! Anybody who works on the farm as a hired man at a dollar a day can be a stockholder. He does not have to own anything except the right to work. So a man could be a stockholder if he is a hired man at a dollar a day. But he can do something else. We are not going to confine it to those. We want to make this broad and liberal, it is said. He can be a stockholder if he is actually engaged—

in the cultivation or operation of—

Any clerk who sits in the corporation headquarters and is engaged in assisting the corporation in carrying on its business is "engaged in the operation of," that activity, is he not? So he is eligible, too—

or in the raising of livestock.

Anybody works on the farm who is engaged in helping to raise livestock. This great farm has a chicken department, and the man who has charge of the chickens on the farm is "engaged in the raising of livestock," so he is eligible to be a stockholder. This great farm has a hog pen, and the chief herdsman of the hogs would be eligible, because he is engaged

in producing and raising livestock on the farm. It has to be on this particular farm. We have a cattle department on the farm, so the chief cowboy would be eligible to be a stockholder.

Mr. O'MAHONEY. But they must all be engaged in the operation.

Mr. CONNALLY. To be sure; all of them.

Mr. O'MAHONEY. The president and the secretary and the cowboy and the clerk and all the rest of them.

Mr. CONNALLY. Certainly. That shows the shrewdness with which these Senators and others have drawn this amendment. [Laughter.] It is absolutely waterproof. Let us assume, for instance, the president has to do something. He has to be a stockholder. Here is a great rich corporation that wants to engage in farming. The president of the corporation could own all the stock except perhaps three or four shares, if he so desired, under the laws of the State where it is organized. I do not know what the laws of Delaware require in that regard. So these corporations are going to farming—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. In a moment. They are going to farming out in Wyoming, but in order to get the proper corporate set-up they go to the great agricultural State of Delaware and get a charter, which requires that there must be at least 3 stockholders, or 5 or 8 or 11, as the case may be. I do not know the definite requirement in that regard. The man who wanted to do so could own all the stock except enough voting shares to qualify the directors, which would be parceled out to the heads of the hog department, the cow department, the chicken department, and to the tenant and the day laborer.

I yield now to the Senator from Wyoming.

Mr. O'MAHONEY. Does the Senator object to a farmer becoming president of a corporation?

Mr. CONNALLY. Oh, no; of course not.

Mr. O'MAHONEY. The farmer might acquire a little property. The Senator does not object to that, does he?

Mr. CONNALLY. It is a very difficult thing for them to do that right now. I am surprised at the Senator from Wyoming. He is trying to inject into the debate, to overawe and subdue the Senator from Texas, the thought that we may tread on some farmers' toes.

I represent the greatest agricultural State in the Union. I represent intelligent farmers. Does anyone think they are going to object to the course I am pursuing because, forsooth, some farmer in my State might accidentally be president of a corporation? I am speaking for all the farmers; I am speaking for the man who wants to remain a farmer. I am speaking for the people who do not want the agricultural field exploited and taken over by the corporations, as so many of the activities of the American people are being taken over. One of the causes of the present depression has been this great industrial organization of mass production, in which a few men own the great industries of the land, and the great masses are merely their hirelings, working as day laborers in the factories and the mills.

Mr. WHEELER. Mr. President—

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

Mr. CONNALLY. I yield to the Senator.

Mr. WHEELER. I desire to call the Senator's attention to the description in this bill of what a farmer is.

Mr. CONNALLY. I know what it is. I do not need to have the Senator read it.

Mr. WHEELER. The bill says:

The term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either—

What?—

either personally or through an agent or tenant.

In other words, under the terms of this bill a man is engaged in farming operations if he has an agent or a tenant conducting the farming operations.

Mr. FLETCHER. That does not apply to these corporations at all.

Mr. CONNALLY. That does not affect the corporations.

Mr. WHEELER. Oh, yes; it does! It affects them because of the fact that farther on the bill contains general language which regulates the whole situation. Farther on it says, "if they are engaged in the operation of a farm." What is meant by "operation"? We turn back to this other section for our definition of a farmer engaged in the operation of a farm, and the bill says that he is engaged in the operation of a farm if he does it either through a tenant or through an agent. In other words, the head of the farm corporation can live in southern California, or he can live in New York, and he can be actually engaged in farming operations under the terms of this bill if he never sees the farm.

Mr. O'MAHONEY. Mr. President, I do not agree with that conclusion of the Senator at all.

Mr. WHEELER. I cannot help it if the Senator from Wyoming does not agree with it; nevertheless, I cannot get away from the plain interpretation of this language.

"Farm operation" means what? "Farm operation" means that if I am sitting in New York City, I may be operating a farm out in Montana. That is what it means. I am operating it because I am putting in the money, and I am directing the operations of the farm, and that means the operation of the farm.

Take any great industrial corporation in the United States of America: Who is directing its operations? The man in the city of New York is directing the operations of mines in Montana. He is the operator of those mines, and he is carrying on their operations. The president of every corporation, the executive of the corporation, is the man who carries on the operation of the corporation's property.

Mr. CONNALLY. Let me say to the Senator from Wyoming, too, that the Senator from Wyoming a while ago insisted that every stockholder had to be engaged in these operations. The bill provides that the land bank commissioner may in certain cases make a loan where only 75 percent of the stock in value is owned by the persons whom he designates in this amendment.

Mr. GORE. That is the first breach in the wall.

Mr. CONNALLY. As the Senator from Oklahoma suggests, that is the first breach in the wall. If the provision as to 75 percent is a good one, they will probably argue next year, "Why not make it 60 percent? Why not make it 50 percent?"

Mr. President, individual cases of rather persuasive character can always be found which we feel possibly ought to be included, but we cannot afford to generalize on a few isolated cases and open up these institutions to corporate organizations.

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

Mr. CONNALLY. Just a moment.

I desire to say to the two Senators from Wyoming that my attitude is in nowise brought about through any opposition to what ordinarily I should like to do, namely, go along with the two Senators. We frequently do go along together on other measures; but I feel so strongly about this matter of undertaking to permit corporations to engage in agricultural pursuits that I am opposed to beginning, even indirectly, a policy which, according to my view, will only grow and widen as time goes on.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, what greater objection is there to letting a farmer have a corporation than to letting anybody else have one?

Mr. CONNALLY. The Senator does not mean that question seriously.

Mr. LONG. Yes; I do. The point I am making is that the kind of relief we are allowing the farmer corporation to have here, and tying it down mightily, is not unlike the relief we have been giving to other pursuits in which corporations are engaged.

Mr. CONNALLY. I do not really think this is in good faith a bona fide farmer corporation, if the Senator will permit me. We permit farmers now to organize, for their mutual benefit, cooperative societies and things of that kind for their marketing.

Mr. LONG. Perhaps the Senator can suggest some sentence that would make it a little bit tighter; but I know that over in the Senator's own State and in my State, which adjoins it, farmers have not made a living for many, many years.

Mr. CONNALLY. That is true.

Mr. LONG. They have necessarily undertaken, therefore, to engage in other vocations; and the great trouble is that if such a farmer undertakes to engage in any other kind of business, the man who is asked to lend him credit, to risk him in the other enterprise, knows the chances are that the man is going to have a big deficit on the farm at the end of the year, and cannot pay whatever he risks on him in the other line. I have been compelled, therefore, to suggest to some of my friends that they incorporate their farms, because they are usually washed out at the end of a year, and that hangs over them for 5 or 10 years.

Mr. CONNALLY. Let me say to the Senator from Louisiana that from a credit standpoint a corporation is not as good a risk as a private individual—

Mr. LONG. I admit that.

Mr. CONNALLY. Because a corporation is responsible only for its assets. There is no personal responsibility. There may be in this bill. I think there is a clause here that in certain cases the stockholders shall become personally liable, but the argument of the Senator from Louisiana is that all farmers ought to incorporate.

Mr. LONG. Yes; I think so.

Mr. CONNALLY. I do not agree with the Senator as to that. I can imagine some of his little Louisiana farmers with 30 acres of land and a mule who would have difficulty in paying the corporation fee to start with, in order to incorporate. I do not believe that our whole salvation lies along the line of incorporating every industry and every business. I hope agriculture will be one citadel of individualism, one place where the ownership of the soil may be kept in the hands of the man who tills it.

Mr. FLETCHER. Mr. President, this amendment has been agreed to. It was adopted earlier in the day. As we read the bill, the amendment was agreed to. Now, a motion is made to strike out certain parts of the bill, which have been agreed to. If the Senator desires to make a motion at all affecting this matter, I think he must move to reconsider.

Mr. CONNALLY. Then I move to reconsider.

Mr. FLETCHER. The motion of the Senator from Oklahoma is pending.

Mr. GORE. I second the motion of the Senator from Texas to reconsider this amendment. If the Senator from Florida is disposed to be hypertechnical about this bill, we will try to conform to parliamentary procedure.

Mr. FLETCHER. Senators will have to do it, whether they try to do it or not. The rules provide that, where an amendment has been agreed to, Senators cannot go back and make a motion to strike out that amendment. They must move to reconsider it.

That is the point I make. I am not trying to cut Senators off from any course they desire to pursue; but we must proceed in the regular way and according to the rules. It will be necessary to move to reconsider this amendment, because it has been adopted.

Mr. CONNALLY. The Senator is right.

Mr. FLETCHER. Unfortunately, the Senator from Oklahoma was not here at the time, but the amendment was adopted.

With reference to the Senator's suggestion about Mr. Horsford, the gentleman representing farm associations, it is quite true that he made the statement to which the Senator from Oklahoma has referred; but this question was put to him:

The CHAIRMAN. Yet as to this particular amendment that the committee decided on yesterday you can see no harm, but you do not like the idea of making a start at loaning to corporations for agricultural purposes?

Mr. HORSFORD. That is it. We feel that it might be an opening to make a start.

That is the only objection to it. As to the particular amendment, the farm associations do not object to it. They simply say that it may be an opening, and they do not want to make a start at making loans to any kind of a corporation. That is the whole objection.

We have discussed this bill today quite fully, I think. We have gone into it at length. The question now is, Shall we reconsider what we did in regular order?

I hope the Senate will vote down the motion to reconsider, and let us go on with the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to reconsider the amendment beginning on line 25, page 2.

Mr. LONG. Mr. President, I see the viewpoint of some of my friends who are apprehensive that this provision would be abused through some large concern incorporating the farm business and using the Government agency as a vehicle. I am just as anxious to avoid that as they are; and if there is any kind of a limit or a safeguard that they want to write into this particular part of the amendment to prevent misuse of the Government's assistance, I shall be glad to vote for it. It seems to me, however, that we are drawing the line a little bit late insofar as concerns the general class of people.

We have allowed these loans to be made in all lines, to all kinds of corporations. As a matter of fact, this Government relief started out with corporations. The Reconstruction Finance Corporation started out to lend money to the banks and to the railroads. It started at the top, and we practically limited our relief to corporations for a long time, until we finally got down to the farmer.

The facts of the farm situation are simply these: Down in my State we have rice farms and sugar farms, and we do not know from year to year what the sugar farmer is going to do so far as concerns what may be inflicted upon him by Congress. We never know at what time Congress is going to lift the sugar tariff and have the sugar farmer's cane fields go to waste. Quite frequently Congress has tampered and meddled with the sugar tariff, and broken the whole country down there, and kept it broke for a number of years; and as a result of it people who live by the mercy of Congress must incorporate. They do not know whether the sugar tariff is going to be 2 cents or 1 cent or nothing; and that difference is the difference between solvency and insolvency, as a result of which most of our cane farmers have incorporated, and many of our rice farmers have incorporated, and any cotton farmer who has much sense incorporated 15 years ago.

The only difference in this bill that is now being insisted on is that a farmer must hold himself up to the hazards of insolvency, whereas no one else except a farmer must be held up to the hazards of insolvency. What other law is there providing for loans to be made by an agency of the Government, or by the Government direct, that does not permit those loans to be made to corporations? I know of none. There is not a single other one. In this particular instance the farmer is not only hamstrung, but it is provided that the corporation must be owned by the men actually engaged in the business, and that is tied down, as I understand it, so that in fact they are bona fide farmers merely operating against limited indebtedness or unlimited indebtedness, as the case may be.

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

Mr. LONG. I yield.

Mr. HATCH. I did not quite follow the Senator. What did the Senator mean in his reference to insolvent farmers a moment ago?

Mr. LONG. I mean that where a farmer is operating unincorporated—and most of them do operate that way—if he has a market failure or a crop failure, he is likely to go in the hole for \$10,000 this year and not be able to get out in 10 years.

Mr. HATCH. The Senator is not referring to the indebtedness which might be created under the terms of this specific bill?

Mr. LONG. No; but I am referring to the conditions which have been brought about by the Congress—and these conditions in the United States have been brought about by the Congress, and by nobody but the Congress, either Congress failing to act or by ill-advised action. The present condition of the farmers in the United States is not due to anything but failure of the lawmakers to act or their having acted unwisely.

The farmer finds himself today necessarily having to incorporate his business because corporations have preempted every other line of endeavor, and the farmer is the only man today who is left to the mercies and the ravages of uncontrolled indebtedness.

If a merchant goes broke, his mercantile establishment usually is leveled to the ground and he walks out at least scot free the next day, so that he may find something to do. But if the farmer goes broke, every dollar that he owes is on top of his head; judgments are rendered against him in the county in which he lives, and in whatever county the poor devil goes to he finds another judgment put on the record against him, so that he never gets his head above water.

There is only one way to remedy the terrible situation prevailing, and the Senator from Texas adequately presented it a moment ago. I was almost looking for my friend the Senator from Texas to make a speech in favor of the redistribution of wealth. If he had kept going, he would have done that, and I waited for some time, hoping that he would. But in this day of inequality, with everything concentrated in a few people's hands, with \$252,000,000,000 of indebtedness, an average of \$2,000 to every child, why is it that you do not find the means, if you are not going to give relief by some other kind of process, of allowing the farmer to hide behind the corporation fiction as everybody else is doing today? Either stop the Government lending money to corporations or do not throw up the bar against farm corporations to start with.

You have drawn the line at a very bad place. You have drawn the line rather late. Could we not have said in the beginning of this policy adopted under Mr. Hoover and continued under Mr. Roosevelt—there is no difference in the policy; the same thing we proposed under Hoover we are doing under Roosevelt. I believe Hoover did propose plowing up every fourth row, and we propose plowing up every third, but there is not much difference in the policy that I can see from one end to the other. Should we not in the beginning have proposed that we would not lend the Government's money to anybody except to individuals, rather than start out by lending it to the railroads and to the banks and to the other corporations, until finally a few of us got the money loaned to the farmer?

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

Mr. LONG. I yield.

Mr. BLACK. I am very much interested in the statement of the Senator about the farmers who own the sugar plantations in Louisiana. May I ask the Senator, what is the biggest sugar plantation, in acreage, which is owned in Louisiana by a corporation?

Mr. LONG. I do not know.

Mr. BLACK. I visited that section last year, and I was informed that in the main the sugar plantations to which the Senator refers as being incorporated are incorporated in thousands of acres, that the presidents of those corporations draw large salaries, and that they employ people to work on daily wages on those sugar plantations. Is that correct?

Mr. LONG. There is some of that.

Mr. BLACK. I drove through several hundred miles of that section last year and had pointed out to me by people who claimed to know—and I stopped at one place—that in the main the sugar was raised by corporations owning thousands of acres of land. I went into the corporate headquarters of one of those companies, and I was informed that in the main there were few small farmers left in that section and that the land was chiefly owned in large blocks. Is that correct?

Mr. LONG. No; that is not true; but, unfortunately, the cane farmer became a rather small farmer, as a general proposition, although there were some big corporations, until this depression, and as a result of this depression many of those are in liquidation or in receivership, and they are usually being operated in large blocks in some places by receivers, but, generally speaking, the cane farmer down there is not much different from the cotton farmer in other States. There are some notable exceptions, but, as a rule, he is not much different from the cotton farmer. Generally, however, our cane farmer is not a bigger land tiller than the other farmers.

Mr. BLACK. My reason for asking the question was that I was sure, considering the Senator's usual position on economic questions and his argument, that he was probably not favorable to the Government lending money to corporations in Louisiana or anywhere else which own thousands of acres of land.

Mr. LONG. No; I am not.

Mr. BLACK. And which pay small wages.

Mr. LONG. I am not.

Mr. BLACK. As I read this amendment, it would permit those very people to borrow money.

Mr. FLETCHER. No; I think not.

Mr. LONG. It might.

Mr. BLACK. May I just follow this up?

Mr. LONG. It might need a limitation.

Mr. FLETCHER. No loan can be made exceeding \$25,000 under the Farm Loan Act, and \$25,000 additional, making a total of \$50,000 as the limit.

Mr. LONG. That is too much.

Mr. BLACK. That being true, and assuming that that is all we ever lend, it has been my judgment and my desire—and it is yet—that the Farm Loan Act permit lending to small farmers. As I read this amendment, one man who lived in a \$50,000 home, if it were so desired, could own all the stock in the corporation if he incorporated in Delaware. If I am not mistaken, a corporation may be formed with at least one real stockholder and one other share. One man could own all the stock, and everybody else on the farm would be working on daily wages, with no chance of ever owning a small farm himself, by reason of the fact that the wages were so low; and that one man could get a loan.

Mr. WHEELER and Mr. CAREY addressed the Chair.

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

Mr. LONG. I just want to say one word, and then I will yield to my friend the Senator from Montana.

I stated in advance that I would be in favor of a limit being put in this bill. I do not favor these \$50,000 farm loans. They are not farm loans. I think nearly all of this money that we have been lending has been dissipated by too large loans. I would favor a limit on lending to a thousand dollars, perhaps, and I am satisfied it would do a great deal more good than lending \$50,000 to a person. One point against which I am raising my hand is the provision preventing a farm from borrowing because it is incorporated.

Now I yield to the Senator from Montana.

Mr. WHEELER. I have a great deal of sympathy with the purpose of this measure, but let me say that I am sure the Senator from Florida does not intend the interpretation that can be put upon the language here for this reason: The measure first provides, in subdivision (c) of section 2, that "the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant." First, it provides that the term "farmer" means a person, and then it provides that the term "person" includes any individual or corporation. Then it provides that a corporation includes any incorporated association, and that the corporation or the person must be actually engaged in farming.

In other words, if I read this section correctly, it means that a corporation may hold the stock in another corporation and direct the operations of that organization, and, consequently, it can borrow the money. That is the only logical conclusion that one can draw from the language used in

this measure, because it terms a farmer a person, and then describes a person as a corporation. In other words, a farmer is a corporation. And the person must be actually engaged in farming, or in the operation of a farm. As I have said, the operation of a farm may mean that there is simply a corporation organized for the purpose of operating that farm.

The language of this particular section is so poorly drawn, and subject to so many interpretations, that I think it should be stricken, or should be redrafted.

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

Mr. LONG. I yield.

Mr. CONNALLY. Let me say to the Senator from Wyoming that, in order to make our position consistent, when the vote by which this committee amendment was agreed to shall be reconsidered and the amendment voted down, if it shall be, we will then have to move to strike out subdivision (c), since otherwise we would leave the gate wide open, because every corporation would be a person.

Mr. GORE. That is included in my motion, that that be stricken out, as well as the other.

Mr. CONNALLY. The Senator's motion will come up after we reject the committee amendment.

Mr. GORE. Yes.

Mr. CONNALLY. Then we can move to strike out subdivision (c), as I understand the parliamentary mechanics.

Mr. GORE. Very well.

Mr. CONNALLY. My purpose is to vote for the Senator's motion and strike out subdivision (c) after we shall have killed this committee amendment.

Mr. LONG. Mr. President, I think there ought to be a limit so that the proposed loan shall be a farm loan. I do not want to lend the Government's money to men who hire tenants or to men who share profits. I want the large farms and plantations broken up, and I have helped to break up some of them. I do not want to lend the Government's money to somebody in order to enable him to hire a farmer for him to do the work. That is what I want broken up. That is one of our troubles today. What I am complaining of is not allowing the farmer to borrow because of the fact that his farm is incorporated. It does not cost much to incorporate a farm in my State. We can incorporate for \$10 down there. I think that can be done in some of the other States just as cheaply.

I believe that section (c), as I now read it, has been badly written. In it the term "farmer" is taken to mean a person who is at the time or shortly to become a farmer, but one who does no farming personally but does it through an agent or a tenant is not a farmer. He is a business man.

Mr. FLETCHER. Mr. President, that is the present law.

Mr. LONG. That is a bad law. I did not know it. But that does not mean "farmer", and that is not the kind of people to whom we ought to lend the Government's money. We ought to lend the Government's money in these days of distress to the poor fellow working from sun up to sun down, who is trying to make a living and trying to get a home of his own. The Government's money ought not to be lent to some man to enable him to hire somebody else to farm for him. I believe that tenant farming and share cropping is a blight and a curse on our country, which ought to be lifted off the farm lands, and I am not in favor of lending the Government's money for that purpose.

When we reach the point of not lending the Government's money to corporations, it is my belief that we have gone too far, because I believe that the farmer ought to be allowed to incorporate the same as anyone else against liabilities. I have many cases in mind, and every other Senator here knows of just as many as I do, where the farm debts which were contracted 10 years ago are still hanging over the heads of farmers at this time; and, if a little man had sense enough to incorporate his business, and if he had a crop failure or if there was a failure of Congress to pass certain sugar legislation, such as we witnessed here several times—or, rather, of Congress acting unwisely in passing such legis-

lation—then he would not for 10 years to come be burdened with debts for which he is not responsible.

Mr. MURPHY. Mr. President, I was detained in reaching the Senate Chamber and, consequently, was not here when this amendment was approved. I hope that the vote by which it was agreed to will be reconsidered.

The cattle industry is a very large industry in my State. There is no demand that I know of for extending to corporations the powers sought to be conferred in this bill to borrow. I think the objective sought may in instances be meritorious, but this amendment is so drawn that it is promotive not merely of absentee landlordism but corporate absentee landlordism.

The farms of this country are very rapidly passing into the hands of mortgagees. These mortgagees are in most instances corporations. It appears from the language of this amendment that the corporation itself may borrow from the Farm Credit Administration. By extending that opportunity to a corporation we encourage the organization of corporations for that very purpose, and, encouraging that, we encourage corporate absentee landlordism, with all its entail of economic and social ills.

Mr. CAREY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Wyoming?

Mr. MURPHY. I yield.

Mr. CAREY. What will be the difference between corporation absentee landlordism and individual absentee landlordism? An individual can borrow just as much under this act as a corporation. An individual can borrow on a farm and move to town. So what is the difference?

Mr. MURPHY. Well, the evil would be multiplied by two; that is all.

Mr. CAREY. How by two?

Mr. MURPHY. It would be multiplied by two. Both of them are evil.

Mr. CAREY. The Senator means there would be two groups?

Mr. MURPHY. Both of them are evil. Corporate absentee landlordism would be just multiplying it by two. We have now individual absentee landlordism.

Mr. CAREY. An individual could own just as much land as a corporation; an individual could borrow just as much as a corporation.

Mr. MURPHY. It is not ordinarily assumed that an individual can command the resources that a corporation can command. That is the reason for corporations; they can command more capital than can individuals.

Mr. CAREY. Not necessarily. There could be small corporations.

Mr. GORE. Mr. President, the evils of which the Senator complains will be aggravated when we authorize the Government to encourage these farming corporations, if we encourage them to borrow money, if and when they are incorporated.

I wish to say that the last statement of the Senator from Louisiana [Mr. LONG] is in accord with the general principles which he has avowed in the Senate and with which he is generally accredited. The Senator both in the Senate and out of the Senate has been the spokesman of the small farmer. He has been the spokesman of the small farmer in Louisiana and out of Louisiana. If his first statement had been allowed to stand unmodified, I have no doubt that the small farmer in Louisiana and elsewhere would have felt just a little lonesome to read the first statement of the Senator from Louisiana.

I agree with the Senator that the farmers have not been able to earn a living on their farms during this period of depression in this greatest agricultural country on the globe—at least, it was in other days. I think their inability to earn a living may be due in some measure to the fact that privileges and favors have been conferred upon favored groups—upon privileged groups. I think that groups have availed themselves of privileges and favors conferred or at least made available by the Government. It has resulted

in a system of privilege in this country, and a system of privilege enables one man to get without earning what another man earns without getting. A system of privilege compels one man to part with something for nothing in order that some other man may get something for nothing. A system of privilege demands a victim. It cannot be made to work without a victim. It is just like the transfusion of blood; one man gives up the blood in order that another may receive it. That is a system of privilege.

I think we have had a system of privilege in this country fostered and encouraged by the Government at times. Like the Senator from Louisiana, I do not so much complain of the law; I do not so much complain of those who avail themselves of such laws, but I complain of the lawmakers who made it possible for a system of privilege to spring up in this country.

I think to some extent the Senator has indicated that the farmers have been the victims of this system of privilege. I do not believe that anybody has more often asserted the fact that corporations in the country have rampaged the country; have gone to and fro seeking whom they may devour. I think the Senator will agree with me on that.

Therefore, I was surprised in the first instance to hear the Senator favor what I regard as the incorporation of a Frankenstein monster to destroy farmers. I think that is what this proposal is. The first argument made by the Senator from Louisiana [Mr. Long] in favor of this proposal is to my mind the strongest possible argument against it. That argument had not occurred to me. He states, and correctly states, that if and when farmers can incorporate they can avail themselves of the limited liability that characterizes corporations which protects corporations against their creditors. That is true.

When farmers incorporate, and only the big ones will, they can avail themselves of the protection of limited liability as to their debts. Their property, save what is embarked in the corporation, will not be liable for their debts. They will enjoy a bombproof fortification built up by the limited liability safeguards.

If all farmers would incorporate there might be some force in the Senator's argument, but the Senator from Louisiana knows that Tom, Dick, and Harry are not going to incorporate. They never will. There are more than 6,000,000 farmers in the United States. Perhaps a few thousand would incorporate, and those who incorporate will, as the Senator suggests, enjoy limited liability as to their debts, but, sir, that increases the competition which the one-horse farmer has to meet. He will not incorporate. In many States he cannot incorporate. He cannot afford to finance a corporation. He could not attend to the technical details, and yet he must compete with those who are in a situation to incorporate, to take our charters and avail themselves of the protection resulting from limited liability.

This measure invites the corporation against which the Senator from Louisiana has inveighed so often, and so often with justice, to invade the cotton fields, to invade the cornfields, to invade the wheat fields, to embark upon every activity known to the farm.

The PRESIDING OFFICER. If the Senator from Oklahoma will suspend for a moment, the Chair will state that the Senate is proceeding under rule VIII. The hour of 2 o'clock having arrived, the morning hour is closed.

Mr. FLETCHER. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1384.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of 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.

Mr. GORE. Mr. President, the Senator from Louisiana, like the rest of us, remembers the story in the Arabian Nights where a magician had the power to raise the devil but did not have the power to control him after having raised him. I think that is the peril of this proposed legis-

lation. We are conjuring up a spirit which once raised we will find it impossible to control, and I am afraid that the small farmer will be the victim of vast incorporated concerns; that the amendment, if adopted, will destroy the character of farming which we hope to revive and not to abolish in the United States. I fear the competition, and I believe the security of the little farmer will be maintained by defeating this proposal.

The PRESIDING OFFICER (Mr. BYRD in the chair). The question is on the motion of the Senator from Texas [Mr. CONNALLY] to reconsider the vote whereby the committee amendment at the bottom of page 2 was agreed to.

Mr. SCHALL. Mr. President, I have a letter here from some people from my State who are interested in this matter, which I ask the clerk to read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WASHINGTON, D. C., February 2, 1935.

Hon. THOS. D. SCHALL,

Senator from Minnesota, Washington, D. C.

DEAR MR. SCHALL: We, the undersigned, are the Minnesota members of the Northwest Farmers' Union legislative committee who have come to Washington in the interest of the farmers of our territory.

We seek your special assistance in the matter of defeating an amendment to the bill entitled "S. 1384." It is the Carey amendment which would make it possible for corporations to loan money from the Farm Credit Administration for the purpose of corporation farming.

Our committee is opposed to this bill for the reason that we believe it would add intolerable difficulties to present agriculture.

Believing that you will see eye to eye with us in this matter, we remain,

Respectfully,

P. J. THORSON,

J. EDWARD ANDERSON,

Minnesota Members of the Northwest

Farmers' Union Legislative Committee.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas. [Putting the question.]

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee.

Mr. McNARY. Mr. President, may not the clerk state the pending amendment?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. The pending amendment is on page 2, line 25, after the word "farmer", where the committee proposes to insert the following:

(2) the term "person" includes an individual or a corporation; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.

Mr. CONNALLY. Mr. President, I want to say that if this amendment shall be defeated, then, at the proper time will recur the motion of the Senator from Oklahoma to strike out paragraph (c).

Mr. FLETCHER. Mr. President, of course, under the motion to reconsider, the whole subject is open to further amendment or what not. I hope the Senate will not recede but will stand on the action already taken, and let us go on with this bill. I ask for a division on the motion to reconsider, and I hope the vote will be "no."

Mr. CONNALLY. The question now is on the adoption of the committee amendment, is it not, Mr. President?

Mr. FLETCHER. No.

Mr. CONNALLY. Does the Senator want a roll call?

Mr. FLETCHER. Yes; on the motion to reconsider, I ask for the yeas and nays.

Mr. LA FOLLETTE. I make the point of order that the Senator's request comes too late. The Chair has announced the result of the viva voce vote.

The PRESIDING OFFICER. The point of order is sustained.

Mr. FLETCHER. I first asked for a division, but I now ask for the yeas and nays.

Mr. CONNALLY. I will say to the Senator from Florida that the same result may be obtained by voting on the committee amendment.

Mr. FLETCHER. We have voted on the committee amendment. I do not want to bother with reconsidering and opening up the whole question again.

Mr. CONNALLY. It has already been reconsidered. By voting the committee amendment down or voting it up, we will get the same result.

The PRESIDING OFFICER. The Chair will state for the information of the Senator from Florida that the motion was made to reconsider, the question was put to the Senate, and the result was announced by the Chair as being in the affirmative.

Mr. FLETCHER. I then ask for a division. I believe I have a right to do that.

Mr. GORE. Mr. President, I think the Senator's request comes too late. It was made after the decision had been announced by the Chair.

Mr. CONNALLY. Out of consideration for the Senator from Florida, I ask for unanimous consent that a division may be had on the question of reconsideration.

Mr. LA FOLLETTE. I object, for the reason that I think this question ought to be decided on an affirmative vote as to whether or not this amendment should be adopted.

Mr. FLETCHER. We voted on that once.

Mr. LA FOLLETTE. I understand that, but the Senator is also aware of the fact that we have already voted to reconsider; the Chair has announced the result and the Senator's request for a yeas-and-nay vote comes too late.

The PRESIDING OFFICER. Objection is made. The question is now on the adoption of the committee amendment.

Mr. CONNALLY. As I understand, the Senator from Oklahoma has offered a motion to strike out section (c).

Mr. FLETCHER. No; he has not offered such an amendment.

Mr. O'MAHONEY obtained the floor.

Mr. CONNALLY. A parliamentary inquiry. Would a motion now be in order to strike out all of paragraph (c), including the amendment?

The PRESIDING OFFICER. Such a motion would be in order.

Mr. CONNALLY. I now make the motion to strike out paragraph (c).

Mr. O'MAHONEY. I have the floor.

Mr. CONNALLY. I thought I had the floor.

Mr. O'MAHONEY. No; I was recognized.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I understood the motion which was adopted a few moments ago was to reconsider the vote by which this amendment was adopted. What is the pending motion?

Mr. FLETCHER. The question is on the amendment of the committee, it seems to me. I do not believe there is any other motion pending.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McNARY. Exactly.

Mr. O'MAHONEY. Then, Mr. President—

Mr. CONNALLY. I rise to a point of order. The pending question is on the adoption or rejection of the committee amendment. That opens up, however, the whole of section 2. I understand the rule to be, if I make a motion to strike out, that a perfecting amendment takes precedence; and under my motion to strike out the vote would first come on

the adoption of the committee amendment, and when that shall be adopted or rejected the question will recur on the motion to strike out paragraph (c). Is not that correct?

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the Senator from Texas is correct.

Mr. O'MAHONEY. It is my purpose, having the floor, to present an amendment to perfect the committee amendment. The purpose of the amendment which I intend to offer is to meet the criticism which has been raised by the Senator from Texas [Mr. CONNALLY], and, having obtained recognition of the Chair, I desire to offer that amendment before the motion to strike out is offered.

Mr. McNARY. Mr. President, does the Senator desire to perfect his own amendment?

Mr. O'MAHONEY. I desire to perfect the amendment of my colleague, the senior Senator from Wyoming [Mr. CAREY].

Mr. McNARY. Which was also modified by the Senator's motion some days ago. I think he is entitled to that privilege.

Mr. FLETCHER. Of course, any Senator may propose to amend the amendment now. It is not a question of perfecting the amendment, but any Senator may propose to amend the pending amendment.

Mr. O'MAHONEY. I am merely anxious to have this amendment before the Senate.

Mr. FLETCHER. The question is on the Senate agreeing to the committee amendment, and any Senator may move to amend that amendment.

Mr. O'MAHONEY. In the interest of orderly procedure, Mr. President, I move now to amend the committee amendment by inserting in line 1, on page 3, after the word "corporation", where it first occurs, the words "now in existence"; by striking out in lines 3 and 4 the words "the persons who own all the stock of the corporation are" and inserting in lieu thereof the words "all the stock of the corporation is owned by individuals themselves", so that the amendment will read as follows:

(2) the term "person" includes an individual or a corporation now in existence; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan.

The purpose of these two amendments is to meet the two substantial criticisms that have been offered to the committee amendment. The words "now in existence" will make it impossible for any corporation to be created in the future to take advantage of the opportunity to make a loan, thus meeting an objection that was raised by the Senator from Montana [Mr. WHEELER]. The other change is intended to make it absolutely clear that the owners of the stock are the individuals who themselves will be personally engaged in work on the farm or a ranch to be mortgaged, so that no question of absentee landlordism can again be raised.

The PRESIDING OFFICER (Mr. McGILL in the chair). The question is on the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is now on the committee amendment as amended.

Mr. O'MAHONEY. On that question I ask for a division.

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

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

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

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

Adams	Black	Capper	Cutting
Ashurst	Bone	Caraway	Davis
Austin	Borah	Carey	Dickinson
Bachman	Brown	Clark	Donahey
Balley	Bulkley	Connally	Duffy
Bankhead	Bulow	Coolidge	Fletcher
Barbour	Burke	Copeland	Frazier
Barkley	Byrd	Costigan	George
Bilbo	Byrnes	Couzens	Gerry

Glass	Loneragan	Norris	Thomas, Okla.
Gore	Long	Nye	Thomas, Utah
Guffey	McAdoo	O'Mahoney	Townsend
Hale	McCarran	Pittman	Trammell
Harrison	McGill	Radcliffe	Truman
Hastings	McNary	Reynolds	Vandenberg
Hatch	Maloney	Robinson	Van Nuys
Hayden	Metcalf	Russell	Wagner
Johnson	Minton	Schall	Walsh
Keyes	Moore	Schwellenbach	Wheeler
King	Murphy	Sheppard	White
La Follette	Murray	Shipstead	
Lewis	Neely	Smith	
Logan	Norbeck	Steiwer	

Mr. LEWIS. I announce the absence of my colleague the junior Senator from Illinois [Mr. DIETERICH] on official business. I again announce the absence of the junior Senator from Louisiana [Mr. OVERTON] because of illness.

I again announce the continued absence of the Senatorelect from Tennessee [Mr. McKELLAR] and the Senator from Maryland [Mr. TYDINGS] on the Philippine Commission.

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

Mr. McNARY. Mr. President, as I understand, the question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to perfect the amendment proposed by him and adopted a few days ago. I suggest that the clerk state the pending question before we take the vote.

The PRESIDING OFFICER. The clerk will report the amendment as it is proposed to be amended.

The CHIEF CLERK. The amendment to the amendment proposed by the Senator from Wyoming is as follows: On page 3, after the word "corporation", insert the words "now in existence"—

The PRESIDING OFFICER. That amendment has been adopted. The question is on the amendment proposed by the committee as amended by the amendment of the Senator from Wyoming.

Mr. LONG. Mr. President, a point of order.

Mr. McNARY. Mr. President, I desire to submit a parliamentary question. A few moments ago when the matter was voted on by the Senate on a viva voce vote, and pending a decision by the Chair when a division was called for, a demand was made for the yeas and nays and the suggestion of the absence of a quorum was then made for the purpose of having Senators present when the yeas-and-nay vote is had. I do not recall the Chair making any ruling whatsoever on the proposal submitted by the junior Senator from Wyoming except as I have stated.

The PRESIDING OFFICER. The Chair has announced the adoption of the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment. The question pending when the yeas and nays were demanded by the Senator from Florida [Mr. FLETCHER] and when the absence of a quorum was suggested was on the committee amendment as amended by the amendment of the junior Senator from Wyoming.

Mr. McNARY. That is correct.

The PRESIDING OFFICER. The amendment offered by the junior Senator from Wyoming to the committee amendment has been adopted. The question now is on the amendment of the committee as amended.

Mr. McNARY. And we are now about to vote, not upon the amendment proposed by the junior Senator from Wyoming, but upon the amendment of the committee as amended.

The PRESIDING OFFICER. That is correct.

Mr. LONG. Mr. President, I was out of the Chamber when the amendment was agreed to. I had understood a quorum was being called for the purpose of voting upon the amendment of the Senator from Wyoming. I was not aware of the fact that the Chair was ruling, or was being called upon to rule, on the amendment to limit the corporations to which a loan might be made. That amendment is more objectionable—

Mr. O'MAHONEY. Mr. President, will the Senator yield at that point?

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

Mr. LONG. Certainly.

Mr. O'MAHONEY. I wish merely to state the parliamentary situation as I understand it. I believe the Senator from Louisiana is now about to make an address on the merits of the amendment.

What has transpired is this: The amendment proposed by my colleague the senior Senator from Wyoming [Mr. CAREY] was adopted earlier in the day. Later on a motion was carried to reconsider the vote by which the amendment was adopted.

Thereupon, in order to meet the objections that had been raised, I made a motion to amend the committee amendment. That motion was then put, and there was some doubt as to the result of the vote. A division was requested, and thereafter the yeas and nays were requested; and in pursuance of the request for the yeas and nays, a quorum call was made.

The quorum call having been made, it is now my understanding that the next step is to have the yeas and nays on the amendment. In pursuance of that, the Presiding Officer asked the clerk to state the amendment, in order that Senators might know what they were asked to register a yeas-and-nay vote upon.

Mr. ROBINSON. Mr. President, will the Senator yield to an inquiry? Has the amendment proposed by the junior Senator from Wyoming [Mr. O'MAHONEY] been agreed to?

Mr. O'MAHONEY. It has not.

Mr. ROBINSON. The Chair stated that the question was on the amendment as amended, which would imply that the amendment of the junior Senator from Wyoming had been agreed to.

Mr. O'MAHONEY. If that amendment has been agreed to, I am happy about it. I did not so understand it.

Mr. LONG. That is the point I am making.

Mr. ROBINSON. Then the question now is upon the amendment as amended?

The PRESIDING OFFICER. That is the pending question.

Mr. CONNALLY. Mr. President—

Mr. LONG. I have the floor. I yield to my friend from Texas.

Mr. CONNALLY. On the point of order, the yeas and nays were not ordered. There was a demand for the yeas and nays, but it was not sufficiently seconded; so the Senator's amendment has been adopted.

Mr. O'MAHONEY. I am very happy about it.

The PRESIDING OFFICER. The question now is on the committee amendment, as amended.

Mr. LONG. Then I ask the Senate to vote down this amendment entirely. The fact of the case is, my stomach had been gradually turning against it even before it was amended. Perhaps my friend from Alabama will have to take the blame for my change of position on this matter, but after reading this whole section, although part of it is the law already, I think this amendment makes it very objectionable.

I have urged, notwithstanding all the pleas of my friends from Oklahoma and Texas, that there is no reason why farmers ought not to be allowed to incorporate their business and secure a loan. I have not argued the merits and demerits of corporations, as my colleagues have, because that is not the point. We have corporations, and they have been growing quite steadily; but I have urged that in this day of evil, if the corporation is an evil—and it has been used more for evil than for good, no doubt, in lots of instances—farmers ought to be allowed to incorporate in order to borrow money from the Government.

Now, why? According to the amendment which has been agreed to, these big sugar plantations that have already incorporated can borrow money. The smart man, the big man, has already incorporated. He can come here now, and his corporation can borrow money. The big men who are already wise to this kind of skin games, if you are going to call them skin games—and I do not call them that—can borrow money. The big men always were wise to this kind of a "shenanigan." They knew in the very beginning, when they began to go broke—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I think the Senator was altogether correct in the position he took about an hour ago. If he has changed his mind now, it is because he has gained some misinformation with respect to the tenor and purpose of this amendment.

Mr. LONG. No.

Mr. O'MAHONEY. The only effect of the amendment as it now stands will be to open the door for the small man, the farmer or the rancher to form a corporation; and it does not in any degree open the door for the big fellow, because there are two or three limitations on the big fellow in the law and in this amendment.

Mr. LONG. If the Senator will pardon me, did not his amendment provide that corporations now existing could take advantage of this provision? What is that amendment? May I ask to have the clerk read it? At what point was that amendment inserted?

The PRESIDING OFFICER. The amendment heretofore adopted to the amendment will be stated.

The CHIEF CLERK. On motion of Mr. O'MAHONEY, the amendment was amended as follows:

On page 3, line 1, after the word "corporation", where it occurs the first time in line 1, the words "now in existence" were inserted.

Mr. LONG. That is what I meant.

The CHIEF CLERK. And in lines 3 and 4, the words "the persons who own all the stock of the corporation" were struck out, and the words "all the stock of the corporation is owned by individuals themselves" were inserted.

Mr. O'MAHONEY. If the Senator will permit me to explain what was meant by that change, I shall be glad to do so.

Mr. LONG. I shall be glad to hear the Senator; but I should like him to answer this question: It seems that the first amendment merely means that this shall apply to such corporations as now exist?

Mr. O'MAHONEY. That is right. That amendment was adopted at the suggestion of the senior Senator from Montana [Mr. WHEELER], who was fearful that the amendment might be used for the purpose of creating corporations to take advantage of the opportunity afforded. It was the purpose of the first amendment to meet that criticism. The purpose of the second change was to make it absolutely certain that all the stockholders of the corporation should be individuals themselves engaged on the farm. The word "person" having been defined in earlier language of the bill to include a corporation, we have used the word "individual" here to make it quite clear that no agent or tenant is meant.

Mr. LONG. I desire to say that the second amendment is a good amendment; but the first amendment, even though it was adopted at the instance of the Senator from Wyoming—

Mr. O'MAHONEY. I appreciate the commendation of the Senator from Louisiana.

Mr. LONG. I thank the Senator. The second amendment I have no objection to; I think it is a good amendment; but the first amendment makes it just doubly bad. In other words, this amendment now allows farms that are already incorporated to borrow money. In other words, the big man has a chance to borrow as a corporation, but the little man cannot borrow as a corporation. They had already found that out without this law.

As I started to say, I do not refer to corporations as being devious means of evading what is right; but, accepting them in that light, as my friends from Oklahoma and Texas argue, since they term corporations more or less the sinister shadow of something wrong—and they are probably more than that that what is right in most cases anyway—none the less, the big man already knew these shenanigans. He was an expert at that sort of thing before this law ever came about. The great big sugar plantations and the great big rice plantations have been incorporated for 15 years or 20 years or 25 years, and their owners are the men who ought to be excluded from the privilege of borrowing money under

this measure. They are the very men who ought never to have been allowed to incorporate and to use the banks to carry on this big share-cropping and hiring-farm system in the first place; and the sooner such corporations are broken up the better off the country is going to be.

This provision not only does what the Senator from Oklahoma says, I will admit, but it does more than that. Slavery in the Southern States was not broken up as long as the big farm was left down there. The only difference was that the white man was a slave just the same as the nigger was a slave. Take the situation in my country: I am in a white man's country, as my friend from Alabama said, and I thank him for it. There have been miles and miles and miles of cane plantations and rice plantations down there where they worked the white man and the nigger for from 35 to 40 to 60 cents a day during a season, and for nothing when there was not a season. Those men have already learned to incorporate, and to borrow money, and to float bonds, and to sell stock; and they will be the very first ones to qualify under this law so as to get a loan.

What made me feel favorably disposed toward this bill was the fact that it enabled the little farmer to incorporate, the same as the big business has been incorporating and getting the advantage of these various and sundry laws of the Government. These various and sundry corporations have all been sharing, in one way or the other, in the benefits of the various laws the Government has been passing. So when the senior and the junior Senators from Wyoming came along here sponsoring an amendment by which they said to all the farmers, big and little, old and young, that they could incorporate and thereby place themselves beyond assuming personal liability for the debts of a farm, I was in favor of that because it placed the little farmer on the same basis that the big business had been on for a long time.

Mr. BLACK. Mr. President—

Mr. LONG. I yield to the Senator from Alabama.

Mr. BLACK. The Senator knows, as a practical matter, however, that whether or not the little farmers were now permitted to incorporate, they never would do it.

Mr. LONG. Oh, no; I do not know that.

Mr. BLACK. The farmer living away out on the hillside who has one mule cannot be expected to go into the county seat and incorporate. In the first place, he does not make enough to pay a lawyer to incorporate him.

Mr. LONG. The Senator lives in Alabama. He does not know how we run things in Louisiana. I would have them all incorporate.

Mr. BLACK. I have been down through there, and so far as I saw they are all incorporated now.

Mr. LONG. Yes.

Mr. BLACK. But there are only about six or seven of them who are incorporated, and they work all the others as wage earners.

Mr. LONG. That is right. The point about it, Mr. President, is this: I intend to teach our farmers how to incorporate their farms. If we are going to keep up this "shenanigan" business of letting everybody else avoid being held personally responsible for debts that are incurred, I will show all the farmers in Louisiana how to incorporate. I will sit down with a mimeograph machine, and type off the directions, and send out the blanks, and have the farmers send them in, and I will incorporate all of them in that State.

Mr. BLACK. How is the Senator going to incorporate the small landowner down there when most of the sugar land is already owned by large corporations?

Mr. LONG. No; we have lots of little farms down there.

Mr. BLACK. Where?

Mr. LONG. All over the State—Winn Parish, where I come from. The farms there are all little. I had one of them. I owned a farm myself until they put dead cattle on it that they killed under the Agricultural Act. [Laughter.]

The point I am urging is this: I urged in the beginning, along with my two friends, the Senators from Wyoming, and over the objections of the Senators from Oklahoma and Texas and Montana, that it was not against the policy of the

Government to lend money to corporations, and that there was no reason to proscribe the farmer from borrowing money through his corporation when we were allowing the railroads, the banks, and every other kind of a business to borrow money through their corporations. The Government has already been loaning to the sugar corporations down there. They have been borrowing for sugar refineries; they have been borrowing for one thing or the other down in that country already. They have got about all the good of the money that the Government has been putting out. Also, if the governmental authorities loaned any money to amount to anything on homes, they loaned it to some man on about a fifteen- or twenty-thousand-dollar home in most cases, instead of loaning it to the little man with a \$5,000 home. They have been doing that down there for various and sundry reasons that I have already explained on the floor of the Senate. Now we come along with this amendment, which I am willing and glad to support as a matter of principle, to let it be known to the little 1-horse, 2-horse, or any other kind of a farmer in this country that he has just as much right to incorporate and to keep from having his debts swallow him as any other kind of business.

Take the case of an ordinary corner grocer. If he has a thimbleful of sense, the first thing he will do when he goes into business is to incorporate, and the bigger they get the more they are certain to incorporate. But when his business goes broke, he may be a "broke" man, but he goes out with his shoes on and does not owe anybody anything from the top of his head to the soles of his feet. But let a farmer go broke, let the rice farmer or the cane farmer, who has to depend on the mercy of Congress for a tariff, go broke in the month of November, and they will put his debt above his head, and they would take a judgment against the poor devil. He may move over into another county, but they will end the judgment over there and have it entered, and when he has worked 10 years and is about to retire, they will bring suit against him and rewrite the debt on the mortgage record, and keep the farm indebtedness over that poor devil's head the balance of his lifetime.

The only man who suffers today by reason of debt as a personal matter is the little man, who is either not strong enough or who has never learned enough to take advantage of the fictions of the law.

We established a moratorium in Louisiana, and the only man we have to defend from being sold out of what little he has on the farm he might claim under the homestead law is the little man, the little farmer or the little laboring man, who has not been able to incorporate his business.

Therefore I said here this afternoon, let us allow the little farmer to have the same right to incorporate and borrow money from the Government as everybody else has been allowed to have, the right to come and borrow money from the Government, and let him go out just as free from individual indebtedness as the railroad president goes free from individual indebtedness.

What do you do under the Reconstruction Finance Corporation when you lend money to a bank? Is the president of the bank liable personally for the money the bank borrows and never pays back? Is the president of the industry or the railroad responsible for the money the railroad borrows from the United States and never pays back? The railroad may go broke, but the president and the secretary and the vice president owe the Government nothing.

Mr. President, that has not been considered a radical policy. No one undertakes to hold these gentlemen who embark in these various and sundry industries in the guise of corporations as being individually responsible. So it is only fair, if you are going to lend the money of the Government to a man to engage in a farming business, that that man should be no more held liable or responsible for the individual loss of that money than the big corporation to whom you lend perhaps a million times that much money is held liable.

That is why as a principle of law, as a matter of equality, I undertook to keep written into the law the principle that if you are going to disgorge the Government's money into the hands of these various and sundry borrowers, you ought

to lend it to the farmer on the same basis, with the same limited liability, as you lend to other businesses borrowing money from the Government.

While we were debating the bill I had depended on my friend the Senator from Montana, who did not understand the bill any too well anyway, and my friend from Kansas. I had inquired of the Senator from Florida in the very beginning of the consideration of the bill what it was about, and when the Senator from Florida undertook to explain to me, one or the other of those Senators passed by and said, "The bill is all right. Stop asking questions", and I took it that it was all right. But we had not gone very far before the Senator from Montana took the floor and showed something else that is already the law. The Senator from Florida said he did not know it was the law. Probably I voted for it not knowing any better, but I shall not vote for it again, now that I do know. But here is the bill. What is there under this measure, as my friend the Senator from Alabama has brought it to my attention? Here it is:

As used in this section, the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant.

In other words, a man who sits on St. Charles Avenue in the city of New Orleans, takes the telephone down from the hook, and phones 40 miles down the river and says, "How is the rain down there today?"—he is a farmer. I am not proposing to have the Government lend any money of the Government to these Canal Street farmers. I am not proposing to have the Government lend any Government money to these Fairfield Avenue farmers. I am trying to get something through under which the Government will lend a little money to the little farmer, and no man ought to be considered a farmer except some man who has to get behind the plow.

No man should be allowed to participate if he is going to participate in the gratuities of the Government in order to bring up the distressed farmer, except some man who has to take the hoe in his hand, who has to take a bell cord in his hand, and drive a mule down the cotton row or the corn row.

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

Mr. LONG. I yield.

Mr. WHEELER. Under the bill as it was reported, with this amendment in it, it was provided not only what the Senator says with reference to one being a farmer, but it provided that a farmer was a person. Then it provided, also, that a person was a corporation. So that we would have the farmer, under the bill, as a corporation. I did not know that we had any farmers in the United States who were incorporated.

Mr. LONG. And a corporation owning a corporation.

Mr. O'MAHONEY. But we have changed that.

Mr. LONG. I do not know. It says a corporation "now in existence", and a corporation now in existence can own another corporation. The New York Life can be a farmer under this measure.

Mr. O'MAHONEY. Oh, no.

Mr. LONG. Perhaps not.

Mr. O'MAHONEY. Because all the stock must be owned by individuals who are just exactly the kind of farmers the Senator is trying to defend. The sum total of the Senator's argument is that an ordinary dirt farmer who has his hand on the plow shall not be permitted to create a corporation, shall not be permitted, if he does incorporate, to take advantage of this act.

Mr. LONG. That is what the Senator from Wyoming has done. The Senator from Wyoming has put into the measure the words "in existence." I want to say to the Senator from Alabama that the minute I heard this thing being argued on the floor of the Senate I almost had a touch of wisdom. I saw a chance. I knew exactly what I was going to do. I was going right back to the State of Louisiana, where my friends have a political organization in every county, and a good one, and we were going to mimeograph

off some corporation forms, and we were going to incorporate every dad-gummed farmer in the parish. In other words, we were going to give the farmers the same advantage in sharing in this Government money that the big men have been getting in sharing in the Government money, and if the farmers lost the money—as they will, just like a bankrupt coming into court; he comes there because he is broke—when the farmers lost the money, I would have been able to say to them, "You are in the same fix with Mr. Atterbury with the Pennsylvania. You can step out foot free, and not owe anybody anything. You can move from Winn Parish over into Caldwell Parish and make a living, if you can find a way to make one, and judgments cannot follow you."

In other words, I have been trying to live under that system of government you want to impose on my people. If you are going to keep these bloated corporations, this plutocracy, as the ruling element in this country, I am going to undertake to see that my people take advantage of it in every way, shape, and manner they can to live under. If you are going to continue to hold out the hand filled with Government funds to every corporation in every undertaking this country knows anything about, then I want to give that same kind of advantage to my farming people in Louisiana. That is why, and that is the only reason why, I saw merit in this particular provision of the measure that would allow a farmer to incorporate and then borrow money. I think we can incorporate them in Louisiana for about six or seven dollars a head, and that would be a very small charge, and it would be done in order to enable them to have the full benefit of what the Government has been granting to others.

Then you come and head us off. I am surprised at my friend the Senator from Montana agreeing to this amendment while I was out of the Chamber. I thought he was going to protect us.

An amendment was adopted inserting the words "now in existence." That refers only to the corporations that are already organized as farmers; that they can borrow money as corporations under this measure. In other words, the big sugar baron of Louisiana can borrow money and assume not nearly as much responsibility as the little man.

The little man is in this condition. Every man knows that a farmer is bound to go broke. You do not have to see what is going to happen next year. If you know what happened last year and year before last and the year before that and 10 years before that, if you are a man whose feet can be guided by the lamp of experience, if you will judge the future by what has happened in the past at all, you know that the farmer is bound to go broke. That is something you know. Any man sitting in this Chamber who does not know that a farmer is bound to go broke under the present set-up of the situation in the United States, even if I am that man, ought to be bored for the hollow horn.

The average income of the farmer is not a living income, and everybody knows that it is not a living income.

Not able, therefore, to make a living on the farm, they would get out and go into the tie business, they would go into the stave business, they would go into this new business they have of planting tung trees, or any other kind of business in which they could put 8 months out of the year or 6 months out of the year to try to make a living in order to make what the family had to have, that they could not make on the farm, and then with both of them put together they could not make it. But the first thing that such a man would have flashed in his face would be this: "We cannot credit you for any money to go into this business; we cannot do any business with your little stave mill or your little tie mill, because you are farming, and before the year is over the Government is going to come in on you and make you a debtor for \$1,000 or \$2,000 for money that you borrowed from one of these various Government agencies."

Therefore, Mr. President, I favored most strongly this provision of the law which the distinguished Senators from Wyoming had caused to be incorporated, which would have meant that the farmer could have gone into any other business he wanted to, and everybody would know that neither that farmer individually nor the other business that

he managed to establish would be liable for any of the money that had been loaned to him as a farmer. That is why I favored this corporation fiction, and that is why I was glad to hold out for it.

Mr. BULKLEY. Mr. President—

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

Mr. LONG. I yield.

Mr. BULKLEY. Does the Senator want to strike out the words "now in existence", which were agreed to?

Mr. LONG. Yes.

Mr. BULKLEY. I agree with the Senator. Mr. President, I make the parliamentary inquiry whether it is possible to reconsider the vote by which the amendment to the amendment was agreed to, and to have those words stricken out?

The PRESIDING OFFICER. A motion to reconsider would be in order.

Mr. BULKLEY. I should like to make that motion, unless the Senator from Louisiana [Mr. Long] is going to make it.

Mr. LONG. I should rather the Senator from Ohio [Mr. BULKLEY] would make the motion, and I now yield to him for the purpose of his making the motion, and I will vote for it.

Mr. BULKLEY. Mr. President, I move that the Senate reconsider the vote by which the amendment to the amendment was adopted.

Mr. O'MAHONEY. Mr. President, I have no objection whatsoever to the elimination of those words.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio [Mr. BULKLEY], to reconsider the vote by which the amendment to the amendment was agreed to. Without objection, the motion to reconsider is agreed to.

Mr. BULKLEY. I now move that the words "now in existence" be eliminated from the amendment.

Mr. CONNALLY. Mr. President, the question, as I understand, is now on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Ohio moved to reconsider the vote by which the amendment of the Senator from Wyoming was agreed to. It has been reconsidered. So the question now is, Shall the amendment be agreed to?

Mr. BULKLEY. The amendment offered by the Senator from Wyoming was in two parts. My purpose is to strike out the first part—the words "now in existence."

The PRESIDING OFFICER. The question is now on the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to insert the words "now in existence."

Mr. BULKLEY. Is the question now separated so that we can vote on that separately from the other amendment of the Senator from Wyoming?

The PRESIDING OFFICER. That is the only portion of the amendment reconsidered. The question now is on the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to insert the words "now in existence."

Mr. O'MAHONEY. Mr. President, let me repeat that I have no objection to the elimination of those words. I withdraw the amendment, if I may do so in the present parliamentary status. I withdraw that part of the amendment so that the question now comes up on the committee amendment as amended by the second insertion which I moved.

The PRESIDING OFFICER. The Senator from Wyoming asks permission to strike from his amendment the words "now in existence." Without objection, it is so ordered.

Mr. CONNALLY. Mr. President, I beg the Senate's pardon for taking up any of its time now, but since the quorum call a good many Senators have come in who probably are not advised as to just what we have been undertaking to do.

The question now before the Senate is the adoption of the Senate committee amendment, on page 2, beginning at the bottom of page 2, running down to line 17 on page 3. There is pending an amendment offered by myself to strike out the whole of section (c). The preferential motion, however, will come first.

Those of us who want to strike out this provision and who want to defeat the Senate committee amendment take such

a position because we are opposed to opening up Government loans to corporations engaged in agriculture, and our reasons are that we do not favor encouraging in any way the operation or the formation of corporations to engage in agricultural pursuits or to hold great bodies of land devoted to agricultural purposes. I do not expect to elaborate our views on that question.

Senators may say that this provision is quite harmless; that a loan is only permitted to a corporation whose stockholders are engaged in agriculture on the particular farm on which the loan is requested. But we have already pointed out that there is no requirement that these stockholders own any interest in land. They may be day laborers, they may be tenants, just so they are engaged in operating the farm. The corporations might be owned by one or two individuals, except for a few shares of stock which they would parcel out to their employees.

Mr. BULKLEY. Mr. President—

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

Mr. CONNALLY. I yield.

Mr. BULKLEY. The one or two individuals would have to be engaged in the same operation.

Mr. CONNALLY. Yes.

Mr. BULKLEY. And if they do not incorporate the one individual would get along just the same.

Mr. CONNALLY. That is true, but he would not be an individual, he would be a corporation.

Mr. O'MAHONEY. Mr. President—

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

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. All of them would have to be personally engaged on the farm.

Mr. CONNALLY. Exactly. I do not intend to open up that question again, but, as I undertook to point out a little while ago, all that would be required of the stockholder is that he be actually engaged either in the cultivation of, the operation of, or the raising of livestock on that particular farm. In other words, a day laborer might be a stockholder, the owner of \$10 worth of stock, we will say, or \$1 worth of stock. The real property in the corporation might be owned by one or two or three individuals; they might own not 160 acres of land, the Government size of a homestead, but they might own 160,000 acres of land, and yet, because little puppet stockholders, phantom stockholders might own a dollar's worth of stock or one share of stock—some hired man, some office employee, some stool pigeon of the corporation, if I may use that term—it would bring that corporation within the terms of this bill, and it might come to the Government and receive a loan on the pretext that it is a person engaged in farming. Yet, it would, in fact, be a corporation.

Mr. President, those are the views of those of us who are insisting on striking out first the committee amendment, and later all of section (c). I hope the Senate will vote down the committee amendment, and then will strike out all of section (c).

Mr. BARKLEY. Mr. President, I think our friends are unduly alarmed about the effect of this amendment and of this subsection. I realize that whenever the word "corporation" is mentioned many of us suffer from the rising of the rabid blood in our veins, and we do not like to legislate with reference to it.

I am not interested in this proposal one way or the other. There are no such corporations in my State, I presume, and I doubt if any will be organized, but I do realize the fact that in some of the States, especially in the far West, farmers have as much right to incorporate as has anyone else.

If three or four or half a dozen actual farmers engaged in cultivating the soil or in operating farms or in raising cattle on farms, in order that they might form a mutual organization for the purchase of machinery or for reducing the overhead in operating five or six or a dozen farms which they themselves own, want to incorporate and borrow money as a corporation, I can see no objection to it.

Reference has been made here today to the tenant farmer, the day laborer. I do not know that there is any reason why a day laborer on a farm or a tenant farmer ought not to enjoy some of the privileges of the Farm Loan Act. He cannot now qualify because he does not own land. He cannot offer any security. But it is perfectly ridiculous to assert that under this language and under this amendment a number of day laborers on farms, or tenant farmers, can form a corporation and borrow money, because every one of them must sign as an individual as security for the loan, and if he owns nothing which would offer any security the Federal land bank would not make the loan.

If three or four or five or half a dozen tobacco growers in my State, in order to buy machinery that can be used in common among all of them, in order that they might buy any sort of equipment that they themselves might use, not one of them being able to buy it himself, want to buy it as a corporation, borrow money, and have all their farms mortgaged individually, and then each one of them signs the obligation individually in order that they might do that, I cannot see, to save my life, why there should be any objection to it.

We have protected this situation by providing that no one can form the corporation except individual farmers. They are required to be practically eligible themselves for individual loans in order that they may form a corporation which may be used to borrow the money collectively.

I cannot understand the psychology of fear here that absentee landlords, who under present distressing conditions have gone out and bought up land, are to form a corporation; that, although they themselves do not live on the farms and do not actually cultivate them, they are going to form a sort of supercorporation and go out and borrow money from the land banks and operate those farms as a corporation.

Certainly we ought not to discourage the right of farmers to act cooperatively. Certainly we ought not to discourage the right of farmers who are actually engaged in farming whether they live on the farm or whether it is being worked by a tenant.

If a man owns a farm and lives on it, he can borrow money on it; if he owns a farm and does not live on it but has a tenant on it, he can borrow money on that farm; so that, under the law as it now exists, a man is not required to live on the farm in order that he may borrow money on it. So we are not abolishing absentee landlordism under the Federal land-bank system. Every man who owns a farm and operates it through a tenant today individually may borrow money if he is otherwise qualified. Why deny him the right to go into a corporation with his neighbor or with four or five of his neighbors, form an agricultural corporation so as to buy machinery or to buy seed or to work their hands together, and thereby liable not only as a corporation but individually, their farms at the same time being equally liable for the loan which they obtain as a corporation? I cannot see, to save my life, that there is anything here that offers any encouragement to such a thing as absentee landlordism.

Mr. MURPHY. Mr. President—

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

Mr. BARKLEY. I yield.

Mr. MURPHY. The farmer has a right now to borrow as an individual. Why have a corporation?

Mr. BARKLEY. I have just been trying to tell why he ought to have it.

Mr. MURPHY. The Senator imputes to the farmer an increased borrowing capacity by reason of incorporation.

Mr. BARKLEY. Not at all; that is a matter in the discretion of the farm-loan bank and the farm-loan association. If he happens to be a member of a farm-loan association, he cannot pyramid his borrowing power by forming a corporation beyond his ability to pay, because the farm-loan bank which makes the loan or the farm-loan commissioner who might make the loan will, of course, have to take into consideration his individual responsibility as a borrower and as a member of the corporation.

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

Mr. BARKLEY. I yield.

Mr. MURPHY. This does not take away from the farmer any right he now has and does not give him any particular additional opportunity by permitting him to borrow as a member of a corporation. The objection is not particularly to this feature in itself, but it is to the menace that it opens up to the increase of absentee landlordism.

Mr. BARKLEY. What is the menace? I have been trying to disabuse the Senator's mind that there is any menace.

Mr. MURPHY. We have spent a good deal of time here today discussing the potential menaces.

Mr. BARKLEY. Yes; and we discussed them in the committee.

Mr. MURPHY. One potential menace is that a corporation might own stock in a corporation authorized under this amendment to borrow money.

Mr. BARKLEY. But that corporation must itself be eligible to borrow and it must be composed of men who are actually engaged in farming.

Mr. MURPHY. Precisely, or in operating a farm. I own a couple of farms and I may be classified as an operator of farms, although I operate them at a distance, under a tenancy. That is not a condition to be encouraged by the use of the corporation device. There is now a constantly increasing tendency toward the operation of farms by tenants. Our farms are very rapidly passing into the hands of mortgagees. Tenancy in one county in my State has increased to 85 percent. The statement is made that tenancy in Iowa at large has increased to 62 percent. The social consequences of that condition are terrible.

I am fearful that letting corporations get their feet into the door as borrowers will encourage that very tendency which we must do everything we possibly can to arrest. This is an opening wedge. There is no farmer now on a farm who is not to the extent of his resources taken care of in his ability to borrow from the Farm Credit Administration. His borrowing capacity is not increased. The borrowing capacity of the individual farmer working with his hands on the farm is not increased by this amendment, but the borrowing capacity of somebody else is increased—not the actual farmer, but the absentee—and I do not purpose helping that along. I want to head it off.

Mr. BARKLEY. If the Senator, as he no doubt does, entertains the fear that it allows the camel's nose to get under the tent, so as to open up indefinitely to the corporations of the country that are not engaged in farming the opportunity to borrow money under the guise of being farmers, of course he ought to vote against this amendment; and if I felt that that was the truth, I myself would not support it. But we have protected it against any such possibility by requiring that every stockholder of such a corporation must himself be a farmer who is engaged in the cultivation of the soil. If a farmer who owns two farms can borrow money on both of them, although he only lives on one of them and cultivates the other through a tenant, I cannot see where there is any danger in allowing that farmer to join with one other or two others or half a dozen others in forming a little local agricultural corporation in order that they may use that corporation to borrow money for their mutual benefit and for their mutual use as an agricultural enterprise.

Mr. WHEELER. Mr. President—

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

Mr. BARKLEY. I yield.

Mr. WHEELER. Let me invite the attention of the Senator to the fact that the bill not only uses the word "cultivation", as the Senator says, but it also employs the words "or operation." There is a vast difference, as the Senator will find by looking in the dictionary, between the term "cultivation" and the term "operation." As I have previously pointed out here, the president of a great corporation operates that corporation and a man may operate a farm, as men do in Montana at the present time, and live far away. A man who lives pretty nearly nine-tenths of his time in

California operates farms in Montana consisting of fifty or sixty thousand acres of land. That kind of a farmer, in my judgment, and that kind of a corporation should not be permitted to borrow money.

I have not any objection to loaning to the small farmer who actually cultivates his farm and is incorporated or to enabling the man who owns cattle and conducts a cattle business on his ranch to borrow money through a corporation or otherwise, but I do object to the Government loaning, say, \$50,000, that was intended to be loaned to the individual farmer who is cultivating his land, to some man who spends his time, as a matter of fact, elsewhere and who merely employs tenants to work upon his farm, but who may be said to be engaged in the operation of it. The purpose of this bill is to help the farmer who is on the farm and not to help the corporation or the operator of the farm.

Mr. BARKLEY. The Senator and I are not far apart, so far as the word "operation" is concerned. I think that I may say that the use of that word is the result of the legal technicians who felt that, inasmuch as a man owning two or more farms can live on only one of them, and actually does not himself cultivate any of the others, but cultivates only the one on which he lives, operating the others through tenants, he ought not to be barred from the privileges of this amendment. But inasmuch as the language has been hedged about so as to require that the men who borrow money through corporations must themselves as individuals be actively engaged in the cultivation of the soil or the operation of a farm they do not happen to live on, I do not entertain the fear, which the Senator seems to entertain, that the amendment opens up to anybody who happens to own a farm off somewhere away from his direct control the opportunity to form a corporation and borrow money.

As I said a while ago, this bill will not affect anybody in my State. It is offered largely as a means of benefiting cattle raisers of the West, and it was specifically stated that one of the conditions under which they might form a corporation was that they cultivate the farm or operate it or are engaged in raising livestock upon it.

The Senator from Montana is more familiar with the western conditions than am I, and I would not, of course, put myself up against him as to a statement of fact as to the customs and traditions of farming in the West, especially in the production of cattle; but it certainly seems to me that we are counseling unduly with our fears when we anticipate that the mere use of the word "corporation" or the word "operation" will open the door indefinitely to absentee landlord corporations to borrow money.

Mr. WHEELER. Mr. President, let me say the conditions that exist in Iowa have been explained by the Senator from Iowa [Mr. MURPHY]. There is much farming land held by insurance companies and others, as I understand.

Mr. LONG. The insurance companies own much land.

Mr. WHEELER. Yes; and so do mortgage companies. Assuming that the word "operation" remains in the bill, such companies may organize a corporation to operate a farm or farms, although they do not actually cultivate them. I think that the word "operation" ought to come out.

I will say to the Senator that, so far as Montana is concerned, it will not affect us nearly so much as it will the Middle Western States. The provision perhaps will help a few cattlemen in my State and in neighboring States, but when we put it in we are going to find exactly what has been charged here, that people claiming they operate farms are going to be borrowing money, and it is going to mean that there will be an increase in tenant farming.

I am opposed to one of the provisions of the present law. I am going to move to amend it by striking out of paragraph (c) of the pending bill the words beginning in line 22, page 2, "either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations."

Mr. BARKLEY. That has been the law ever since it was enacted in 1916. It seems to me, the object of the Farm Loan Act being for the benefit of agriculture and to allow farmers to have all the facilities of credit that other classes of people

have always enjoyed, it would be a distinct disservice to the farmers to provide that they can borrow money only on land where they live, although they may own another farm within a mile of that and cultivate it for the benefit of some tenant as well as for themselves. It would be a distinct disservice to provide that they may not borrow money on that farm because they cannot live on more than one farm at a time.

Mr. WHEELER. As a matter of fact, a farm is not limited to 160 acres of land or to 500 acres of land.

Mr. BARKLEY. Of course, if it were all contiguous, a man could live on all of it.

Mr. WHEELER. So far as being a disservice to the farmer, there is not, in my judgment, a real honest-to-God farmer in the Northwest or the Middle West who would not be delighted to have us put a stop to the loaning of money to the absentee landlord. When we stop that—and that is what my proposal would do—then the situation will be such that the farm will be sold to somebody who is going to be able to buy it and actually operate it. We are providing Government funds for the absentee landlord under this measure.

Mr. BARKLEY. My idea of an absentee landlord is the man who lives in a city or town and owns a farm, or two or more farms, out in the country, 40 or 50, or 100 miles away. I am not enamored of any such absentee landlordism as that, any more than the Senator is; but there are thousands of farmers in the country who have been able to invest their money in land. It may not be invested in contiguous tracts. A farmer owning two farms may find himself with 5 miles between the two tracts which he owns. The Senator would deny him the right to borrow money on the farm 5 miles away from where he actually lives.

Mr. WHEELER. Not at all. The Senator is entirely wrong if he thinks that is true. That language might well be stricken out. I may own a farm, but I do not have to live on a particular acre of land in that farm. I may own a farm consisting of 160 acres here and another 160 acres 5 miles away. That is 320 acres of land in my farm. I want to strike out this language because the bill provides for money to be loaned to the absentee landlord and that ought not to be permitted. The purpose of Congress ought to be to help the man who is actually living on the land, who is actually farming the land, and not somebody who is just holding it for speculative purposes, who has some tenant farmer on it.

Mr. BARKLEY. Under the Senator's proposal every man who all his life had lived on his farm, even if he only owned one farm, and raised a family of children to the point where he wanted them to be educated, and, in order to educate them, moved into the little county seat, where they had school facilities, could not borrow money on the farm which he had cultivated and on which he had lived all his life.

Mr. WHEELER. I would agree to that, because the man we want to help is the man actually on the farm. I am not in favor of the Government of the United States going into all kinds of loaning business. I thought what we were trying to do was to help the poor farmer who is actually on the farm and trying to make a living upon it.

Mr. BARKLEY. That is the main object of the proposed legislation.

Mr. WHEELER. Under the guise of helping the farmer who actually lives on the land, we are, as a matter of fact, going out and making it possible for the absentee landlord to borrow money from the Government for the purpose of speculation and holding up the price of farm lands. It is being done also for the purpose of letting corporations operate the land.

Mr. BARKLEY. I think the man who could raise the price of farm lands now would be a distinct benefactor to the farmer.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. LONG. Mr. President, I want to propose an amendment. On page 3, line 5, I move to amend by striking out the words "or operation."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment it is proposed, on page 3, line 5, to strike out the words "or operation", so as to read, "Engaged in the cultivation of, or in the raising of livestock on the farm."

Mr. LONG. In other words, in order to comply with the apparent unanimity of opinion here, I propose to strike out the words "or operation" so it will apply to anyone engaged in the cultivation of, or in the raising of livestock on, the farm to be mortgaged.

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

Mr. LONG. Certainly.

Mr. CONNALLY. If we adopt that amendment the corporation owns the land, of course.

Mr. LONG. Yes.

Mr. CONNALLY. Just so a man was a day laborer on the farm, he would be eligible for a loan.

Mr. LONG. The stockholders would have to be men working on the farm, cultivating the land.

Mr. CONNALLY. An ordinary day laborer would be eligible just so he owned a share of stock.

Mr. LONG. Everybody would have to be a day laborer. Everybody would have to cultivate the land. The corporation borrowing the money, instead of being the operator of a farm, would be the man who cultivated the farm.

Mr. BLACK. Mr. President—

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

Mr. LONG. I yield.

Mr. BLACK. I have a very high regard for the Senator's legal ability. I am sure if he will look at the bill he will find that the man who sits on Canal Street and picks up the telephone can still cultivate the land 50 miles away. There can be no question that the exact situation the Senator pictured could continue even if we strike out the words "or operation." It does not mean he has to be there himself to cultivate it with his hands.

Mr. O'MAHONEY. The amendment was amended to mean exactly that, that he has to be there himself.

Mr. BLACK. It does not say so.

Mr. LONG. Yes; it does.

Mr. BLACK. No; it does not.

Mr. LONG. How does it read?

Mr. BLACK. It reads:

Unless the persons who own all the stock of the corporation are actually engaged in the cultivation—

And so forth.

Let us see what that means. A man is engaged in the cultivation of land, it has always been held, if he does it through someone else. He does not have to go there and use the plow himself. I am wondering whether the plow would be handled by the president of the corporation, the secretary of the corporation, or the board of directors. Perhaps they would have to have rules promulgated and bylaws adopted to determine whether the president should drive the mules or whether the secretary should hold the plow handle.

Mr. LONG. That trouble comes because of the first part of the section rather than because of the amendment. The first part of paragraph (c) is where that trouble arises, because it permits them to farm through agents and hired hands.

Mr. BLACK. I am willing to admit that striking out the words "or operation" does not do the bill any injury, from the viewpoint I take; but I do take the position that any fair construction of the bill would mean exactly what the Senator said a while ago—that a man sitting in Canal Street in his nice beautiful home, owning land 15 or 25 or 50 miles away, could call up and cultivate his land by telephone. I understand the Senator does not want a provision which would lend money to that kind of man.

Mr. LONG. I do not; but the trouble is we already have that provision. We are discussing the amendment. The Senator from Alabama refers to paragraph (c). We are now about to vote on the part of the bill printed in italics.

Mr. BLACK. I understand that; but I say, if we strike out paragraph (c) entirely, we still leave the bill in such

form that money is to be loaned to the corporation where all the stock of the corporation is owned by individuals themselves actually engaged in cultivation.

Let us see what that means. Let us suppose the Senator's friend on Canal Street has a wife; that he and his wife organize a corporation; that he is president and she is secretary. All the stock would be owned by them. They call up over the telephone and direct how the land shall be cultivated. They drive out to the land in their automobile and in through the roadway they have had to build through their farm, and look to see whether or not their hired help are properly plowing the mules. They direct its operation as directors of the corporation. They would be eligible for a loan under the terms of the bill. I am sure the Senator will agree with me on that point.

Mr. LONG. I agree the whole law is wrong. There is no question about that. I am talking about the whole law, and not merely the bill which we now have before us.

Mr. FLETCHER. Mr. President, in order to save time and limit this discussion, and obviate drawing these fine technicalities, I am willing, so far as I am concerned, to accept the amendment to strike out the words "or operation."

Mr. LONG. All right.

The VICE PRESIDENT. Without objection, the amendment suggested by the Senator from Louisiana to the committee amendment is agreed to. The question is on the committee amendment, as amended.

Mr. LONG. Mr. President—

Mr. BLACK. I thought the Senator had finished.

Mr. LONG. I yield to the Senator from Alabama.

The VICE PRESIDENT. The Chair thought the Senator was speaking on his own amendment, and that is the reason why the Chair put the question.

Mr. BLACK. That is perfectly all right, if the Senator has another amendment.

Mr. LONG. I have another amendment.

Mr. BLACK. I think the more amendments are offered the better the bill will be.

Mr. LONG. I will improve it. Any time my hand touches anything it will be better. [Laughter.]

On page 3, line 10, after the word "engaged", I move to strike out the comma and insert a period. Then I move to strike out all the rest of line 10, all of line 11, all of line 12, and the rest of the word "Provided" and the word "That" on line 13, and change the "n" of the word "no" to a capital "N."

That sounds like a whole lot, but what I have done by means of the amendment is this: I have placed the farmer borrowing money through a corporation in the same status as any other person borrowing money from the Government through a corporation.

I know this amendment is going to seem very radical; I know it is going to seem horrible; but it allows a farmer to borrow through a corporation on the same basis as a railroad or a bank or a store or a refinery, or any other big interest. In other words, this is a very radical thing. I realize that it is a radical suggestion. It would not be radical if I were suggesting it for a bank or for a railroad or for a refinery or for a power house, or something like that. We understand that; but this amendment is to permit the farmer to borrow money through a corporation just as anybody else borrows money through a corporation; that is all.

It is a radical thing that I am suggesting; but the time will come when we will regard the farmer in the same way as anybody else. I know it is going a long way to consider him as anything except gun wadding, or something like that; but my idea is that a farm corporation should be able to borrow money on the same terms and under the same surveillances and with the same appraisals as anybody else, and that it is just as fair that it should do so as that anybody else should do so. In other words, if one of my little farmers borrows \$2,000, and loses out, mostly through the action of the Government, after he has given up all he has, if he moves off the farm and lets the Government take it just as they take the railroad, just as they take the bank, just as they take the power house, he should be able to go

away without having himself mortgaged for the rest of his lifetime.

If we are willing to lend \$100,000,000 on that basis, there is no reason why we should subject the farmer to a personal liability for a few thousand dollars, and from what little I know about the thing, I should say we have made loans of close to \$10,000,000,000 up to this time.

This is intended to be, and will be, beneficial legislation. It will be fine legislation. We know what a corporation is, however, and I am only asking you when you lend money to the corporation of the little farmer to say to him, "We loaned the Baltimore & Ohio Railroad \$50,000,000, and we did not call upon the president or the stockholders of that road to sign up that they were individually liable for that money. We loaned the power house a little money, and we did not call upon the president or the stockholders of the power house to sign up that they were individually responsible to the corporation to whom that money was loaned. Now we are going to put the farmer in exactly the same category. We are going to let the farmer's corporation borrow money, and let him hold up his hand on his appraisal, the same as any other corporation."

In this Senate of fair-minded and honorable men I do not believe anyone will contend that we ought to say that a farm corporation must have an individual liability, but that any other kind of corporation borrowing money from the United States Government does not have to have an individual liability. That is the line I am trying to draw. That is the discrimination I have been trying to avoid by this amendment. When it is incorporated in this measure, it will be a splendid, beneficial piece of legislation for the first time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment of the committee. [Putting the question.] The "noes" have it, and the amendment to the amendment is rejected.

Mr. LONG. I call for a division.

The VICE PRESIDENT. A division is demanded.

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

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

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

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

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

My colleague the junior Senator from Illinois [Mr. DIETRICH] is necessarily detained from the Senate.

The senior Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR] are necessarily absent on a mission to the Philippine Islands.

The VICE PRESIDENT. Ninety Senators having answered to their names, a quorum is present.

Mr. LONG. Mr. President, I should like to get a ye-and-nay vote on this amendment of mine if I can, please. I hope there will be no objection to it.

The VICE PRESIDENT. That, of course, depends upon the will of the Senators present in the Senate Chamber.

Mr. LONG. Before the Chair asks whether or not there is a second to my request, I desire to explain for just 1 minute to the Senators who have come in in answer to the quorum call what it is that I am asking.

I have explained to those who were present that I am only asking that a farmer's corporation borrowing money be put on the same basis as any other corporation borrowing money. That is all I am asking. I am asking that if a farmer, through a corporation, makes one of these little two-by-four chicken-feed loans from the Government, his corporation shall be on the same status as the banks and railroads borrowing money by the hundreds of millions of dollars.

In other words, in the case of the power companies and the railroads and the banks, we do not hold the stockholders composing them, or the officers directing them to an individual liability on any loan they make from the Government. We lend that money to the power companies, to the railroads, and to the banks without there being any individual liability at all. I am asking that the same rules apply to one kind of corporation that apply to the others; that there be no more individual liability against a farmers' corporation than there is against these other corporations.

This is a small matter. Under this whole bill I do not suppose it is proposed to lend more than a billion dollars to farmers. Under the Reconstruction Finance Corporation Act we proposed to lend 8 or 10 billions of dollars and there was no individual liability on 10 billion dollars of loans. I ask the same thing for the farmers in this case; and I ask for a yea-and-nay vote on my amendment, Mr. President. I think the Senate ought to give me a yea-and-nay vote on this principle.

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

Mr. LONG. I yield to the Senator.

Mr. NEELY. If the pending amendment shall be adopted, will it not become as easy for the rice planters of Louisiana to borrow money from the Federal Government as it now is for the Kingfish to borrow money from the Bank of Weber City? [Laughter.]

Mr. LONG. Well, I will put it in a better place. The Senator from West Virginia has been listening to that radio broadcast and I have not; but I will tell him how it would be: It would not be quite as easy, but it would be almost as easy as it was for General Dawes to borrow \$100,000,000 from the Reconstruction Finance Corporation. The only difference would be that the farmer could borrow by putting up as security what he individually owned, valued at a thousand or two thousand dollars, on the same basis that General Dawes borrowed \$100,000,000.

I know this is a radical piece of legislation. It is a horrible thing to talk about letting the farmer borrow a thousand dollars on the same basis on which you let a railroad or a bank borrow a hundred million dollars! It is a terrible thing to come into the United States Senate and to propose this outlandish, Bolshevik doctrine that a farmer be allowed to borrow a thousand dollars on the same basis on which Dawes borrowed a hundred million dollars, or Atterbury borrowed a hundred million, or some railroad borrows \$50,000,000! It is a horrible thing! But I am trying to convince the Senate that if you take everything that a farmer has as collateral, and he has put up every dime he has and his crop fails, and he goes to the demnition bowwows and moves away and gets a hundred-dollar job by which to feed his wife and children, you ought not to follow him and plaster a judgment on his head in the next county to which he moves.

That is what you have been doing in the lending of ten to fifteen million dollars to the biggest, and you have been lending it to them five million dollars at a time, ten million dollars at a time, a hundred million dollars at a time, and you have never yet asked a single member to sign as an individual guarantor for the repayment of what he borrowed for the corporation. I am asking for the same treatment for the little chicken-feed money that you lend to the farmers.

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

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. Long] to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

Mr. BLACK. Mr. President, I desire to take only a few moments to express my views in opposition to this amendment. They are different from some of those which have been stated.

In the first place, I desire to suggest that there is a much easier way to prevent personal liability on the part of a farmer than to require him to incorporate. For instance, the Legislature of Louisiana could be called in session in a very short time. It may be they have already enacted the law I am about to suggest, but they could meet and provide against deficiency judgments. If they will do that, it will not be necessary for the farmers to incorporate. It will certainly be far better for the farmers of Louisiana to have a law passed protecting them from deficiency judgments than to require them to incorporate, with all the expense incident thereto.

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

Mr. BLACK. I yield.

Mr. LONG. The Senator faces two things which he would not, I am sure, be able to answer, in that connection. The first is that the Federal lending agency would decline to lend. Number 2, that the Federal laws would supersede State laws, and the Federal law requires that there be individual liability in the making of a loan. Those would be the two things.

I want to say to the Senator from Alabama that this is the first time since he has been in the Senate, or since anybody else has been in the Senate, that they ever voted that there should be individual liability for a corporate loan. The only time it has ever been done since this thing has been here from the days of Washington was in the case of lending money to a farm corporation.

Mr. BLACK. Mr. President, insofar as my vote is concerned, that is immaterial to the issue, but if there is any importance to be attached to it, I will state that I voted against the Reconstruction Finance Corporation law in the outset. I have voted against each amendment that has been offered on every occasion, which proposed to extend the provision for lending to corporations or to business interests of this Nation. I have taken the view that it was not proper to lend Federal money for such purposes. So, if my personal vote has anything to do with it, I may state that, if there is any advantage, I am clear of having voted to make those loans.

I am against lending money to corporations engaged in farming. I am against it fundamentally.

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

Mr. BLACK. I yield.

Mr. WHEELER. Like the Senator from Alabama, I also voted against the Reconstruction Finance Corporation law, and, as the Senator will recall, when we created the Reconstruction Finance Corporation and let the railroads and insurance companies and banks reach their hands into the public coffers for the purpose of maintaining their capital structure and for the purpose of paying interest upon their bonded indebtedness, some of us at that time said it would be only a short time before every class of individuals would be coming to the Government of the United States and asking for the privilege of borrowing money out of the Treasury.

Mr. President, we find the great corporate interests of this country deploring the fact that farmers are coming here asking for money, asking for loans. We find them deploring the fact that individuals are looking to the Government of the United States. But I want to take this occasion to recall the fact that those very individuals who deplore that condition are the men who set the precedent for everybody else looking to Washington for aid from the Government of the

United States, and the men who set that precedent are the ones who are responsible for the condition in which we find ourselves today.

What farmer is there who is coming to the Government of the United States and asking for money to pay the interest upon bonds he has outstanding? Yet we find the great railroads of the country borrowing money to pay interest upon their bonded indebtedness. Likewise we find great banks and great corporations upon whose great capital structure it is impossible for them at the present time to pay interest, coming here to get money for the purpose of keeping it up, and foisting it upon the people of the United States.

Mr. BLACK. I thank the Senator for his remarks. I desire to state that, in my judgment, this proposed legislation is thoroughly unfair.

Mr. LONG. Mr. President, will the Senator yield to me, inasmuch as he has been interrupted already?

Mr. BLACK. I yield.

Mr. LONG. I did not vote for the R. F. C.; I was not here when the law was passed. I did not come here until after the Congress had passed the law. But I want to ask the Senator this question: Does he see any reason, if we are going to lend to one corporation, why we ought to require the personal endorsement of the farmer and his corporation and not require the endorsement of the railroad and the bank for loans made to their corporations? I just want to get the Senator's opinion.

Mr. BLACK. I expect to discuss the whole subject in a very brief time. I will state, however, that I do not have to surmise; I know, as everybody else here knows, that the great masses of American farmers are never going to organize corporations. I know, as every other practical man here knows, that those who incorporate will be the kind of farmers described by the Senator from Louisiana, men who farm by telephone, and with their automobiles travel to their farms. I know that the farmers of Alabama, living far out on a country hillside, are not going in to the county seat and organize a corporation, either in Alabama or Delaware. They are farmers. They are not going to be the presidents or the secretaries or the boards of directors of a corporation.

Imagine a corporation following a mule down a crooked row on a country hillside. You ask, "Who is plowing?" The answer is, "That is the president of the corporation."

"Who is chopping the cotton?"

"That is the treasurer."

"Who is that coming along there hoeing that row of cotton?"

"That is not the treasurer; that is the chairman of the board of directors." [Laughter.]

Then you find him as he goes down the corn row, and you find another member of the board of directors plucking corn from the stalks, and another member of the board of directors pulls the fodder.

Mr. LONG. Mr. President, the Senator is not answering my question.

Mr. BLACK. I expect to answer the Senator's question.

Mr. LONG. The point is this—

Mr. BLACK. I may not answer it satisfactorily to the Senator, but I expect to answer it.

Mr. LONG. The point is this, if for \$10 they can incorporate—and they can incorporate for \$10; then can incorporate for less than \$10—if for \$10 a farmer can get from under individual liability for farm debts, what is the harm in his being a corporation?

Mr. BLACK. In the first place there are precious few of them who have the \$10, or who will have the \$10, as the Senator knows. In the next place, if the Federal land bank wanted to decline to lend money to the individual because his State passes a law protecting him against deficiency judgments, the Federal land bank will decline to lend a corporation money. The Federal land bank, in other words, has the right to determine in each instance, and the idea of saying that we can anticipate that the farmers of America, 6,000,000 of them, away out in the country, will organize

corporations to borrow money from a Federal agency, is absurd and ridiculous.

Mr. GORE. Mr. President—

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

Mr. BLACK. I yield.

Mr. GORE. In addition to what the Senator said about the deficiency judgments, I desire to make another suggestion. I have the authority of one of the leading industrial concerns in the United States, one of the leading industrial concerns on the globe, that the American farmer is the best credit risk there is. During the history of this concern they have sustained a loss at the hands of the farmers, through good and evil days, of less than 1 percent—a fraction of 1 percent. True, it has been some time since I received the report.

I do not think the farmers are seeking a refuge to escape their debts. I think the farmers are willing to pay their debts. What they want is a chance, ways and means with which to make payment, conditions of survival which will enable them to make a living for their families and pay their honest debts. I do not think they are looking for refuge or loopholes; and I wanted to mention the fact that one of the leading industrial concerns in the world said that the American farmer is one of the best credit risks there is.

Mr. BLACK. I agree with the Senator from Oklahoma as to that.

Mr. President, I had just started to say that the permission to incorporate and as a corporation to borrow money will, in my judgment, be a detriment and an injury to the great mass of American farmers.

Mr. CONNALLY. Mr. President—

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

Mr. BLACK. I yield.

Mr. CONNALLY. If I understand the Senator from Louisiana [Mr. LONG], he believes that each individual farmer should incorporate himself.

Mr. LONG. Yes.

Mr. BLACK. And get money from the Government?

Mr. LONG. Yes.

Mr. CONNALLY. Each of them to be a perambulating corporation.

Mr. LONG. Yes; and get the Government money.

Mr. CONNALLY. I suppose the Senator knows there is a requirement of law that the head office of the corporation shall be fixed at a certain place. I suppose the Senator would provide for that.

Mr. BLACK. The head office would be in the barn.

Mr. CONNALLY. He could not go to the adjoining county or move from place to place.

Mr. BLACK. And the board of directors would meet in the stable.

Mr. GORE. Mr. President, it may be like General Polk in the Civil War, who sent a report to Abraham Lincoln on the eve of the second Battle of Manassas, and he signed the report with the famous expression, "Headquarters in the saddle." He lost the battle. Lincoln said the reason why he lost it was that he had his headquarters where his hind-quarters ought to have been. [Laughter.]

Mr. BLACK. Mr. President, I have already occupied a longer time than I had intended to take, and I have not yet expressed my views on this amendment. I started to say that, in my judgment, this provision is unfair to the great masses of farmers. I say that because I believe that only a very small number would ever incorporate. As a matter of fact, I do not believe one out of a million real dirt farmers would incorporate. There are 6,000,000 farmers. I do not believe six real dirt farmers would incorporate. I am sure that some would incorporate.

Mr. President, I thoroughly agree with the Senator from Oklahoma that there is no greater honesty, no greater integrity, no greater desire and intention to pay an honest debt among any class of people than among the American farmers.

I was told a few days ago that less than three-tenths of 1 percent of the farmers of Alabama who borrowed money last year under the Crop Production Loan Act had failed to pay those loans up to date. Is there any reason why that 99 and more percent of farmers should ever desire to organize a corporation? Certainly not.

I am against this provision because I do not believe in corporation farming. I believe the history of the world demonstrates, if it demonstrates any one thing, that one of the greatest evils which can happen to a nation is to have the land owned by people who do not live on it. Wherever we find a stretch of land anywhere in America owned by people who do not live on it, where the products of the land go into the pockets of those who go off the land, we find a blight over that section of the country.

Mr. CONNALLY. Mr. President—

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

Mr. BLACK. I yield.

Mr. CONNALLY. Is it not true that the original Farm Loan Act had in view the identical thing which occurred—the furnishing of funds to individual farmers to enable them to buy homes and stay there?

Mr. BLACK. If the Farm Loan Act did not have that as its purpose, then in my judgment its purpose was bad. I believe the object of the Farm Loan Act was to lend money to farmers, small farmers, people who live on their land, people who cultivate the soil, people who rear their children on that property, who have around that farm the tenderest, gentlest traditions of human life.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The point of order will be stated.

Mr. LONG. Does the Senator from Alabama understand that my amendment has been voted on?

Mr. BLACK. I understand that the amendment of the Senator from Louisiana has been voted on; but I understand that the amendment of which the Senator is in favor part of the time, which is with reference to the lending of money to corporations, has not been voted on.

Mr. LONG. No vote was taken on my amendment, as I understand.

The VICE PRESIDENT. The Senator from Louisiana offered an amendment to the committee amendment. The Chair put the question. The Chair announced that the noes had it and started to put the question on the committee amendment as amended. Then the Senator from Louisiana said, "I suggest the absence of a quorum and ask for a roll call." A roll call was ordered. The Senator addressed the Senate. Then the Senator tried to get the yeas and nays, and the Chair asked whether the request was seconded. Only three Senators raised their hands. The Chair then declared the amendment rejected.

Mr. LONG. Mr. President, a further point of order.

The VICE PRESIDENT. The point of order will be stated.

Mr. LONG. The Chair would not have announced that the noes had it, otherwise there could not have been a yeas-and-nays vote. The Chair started to say that the noes had it when I asked for a quorum call.

The VICE PRESIDENT. The Chair is quite positive in his recollection. He has consulted with three clerks. Their memory is the same as that of the Chair. They are the ones who sit in front of the Chair to keep tally.

Mr. LONG. They could all three be wrong, too.

Mr. BLACK. Mr. President, if the Senator's memory has now been refreshed as to his point of order, and he desires to raise no other, I should like to conclude my remarks.

The question has been asked whether I favor the farmers who organize corporations being held liable, individually, while I am opposed to business men who organize corporations being held liable, individually.

In the first place, no farmers are going to incorporate. No real farmers have incorporated. A real farmer is a farmer; he is interested in raising a crop of some kind, in cultivating the soil, or in raising cattle or sheep. The great mass of farmers, as stated by the Senator from Oklahoma

[Mr. GORE], are honest people. They seek no method of organizing a corporation to escape individual liability. If any corporation should be organized for the purpose of escaping individual liability, it would be done by so-called "farmers" who want to speculate on the value of land, who want to go out and buy distress property which has gone into the hands of the insurance companies, and who want to accumulate a number of thousands of acres of land and call themselves farmers by telephone, from Canal Street or some other street, and then organize a corporation with the hope that the value of the land will go up.

Mr. LONG. Mr. President—

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

Mr. BLACK. I yield to the Senator from Louisiana.

Mr. LONG. The Senator says that the people who organize a corporation will do so to escape liability. Is not that the purpose of every corporation that has ever been formed—to escape personal liability for debts?

Mr. BLACK. I may state to the Senator, if our views are important on that suggestion, that I have somewhat wondered if we did not open a Pandora's box when we created the idea of the original corporation; and I somewhat agree with Thomas Jefferson in his ideas with reference to such institutions and the ideas of others who foresaw the dangers of corporations, and who questioned the decision of the Supreme Court, I might state, in permitting such things to stand. I am by no means sure that corporations have been a blessing. Certainly they have not been an unmixed blessing. I am not willing now to try to encourage people who want to speculate on land or who want to organize corporations with the idea that they can get an advantage that the individual farmer does not get. I am not willing to vote for any such purpose. I am not willing to vote to lend money to corporations when I know that the natural tendency is to concentrate the land of this country in the hands of people who do not cultivate it and who do not work. I am not willing by my vote to support an amendment which tends toward that which has hung around the neck of Great Britain and the country of Ireland for century after century. No one need fool himself about this. It is no simple thing. It is a question of whether we want to vote to encourage the ownership by corporations of this country of land which, if it is to be properly cultivated so as to accomplish the most humane and useful purpose, ought to be cultivated by individuals whose families live on that soil, and whose children are reared there to love it as they love that which gives them birth and gives them nourishment.

So, Mr. President, I have no hesitation in saying that no amendment can be added to this amendment which can cause it to get my vote. I think the purpose of the amendment is iniquitous. If we should adopt an amendment which would enable, perhaps, millions of American farmers to incorporate in order to defeat their debts, I do not believe they would do it. The farmers are honest. They have honesty inbred in their very bodies and in the very fiber of their beings. They are not going to adopt any such system. It does not make any difference how well prepared any States might be to bring about the organization of the small individual dirt farmers of this Nation. Such a system could not be fastened around their necks.

Mr. LONG. Mr. President—

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

Mr. BLACK. I yield.

Mr. LONG. It is admitted, I think, that the mechanism of American corporate control is a dishonest thing to start with. I think the Senator from Alabama is correct. I made the argument that the farmer should be given the same right to escape liability that has been given to the big man since corporations came into existence. I agree that the whole mechanism of concentrated corporation manipulations is dishonest in principle to start with; but the reason I made the suggestion is, since we have got to live in a world of chicanery and despotism, we ought to let the farmer in on the grass with the others.

Mr. BLACK. The argument I was making with reference to that suggestion is that the farmers of this Nation do not desire to take advantage of any such condition. It is wholly contrary to their conception of honesty and integrity. They would not take advantage of it if the opportunity were offered. This amendment, if adopted, and if it should become a law, would be a step toward lending Government money to people who are not actually engaged in farming, whose great objective is not to rear their families on a small farm where they live and which has become endeared to them by reason of the fact that there they have lived and reared their offspring.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield?

Mr. BLACK. I am glad to yield to the Senator.

Mr. LONG. The Senator is making an able argument to keep the farmer honest and to keep him from getting into corporations so as to keep him honest. I think I can assure the Senator that the farmers would much rather have something to eat and be in corporations than to be barred from so doing in order to keep them honest. We have been trying to keep the other fellow honest, and we have not done it; and so we would like to get the farmer in and get something of what the other fellow has.

Mr. BLACK. I thoroughly understand the argument which the Senator is making. He may be speaking for himself, but he is not speaking for the farmers of this Nation. In the first place, the farmers do not ask for the privilege of organizing corporations; they are not going to organize corporations. They have protested against it. All the messages from them of which I have heard which have come here have been protests. It may be true, as the Senator has said, that he has such a wonderful organization in Louisiana—and I think the indications are that he has rather an effective organization in that State—that he can organize the "Long" farmers with the hope that they may form a corporation; but what is going to happen if there be any anti-Long farmers? What benefit would they get from these corporations if they should depend altogether on them?

Mr. BARKLEY. They might become tenants of the "Long" farmers. [Laughter.]

Mr. BLACK. That is correct; I had forgotten that contingency.

Mr. WHEELER. Mr. President—

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

Mr. BLACK. I yield.

Mr. WHEELER. I understand that none of the "Long" farmers could get any money from any of these Government agencies anyway; they would be blacklisted.

Mr. LONG. Mr. President—

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

Mr. BLACK. I yield to the Senator.

Mr. LONG. The Senator is saying that the farmers are not asking for the privilege to organize farm corporations without being individually liable. If the Senator and others like him will allow the farmers to avail themselves of this right, they will find that the farmers will come here and borrow this money faster than a duck ever went to water. There will be no question about their borrowing it.

Mr. BLACK. Of course, a duck may go fast sometimes and not go fast at others. He might have had all the water he needed or he might be afraid the water was poison; there might be various reasons why the Senator's illustration would not apply; but the fact remains that this is a move toward corporate farming in America; it is a move toward having large landowners speculate with Government money. In my judgment, it is not for the benefit of the individual farmer and ought to be defeated.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. FRAZIER. Mr. President, I agree largely with what the Senator from Alabama has said. There happen to be at the present time about a dozen representatives of the farm-

ers' union organizations from Middle Western States here in the city. Several of them attended the hearings the other day, and one or two of them spoke there, but after the hearing they got together and agreed among themselves that they were opposed to the corporation amendment in this bill on the ground that they were afraid it would lead to the financing of general farming corporations, and they came to me and expressed themselves in that way.

Mr. GORE. Mr. President, for the benefit of Senators who were absent when the earlier discussion took place, I will state that the pending question is on the committee amendment as amended. The committee amendment provides that money may be loaned to farm corporations. A vote "yea" is a vote to entitle corporations to borrow money from the farm-land banks, while a negative vote is opposed to that departure and is opposed to that policy.

Mr. President, I agree with the Senator from Alabama [Mr. BLACK]. No amendment to this measure could secure my vote. My objection to it is fundamental. In the first place, it permits the Government to lend money to incorporated farming. Not only does it permit such loans, but it will encourage such loans; and not only will it encourage such loans but it will encourage competition and raise up competition on the part of chartered farmers against unincorporated farmers, against the individual farmer. I think this measure is wrong at the root. I think we are inviting the serpent into the garden. Instead of scotching the serpent, we invite it to enter, and we indulge the fatuous hope that once admitted we will control and tame and charm the serpent.

Mr. President, this measure strikes at the root of our civilization. The home is the unit of our economic system. I desire to preserve that unit if it can be done. The family is the unit of our social system. I desire to preserve that unit if we can. I do not want to charter the family; I do not wish to incorporate the home. I am old-fashioned enough to think that the home is still the most sacred institution ever raised up among the sons and daughters of men, and I should be the last to destroy it; I should be the last to jeopardize that institution.

Mr. President, let us take a case. I know of an instance in one of the great Western States where an insurance company has taken over 300 farms, some of them under foreclosure proceedings, and some of them under forced settlements that did not differ materially from foreclosure. The insurance company has a manager in charge of each of these 300 farms. The purpose is to make taxes and interest on the investment. I do not know, but it might be possible under this measure for such an insurance company to bring about an incorporation of those 300 tenants, 300 vassals who are living on those farms.

Let me ask Senators this question, and particularly the Senator from Louisiana. As was indicated by the Senator from Iowa [Mr. MURPHY] there are thousands of mortgages existing in his State. I do not doubt that there are a number of Western States in which one insurance company holds today thousands of mortgages on thousands of individual farms, which have not yet gone to foreclosure, which have not yet gone to the auction block, which have not yet been knocked down under the sheriff's hammer. What would prevent that insurance company from coercing those agricultural peons to form one of these corporations, borrow money, pay the insurance company at least in part, and then continue the struggle for existence as vassals of this concern? This measure relieves the incorporated farmer of liability for its debts other than would be provided by the corporation itself.

The chief business of government, as I see it, is to protect the individual, to protect the individual in his rights, the right of life, liberty, and the pursuit of happiness, to restrain citizens from injuring each other, and to bring about survival conditions under which honest men by their honest toil and thrift can wage a struggle for existence and can win in that struggle.

I want to restore, as far as we can, maintain, as far as we can, conditions in this country under which our farmers can

exist. When we make the individual farmers subject to competition with incorporated farmers, who are free from liability for their debts, who enjoy rather the privilege of limited liability, we subject those individual farmers to conditions in which they cannot survive. We make it impossible for them to win in the struggle for existence. That is my fundamental objection to this proposal to incorporate agriculture, to charter farming, and to allow these incorporated farmers to range to and fro in this country enjoying the privilege of limited liability, and driving the individual farmer out of competition, out of existence, and into a state of vassalage and peonage.

Mr. BORAH. Mr. President, I desire to ask a question with reference to paragraph (c). As I understand, the amendment still stands, so that unless the holders of 75 percent in value and number of shares of stock of the corporation assume personal liability for the loan, no loan can be made.

Mr. FLETCHER. That is correct.

Mr. BORAH. Of course, with that provision in the bill I do not see how anyone can vote for paragraph (c). The farmer is then put in the position where he is the only man in the United States who must assume responsibility as a stockholder in order that his corporation may make a loan. I am very much opposed to that provision.

Mr. LONG. Mr. President, I move to reconsider the vote by which my amendment was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana, who moves to reconsider the vote by which his amendment was rejected.

Mr. LONG. Mr. President, the amendment is the one referred to by the Senator from Idaho [Mr. BORAH]. The Senator from Idaho was not in the Chamber at the time my amendment was rejected. I have canvassed Senators in the Chamber in the last few minutes, and unless I have been badly informed many Senators are of the same impression I am. As the Senator from Idaho said, the amendment ought to prevail.

I propose by the amendment that the farmer shall not be singled out by law as being the only man who is required as a stockholder to assume individual responsibility for the debts of the corporation. I am glad to have had the view of the Senator from Idaho expressed at this time.

I believe we ought to let further consideration of the bill go over until tomorrow. It is 15 minutes after 4 o'clock. I believe we have had such hasty discussion on this important principle that it would be better if we should let the bill go over until tomorrow. Those of us who consider these questions carefully and prayerfully will be slow, on reflection under the influence of the rising of the early morning sun, to come back here and stand for writing into the statutes of the United States a new provision that a stockholder or an officer of a corporation shall assume responsibility for the debts of the corporation, and make that apply only against the farmer. If we are going to incorporate that principle of law into the body of our law, let us have it apply to everybody and not alone to the farmer.

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

Mr. LONG. I yield to the Senator from Florida.

Mr. FLETCHER. The proposal about enabling the organization or corporation under the circumstances mentioned in the amendment to become eligible for loans was suggested mainly because of those in the West or Midwest who have cattle ranches which are owned by certain individuals, largely in a family, and it is more convenient for them to operate as a corporation. It never was expected and I do not think it is possible for the provision to operate as has been suggested.

I think the Senator from Alabama [Mr. BLACK] was quite correct. It does take care of the situation in the livestock-growing regions and among the ranches in the Northwest. No harm could come of it because of the fact that the corporation is owned by people who actually are engaged in agriculture or livestock raising, that in the first place being a limitation in and of itself.

An objection was made the other day that it was opening the door to corporations. Then we added the provision that the owners had to be individually liable, and that was done in order to avoid the opening of the doors to corporations generally. That provision was inserted on the ground that otherwise we were letting corporations into agriculture in that way.

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

Mr. LONG. Certainly.

Mr. ROBINSON. The language of the amendment is general. Any kind of a farming corporation can secure a loan. If it is intended to apply only to one class of corporations, why was not that class specified?

Mr. FLETCHER. It is specified in the particular amendment. The corporation has to be organized by people who are actually engaged in agriculture and are cultivating a farm.

Mr. ROBINSON. Yes; but I understood the Senator to say—and I am asking for information—that it was done to meet the demands of livestock producers, farmers engaged in that particular vocation.

Mr. FLETCHER. I think so. That is the main purpose.

Mr. ROBINSON. It has been suggested here that under the language which is employed, any kind of a farmers' organization could procure a loan.

Mr. FLETCHER. Yes.

Mr. ROBINSON. It is not limited to livestock corporations.

Mr. FLETCHER. No; it is not limited to them. That is quite true; but they are the ones for whom it is designed.

Mr. ROBINSON. Could farmers incorporate, procure funds, and invest them in real estate under this language?

Mr. FLETCHER. If they complied with the requirements of the bill; if the people who owned the stock were actually engaged in agriculture.

Mr. BULKLEY. Mr. President, the farm corporation is subject to exactly the same limitations as any other individual borrower.

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

Mr. LONG. I yield.

Mr. BLACK. The bill says:

The term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations.

Mr. FLETCHER. That does not apply to these corporations. That is in the existing law as to farm loans.

Mr. ROBINSON. Mr. President, may I ask the Senator another question for information?

Mr. FLETCHER. Yes.

Mr. LONG. I yield to the Senator from Arkansas.

Mr. ROBINSON. Has the Farm Credit Administration considered this amendment?

Mr. FLETCHER. Yes. We had hearings on it, and went into it for about 3 days.

As to the modified provision, the language the Senator refers to, "or shortly to become", is now in the law as applied to Federal land-bank loans. The only change this bill makes in that provision is to add those words, "or shortly to become", as to loans made by the Commissioner. These are Commissioner loans that we are talking about; not the ordinary Federal land-bank loans, but Commissioner loans.

Mr. LONG. Mr. President, I hope we shall not take a wide range in this discussion. As I understand from the Senator from Florida, if I correctly judge his words, and if I correctly judge the words of the Senator from Arkansas, they know of no reason why a farmer corporation should have its stockholders underwrite the indebtedness of the corporation any more than why that should be done by the stockholders of any other corporation. That is the point which is now before the Senate.

SEVERAL SENATORS. No.

Mr. LONG. Oh, yes, it is! I called for reconsideration of the vote by which my amendment was declared rejected. Everybody in the Senate knows it ought to be voted in if he has studied the question as much as I have. I have called

back here for reconsideration the question whether or not the Senate is going to go on record as changing the law that has prevailed in the United States for a hundred years, that the members and officers and stockholders of a corporation are not individually responsible for the debts of the corporation. I have called upon the Senate to say whether it is going to vary that fundamental law of corporations which has existed since the day of their creation; if it is now going to have stockholders and officers underwrite the loans made to their corporations; if it is going to single out the farmer as the only man who is liable for the individual debts of a corporation.

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

Mr. LONG. I yield to the Senator from Arkansas.

Mr. ROBINSON. When I asked my question, I did not have in mind the amendment of the Senator from Louisiana. I had in mind the committee amendment which extends to farmer corporations the right to obtain loans.

Mr. LONG. I am not opposing the committee amendment. I am undertaking to amend the committee amendment. I must say that my view is that the philosophy of the committee amendment is right. My view is that the farmer has just as much right to incorporate and borrow money as a railroad or a store, or a power company, or anybody else has a right to incorporate and borrow money. I think the philosophy of the amendment is positively good, and in many cases necessary. The only part of the amendment about which I am complaining is that it undertakes to add another clause, and to say that in the case of a corporation owned by farmers, the individual stockholders and officers shall be individually liable for the debts of the corporation.

That is the only issue here. That is what I have brought back before the Senate. I do not believe a Member of the Senate who will think this thing over during the nighttime will for one minute undertake to invoke this discrimination.

I do not believe any Senator will go out of this Chamber and say tomorrow morning that it is all right for the Government to lend money to power companies and not have their stockholders individually liable, and it is all right for the Government to lend money to banking institutions and not have their stockholders individually liable, and it is all right for the Government to lend money to motor companies and not have their stockholders individually liable, but that while it is all right for the Government to lend money to farmers, the stockholders of the farmer corporations must be individually liable.

Who has drawn this distinction and who is going to justify this distinction? Who has a right to say that farmers cannot form a corporation any more than that any other kind of a corporation cannot exist? Who is going to draw any such line?

My friend from Alabama [Mr. BLACK] says, in effect, that this whole fiction of corporation government is dishonest. He did not say it in those exact words, but that is what the Senator from Alabama meant to say. He described it as a dishonest and discreditable act for a farmer to undertake to avoid individual liability in connection with a concern through which he borrows money by reason of the limited liability he invokes through the corporate cloak. Why did we not say something about this "dishonesty" during the past 3 or 4 years that I have been here in the United States Senate? If we are to say that it is a dishonest act for the money of the United States Government to be borrowed by a man who can avoid assuming individual responsibility for that loan on account of making it through a corporation, why did we not say something about it before we loaned the \$10,000,000,000 that we have loaned through the Reconstruction Finance Corporation?

Back yonder in the days when Hoover was President we had a Democratic doctrine, but when we get into power we have not any Democratic doctrine. We lost the party when we won the election. [Laughter.] Away back there, when we had up the Reconstruction Finance Corporation bill, it was the contention of the Democratic Party that we ought to

apply these benevolent statutes to the individual, to the man at the forks of the creek, or at the shoemaker's last, or at the counter, just the same as they were applied to the man on the twenty-first floor of the counting house. That was the good old Democratic doctrine at that time. We never did do it, however. We could not get it done, but we stood for it just the same for a while, until we got to where we could do it; and now we come up with this kind of legislation. Now that we can do it, what do we say about this equality among mankind? We say, "Oh, my goodness alive! It is a dishonest act for a corporation to be allowed to shield its members."

What has the statesman from Alabama ever done to stop this dishonest practice that has been rampant throughout the United States ever since he and I have been members of the bar of the United States? What have the Senators from Texas or Oklahoma ever done to stop this dishonest system of government by which corporations have been borrowing the money of the people of the United States and not having the members and stockholders of the corporations responsible for it?

Mr. BLACK. Mr. President—

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

Mr. LONG. I yield to the Senator from Alabama.

Mr. BLACK. I will state to the Senator that, so far as I am concerned, I have voted in each instance against permitting corporations to come here and borrow money; and I do not think the Senator from Louisiana can make that statement, because, if I am not mistaken, he voted to extend the lending of money by the Reconstruction Finance Corporation to business in general. I think he will find that that is the case if he will look up the record.

Mr. LONG. I will not deny that.

Mr. GORE. Mr. President—

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

Mr. GORE. At this point I should like to say that I did not vote for the bill creating the Reconstruction Finance Corporation. I have never voted for any amendment to extend its lending powers, and I never will.

Mr. CONNALLY. Mr. President, since the Senator from Louisiana included me with this distinguished pair of Senators, I will say that I did not vote for the original creation of the Reconstruction Finance Corporation.

Mr. LONG. Are there any more confessions? [Laughter.] Evidently, then, this whole thing has been a mistake ever since I have been here.

Mr. BLACK. A great deal of it has been since the Senator has been here. [Laughter.]

Mr. LONG. My friend from Alabama did not catch the question I propounded, though. I asked what the Senator from Alabama or the Senator from Texas or the Senator from Oklahoma has ever done to do away with this dishonest system of corporation government by which the stockholders and officers of a corporation are not responsible for the debts of the corporation. In other words, what have they ever done to do away with the practice to which the Senator from Alabama referred? If I had been Chief Justice of the United States a hundred years ago, and had felt then as I feel now, I never would have held it to be constitutional or fundamentally right to have a corporation in this country.

In other words, that is the mistake the country made—that I was not born 200 years ago. [Laughter.]

Mr. BLACK. I agree with the Senator in that. [Laughter.]

Mr. LONG. I thank the Senator. There have been lots of mistakes made since that time.

However, Mr. President, what are these distinguished citizens doing to do away with this law? There is no law to be found on the books accomplishing that result. They have been here dealing with all the evils they could find out anything about. I am satisfied that there is no evil they found rampant in this country about which the Senator from Alabama has not tried to do something.

Mr. President, I am willing to have this matter go over until tomorrow. I would rather prefer to wait until tomorrow.

row, because I want Senators to sleep on it. We do lots of things in the haste of an afternoon rush. This matter requires sober thought; it requires deliberate judgment. It is of such serious importance that it requires prayerful consideration, I say for the benefit of the Senator from Montana. [Laughter.] If he does not know what that means, after we get through here I will tell him.

Mr. President, this bill should not be disposed of, and a fundamental change of this kind made at this time, without more serious thought than it has had.

Do Senators desire to keep corporations in existence? I am willing to do away with them tomorrow. So far as I am concerned, I am one man who can help you on any course on which you go. You cannot go too far to suit me. You will never go too far in decentralizing the ownership of business and property to suit me; and if you were to wake up tomorrow morning and find there was not a single corporation in existence, probably we would be much better off than we are now.

I think corporation government, properly regulated, can be made a good thing for aggregated effort, but we are not arguing the wisdom of having started this system. We are living under a system of government by which corporations are allowed to borrow money, and the greatest lending agency under the living canopy of heaven today to the corporations is the United States Government. The United States Government lends more money to one corporation alone than it lends to a whole State. If the United States Government is now going to lend this little chicken-feed money, this little pie dough, these little nickels and quarters and dimes and half dollars, which you propose to lend to the farmers, and if it is justice to lend it to the farmers, just as you loaned it to 10,000 corporations, if that many have made application for this kind of money, then what is the justification for calling on no corporation except the farm corporation to make the individual stockholder and member subscribe for the individual debts and liabilities of that corporation? There is no justification. My friend the Senator from Alabama does not argue that. My friend the Senator from Texas does not argue that point.

Mr. BLACK. We do not get a chance.

Mr. LONG. They do not argue that point at all. Oh, yes, you have had a chance. That has not been the trouble. They do not argue it and they will not argue it; there is nobody here who is going to argue it. I am advocating a cause that is so right that no voice is raised, even in the slightest protest, against it. When I am talking about one thing, the Senator from Alabama is talking about something else. The Senator from Alabama rises here and talks about everything on the living face of the earth except the point at issue. The Senator does not get down on the mat and discuss this one little principle of whether or not, in the case of a corporation owned by farmers, the stockholders ought to be made individually liable and the other corporations allowed to shield their members and stockholders from individual liability.

Where is the man who is going to say that is not proper? Where is there a man sitting here in the United States Senate in this year of our Lord 1935 who is going to say that if we are going to lend money to corporations—and we are certainly going to lend it to them because we have been doing it all along—that you are going to make the farmer subscribe for the individual indebtedness of the corporation of which he is a member, but that you are not going to make the bank or the railroad or the counting house or the grocery store or the drygoods store or the oil refinery subject to the same rule, that the individual stockholders and members have to sign up for the debts of the corporation?

I have not lived long enough to understand such inequality. I am surprised, I am astounded, I am mortified. [Laughter.]

Mr. BLACK. Mr. President, does the Senator mean that we have been able to mortify him?

Mr. LONG. Oh, no; not you.

Mr. BLACK. If we have, I think we have accomplished a great deal. [Laughter.]

Mr. LONG. Well, you might do that yet.

I am astounded, to put it rather mildly, that in this day of supposed-to-be-human government, whether it is or not, we come here and say that the system of corporation government is wrong; that all along we should never have had corporations, and that all along the members of the corporations ought to have been held individually liable for the debts of the concerns. Now, we are to start out, says the Senator from Alabama, in effect, and says the Senator from Texas, in effect, we are to start out and rectify this old wrong, this wrong which is 100 years old, we are to start out to rectify this injustice, this crime against conscience, which allowed an individual to escape indebtedness by reason of a corporate fiction. How are we to start? We are not to let any farmers have loans through corporations unless they sign that they are individually liable for the debts of the corporations. What are you going to say about the counting house and the railroads?

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

Mr. LONG. I yield.

Mr. BLACK. I understand the Senator says that we took the position that the farmers, individually, were going to have to stand for corporate indebtedness. The Senator evidently left the Chamber, or did not understand what we said.

Mr. LONG. The Senator has been on both sides of this question ever since we have been discussing it.

Mr. BLACK. The Senator from Louisiana has been on four sides, if there are four; but on this particular question I have consistently maintained the same position. I stated before, and I state again, that I think everybody here knows that this is largely a talk about nothing so far as the farmers' organizing is concerned. Farmers are not going to incorporate. What I said was that actual farmers were not going to incorporate, and that I was opposed to any measure which suggested that they were going to incorporate, when the real thing that would be accomplished would be lending money to people to buy up farm land which ought to be owned by individual farmers.

Mr. LONG. Mr. President, the Senator still does not argue the question. I am going to ask the Senator, if it is permissible, in my own time, if we are to lend money to other corporations without there being individual liability of the stockholders, is there any reason why we should not lend money to farm corporations without liability?

Mr. BLACK. I state to the Senator that, so far as I am concerned, if I had my way about it, we would not lend corporations Government money with or without individual endorsement. I would rather have it with individual endorsement. I tried my best to prevent the lending of any Government money at all to any of the corporations, and I tried the last time the matter came up to prevent it, and the Senator did not help me. If I had had his assistance, I believe I would have won.

Mr. LONG. No; the Senator would have gotten less votes than he did get. I gave the Senator votes by being against him, and he does not realize it.

Mr. BLACK. That is likely true. [Laughter.]

Mr. LONG. The Senator still does not answer the question. I am arguing fundamental justice. I am arguing the law of the blind goddess, which the Senator does not dare undertake to controvert. I am arguing that if the United States Government has loaned and does lend its money to the corporations of the United States—and it has and does—for which loans there is no such thing as a personal or an individual liability on the part of the stockholders or officers of the corporations, then the United States Government should lend its money to farm corporations without any more liability on the part of the stockholders than there is in the case of industrial corporations.

There is no one here who will dispute that as the correct philosophy of law. I do not believe anyone here will dis-

pute it, because I know Members of the Senate are reasonable.

Mr. ROBINSON. Mr. President—

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

Mr. LONG. I yield.

Mr. ROBINSON. I will state to the Senator from Louisiana that it is my purpose to move an executive session and then a recess.

Mr. LONG. Very well.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of the following assistant surgeons to be passed assistant surgeons in the Public Health Service, to rank as such from January 4, 1935:

Benton O. Lewis;
Charles T. Meacham, Jr.;
Henry L. Wollenweber; and
David C. Elliott.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Albert C. Benninger, of New York, to be United States marshal for the eastern district of New York.

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

The PRESIDING OFFICER (Mr. McGill in the chair). The reports will be placed on the Executive Calendar.

The calendar is in order.

THE CALENDAR—THE JUDICIARY

The legislative clerk read the nomination of John McDuffie to be judge of the United States District Court for the Southern District of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George L. Grobe to be United States attorney for the western district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harry C. Gravelle to be United States marshal, district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Jesse Jacobs to be United States marshal, northern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Samuel S. Dickson to be consul.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of George Henry Payne, of New York, to be a member of the Federal Communications Commission for the term of 2 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Irvin Stewart, of Texas, to be a member of the Federal Communications Commission for the term of 3 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Norman Case, of Rhode Island, to be a member of the Federal Communications Commission for the term of 4 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. METCALF. Mr. President, I find there has been a mistake in the name of Mr. Case. His full name is Norman S. Case. Through the Secretary of the Senate I have received permission from the President to have that mistake corrected. I ask to have the mistake corrected and the initial "S" incorporated in the name.

The PRESIDING OFFICER. Without objection, the correction will be made.

The legislative clerk read the nomination of Paul Walker, of Oklahoma, to be a member of the Federal Communications Commission for the term of 5 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHEELER. Mr. President, there is also a mistake in the name of the nominee just read. The full name should be Paul A. Walker. As in the previous case, in a communication received from the President of the United States through the Secretary of the Senate I have received permission to have that mistake corrected. I ask to have the mistake corrected, and the initial "A" incorporated in the name.

The PRESIDING OFFICER. Without objection, the correction will be made.

The legislative clerk read the nomination of Thad H. Brown, of Ohio, to be a member of the Federal Communications Commission for the term of 6 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

EUGENE O. SYKES

The legislative clerk read the nomination of Eugene O. Sykes, of Mississippi, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1934.

Mr. ROBINSON. Mr. President, I understand that the Senator from Mississippi [Mr. BILBO] desires to speak on that nomination.

Mr. BILBO. Mr. President, with due deference to the decision and judgment of the members of the Committee on Interstate Commerce in recommending the confirmation of Judge Sykes, I most respectfully request that the RECORD show that I registered my vote against his confirmation. I am willing to concede that with the facts and evidence before the committee possibly this was the only course the committee could pursue, but I am forced to entertain the strong belief that if the committee could have made a thorough investigation of all the acts of the old Radio Commission, and could have known how the gentleman in question has discharged the duties of his office in every respect, there would be a different story to tell.

In explanation and justification of my action and vote in this matter, I respectfully ask unanimous consent to have printed in the RECORD at this point my formal and written statement presented before the committee.

The PRESIDING OFFICER. Without objection, the statement will be incorporated in the RECORD at this point. The statement is as follows:

SENATE OFFICE BUILDING,
Washington, D. C., January 16, 1935.

Senator BURTON K. WHEELER,
Chairman Interstate Commerce Committee,
Washington, D. C.

DEAR SENATOR AND MEMBERS OF THE COMMITTEE: I am most respectfully asking your indulgence in submitting this, my protest, against any probable action of your honorable committee in recommending to the United States Senate the confirmation of Judge Eugene O. Sykes as a member of the Communications Commission.

In the presentation of all the facts and circumstances supporting my protest I shall try to be fair, unbiased, and unprejudiced, and therefore invite your serious attention to and careful consideration of the well-founded objections I shall present to the confirmation of Judge Sykes and the positive proofs of the unfitness and unworthiness of this gentleman to sit in such high authority as that which appertains to a member of the Communications Commission.

Permit me to give in the outset with befitting brevity the details of my personal and political relations with the subject of this discussion from the time, not so long ago, when he was an unknown barrister in the little town of Aberdeen, Miss., up to and including the period covered by the campaign I have recently closed in my race for the United States Senate.

A vacancy occurred in the Supreme Court of Mississippi in 1916, when I was the Governor for the first time of that State. It was my duty as Governor to fill this vacancy by appointment; I took into consultation much of the available legal talent of north Mississippi, and after numerous interviews with these attorneys of pronounced ability and high standing before the bar, I decided to name Judge Eugene O. Sykes as supreme court judge from the northern district for the State of Mississippi.

At the expiration of the term of office to which he had been appointed to serve, he became a candidate before the people of his district to succeed himself. It was my good pleasure at that time to throw all the influence I had to the support of Judge Sykes with the result that he was elected, it being extremely doubtful, however, that he would have been successful in this race but for my assistance.

When Judge Sykes' second term of office expired, I was not then Governor, and consequently he did not choose to run. The fact that I was a private citizen at that time, and had returned to my home in Poplarville, Miss., only 40 miles from the Gulf of Mexico, a section far removed from the northern supreme court district in which Judge Sykes lived, and by the people of which district he would be elected, or rejected, if he should choose again to run, very probably influenced the judge's decision to withdraw from public life.

This latter incident is brought out to show how completely helpless he was except when supported by another, and if through the inevitable vicissitudes of politics, the arm upon which he had been for so long a time accustomed to lean, should be resting and reclining momentarily in the shades of private life, this political weakling must of necessity descend to the level from which he was lifted.

Not so long after his voluntary retirement from the Supreme Bench, he sought under President Coolidge's administration appointment on the Radio Commission through the aid of Senator PAT HARRISON and my predecessor, Senator Hubert D. Stephens. These Senators were able to secure for him this appointment and thereafter his confirmation by the Senate.

In the capacity of Radio Commissioner he served until the administration of President Roosevelt set up a Communications Commission. By virtue of his Radio Commission membership he was automatically made a member of the Communications Commission, and his appointment for membership on this latter Commission is now awaiting the consideration of your committee.

This brings me to the point where a discussion of certain activities of Judge Sykes which took place during my campaign for United States Senator in the Democratic primary of Mississippi will be in order; and when they are fully developed I assure you they will give to your committee a very clear, definite, and dependable conception of the character of man you are to recommend or refuse to recommend for confirmation by the United States Senate for appointment on one of the most important and altogether powerful commissions under our scheme of government.

Notwithstanding the fact, as heretofore related, of my proven personal and political friendship for Judge Sykes over a long period of time, and notwithstanding the further fact that Judge Sykes accepted my political favors with seeming appreciation and with frequent expressions of his obligations to me for the recognition I had given him, he took it upon himself and resolved in his heart at the very time when I was sorely pressed from the heat of battle during my campaign for the Senate, to leave his exalted station in Washington and travel all the way to Mississippi and there place himself in the front ranks of the opposition that was fighting so stubbornly to encompass my defeat, and did everything that was humanly possible to turn the tide of battle against me.

This interference in a matter that should have been of no particular concern to him other than the exercise of his right to vote for the man of his choice, and allowing every other voter to do the same, became all the more reprehensible when he dared to make not one trip on his proselyting mission, not two trips, but three trips at timely intervals to the State of Mississippi, spending altogether many weeks apart from his duties in Washington, and there labored with all his might and main, resorted to all manner of political intrigue and machinations, from the petty practices of ward politicians to the exercise of the great power and influence that goes with high position, to encompass my defeat in the Democratic primaries of my native State.

Not being satisfied or content to bring to bear upon this memorable campaign the weight of his own personal contributions to my undoing, he sent out from Washington other employees of the Commission, of which he was a member, who formerly lived in Mississippi and had influential friends and acquaintances there, and commanded them to go to Mississippi and help his friends and their friends to destroy THEODORE G. BILBO, after instructing them in the technic of political chicanery.

The first of these emissaries was Hon. Paul B. Spearman, who was then and is now General Counsel for the Communications Commission; the second was Hon. George Hill, Associate Counsel for the Radio Commission. These gentlemen, in the employ of the Commission of which Judge Sykes is a member, made, at the instance and under the direction of Judge Sykes, repeated trips to Mississippi to contact many key men among my supporters for the purpose of proselyting them and thereby destroy the morale of the forces they were leading in my behalf. I am prepared to say that it is a matter of common knowledge among many reputable people that George Hill distributed large sums of money over the northern section of the State to be used to buy, bribe, influence, and corrupt the voters of Mississippi; that George Hill did, in person, pay as

high as \$50 to one man to turn his support and influence against THEODORE G. BILBO.

These three men, Judge Eugene O. Sykes, Paul B. Spearman, and George Hill, collectively spent approximately 9 weeks in Mississippi exercising their wits to the nth degree to prevent THEODORE G. BILBO from crossing the Potomac in 1935 as Mississippi's junior Senator.

In the loom of Mississippi politics they piled like a shuttle back and forth between Washington and Mississippi bearing messages from the Capital City to the unsuspecting and confiding voters, that authorities who occupied the exalted places in Washington did not want THEODORE G. BILBO to be elected United States Senator.

During the closing days of the campaign for United States Senator in Mississippi, Judge Eugene O. Sykes became suddenly seized with a panic fear that the activities of himself and confederates along the lines I have heretofore indicated would not prove altogether effective in accomplishing my defeat at the final primary, and consequently, out of sheer desperation, the said Judge Sykes undertook to and did enlist the broadcasting services of broadcasting stations in three States subject to his control and regulations as a member of the Federal Communications Commission, by requesting them personally to furnish free service in broadcasting my opponent's speech made September 17, 1934, the day before the last primary at Jackson, Miss., and also in broadcasting the speech delivered at the same time and from the same platform by Ross A. Collins, who, having been defeated in the first primary, was then denouncing and vilifying THEODORE G. BILBO whenever opportunity was afforded him.

Mr. C. A. Lacey, the advertising manager of Station WJDX at Jackson, Miss., in the presence of Mr. Pete Lutken, a high and controlling official of the Lamar Life Insurance Co., that owns Station WJDX, and Judge Eugene O. Sykes, Chairman of the Federal Communications Commission, talked over long-distance phone from a hotel room in Jackson, Miss., a few hours prior to the date of the aforementioned speeches to Memphis, Mobile, New Orleans, and Vicksburg broadcasting stations, respectively, requesting a hook-up of these stations to carry the final speeches in Jackson of my opponent and Mr. Collins; and when each of these stations, in due course of this conversation, mentioned compensation, Mr. C. A. Lacey advised, in the presence of Judge Eugene O. Sykes, that Judge Eugene O. Sykes, Chairman of the Communications Commission, desired and in his presence requested service free; and free service was accordingly granted and later rendered.

This act within itself is of such culpability as to justify a denial of confirmation of the appointment of Judge Eugene O. Sykes to the office he has no ignobly, if not unlawfully, prostituted to the end that it might serve his own selfish and sordid ambition. The proof of all these things may be furnished upon the order of an investigation by your honorable committee, before whom the parties herein named may be summoned to testify.

The opposition of Judge Eugene O. Sykes, were he stripped of authority and the glamor that goes with a gilded greatness by virtue of his position on the Communications Commission, would have been as but a pebble dropped into the turbulency of the political seas in Mississippi.

Judge Eugene O. Sykes as an uncrowned commissioner walking beneath the stately elms that grow along the sidewalks of his native city, Aberdeen, trying to influence the voters in his own precinct against me, would have exhibited that measure of effectiveness only that is so often blurred by the tears that laughter brings.

Not so, however, when enthroned with all the power and pomp and prestige that executive authority bestows, striking from Washington, carrying in his left hand the alleged mandate of official instructions from the Nation's Capital; for thus panoplied, he was equipped to drive his treacherous sword deep into the ranks of my faithful followers.

So effective became his onslaught and that of his three captains in crime that I seized upon his perfidious conduct and held it up before high heaven to the scorn and contempt of all good men and women, and made the question of his permanency in authority in Washington a dominant issue in my campaign. I denounced him and his two confederates upon every stump in the State of Mississippi; I pledged myself to the people that, when elected to the United States Senate, I would fight his confirmation as a member of the Communications Commission, and if I failed to succeed in my efforts, I would continue my warfare against him until he had been driven from the councils of the mighty.

Beginning in his home town and county I denounced him throughout the entire State as the most conspicuously despicable personification of ingratitude that ever clouded the horizon of Mississippi politics.

I further contended that it was contrary to every right conception of fairness and justice, loyalty, and decency for a man enjoying the emoluments of a Federal office to take the time that should be given solely to the duties of that office and the compensating funds derived from that office, and devote both the time and money to the defeat of a fellow Democrat who had been his political benefactor.

Therefore, in view of the foregoing facts, it becomes readily apparent that the question of the confirmation of Judge Eugene O. Sykes by the United States Senate became in my campaign an outstanding issue. My pledge to the people to throw the weight of my influence against his confirmation was so well and universally known and appreciated that every man in voting for me understood by that act, by the casting of his ballot, that he was saying to the United States Senate to reject the confirmation of Judge Eugene O. Sykes. Their endorsement of THEODORE G. BILBO

at the polls meant the endorsement of the paramount issues discussed and proclaimed by him upon every political platform in the State. Therefore, gentlemen of the committee, you have a mandate from the people of a sovereign State to deny the confirmation of Judge Eugene O. Sykes.

I would not have the members of your committee for a moment to think that this protest is motivated by a spirit of retaliation, that I am unduly peeved and aggrieved at an injustice or an affront done me personally. To make objection to confirmation upon that unsound basis would be unworthy of a United States Senator.

I would have you know that conduct, such as may be and herein has been attributed to Judge Sykes, would appeal to me equally as disreputable and deserving of universal condemnation if directed against any individual other than myself and who was similarly circumstanced.

The elements of character that go to make up the man, Eugene O. Sykes, are not, I affirm, those that bespeak for him the requisite qualifications for the duties of the office he seeks. A man not only utterly forgetful and at all times oblivious of the rungs in the ladder by which he has climbed, but also disposed to discredit and destroy the indispensable instrumentalities by which he has progressed—to bite the very hands that formerly fed him—cannot be expected to do justice as between the interests of those placed before him for adjudication. That fine sense of fairness common to and inherent in minds of splendid judicial poise is obtuse in him, and cannot therefore point its way to an unerring decree.

Here is an opportunity, it seems to me, for your honorable committee to take such action as that hereafter no public official, made so by Presidential appointment, will ever again dare to use the powers that go with his office, the personnel of his office, and the time of himself and office personnel that belong to the duties of that office, to influence or to determine a political issue as between fellow members of the same political party.

In closing this feature of my protest permit me, for the reasons already assigned, if for no other, to urge your honorable committee to refuse to recommend to the Senate the confirmation of the appointment of Judge Eugene O. Sykes as a member of the Federal Communications Commission; for by so doing you will at the selfsame time serve notice to all men everywhere now holding places of trust and responsibility under the flag that the Senate of the United States demands of them a manifest showing of the utmost probity in all their dealings, and an official record evincing the strictest conformity to all the rules, regulations, and requirements of the Government with respect to their official conduct before any semblance of hope of confirmation by the Senate may be entertained.

I now invite your attention to a telegram addressed to President Franklin D. Roosevelt, dated November 19, 1934, and sent by George Llewellyn, of Atlanta, Ga., formerly assistant supervisor in the office of supervisor of radio, Atlanta, Ga., making special reference to Judge Eugene O. Sykes as being involved in certain charges he had made to the Justice Department agent, that were in line with what he considered to be his duty, the full text of said telegram being, and the same is, as follows:

ATLANTA, GA., November 19, 1934.

HON. FRANKLIN D. ROOSEVELT,

Warm Springs, Ga.:

This appeal to you is last resort of crucified Government employee thrown out of service because he tried to do his duty exposing crookedness in previous administration. You alone can rectify wrong. Here are facts: Two years ago my superior in Atlanta district for Radio Commission was investigated by Department of Justice and suspended by Commission on charge of misconduct in office. I knew all facts in case and made statement to Department agent which involved Commission employees here, as well as at Washington, and Commissioner Sykes. Among things reported was sale of broadcasting frequency for \$6,500. This contract of sale took place in Atlanta office with full knowledge of Commission, in violation of Radio Act. Commission Assistant General Counsel Fisher told me Judge Sykes wanted to lay off phase of investigation involving lawyer friend. I did not lay off and was dismissed outright. It was proved that district supervisor had accepted money from broadcasting stations for services. He admitted one case of accepting \$500 to induce Georgia broadcasting station to buy transmitter. This man was reinstated to position, resigning later. I have tried frantically to get hearing before Commission, but all I hear is nothing can be done. Congressman RAMSPECK and Senator RUSSELL believe in me and have tried, without avail, to get hearing. Discharge has ruined my future. Formerly respected by all, now I cannot even get job. Congressman RAMSPECK says it would be useless to appeal to Civil Service Commission, as it is just rubber stamp. There is nothing left for me to do but to appeal to you as a World War veteran to see I get at least a square deal from gross miscarriage of justice by having thorough and fair investigation. If I hear nothing from this, I will know justice is indeed blind, deaf, and dumb.

Respectfully,

GEORGE LLEWELLYN,
445 Atwood Street SW.

I direct your attention also to a letter discussing the matters referred to in said telegram, the same being addressed to me by Hon. W. F. Brandt, of Atlanta, Ga.; which letter, bearing date of January 11, 1935, reads as follows:

ATLANTA, GA., January 11, 1935.

HON. THEODORE BILBO,

United States Senator, Washington, D. C.

MY DEAR FRIEND: It has been so many years since I had the pleasure of seeing you until it occurs to me that you may have

forgotten me, but you will probably recall me in the "McDonald case", years ago here in Atlanta, when both of us fought for our friend, who since has passed on.

I am prompted in writing to you having noticed from press dispatches your fight against Eugene Sykes.

In 1932 I represented one George Llewellyn, who was at the time assistant radio supervisor of the Federal Radio Commission in the Atlanta office; his superior officer was Walter Van Nostrand, who held position as radio supervisor of the local office. Someone preferred charges against the said Van Nostrand for malfeasance in office, bribery, shakedowns, etc. We demanded an investigation to be made, having in our possession full knowledge of certain transactions in which Sykes, himself, was involved; we called upon the Department of Justice to make this investigation.

Mr. Fisher, connected with the Department of Justice, came to Atlanta to make the investigation. Upon his arrival here he immediately conferred with the entire office personnel, and particularly with Mr. Llewellyn, who was familiar with all the transactions. In the conference with Mr. Llewellyn, Llewellyn told Fisher of a certain transaction involving Sykes, to which Mr. Fisher suggested that he, Fisher, did not want to go into any matter which would or could involve Sykes.

The outcome of the entire matter was this, Van Nostrand was promptly reinstated but soon thereafter resigned (Van Nostrand was a personal friend of Sykes), and soon thereafter Mr. Llewellyn, who had given the information and protected the Government from losses, was fired; and charges which he, Llewellyn, was fired for was lack of respect toward the officer in charge of the Atlanta (Ga.) office, and that he, Llewellyn, conspired with other employees in the office against the wishes of the officer in charge, thereby creating dissension and turmoil in said office. Both Senator Russell and Congressmen have full detailed information as to the matter I am referring to, and you can obtain the entire files of this matter from either of them, and also a report from the Department of Justice of its investigation.

I am enclosing some of the correspondence, also a copy of a telegram sent to the President while at Warm Springs, to which no reply has ever been made.

I feel confident that if you go into this matter you will have enough on Sykes to stop his confirmation.

With kind personal regards, I am,
Cordially and sincerely yours,

W. F. BRANDT.

An incomplete story of the irregularities alleged to have been carried on openly and with the full knowledge of the office personnel in the Atlanta office of supervisor of radio, with charges and countercharges brought by the employees of that office, is furnished you herewith in the form of a series of letters arranged chronologically, which clearly show from the viewpoint of those who have gone fully into the matters complained of that a great injustice has been done Mr. George Llewellyn because of the cooperation he tried to give the Justice Department in its investigation of the irregularities alleged to have existed, and for the further reason in all probability that he dared to tell what he knew about the activities of Judge Eugene O. Sykes and his very personal friend, Mr. Walter Van Nostrand.

It will be noted that the specific charges against Judge Eugene O. Sykes do not appear in any of the letters herewith submitted for the reason that the facts involving Commissioner Sykes, when made known to the representative of the Justice Department, were rejected by him with the statement that he did not want to go into any matter involving Judge Sykes and consequently these charges were intentionally omitted in all correspondence.

That the nature of these charges, reflecting upon the honesty and integrity of Judge Eugene O. Sykes, made by Mr. George Llewellyn, one time trusted employee of the Federal Radio Commission, may be made fully known to your honorable committee in all their details, I most respectfully suggest that you have Mr. George Llewellyn, of Atlanta, Ga., whose present address is 445 Atwood Street SW., Atlanta, Ga., and Hon. W. F. Brandt, attorney for and personal advisor of Mr. George Llewellyn, whose address also is P. O. Box 1914, Atlanta, Ga., to appear before your honorable committee and there be requested to make in all particulars the charges referred to in the telegram and letter herein quoted and embodied in this protest.

Respectfully submitted.

THEO. G. BILBO,
United States Senator.

The PRESIDING OFFICER. The question is on the confirmation of Eugene O. Sykes, of Mississippi, to be a member of the Federal Communications Commission. [Putting the question.] The ayes have it, and the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Richard P. Williams to be brigadier general in the Marine Corps.

Mr. BLACK. Mr. President, I ask that that nomination go over until the committee has acted on the nomination of General Russell, so that they may be taken up together.

Mr. TRAMMELL. Mr. President, that question was considered when the committee had the nomination of General Williams under consideration; and we did not feel that there was anything whatever in regard to the nomination of General Williams that would have any bearing upon the nomination of General Russell. Therefore, the committee reported favorably General Williams' nomination. He was recommended by an entirely different board from that which passed upon General Russell and was appointed by the President at a different time and prior to the appointment of General Russell. We do not feel that in the appointment of General Russell there is any question involved which would in any wise affect General Williams. So I hope the course suggested by the Senator from Alabama will not be pursued.

Mr. BLACK. Mr. President, of course, if it is necessary to do so, I can discuss the question this afternoon, and I think there are some other Senators who are willing to discuss it. I think it would be better, however, not to do so.

General Williams is a member of the board which has just acted in the selection of officers of the Marine Corps. It is a very strange and unusual situation that has brought about these promotions. The commandant of the Marine Corps, General Russell, instead of having 9 junior members of the board, had, as I understand, 6 members. According to information given me—I can not vouch for its credibility, but we can find out before the committee—at least four of the men who were serving under General Russell on this selection board owed their appointments as generals to General Russell. In other words, it was a "Russell" board. That is the information given me. The information is given me that General Williams particularly was a Russell appointee. I have asked that both these matters be taken up before the committee. The nomination of General Russell is to come up before the Naval Affairs Committee tomorrow. General Russell, I may state, is the general who was in command in Haiti at the time a United States Senator was denied the privilege of landing on that island. It is my understanding that General Williams was also there at that time, or later.

Mr. RUSSELL. Mr. President, I am sure the Senator from Alabama [Mr. BLACK] would not wish to make a misstatement.

Mr. BLACK. Absolutely not.

Mr. RUSSELL. I should like to correct that statement. General Williams was not in Haiti at that time.

Mr. BLACK. I said he was there at that time or later.

Mr. RUSSELL. He could not have been connected with the matter relating to the Senator from Utah if he was not there.

Mr. BLACK. He might not have been connected with that particular transaction. I do not know how many of the statements which have been made to me by people who know about the marines are correct.

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

Mr. BLACK. I yield.

Mr. BARKLEY. Frankly, I do not know just what all the facts are with reference to the Haitian incident; but I happened to be in Haiti at the time of this unfortunate and unpleasant incident, and it was not my understanding that General Russell had anything to do with it. The incident was entirely due to the action taken by the President of Haiti, and not by General Russell.

Mr. BLACK. I happened to be there shortly after it happened, and the Senator from Minnesota [Mr. SHIPSTEAD], I think, happened to be there at the time it happened.

Mr. BARKLEY. I think the Senator from Minnesota and I were there together. We went on the same trip.

Mr. BLACK. I do not believe the President of Haiti could have controlled the commandant of the Marine Corps of the United States, who was actually head of the marines there,

part of the same marines who had forced the Haitians to adopt the constitution changing the law with reference to the ownership of land that had existed for a hundred years. It may be true that the President of Haiti, instead of the representative of the United States, determined that. The evidence may show that; but I am very frank to state it would require very strong and conclusive evidence to convince some of us that such was the case.

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

Mr. BLACK. Certainly.

Mr. SHIPSTEAD. It was a question of controversy as to who was in charge of Haiti, whether it was Borno, the President of Haiti, or the high commissioner, General Russell. I can only state that it is well known that as soon as the marines were ready to leave Haiti, President Borno took an automobile and skipped the country. He was there only because he was held there and protected by the marines. As soon as the marines were taken out of Haiti, or ready to leave Haiti, he left; in fact, he left before they did.

Mr. BLACK. It would be much better if all these matters would come out after we have acted on the nomination of General Russell.

Mr. BARKLEY. I care nothing about either of the men. I am not interested in the controversy. I did not confer with the President of Haiti about the incident, nor did I confer with General Russell. I am not interested in the controversy between General Russell and President Borno as to who was responsible for the incident to which reference has been made. I only know what I saw in the newspapers at the time. That is where I got my information. I may be mistaken about it of course. I am ready to acknowledge that there are others who have more knowledge of the intimate facts about the rather high-handed and arbitrary action taken with reference to the Senator from Utah.

Mr. BLACK. I am very frank to say if the Senator from Florida desires and insists that we go on this afternoon, I shall proceed as long as I am able to do so. I think it is unfair to make an effort to dispose of the matter this afternoon. I do not know that I shall have one word more to say if the matter is postponed.

Mr. ROBINSON. Mr. President, if the Senator will yield to me I desire to give notice that it is my intention to move to return to legislative session.

Mr. BLACK. Very well; I yield.

Mr. ROBINSON. While we are yet in executive session I ask unanimous consent that the President be notified of the action of the Senate in confirming the nomination of JOHN McDUFFIE to be United States district judge, southern district of Alabama.

The PRESIDING OFFICER. Without objection, the President will be notified.

LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to, and the Senate resumed legislative session.

SPECIAL COMMITTEE TO INVESTIGATE THE ADMINISTRATION OF BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS

On motion of Mr. ROBINSON, it was

Ordered, That the Senator from Arizona [Mr. ASHURST] be excused from further service as the chairman of and as a member of the Special Committee to Investigate the Administration of Bankruptcy and Receivership Proceedings in United States Courts; that the Senator from California [Mr. McADOO] be named chairman of the said special committee; and that the Senator from Nevada [Mr. McCARRAN] and the Senator from Maine [Mr. WHITE] be appointed to membership thereon.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 8, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 7, 1935

UNITED STATES DISTRICT JUDGE

John McDuffie to be United States district judge, southern district of Alabama.

UNITED STATES ATTORNEY

George L. Grobe to be United States attorney, western district of New York.

UNITED STATES MARSHALS

Harry C. Gravelle to be United States marshal, district of Nevada.

Jesse Jacobs to be United States marshal, northern district of New York.

FOREIGN CONSUL SERVICE

Samuel S. Dickson to be consul.

FEDERAL COMMUNICATIONS COMMISSION

George Henry Payne to be a member of the Federal Communications Commission.

Irvin Stewart to be a member of the Federal Communications Commission.

Norman S. Case to be a member of the Federal Communications Commission.

Paul A. Walker to be a member of the Federal Communications Commission.

Thad H. Brown to be a member of the Federal Communications Commission.

Eugene O. Sykes to be a member of the Federal Communications Commission.

POSTMASTERS

IOWA

Mollie J. E. Kachelhoffer, Ackley.

NEW MEXICO

Herman E. Kelt, Carrizozo.

Charlotte Kohlhausen, Cimarron.

George W. Dexter, Deming.

Frank J. Wesner, Las Vegas.

Theodore Raff, Los Lunas.

Emmet J. Corn, Tucumcari.

Vera Clayton, Tularosa.

NEW YORK

John Fleming, Clayville.

James E. Dailey, Deposit.

Peter J. Carpenter, Dobbs Ferry.

Clarence F. Dilcher, Elba.

Mary A. McGoe, Hartsdale.

Daniel J. Ryan, Johnsonville.

Frank J. Leedings, Ravena.

William Winne, Selkirk.

Napoleon Ponessa, West Haverstraw.

OHIO

Beulah G. Roshon, Baltimore.

Florent G. Orr, Basil.

Mollie M. Morrow, Bergholz.

Elden E. Schott, Brewster.

Charles A. McCrate, Columbus Grove.

Elmer E. Eller, Cuyahoga Falls.

Lloyd K. Heckman, Ellet.

Christ M. Rose, Fort Jennings.

Paul E. Ruppert, Franklin.

Arthur C. Battershell, Hicksville.

Frederick B. Mowery, Kingston.

Ernest A. Rowland, Lodi.

C. Wood Bowen, Logan.

Neal D. Roshon, Medina.

Carl V. Beebe, Mount Gilead.

Iva A. Falls, Shawnee.

Hattie D. Hufford, West Mansfield.

SOUTH DAKOTA

Mabel M. Fitzgerald, Plankinton.

TEXAS

Alfred H. Clark, Bremond.

James A. Hilburn, Childress.

Alvin L. Clements, Copperas Cove.

Walter E. Holloway, Detroit.

William W. Sloan, Falfurrias.

James S. Griffith, Houston.

George F. Sheppard, Italy.

Eldon C. Wade, Jayton.

Lois H. Knox, Justin.

Ray H. Griffin, Kosse.

William B. Collins, Llano.

Louis E. Phillips, Lott.

Ben C. McElroy, Marshall.

Joe December, Orange Grove.

Marcus E. Jud, Riesel.

Alejo C. Garcia, San Diego.

William F. Sellers, Walnut Springs.

WEST VIRGINIA

Effie L. Hedrick, Mabscott.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 7, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful God, we are unable to rejoice in an unblemished past. Be gracious unto us and bless us in the prospective ministries of unselfish service. May we identify our privileges, delights, and opportunities with justice, humanity, and truth. Help us to enfold them more and more in our own lives, for by these we shall rise to the competency of the higher life. Heavenly Father, inspire us to bear ourselves as citizens of an immortal commonwealth, carrying with us princely courage and hope. Through faith in Thee, may we never lower the standard or surrender our ideals. Hasten, oh hasten the day everywhere when men shall love as they have hated, when they shall grow more sensitive to moral truth, and when discordant elements shall dissolve into the harmony of the divine will. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 56. An act for the relief of Patrick J. Mulcahey;

S. 255. An act for the relief of Margaret L. Carleton;

S. 547. An act for the relief of Alfred W. Kliefoth;

S. 823. An act for the relief of Benjamin H. Southern;

S. 1095. An act for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; and

S. J. Res. 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

CRIMINAL ACTIVITIES IN THE DISTRICT OF COLUMBIA

Mr. WARREN. Mr. Speaker, I call up a privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House Resolution 92

Resolved, That the expenses of conducting the investigation authorized by House Resolution 94 incurred by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by

such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendments:

In line 4, page 1, strike out "\$5,000" and insert in lieu thereof "\$1,500", and at the end of the resolution insert the following: "Sec. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

WE WANT COMPETITION

Mr. PLUMLEY. Mr. Speaker, on March 8 of last year, when the question of air-mail procurement was under discussion, the President of the United States said in no uncertain terms that "any combinations, agreements, or understandings intended to prevent free competitive bidding should be prevented, and such action should be a basis for cancellation of contracts. Real competition between the manufacturing companies will stimulate inventive genius and should give to our people safer and better equipment, both for commercial and military purposes."

While I do not agree with the policy pursued by the administration with respect to the cancellation of the air-mail contracts, nevertheless I am in most hearty accord and agreement with the statement of the President with respect to "competitive bidding."

Now comes the Federal Aviation Commission, and in direct opposition to the directive of the President, it recommends that the policy of competitive bidding be scrapped and that "the Secretary of War and the Secretary of the Navy shall negotiate the contracts for quantity purchases of aircraft and other aeronautical material." To this suggestion the President most emphatically says: "No; we want competition."

In this respect it is my pleasure to oppose the recommendation of the Commission and to most heartily support the President.

Mr. Speaker, with a very distinct appreciation of the fact that I am in no sense qualified as an expert, either military, technical, or scientific, to discuss matters and things pertaining to the development of aviation along military, industrial, technical, or scientific lines, nevertheless, ignorant as I am, I have undertaken to inform myself as a layman, and being very much interested in the subject matter of aviation, I am taking the liberty to presume upon the good nature of the House to remark that there are some things in the report of the Federal Aviation Commission with which I am in distinct disagreement, and to which, in my opinion, every unprejudiced Member of this House of Representatives will find himself in opposition if he takes the necessary time to study both sides of the question.

Together with the other members of subcommittee no. 3 of the Committee on Military Affairs, under and by virtue of House Resolution 275, authorizing and directing the Committee on Military Affairs "to inquire into and investigate alleged profiteering in military aircraft, irregularities in the leasing of public property by the War Department, and profiteering in the purchase of property from public funds, and other matters in which the problem of national defense is involved", I sat and listened to evidence adduced before that committee with respect to the matters and things covered by the above resolution from the 12th day of February to the 3d day of July 1934, 54 days. Then I came back down here the 3d day of December last and sat for something like 2 full

weeks listening to testimony covering in part the same matters and things.

The committee conducted an exhaustive and impartial investigation during which all phases of aviation including research, development, manufacture, and methods of procurement were thoroughly canvassed and considered. The advantages and disadvantages of both "procurement by negotiation" and "competitive bid" were carefully weighed.

The conclusions I have reached, as a result of the time spent in undertaking to inform myself, are such that I feel I would be derelict in my duty did I not, at least, direct the attention of my colleagues to such sources of information as are available.

May I suggest that if, and when, the recommendations of the Federal Aviation Commission, as transmitted by the President in his recent message, come before you in concrete form for consideration and for action, your vote will be motivated by carefully considered conclusions based on a study of the whole subject matter. To that end, therefore, the message of the President in connection with the submission of the report may well be particularly observed and notice taken as to how the recommendations made by the Federal Aviation Commission are handled by him.

I should like to call your attention to the reports which have been made and filed by the Subcommittee on Military Affairs. Those reports are nos. 1506 and 2060, Seventy-third Congress, second session, and specifically to certain opinions which are to be found in these reports; viz, the opinion of the Judge Advocate General of the United States Army, found on pages 40 to 45 of report no. 1506; that of the Judge Advocate General of the Navy, or an excerpt therefrom, found on page 46 of the same report; and to the opinion of the Comptroller of the United States, found on pages 46 to 55 of report no. 1506. The final report of the committee is of date December 28, 1934, made pursuant to House Resolution 275 to the first session of the Seventy-fourth Congress.

In order that these opinions referred to may be read understandingly and the full force and effect of each may be appreciated, one should familiarize himself with the provisions of section 10 of the act of July 2, 1926 (44 Stat. 788). This section 10 may also be found on pages 4 to 7 of report no. 1506.

To be fully advised with respect to the law and the reason for it and leading up to its enactment one may well read the discussion of H. R. 10827 as found on pages 750-757 et sequentes of the CONGRESSIONAL RECORD of the Sixty-ninth Congress, first session.

While there are a good many things in the report of the Federal Aviation Commission of which I do not approve and am in accord with the position taken by President Roosevelt with reference thereto, I am particularly opposed, as I have stated, to the recommendation to the effect that the Secretary of War and the Secretary of the Navy be expressly authorized to make purchases by direct negotiation with the manufacturer best able to provide the desired equipment, and that they report to Congress in each case the reason for employing negotiations and the exact way in which the price to be paid was determined.

It has to be admitted that no one can successfully contend that a negotiated contract is not the easiest method of procuring any article, but I insist that in view of the law as established by Congress your committee and Congress rightfully take the stand that such a method of expenditure of Government funds is contrary to law, to national policy, and should be resorted to only where justified by exceptional circumstances. Provision for such action, when and if justified by such circumstances, is made and provided by the law itself.

In its consideration of this particular matter the committees of Congress gave long hours of thought and study to the administrative difficulties which might arise in obtaining the finest type of aircraft, keeping in the foreground in its discussions the cardinal principle that our armed forces must be equipped with the most advanced type of fighting airplanes for the national defense.

Uninfluenced by anything other than the law and the testimony before it, and only after mature and careful consideration representing weeks of study from all angles, the Committee on Military Affairs was unanimous in its opinion, agreeing that authority for purchase by negotiation is not necessary in the interest of national defense except in the placing of experimental orders, for which a "purchase by negotiation" provision is now made in the existing law.

Your Committee on Military Affairs collaborated with the Assistant Secretary of War, in charge of procurement, in working out a method of procurement which has already justified its having been established. That method permits all qualified manufacturers to compete for the business, while at the same time the interests of the Government are adequately protected. What more can industry ask? How can the interests of all the people be better served? Moreover, the present plan now working so satisfactorily conforms to the existing law, permits the prompt and efficient procurement of aircraft of the latest type, makes performance the criteria rather than price, and thereby assures us that our Army will be equipped with the finest aircraft capable of being produced in this country. Recent contracts by the War Department let in conformity with this plan of procurement have in each and every and all cases resulted in the procurement of airplanes which have performance characteristics substantially greater than airplanes purchased heretofore but now in use in the service.

If the War Department had continued to follow the plan of negotiated purchase, there is no question in my mind that in the course of 2 or 3 years we would have had the most restricted purchasing of any office of procurement in any department of the Government. The negotiated-contract method tends toward a decision by the Air Corps in favor of one particular manufacturer and necessarily eventually stifles progress and development. Were it to be followed, it is obvious that in the case of emergency we would have only 1 company that could manufacture bombardment planes, possibly only 1 that could manufacture pursuit planes, and 1 that could manufacture attack planes. We must have wide competition of design in order to broaden the field of competition and give every manufacturer, inventor, and man interested in aircraft production or invention a chance. Such a plan has been evolved and is in operation.

In my judgment it accords with what Congress had in mind when it passed section 10 of the act of 1926.

After days and weeks running into months of hearings before the committees and boards in which both sides—viz, those in favor of negotiated contracts and those in favor of competitive bidding—were given all the chance in the world to testify, and after Congress had studied the reports based on these hearings, the law of July 2, 1926, was finally enacted, the result being that the policy of competitive bidding was approved and established as against that of "purchase by negotiation."

There is much to be said, and I am aware that too much may have been said for the good of the industry by both sides, nevertheless, I believe Congress acted wisely and for the good of all concerned. A careful study of the accumulated bibliography and literature to which I have called your attention will, I believe, convince every open-minded, unprejudiced student of the problem of the correctness of the action of Congress heretofore and will justify opposition to any amendment of the law along the line resulting from recommendations contained in the report of the Federal Aviation Commission.

Under the existing law the Secretary of War and the Secretary of the Navy have ample contractual authority to procure promptly and efficiently such airplanes as shall meet the needs of national defense. Authority for purchase by negotiation is not only unnecessary, but is highly undesirable in the best interests of the Government.

Procurement by means of negotiated contracts stifles competition; opens up the avenue for charges of fraud; offers a premium to high-pressure salesmanship; narrows the field; keeps the dreamer and inventor and the experimenter with vision out of competition with the established order. The broader the field, the greater the opportunity afforded for

competitive development and improvement, the grander will be the eventual accomplishment.

We do well to keep in mind the fact, as was suggested by a witness before our committee, that "the world has become much smaller in the last hundred years. It has become much smaller in the last 10 years. It has become much smaller even since Amelia Earhart flew across the Pacific Ocean just a few weeks ago." Airplanes, regardless of what the agents tell you, have not yet reached perfection. The automobile salesman who tells you the last car you bought is the acme of perfection is mistaken. Automobiles are going to be greatly improved, and airplanes are going to be greatly improved.

Some of these days—and perhaps you and I who are sitting here will live to see it—there will be no gasoline required to fly a plane. There will be no airplane engine. Instead, you will have an electric motor in it, and you will draw your current from a power house 500 or 1,000 or 5,000 miles away. The airplane will be able to sustain flight for a day or a week or a month. The pilot will not have to fear running out of gasoline. He will just keep drawing the "juice."

You may think that is a dream, gentlemen, but there are people working on it. As a boy, I rode by the experimental station of De Forest, out by the McCormick reaper works in Chicago. That was in bicycle days, and I was just a boy riding a bicycle. People rode in carriages. There were no automobiles, and I heard highly intelligent, well-dressed people say, "The poor fool! Some insane asylum is shy a boarder!" But De Forest developed the tube. Marconi developed the wireless, and we hear it round the world—music, your voice, even pictures, today.

It is just a couple of steps, gentlemen, to the transmission of energy, and if you could transmit enough energy to turn even an electric fan, the problem is solved, because all you have got to do then is to step it up. It is something to think about.

What has all this to do with the practical question of negotiated contracts and competitive bidding? A great deal, I say, for, from the sentimental as well as the practical standpoint, we should forever be opposed to closing any and every door to experimentation, invention, research, or suggestion by either the individual of limited means or the representative of big business with his many millions to back his theories.

However impractical or seemingly senseless may be the schemes of the dreamer, none can be stranger or more fanciful than some of the dreams of just such men that have come true. In days to come I guarantee that your prophecies and mine of what is going to happen and of what our age shall accomplish will be laughed at by those who come after us and look back to see the progress of which we boast, the inventions of our age of which we are so proud, and all of our accomplishments present and projected, as insignificant milestones along the road of progress over which humanity has traveled to achievements far beyond the limits of our wildest dreams and transcending our ability to comprehend.

In the words of my friend Walter J. Coates, may I say:

SIC ITUR AD ASTRA

"So men ascend the skies." The realm of sleep
Confirms the age-old lesson daylight brings;
One Elan Vital through all cycles sings—
Change, which nor light nor dark enslaved may keep.
This winged adventuress of the cosmic deep
Disdains all metes and bounds and careless flings
Fresh largesses of unexpected things.
Across the dusty fields we sow and reap.
New genius sings from yet unwritten lays,
New joy, new hope lie wombed in days to be,
New zest of living walks untrodden ways,
Life lurks around next corners mockingly.
Beatitudes beyond tomorrow's range
Await rebirth from the great goddess Change.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

Mr. JONES. Mr. Speaker, I call up the conference report on 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, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Governor of the Farm Credit Administration, herein-after in this act referred to as the 'Governor', is hereby authorized to make loans to farmers in the United States (including Alaska, Hawaii, and Puerto Rico), during the year 1935, for fallowing, for the production of crops, for harvesting of crops, and for feed for livestock, or for any of such purposes. Such loans shall be made and collected through such agencies, upon such terms and conditions, and subject to such regulations, as the Governor shall prescribe.

"Sec. 2. (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production or harvesting, or both, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, and registering shall not exceed 75 cents per loan and may be deducted from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ per centum per annum. For the purpose of carrying out the provisions of this act and collecting loans made under other acts of the same general character, including loans made by the Governor with funds appropriated by the Emergency Appropriation Act, fiscal year 1935, the Governor may use the facilities and services of the Farm Credit Administration and any institution operating under its supervision, or of any officer or officers thereof, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes.

"(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed \$500: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

"(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe: (1) that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop-production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the success of such program.

"Sec. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act (namely, for fallowing, production, harvesting, or feed), which trust shall continue until the moneys loaned pursuant to this act have been used by the borrower for such purposes.

"(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of this act; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of this act.

"(c) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

"(d) Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or by imprisonment for not more than 6 months, or both.

"Sec. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by the Classification Act of 1923, as amended.

"Sec. 5. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed \$60,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any part of such sum may be made up as follows: All unobligated balances of appropriations and funds available thereunder to enable the Secretary of Agriculture or the Governor to make advances or loans under the following acts and resolutions, and all repayments of such advances and loans and interest: March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 28, 1927 (44 Stat. 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78, 79); December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); and June 19, 1934 (48 Stat. 1021).

"(b) The moneys made available under subsection (a), and all collections of both principal and interest on loans made under this act, may be used by the Governor for making loans under this act and for all necessary administrative expenses in making and collecting such loans.

"(c) Expenditures for printing and binding necessary in carrying out the provisions of this act may be made without regard to the provisions of section 3709 of the Revised Statutes."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill; and the Senate agree to the same.

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

E. D. SMITH,
B. K. WHEELER,
G. W. NORRIS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the 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, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the House bill provides for the making of loans during 1935 to farmers for fallowing, production, and harvesting, and for feed for livestock, subject to the limitation that not more than \$1,000,000 may be devoted to loans for feed for livestock. The Senate amendment authorizes similar loans (including loans for feed for livestock in drought- and storm-stricken areas), but with no limitation on the amount of loans for feed for livestock. The conference agreement adopts the House provision except that no limitation is placed upon the amount of loans which may be made for feed, and makes clarifying changes which make certain that loans may be made for any or all purposes authorized.

Both the House bill and the Senate amendment (sec. 2 (a)) require first liens as security for the loans. The House bill places a maximum of 50 cents on the amount of the charges for recording, filing, or registering loans, and requires the amount to be paid by the borrower with authority to deduct the amount of the charges from the proceeds of the loan. The Senate amendment places a maximum of \$1 on recording and other fees in connection with the loan, which charges are to be paid by the Farm Credit Administration. The conference agreement makes the maximum charge 75 cents, omits the requirement that the fees be paid by the borrower, authorizes the charges to be deducted from the proceeds of the loan, and clarifies the language so that the total amount charged shall not exceed 75 cents, whether fees are charged for recording, filing, or registering, or for any one or more of such operations.

Both the House bill and the Senate amendment (sec. 2 (a)) authorize, for the purpose of carrying out the bill and for collecting loans under prior similar acts, the utilization of services of the Farm Credit Administration and of institutions under its supervision, and also authorize payment for such services. The House bill specifically includes the emergency appropriation act as one of such prior acts, which act is included generally in the Senate amendment. The Senate amendment authorizes payment for such services out of funds made available under section 5 of the amendment, while the House bill authorizes such payment out of any funds made available for administrative expenses. The conference agreement adopts the House provision.

Under the House bill (sec. 2 (b)) loans to any one borrower may not, in the ordinary case, exceed \$250. The Senate amendment (sec. 2 (b)) makes this sum \$500. The conference agreement adopts the Senate provision. The conference agreement also omits as surplusage, in view of the action in agreeing to a \$500 maximum in the ordinary case, the provision of the House bill which authorizes a loan of not exceeding \$500 when the Governor of the Farm Credit Administration deems circumstances warrant it and the comparable provision of the Senate amendment which authorizes a loan of not exceeding \$700 in the same circumstances.

Under the House bill (sec. 2 (c)) the borrower, to obtain a loan, has to establish that he is cooperating in the program of the Agricultural Adjustment Administration or that he is not proposing to increase his production of agricultural commodities in a manner detrimental to that program. The Senate amendment (sec. 2 (c)) requires a similar showing of cooperation or a showing that the borrower is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the program. The conference agreement adopts the Senate provision.

The House bill (sec. 3 (a)) makes it unlawful to use the moneys loaned for any purpose other than that for which loaned or willfully to fail to plant, cultivate, or harvest the crops, and makes such wrongful use or failure evidence of intent to defraud the United States. The Senate amendment omits this provision. The conference agreement omits the provision of the House bill referred to but adopts the House language in other parts of the subsection with clarifying changes.

Under the House bill (sec. 3 (d)) the maximum fine on conviction of violating the act is \$5,000, and the maximum imprisonment is 2 years. Under the Senate amendment (sec. 3 (c)) these figures are \$1,000 and 6 months, respectively. The conference agreement adopts the Senate provision.

The House bill (sec. 5 (a)) authorizes an appropriation of not to exceed \$40,000,000 for the purposes of the act. The Senate amendment (sec. 5) authorizes an appropriation of \$100,000,000. The conference agreement authorizes an appropriation of not to exceed \$60,000,000.

Under the House bill (sec. 5 (a)) the moneys authorized are to be appropriated out of certain unobligated balances and repayments under prior similar acts. Under the Senate amendment (sec. 5) the appropriation is authorized to be made out of unappropriated money in the Treasury. The conference agreement authorizes the appropriation to be made out of unappropriated sums in the Treasury but also authorizes any part of the amounts authorized to be appropriated out of the funds specified in the House bill.

The Senate amendment (sec. 5) authorizes the use of money available for the purposes of the act for collecting loans under prior similar acts. The comparable provision of the House bill contains no such authority. The conference agreement adopts the House provision.

The House bill authorizes expenditures for printing and binding under the bill to be made without advertising for bids. There is no comparable provision in the Senate amendment. The conference agreement adopts the House provision.

The conference agreement adopts the title proposed in the Senate amendment.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

Mr. JONES. Mr. Speaker, this is a unanimous report. The main change is in the total amount that is made available.

Under the terms of the House bill provision was made for \$45,000,000, under the Senate bill an outright authorization for \$100,000,000 was provided. The conference report makes available not to exceed \$60,000,000 and provides that any part of it may be transferred from other funds which may be available as specified. This is the only change that is of great interest.

Mr. SNELL. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. SNELL. I looked over this statement rather hastily and it seems to me that practically the only difference is in amount. The conferees agreed on an amount in between what the Senate and House passed. There is no other change practically in the conference report over the bill that was originally passed by the House?

Mr. JONES. Yes. It is practically the House bill with that change, and with some other minor changes.

Mr. PIERCE. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oregon.

Mr. PIERCE. Is the maximum loan \$500 or is it still \$300?

Mr. JONES. The maximum is \$500, except where there is an especially distressed area.

Mr. PIERCE. Do they have to come to Washington to get an authorization for \$500?

Mr. JONES. No; but for anything over that amount they have to come to Washington. They may get a loan up to \$500 without coming to Washington.

Mr. PIERCE. It was \$300 in our bill, and this has been raised now to \$500?

Mr. JONES. Yes. You understand, of course, that the average loan will be much less than this amount. This is simply the maximum.

Mr. CASTELLOW. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. CASTELLOW. What is the amount now allowed for recording fees?

Mr. JONES. Seventy-five cents. The House bill provided for 50 cents, the Senate bill \$1, and the conference report makes it not to exceed 75 cents.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THE REHABILITATION OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, it has been agreed that all the initiatives and purposes for the reconstruction of Puerto Rico, not only as suggested in the report of the Puerto Rican Commission but also in accordance with the final recommendations which the Federal administration is preparing on the subject, will be placed, it is stated, in a body of representatives who are to head a corporation to be created by the Legislature of Puerto Rico, clothed with definable powers to carry on the greatest task of rehabilitation ever to have been undertaken in the island. It may go as far as the President desires.

In conferences which I have had with high officials, and which I shall continue to have, it has been plainly stated that no party or individual shall claim or obtain any personal advantage, politically or otherwise.

The final plan and its purposes, which are expected to inaugurate a new era of social justice, require the authority and cooperation of the legislature of the island and of its leaders and of all those who represent labor and capital in the fields of agriculture and in industry, and who would work in collaboration with the Federal and Insular Governments to assure success for the welfare of the people of Puerto Rico.

On the other hand, in considering our social problems, we are confronted with a situation which we must admit is not at all satisfactory. A large percentage of our population is composed of peasants whose only source of livelihood is derived from their work in the cane fields. The standard of living and education among the poorer classes, although constantly improving, is not as high as we should like to see it, and there is a dire need for improvement.

During the last few years Puerto Rico has felt the effects of the depression which, combined with the devastating hurricanes of 1928 and 1932, have caused considerable suffering in the island. Our relations with the mainland as part of the American community are so intimate that we cannot possibly conceive of working out our problems without looking to Washington for proper consideration.

We are affected by any change of conditions in this country and by any legislation of a national character enacted by Congress. The representatives of the Congress of the United States cannot fail at this time to realize the importance of such relations and the necessity of giving to our problems their most sincere and whole-hearted attention.

Regardless of whatever other plans the administration may have in mind for the rehabilitation of Puerto Rico, I believe that the enforcement of our organic law in an intelligent way is essential to prevent not only a serious and dangerous disturbance in our economical and social set-up but the harmful effects of any impairment to our present structure, with the result that future measures will be made very much more costly and complicated. For example, I desire to call attention to a declaration issued by the president of the chamber of commerce:

Specifically, Puerto Rico in 1933-34 has suffered to the extent of \$32,244,951 by legislation, which Mr. de Hostos detailed as follows: Increased cost of commodity purchases in the United States, \$8,193,652; flour processing tax, \$1,000,000; excess over benefit payments from processing taxes on commodities produced in the island, \$800,000; sugar surplus, \$15,000,000; wage loss through sugar restriction, \$2,000,000; wage loss in tobacco and needlework industry, \$500,000, and many others, including losses from business stagnation and restriction.

On this important economic matter, let us see what the Chief of the Bureau of Insular Affairs has to say in his annual report of 1934:

Although the general economic situation in Puerto Rico continues to present serious difficulties, there are a number of factors that indicate substantial improvement during the period covered by this report. This improvement is evidenced by an increase both in volume and value of the external trade, in prices received for the principal exports from the island, and by the general improvement in the fiscal affairs of the island. Progress toward recovery has been greatly aided by liberal assistance from the Federal Government with funds provided by the Public Works Administration, the Federal Emergency Relief Administration, the Civilian Conservation Corps, and from loans by the Reconstruction Finance Corporation to the city of San Juan.

Activities of Federal emergency agencies.—During the fiscal year ending June 30, 1934, the island has had the benefit of funds allocated by the various agencies of the Federal Government as follows:

Public Works Administration.....	\$2,241,409
Federal Emergency Relief Administration.....	8,185,201
Reconstruction Finance Corporation.....	1,660,000
Civilian Conservation Corps.....	334,200

Total.....	12,420,810
------------	------------

The beneficial effect of the expenditure of these funds is reflected in some measure by the increased volume of external trade and in the improved fiscal condition of the insular government.

We are confident and conscious of the earnest desire of the administration to carry out a complete social and economic rehabilitation of the island, for which the people of Puerto Rico express their profound gratitude. We have urged the administration to accept the cooperation of all legitimate representatives of the insular government so that any efforts displayed in the near future may have further assurance of meeting with the desired success.

The funds being assigned to Puerto Rico by the Emergency Relief Administration practically constitute the only means whereby the national administration has so far endeavored to alleviate the acute situation in the island. In the light of sound reason and a sober spirit of justice, the assignment of such funds really constitutes a compensation of the load directly and indirectly being imposed upon the people by the legislation intended to remedy conditions on the continent, notwithstanding the fact that said compensation is being extended in such manner that the same is being disposed of through an organization over which the insular administration has no control. Such a practice has resulted in the establishment there of an organization which, in fact, is exercising the functions and powers of a separate regime.

The Governor in his message to the legislature expressed the following thought:

In all plans of the national administration for the future, Puerto Rico will be accorded most sympathetic consideration and the rehabilitation of our island may be confidently expected. It is true that our sugar production has been restricted, which has caused considerable embarrassment, but no sure prosperity can be predicated on a precarious dependence on one crop, the very existence of which is conditioned on high-tariff protection. Our most fertile lands are held in too few hands and a redistribution should be effected. According to the plans being developed, a new economic structure will be reared here on foundations so sound that the benefits from agriculture, trade, and industry will be more widely diffused throughout the island, and our people will share a prosperity more real than ever in the past, inasmuch as it will contribute to the well-being of every inhabitant.

That is why the responsible representatives of the insular legislature have asked me to urge the Members of Congress to give thorough consideration and their best judgment to the suggestions contained in the following lines:

You know, of course, that House Joint Resolution No. 117 invests the President with the most extraordinary powers to dispose of \$4,880,000,000 to protect and to promote the gen-

eral welfare of the people. This includes \$500,000,000 derived from the processing tax on sugar. The above stated resolution is applicable to Puerto Rico, and, in the development of so great a scheme, permit me to say that care must be exercised so that the organic laws of the island be upheld, and, under no circumstances, should a "supergovernment" impose itself to the extent of ruining Puerto Rico's chances of sharing in the benefits of so large an appropriation, for whatever projects the President may have in mind.

The association and intimate relations of the island with the Nation brought about certain conditions which made possible an intercourse of business that proved very favorable, not only to the people of the island but, in a higher degree, to the citizens of the mainland.

Puerto Rico stands today as the first best buyer of the United States goods in all Latin America, and the eighth of all the European nations. The fact that Puerto Rico has bought, and is continuing to buy, millions upon millions of dollars' worth of goods from continental United States is vitally interesting. It is estimated that Puerto Rico has purchased \$2,000,000,000 worth of commodities from the mainland in the last 30 years.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL—1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and pending that, may I ask the gentleman from New York [Mr. BACON] if he would have any objection to my asking unanimous consent that the gentlewoman from Indiana [Mrs. JENCKES] may be allowed to speak out of order for 10 minutes after we go into the Committee of the Whole? There was a misunderstanding yesterday in reference to the time to be allotted to her.

Mr. BACON. I feel that there will be no objection on this side of the aisle. May I also say that the gentleman from Massachusetts [Mr. TINKHAM] has an amendment which he desires to offer and would like to have 10 minutes to speak on his amendment instead of 5 minutes.

Mr. OLIVER. I shall have no objection.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman from Alabama [Mr. OLIVER] permit the gentleman from South Carolina [Mr. McSWAIN] to have 10 minutes additional to speak on Boy Scout Activities.

Mr. OLIVER. I may say to the gentleman that I think that will be arranged tomorrow to the satisfaction of the gentleman from South Carolina [Mr. McSWAIN] and the gentleman from Pennsylvania.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5255, with Mr. ROGERS of New Hampshire in the chair.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to return to page 17, in order that the gentleman from Massachusetts [Mr. TINKHAM] may make a point of order to the item for the International Labor Organization, carrying an appropriation of \$174,630, and that he may have all rights that he had on yesterday had not this paragraph been passed over by unanimous consent.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TINKHAM. Mr. Chairman, in relation to the appropriation of \$174,630 for the International Labor Organization, I make the point of order that there is no legislative authority to support this appropriation and, Mr. Chairman, I make the further point of order that the appropriation in any event is limited to the terms of the instrument which sets up the International Labor Organization, namely, title XIII of the Versailles Treaty.

Mr. Chairman, there has been no legislative action to support this appropriation except a joint resolution which is found on page 11343 of the proceedings of the last Congress.

The resolution is as follows:

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments with a view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

I wish to read a section of title XIII of the Versailles Treaty which sets up the International Labor Organization. Article 299 reads:

Each of the members will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the conference or the governing body as the case may be. All the other expenses of the International Labor Office and of the meetings of the conference or the governing body shall be paid to the Director by the Secretary General of the League of Nations out of the general funds of the League. The Director shall be responsible to the Secretary General of the League for the proper expenditure of all moneys paid to him in pursuance of this article.

My point of order is this: First, I contend that there is no legislative authority to make this appropriation at all; and second, that if it should be ruled that such authority is contained in the resolution which I have just read, passed by the last Congress, the appropriation must be limited to traveling and subsistence expenses of delegates and advisers and of representatives attending the meetings of the conference or governing body, as the case may be, as provided for in article 299 of title XIII of the Versailles Treaty to which I have referred.

Mr. McREYNOLDS. Mr. Chairman, we insist that the point of order is not well taken, from the fact that this resolution was passed giving the President of the United States the right to enter this Government in the international labor organization.

That necessarily carries with it whatever expense there might be in joining that organization. When this bill was considered on its passage the distinguished gentleman from Massachusetts [Mr. TINKHAM] insisted at that time in his speech that it would cost something like \$150,000 or \$400,000. So the House was put on notice that whenever the resolution was passed giving the President the power to join it carried with it the right of authorization to pay all the expenses.

Mr. SNELL. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. SNELL. It seems to me that the real crux of the situation does not depend on what the gentleman from Massachusetts [Mr. TINKHAM] said at that time, but on the law passed and the real facts set forth in the Versailles Treaty as to what we would have to pay if we did join the international labor organization.

Mr. McREYNOLDS. I hardly think so.

Mr. SNELL. What the gentleman from Massachusetts said at the time the resolution was passed would not affect it.

Mr. McREYNOLDS. The gentleman would not contend that the Versailles Treaty sets out what the expense would be; that is a matter for the Appropriations Committee. You must go outside of the terms of the treaty to determine what the expenses are.

Mr. SNELL. It seems to me that it is specific as to what they will have to pay if they join. It simply says:

For travelling expense and maintenance, and all other expenses outside of the organization will be paid by the League of Nations.

To me that was the basis of our entry.

Mr. McREYNOLDS. The gentleman from Massachusetts did not read all that was in the treaty. There are a great many other expenses outside in keeping up the organization, and other countries are contributing largely.

Mr. SNELL. The other countries are members of the League of Nations. It seems to me the section read by the gentleman from Massachusetts is very specific, and I will ask him to read it again.

Mr. McREYNOLDS. I do not care to have him read it again, but I know there are other provisions.

Mr. SNELL. What are those other provisions?

Mr. McREYNOLDS. I think the statute passed is sufficient. Whenever you pass a joint resolution giving the President the right to take the country into a labor organization, that carries with it the expense incidental thereto, and the question of what the expense is, is a matter for the Appropriation Committee, which they have brought before the House.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. SNELL. I agree with the first part of the gentleman's statement, that that means we should pay the expenses necessary to join, and that is set out specifically in the section of the Versailles Treaty that the gentleman from Massachusetts [Mr. TINKHAM] has presented. Unless there is some other section that sets out something in addition, I think we should be governed at this time by the section which has been read by the gentleman from Massachusetts.

Mr. McREYNOLDS. I am willing to have the Chair rule.

Mr. OLIVER. Mr. Chairman, I call the Chair's attention to some precedents to be found in Hinds' Precedents, brought up to date by the gentleman from Missouri [Mr. CANNON]. I read from page 847:

A treaty establishing an international institute authorizes an appropriation in a general appropriation bill for sending delegates to the institute.

In support of that I cite the further precedent, to be found on page 841, section 8246:

A convention with foreign nations organizing and establishing an international association was held to justify an appropriation for its support.

Mr. SNELL. Those are general appropriations and general authorizations, but the question before the Committee today is a specific authorization under definite law or agreement based on the Versailles Treaty. That is in an entirely different position, because we have definite specifications set forth that we must comply with. That is entirely different from a general appropriation.

Mr. OLIVER. The position I take is that since Congress by specific mandate authorized the President to accept membership in the International Labor Organization, congress is authorized to appropriate such sum as in its judgment is deemed proper.

Mr. SNELL. As a general proposition I agree with the gentleman, but here it is specifically set forth in the treaty that the only thing the individual members are called upon to appropriate for is for traveling expenses and subsistence of their delegates to that convention, and it specifically states that all other expenses of this international labor organization are paid by the League of Nations. If that is so, what are these appropriations for?

Mr. OLIVER. The association, as I understand, does draw some money from the League.

Mr. SNELL. It is definitely set forth.

Mr. OLIVER. And that money is paid by governments that are members of the League.

Mr. SNELL. That is true, I think.

Mr. OLIVER. The organization also permits governments that are not members of the League to become associated with it, and the understanding of the State Department is that our contribution is not paid to the League, but whatever we may decide to appropriate is paid to the association direct.

Mr. SNELL. Where do they get that understanding, when it is specifically set forth in the treaty itself just exactly what we pay. If the gentleman will point to something in the treaty that tells where that understanding comes from, I shall agree that he is right; but the point of order made by the gentleman from Massachusetts is that there is no law authorizing it, and as you have not presented any such law, only general suppositions, I think the point is well taken.

Mr. OLIVER. The difference between the gentleman from New York and myself is this: That Congress alone determines

what amount it will appropriate and to whom such amount will be paid. The State Department informs me that whatever Congress appropriates will be paid to the international association and not to the League. The joint resolution expressly stipulates that our Government assumes no obligation under the Covenant of the League of Nations.

Mr. TINKHAM. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. TINKHAM. All authority of the House in this matter must come from the joint resolution providing for United States membership in the International Labor Organization or from the instrument which sets up that organization. There is nothing in the resolution adopted last year which gives authority for the appropriation. I understand the gentleman to argue that if we join an international body there is implied the right to make an appropriation. We have joined an organization, and the instrument setting up that organization states definitely what shall be paid by the members, and what shall be paid from the general funds of the League. That instrument provides that each member of the organization will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the conference or governing body, as the case may be, and that all other expenses of the organization shall be paid out of the general funds of the League of Nations. Where is our authority to make the proposed contribution? It is not contained in the resolution providing for United States membership in the organization, or in the instrument setting up the organization. Where is the power?

Mr. OLIVER. The power rests on the statutory authorization given the President to become a member, and the power now is with Congress as to what amount it will appropriate for this purpose. We are not required, since we expressly refused to assume any obligation to the League, to pay anything to the League and, as I have previously stated, whatever appropriation Congress approves will be paid to the association—not to the League.

Mr. TINKHAM. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. TINKHAM. By the joint resolution adopted June 16 we merely joined this organization.

Mr. OLIVER. That is to say the President was authorized to accept membership for the Government of the United States of America in the International Labor Organization under very definite limitations—one being that our Government assumed no obligation whatever under the Covenant of the League of Nations.

Mr. TINKHAM. When we joined the organization we became subject to the limitations and proscriptions of the instrument which set up that organization.

Mr. OLIVER. There is a very definite limitation on our membership in the association, imposed by the joint resolution, which authorized acceptance of membership.

Mr. TINKHAM. There is a very definite limitation as to what is to be contributed; first, by the members of the organization, and, second, from the general funds of the League. My point is that there is no authority to make any appropriation except what the instrument says shall be made by the members of the organization.

Mr. OLIVER. I would like to read two paragraphs of the resolution which I think effectively answers the argument of the gentleman from Massachusetts [Mr. TINKHAM]:

Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it

Resolved, That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

The position I take is that since we have authorized the President, under very definite limitations imposed by the joint resolution, to become a member of the association, and the President has accepted membership in the association, sub-

ject to such limitations, Congress alone is authorized to fix the amount of the expense it will contribute to the association. Nothing that the gentleman has read determines what Congress must appropriate. We will appropriate only such amount as the Congress determines. The precedents I have cited justify the conclusion that whatever Congress may determine is necessary can be appropriated. I respectfully submit to the Chair that the Appropriations Committee has under the joint resolution authority to recommend to the House an appropriation for its consideration.

Mr. LEHLBACH. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. LEHLBACH. Can the gentleman tell us from estimates underlying this item how the \$174,630 is broken down?

Mr. OLIVER. The State Department informs me that the amount recommended to be appropriated is in strict accord with the practice approved by Congress in reference to other conferences in which the United States has participated. It is the same, I understand, that Great Britain contributes. Population is the usual basis for determining such contributions.

Mr. LEHLBACH. Then the contribution does not include traveling expenses of any kind?

Mr. OLIVER. No.

Mr. LEHLBACH. It is completely a contribution?

Mr. OLIVER. Yes; that is my understanding.

Mr. O'CONNOR. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. O'CONNOR. Is not the crux of this question determinative upon the fact that this resolution of last June is the only legislation pertaining to it? The resolution of last June is the legislative authority, and nothing that the gentleman from Massachusetts [Mr. TINKHAM] has read?

Mr. OLIVER. That is what I have tried to make clear to the gentleman from Massachusetts. What he has read has no bearing on the question the Chair is called upon to decide, in my opinion.

Mr. O'CONNOR. They could not.

Mr. OLIVER. No.

Mr. SNELL. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. SNELL. Does the gentleman mean to say that when we passed that resolution last year we authorized a contribution to the Court of International Labor? Does the gentleman say that that was before this House and that this House understood that proposition in that respect?

Mr. OLIVER. In passing that resolution, you carried implied authority for the Appropriations Committee to submit to the House for its consideration the amount now recommended to be appropriated.

Mr. SNELL. But the Appropriations Committee must have authority before they present these amounts to the House. There must be authority in law back of them.

Mr. OLIVER. The gentleman is returning to the question that we have argued for sometime, namely, whether the act of June 16, which is the only legislation on the subject, carries authority for the Appropriations Committee to bring in for the consideration of the House this particular item.

Mr. SNELL. If you would get complete authority to make a contribution to the International Court of Labor under that resolution, the gentleman would be all right, but if he cannot, I do not think the gentleman is right, and I think the point of order raised by the gentleman from Massachusetts [Mr. TINKHAM] should be considered.

Mr. O'CONNOR. Is that the only point he makes, as to a contribution and not expenses?

Mr. SNELL. Under the provisions of the Treaty of Versailles there is no authority given in that resolution to make this contribution or to appropriate for anything except the traveling expenses and maintenance of your own people over there.

Mr. O'CONNOR. The Treaty of Versailles could not possibly be any legislative authority for us.

Mr. SNELL. That is true, but that sets forth all you can do, or are required to do to become a member.

Mr. O'CONNOR. If we set up an agency or bureau by a resolution or bill, it would impliedly carry a sufficient appropriation to permit it to function.

Mr. SNELL. The gentleman cannot show any authority for this appropriation.

Mr. MAY. Will the gentleman yield?

Mr. OLIVER. In just a moment I will yield to the gentleman from Kentucky. The gentleman asked if notice was served on the House whether the joint resolution, if passed, would necessitate an appropriation and if he will read the debate he will find that the gentleman from Massachusetts [Mr. TINKHAM] stated that in his judgment it would cost from \$150,000 to \$400,000.

Mr. SNELL. The gentleman's judgment was very good.

Mr. OLIVER. After that debate the House passed the joint resolution.

Mr. SNELL. But the mere statement of the gentleman from Massachusetts [Mr. TINKHAM] or a Member on the floor under ordinary circumstances would not control as far as authority for making the appropriation is concerned.

Mr. OLIVER. No; but it at least shows the House understood when it voted that perhaps it would be called on to consider an appropriation incident to membership.

Mr. SNELL. The gentleman means that the gentleman from Massachusetts understood it.

Mr. MAY. Mr. Chairman, if the gentleman will permit, I shall quote a portion of the language of the resolution of June 19, 1932, particularly section 2 of the resolution, which, after authorizing the President to take a membership in the International Labor Organization, contains but a single reservation or condition, and that is that the President shall assume on behalf of the United States no obligation under the government of the League of Nations.

Is it not directly implied where there is a specific reservation that the President has all authority other than that which is restricted; and that under this authority this Government did become a member, and, having become a member, the Congress has the duty to appropriate the money necessary?

Mr. OLIVER. I think the gentleman is correct.

Mr. Chairman, I ask for a ruling on the point of order.

The CHAIRMAN (Mr. ROGERS of New Hampshire). The point of order raised by the gentleman from Massachusetts [Mr. TINKHAM] involves the question as to the authorization of an appropriation under title I of the bill (H. R. 5255) granting to the International Labor Organization the sum of \$174,630.

In order that we may not be confused, the Chair feels it proper to state that the reference to the Versailles Treaty in regard to the legality of this appropriation, and the point of order raised thereon, is absolutely irrelevant. The Versailles Treaty is no part of the law of the United States of America, is not mentioned in the paragraph providing this appropriation, and is not referred to in the joint resolution passed in the Seventy-third Congress and approved June 19, 1934. The law under which this appropriation is proposed results from the joint resolution approved June 19, 1934, which provided that the President of the United States was authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives and its members and through its International Labor Office, collects information concerning labor throughout the world, and prepares international conventions for the consideration of member governments, with a view of improving conditions of labor. The Versailles Treaty and other matters of that kind are not referred to in that joint resolution.

The question, it seems to the Chair, resolves itself into whether or not a reasonable interpretation of the law passed during the Seventy-third Congress includes therein an authorization of the Congress of the United States, which enacted that legislation, to make reasonable appropriations to carry it into effect. Bearing on the generally recognized standard of interpretation of legislation of this kind, the Chair thinks that it is proper to refer to the language of the distinguished gentleman from Massachusetts [Mr. TINKHAM]

when this bill was under debate in this House on June 16, 1934, when he said:

Let me ask the chairman of the committee, on which I have the honor to serve, has there been an estimate of the cost to the American people of our annual contribution to this organization; if so, how much?

The gentleman from Tennessee [Mr. McREYNOLDS] said:

That will depend on a number of circumstances.

Then the gentleman from Massachusetts made this remark:

Mr. Speaker, I may say that it is estimated that we shall contribute to the support of this organization from \$150,000 to \$400,000 a year.

At that time it seems to have been contemplated that a reasonable appropriation to be made by Congress was involved in the passage of that legislation. In view of that interpretation it seems to the Chair that the joint resolution approved June 19, 1934, is sufficient authorization for this appropriation, and the Chair is of the opinion that the point of order should be overruled.

The Chair therefore overrules the point of order. [Applause.]

Mr. OLIVER. Mr. Chairman, can we not reach an agreement in reference to debate on this item?

Mr. BACON. I may say to the gentleman from Alabama that the gentleman from Massachusetts [Mr. TINKHAM] would like 15 minutes to discuss his amendment, and there will be no other speeches on this side of the aisle.

Mr. OLIVER. I understood the gentleman from Massachusetts desired only 10 minutes.

Mr. BACON. I made a mistake. The gentleman from Massachusetts asked for 10 additional minutes, and I misunderstood him to say 10 minutes in all. I hope the gentleman from Alabama will accede to the unanimous-consent request of the gentleman from Massachusetts that he may proceed for 15 minutes.

Mr. TINKHAM. Mr. Chairman, I hope the honorable Representative from Alabama will not limit debate because as debate proceeds there may be Members on both sides of the aisle who want to speak, and if there is a limit put on this debate before it starts it may restrain them.

Mr. OLIVER. Mr. Chairman, I want to be perfectly fair to the gentleman and grant such time as he may need within reason. Suppose the gentleman from Massachusetts proceeds for 5 minutes and then has an extension of 5 minutes. Then I may make a motion to limit debate.

Mr. TINKHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TINKHAM: Page 17, lines 11 and 12, strike out "International Labor Organization, \$174,630."

Mr. TINKHAM. Mr. Chairman, before beginning the argument I want to say that this is an opportunity not only for this House but for the country to see who in this House are international eunuchs, who in this House wish to put us into Europe, who in this House wish us to sit down with Fascist Italy, sit down with national socialistic Germany, with murderous, homicidal communistic Russia. That is the issue in its largest aspect in relation to this appropriation.

Mr. BLANTON. Mr. Chairman, a point of order.

Mr. McREYNOLDS. I will say to the gentleman from Massachusetts that that is not so.

Mr. BLANTON. Mr. Chairman, I ask that the words of the gentleman from Massachusetts [Mr. TINKHAM] about former Speaker Rainey and Speaker Byrns be taken down. If he has no respect for the living, he ought to have some respect for the dead. I ask that his words be taken down. We will call the gentleman down on that now.

Mr. TINKHAM. Well, you can go ahead.

Mr. BLANTON. Mr. Chairman, I ask that under the rules the gentleman from Massachusetts be seated until the Chair has his words taken down and reported.

The CHAIRMAN. The gentleman will indicate the words to be taken down.

Mr. BLANTON indicated the words objected to, referring to former Speaker Rainey and to present Speaker Byrns.

The CHAIRMAN. The gentleman from Massachusetts will take his seat, and the Clerk will report the words objected to the Committee.

Mr. CONNERY. Mr. Chairman, while the words are being taken down, may I call the attention of the House to the fact that we have present a former Member of this House, and a very distinguished former Member of the House, the present Governor of Massachusetts, James M. Curley. [Applause.]

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read to the Committee the words objected to.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5255, certain words were used in debate by the gentleman from Massachusetts [Mr. TINKHAM], which were objected to, and on request were taken down and read at the Clerk's desk, and he reported the same to the House.

The SPEAKER. The Clerk will report the words.

The Clerk read the words objected to.

The SPEAKER. The Chair feels some delicacy in ruling on the language inasmuch as he is involved, and the Chair will ask the gentleman from New York [Mr. O'CONNOR] to take the chair.

Mr. O'CONNOR assumed the chair as Speaker pro tempore.

Mr. BLANTON. Mr. Speaker, I make the point of order that the words taken down and objected to are violative of the rules of the House.

Mr. LEHLBACH. Mr. Speaker, I do not realize that a point of order at this time is the proper procedure. I believe the Speaker automatically determines the question, but in view of the fact that the Chair has entertained the point of order on the subject, I would like to be heard.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair did not intend to entertain the point of order, but in view of the fact that the Chair did listen to the gentleman from Texas, the Chair will hear the gentleman from New Jersey.

Mr. LEHLBACH. Mr. Speaker, the right of free debate in a parliamentary assemblage is the one privilege which the minority in such a body has, and which no deliberative assembly, certainly no English-speaking assembly, has ever sought to abridge or suppress.

Unparliamentary language is the use of abusive epithets or abuse or improper and excessive use of words, but it does not extend to criticism of anybody connected with the Government or characterization of the acts so criticized, and that is all that is involved here. It is a criticism of what the gentleman charges was done, and it is entirely aside from the question of whether that charge is true or not as to whether the language is unparliamentary. The gentleman has a perfect right to charge that in the conduct of any kind or detail of the function of government certain acts were performed by certain officials. He has the right to condemn those acts, and he has the right to characterize them in any way he sees fit as long as he confines the language in which he makes his criticism to language ordinarily used by a gentleman.

The SPEAKER pro tempore. The Chair is ready to rule.

Mr. BLANTON. Mr. Speaker, since I made the point of order, I would like the Chair to hear me a moment, in fairness, since the Chair heard the gentleman from New Jersey.

The SPEAKER pro tempore. The Chair will hear the gentleman from Texas.

Mr. BLANTON. The statement by the gentleman from Massachusetts [Mr. TINKHAM] referred to the President and the former Speaker of the House, Mr. Rainey, who is now dead, and the majority leader, who is our present Speaker [Mr. BYRNS], in a manner that is not permitted in debate, and it is properly before the Chair to determine whether the gentleman from Massachusetts [Mr. TINKHAM] was out of order.

The SPEAKER pro tempore (Mr. O'CONNOR). In the course of debate the gentleman from Massachusetts used these words [reading the words objected to].

It is well established under the precedents of the House that it is out of order in debate to arraign the motives of Members. Of course, the Speaker is a Member of the House. In a ruling on May 31, 1934, it was held that language used in debate which charged that the Speaker dishonestly resolved the House into Committee of the Whole House on the state of the Union, that he repudiated and ignored the rules of the House, was a violation of the rules of the House and held to be out of order.

In view of that precedent and others, which the Chair has had the opportunity to examine, the Chair now rules that the language used by the gentleman from Massachusetts [Mr. TINKHAM] violates the rules of the House.

Mr. LEHLBACH. Mr. Speaker—

Mr. BLANTON. Mr. Speaker, I move that that colloquy embracing the objectionable language just read and passed upon be expunged, and upon that I move the previous question.

Mr. SNELL. Mr. Speaker, I appeal from the decision of the Chair on the point of order.

Mr. LEHLBACH. Mr. Speaker, I was on my feet, no one having the floor, to propound a parliamentary inquiry when the gentleman from Texas sought to take me off my feet.

The SPEAKER pro tempore. The gentleman from New York appeals from the decision of the Chair.

Mr. LEHLBACH. Mr. Speaker—

Mr. BLANTON. Mr. Speaker, I make the point of order that the appeal is not debatable.

Mr. McREYNOLDS. Mr. Speaker, I move to lay that appeal on the table.

The SPEAKER pro tempore. The Chair will put the question. The question is, Shall the decision of the Chair stand as the judgment of the House?

Mr. LEHLBACH. Mr. Speaker, an appeal from the decision of the Chair is debatable and I seek recognition.

Mr. BLANTON. But, Mr. Speaker, the gentleman from Tennessee [Mr. McREYNOLDS] has moved to lay the appeal on the table. That is not debatable.

The SPEAKER pro tempore. The gentleman from Tennessee moves to lay the appeal on the table.

Mr. LEHLBACH. But the Chair recognized me and I have the floor.

The SPEAKER pro tempore. The Chair has not yet recognized the gentleman from New Jersey. The question is on the motion of the gentleman from Tennessee to lay the appeal from the decision of the Chair on the table.

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 264, nays 102, answered "present" 3, not voting 63, as follows:

[Roll No. 16]

YEAS—264

Arnold	Casey	Dempsey	Fitzpatrick
Ayers	Castellow	Dickstein	Flannagan
Barden	Celler	Dies	Fletcher
Beam	Chandler	Disney	Ford, Calif.
Beiter	Citron	Dobbins	Ford, Miss.
Berlin	Clark, Idaho	Dockweiler	Frey
Binderup	Cochran	Dorsey	Fuller
Bland	Coffee	Doughton	Fulmer
Blanton	Colden	Doxey	Gassaway
Boehne	Cole, Md.	Drewry	Gavagan
Boland	Colmer	Driscoll	Gildea
Boylan	Connery	Driver	Gillette
Brennan	Cooley	Duffey, Ohio	Gingery
Brown, Ga.	Cooper, Tenn.	Duffy, N. Y.	Granfield
Brown, Mich.	Costello	Duncan	Green
Buchanan	Cox	Dunn, Pa.	Greenwood
Bulwinkle	Cravens	Eagle	Greever
Burch	Crosby	Eckert	Gregory
Caldwell	Cross, Tex.	Edmiston	Griswold
Cannon, Mo.	Crosser, Ohio	Elcher	Hamlin
Cannon, Wis.	Crowe	Evans	Hart
Carden	Cullen	Faddis	Harter
Carmichael	Cummings	Farley	Healey
Carpenter	Daly	Ferguson	Hennings
Cartwright	Deen	Fernandez	Higgins, Mass.
Cary	Delaney	Flesinger	Hildebrandt

Hill, Ala.	McKeough	Patton	Somers, N. Y.
Hill, Knute	McLaughlin	Pearson	South
Hill, Samuel B.	McMillan	Peterson, Fla.	Spence
Hobbs	McReynolds	Peterson, Ga.	Stack
Hook	Mahon	Pettengill	Starnes
Huddleston	Maloney	Peyster	Stegall
Igoe	Mansfield	Pierce	Stubbs
Imhoff	Martin, Colo.	Polk	Sutphin
Jacobsen	Mason	Quinn	Sweeney
Jenckes, Ind.	Massingale	Rabaut	Tarver
Johnson, Okla.	Maverick	Ramsay	Taylor, Colo.
Johnson, Tex.	May	Ramspeck	Taylor, S. C.
Johnson, W. Va.	Mead	Randolph	Terry
Jones	Meeks	Rankin	Thom
Kee	Merritt, N. Y.	Rayburn	Thomason
Kennedy, Md.	Miller	Relly	Thompson
Kennedy, N. Y.	Mitchell, Ill.	Richards	Tolan
Kenney	Mitchell, Tenn.	Richardson	Tonry
Kerr	Monaghan	Robertson	Truax
Kleberg	Montague	Robinson, Utah	Turner
Kloeb	Montet	Rogers, N. H.	Umstead
Kniffin	Moran	Romjue	Utterback
Kocialkowski	Moritz	Ryan	Vinson, Ga.
Kopplemann	Murdoch	Sabath	Vinson, Ky.
Lambeth	Nelson	Sadowski	Walter
Lamneck	Nichols	Sanders, La.	Warren
Lanham	Norton	Sanders, Tex.	Wearin
Lea, Calif.	O'Connell	Schulte	Weaver
Lee, Okla.	O'Connor	Scott	Werner
Lesinski	O'Day	Scrugham	West
Lewis, Colo.	O'Leary	Sears	Whelchel
Lloyd	Oliver	Secrest	White
Ludlow	O'Malley	Shanley	Whittington
McAndrews	O'Neal	Shannon	Wilcox
McClellan	Owen	Sirovich	Williams
McCormack	Palmisano	Sisson	Wilson, La.
McFarlane	Parks	Smith, Conn.	Wood
McGehee	Parsons	Smith, Va.	Young
McGrath	Patman	Smith, Wash.	Zimmerman
McGroarty	Patterson	Snyder	Zioncheck

NAYS—102

Allen	Ekwall	Kinzer	Robison, Ky.
Andresen	Engel	Knutson	Rogers, Mass.
Andrew, Mass.	Englebright	Lambertson	Sauthoff
Andrews, N. Y.	Fenerty	Lehlbach	Schneider
Arends	Fish	Lemke	Seger
Bacharach	Focht	Lord	Short
Bacon	Gearhart	Lundeen	Snell
Blackney	Gehrmann	McLean	Stefan
Bolton	Gifford	McLeod	Stewart
Buckbee	Gilchrist	Maas	Taber
Buckler, Minn.	Goodwin	Mapes	Taylor, Tenn.
Burdick	Guyer	Marcantonio	Thomas
Burnham	Gwynne	Marshall	Thurston
Carlson	Halleck	Martin, Mass.	Tobey
Carter	Hancock, N. Y.	Merritt, Conn.	Turpin
Christianson	Hartley	Michener	Wadsworth
Church	Hess	Millard	Welch
Chalborne	Higgins, Conn.	Mott	Wigglesworth
Cole, N. Y.	Hoffman	Perkins	Wilson, Pa.
Collins	Hollister	Pittenger	Withrow
Crawford	Holmes	Powers	Wolcott
Crowther	Hope	Ransley	Wolfenden
Culkin	Hull	Reece	Wolverton
Darrow	Jenkins, Ohio	Reed, Ill.	Woodruff
Ditter	Kahn	Reed, N. Y.	
Dondero	Kimball	Rich	

ANSWERED "PRESENT"—3

Amle	Gray, Pa.	Tinkham
------	-----------	---------

NOT VOTING—63

Adair	Corning	Haines	Pfeifer
Ashbrook	Darden	Hancock, N. C.	Plumley
Bankhead	Dear	Harlan	Rogers, Okla.
Bell	DeRouen	Hoeppe	Rudd
Biermann	Dietrich	Houston	Russell
Bloom	Dingell	Keller	Sandlin
Boileau	Dirksen	Kelly	Schaefer
Brewster	Doutrich	Kramer	Schuetz
Brooks	Dunn, Miss.	Kvale	Smith, W. Va.
Brunner	Eaton	Larrabee	Sullivan
Buck	Ellenbogen	Lewis, Md.	Summers, Tex.
Buckley, N. Y.	Gambrill	Lucas	Treadway
Cavicchia	Gasque	Luckey	Underwood
Chapman	Goldsborough	McDuffie	Wallgren
Clark, N. C.	Gray, Ind.	McSwain	Woodrum
Cooper, Ohio	Greenway	O'Brien	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Biermann (for) with Mr. Treadway (against).
 Mr. Harlan (for) with Mr. Plumley (against).
 Mr. Corning (for) with Mr. Cooper of Ohio (against).
 Mr. Bloom (for) with Mr. Eaton (against).
 Mr. Dietrich (for) with Mr. Doutrich (against).
 Mr. Schaefer (for) with Mr. Brewster (against).
 Mr. Luckey (for) with Mr. Dirksen (against).
 Mr. Ashbrook (for) with Mr. Cavicchia (against).

General pairs:

Mr. Bankhead with Mr. Boileau.
 Mr. McSwain with Mr. Kvale.

Mr. McDuffie with Mr. Bell.
 Mr. Dear with Mr. Buckley.
 Mr. Gambrill with Mr. Pfeifer.
 Mr. Rudd with Mr. Russell.
 Mr. Sullivan with Mr. Wallgren.
 Mr. Haines with Mr. Dunn of Mississippi.
 Mr. Sandlin with Mr. Brunner.
 Mr. O'Brien with Mr. Chapman.
 Mr. Larrabee with Mr. Brooks.
 Mr. Gasque with Mr. Ellenbogen.
 Mr. Goldsborough with Mr. Adair.
 Mr. DeRouen with Mrs. Greenway.
 Mr. Woodrum with Mr. Lucas.
 Mr. Keller with Mr. Kramer.
 Mr. Underwood with Mr. Houston.
 Mr. Kelly with Mr. Smith of West Virginia.
 Mr. Schuetz with Mr. Lewis of Maryland.

The result of the vote was announced as above recorded.

On motion of Mr. BLANTON a motion to reconsider the vote by which the appeal was laid on the table was laid on the table.

Mr. BLANTON. Mr. Speaker, I move to expunge from the RECORD the colloquy that occurred in Committee of the Whole House on the state of the Union, in which the gentleman from Massachusetts [Mr. TINKHAM] used the words to which the point of order was laid, and which have been held out of order; also where those words were repeated in Committee of the Whole, when they were reported from the desk; also when they were reported to the House from the Committee of the Whole, and when they were reported from the desk at the direction of the Speaker, and also when they appear in the ruling of the Speaker pro tempore, so that they will not appear in the RECORD at all.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas to expunge from the RECORD wherever the same may appear the words which were taken down which had been uttered by the gentleman from Massachusetts and were reported from the desk and the colloquy which occurred in respect to them.

Mr. BLANTON. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question now recurs on the motion of the gentleman from Texas to expunge the words referred to from the RECORD.

The question was taken.

Mr. SNELL. On that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 264, nays 102, answered "present" 2, not voting 64, as follows:

[Roll No. 17]

YEAS—264

Arnold	Cooper, Tenn.	Fernandez	Johnson, Tex.
Ayers	Costello	Fiesinger	Johnson, W. Va.
Barden	Cox	Fitzpatrick	Jones
Beam	Crosby	Flannagan	Kee
Belter	Cross, Tex.	Fletcher	Keller
Berlin	Crosser, Ohio	Ford, Calif.	Kennedy, Md.
Bland	Crowe	Ford, Miss.	Kennedy, N. Y.
Blanton	Cullen	Frey	Kenney
Boehne	Cummings	Fuller	Kerr
Boland	Daly	Fulmer	Kleberg
Boylan	Darden	Gassaway	Kloeb
Brennan	Deen	Gavagan	Kniffin
Brown, Ga.	Delaney	Gildea	Kocialkowski
Brown, Mich.	Dempsey	Gillette	Kopplemann
Buchanan	Dickstein	Gingery	Kramer
Buck	Dies	Granfield	Lambeth
Bulwinkle	Dingell	Gray, Pa.	Lamneck
Burch	Disney	Green	Lanham
Caldwell	Dobbins	Greenwood	Lea, Calif.
Cannon, Mo.	Dockweiler	Greever	Lee, Okla.
Cannon, Wis.	Dorsey	Gregory	Lesinski
Carden	Doughton	Griswold	Lewis, Colo.
Carmichael	Doxey	Hancock, N. C.	Lloyd
Carpenter	Drewry	Hart	Lucas
Cartwright	Driscoll	Harter	Ludlow
Cary	Driver	Healey	McAndrews
Casey	Duffey, Ohio	Higgins, Mass.	McClellan
Castellow	Duffy, N. Y.	Hildebrandt	McCormack
Celler	Duncan	Hill, Ala.	McFarlane
Chandler	Dunn, Pa.	Hill, Knute	McGehee
Citron	Eagle	Hill, Samuel B.	McGrath
Clark, Idaho	Eckert	Hobbs	McGroarty
Cochran	Edmiston	Hook	McKeough
Coffee	Eicher	Huddleston	McLaughlin
Colden	Ellenbogen	Igoe	McReynolds
Cole, Md.	Evans	Imhoff	Mahon
Colmer	Faddis	Jacobsen	Maloney
Connery	Farley	Jenckes, Ind.	Mansfield
Cooley	Ferguson	Johnson, Okla.	Martin, Colo.

Mason	Patman	Sanders, Tex.	Terry
Massingale	Patterson	Sandlin	Thom
Maverick	Patton	Schulte	Thomason
May	Pearson	Scott	Thompson
Mead	Peterson, Fla.	Scrugham	Tolan
Meeks	Peterson, Ga.	Sears	Tonry
Merritt, N. Y.	Pettengill	Secrest	Truax
Mitchell, Ill.	Peyser	Shanley	Turner
Mitchell, Tenn.	Pierce	Shannon	Umstead
Monaghan	Polk	Sirovich	Utterback
Montet	Quinn	Sisson	Vinson, Ga.
Moran	Rabaut	Smith, Conn.	Vinson, Ky.
Moritz	Ramsay	Smith, Va.	Walter
Murdock	Ramspeck	Smith, Wash.	Wearin
Nichols	Rankin	Snyder	Weaver
Norton	Rayburn	Somers, N. Y.	Werner
O'Connell	Richards	South	West
O'Connor	Richardson	Spence	Whelchel
O'Day	Robertson	Stack	White
O'Leary	Robinson, Utah	Starnes	Whittington
Oliver	Rogers, N. H.	Steagall	Wilcox
O'Malley	Romjue	Stubbs	Williams
O'Neal	Russell	Sutphin	Wilson, La.
Owen	Ryan	Sweeney	Wood
Palmsano	Sabath	Tarver	Woodrum
Parks	Sadowski	Taylor, Colo.	Young
Parsons	Sanders, La.	Taylor, S. C.	Zimmerman

NAYS—102

Allen	Englebright	Lambertson	Rogers, Mass.
Andresen	Fenerty	Lehlbach	Sauthoff
Andrew, Mass.	Fish	Lemke	Schneider
Andrews, N. Y.	Focht	Lord	Seger
Arends	Gearhart	Lundeen	Short
Bacharach	Gehrmann	McLean	Snell
Bacon	Gifford	McLeod	Stefan
Blackney	Gilchrist	Maas	Stewart
Bolton	Goodwin	Mapes	Taber
Buckbee	Guyar	Marcantonio	Taylor, Tenn.
Buckler, Minn.	Gwynne	Marshall	Thomas
Burdick	Halleck	Martin, Mass.	Thurston
Burnham	Hancock, N. Y.	Merritt, Conn.	Tobey
Carlson	Hartley	Michener	Treadway
Christianson	Hess	Millard	Turpin
Church	Higgins, Conn.	Mott	Wadsworth
Cole, N. Y.	Hoffman	Perkins	Welch
Collins	Hollister	Pittenger	Wigglesworth
Crawford	Holmes	Plumley	Wilson, Pa.
Crowther	Hope	Powers	Withrow
Culkin	Hull	Ransley	Wolcott
Darrow	Jenkins, Ohio	Reece	Wolfenden
Ditter	Kahn	Reed, Ill.	Wolverton
Dondero	Kimball	Reed, N. Y.	Woodruff
Ekwall	Kinzer	Rich	
Engel	Knutson	Robison, Ky.	

ANSWERED "PRESENT"—2

Amie Tinkham

NOT VOTING—64

Adair	Clark, N. C.	Haines	Nelson
Ashbrook	Cooper, Ohio	Hamlin	O'Brien
Bankhead	Corning	Harlan	Pfeifer
Bell	Cravens	Hennings	Randolph
Biermann	Dear	Hoeppel	Reilly
Binderup	DeRouen	Houston	Rogers, Okla.
Bloom	Dietrich	Kelly	Rudd
Boileau	Dirksen	Kvale	Schaefer
Brewster	Doutrich	Larrabee	Schuetz
Brooks	Dunn, Miss.	Lewis, Md.	Smith, W. Va.
Brunner	Eaton	Luckey	Sullivan
Buckley, N. Y.	Gambrill	McDuffie	Summers, Tex.
Carter	Gasque	McMillan	Underwood
Caviechia	Goldsborough	McSwain	Wallgren
Chapman	Gray, Ind.	Miller	Warren
Claborne	Greenway	Montague	Zioncheck

So the motion was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Corning (for) with Mr. Cooper of Ohio (against).
 Mr. Dietrich (for) with Mr. Doutrich (against).
 Mr. Schaeffer (for) with Mr. Brewster (against).
 Mr. Bloom (for) with Mr. Eaton (against).
 Mr. Warren (for) with Mr. Carter (against).
 Mr. Luckey (for) with Mr. Dirksen (against).
 Mr. Ashbrook (for) with Mr. Caviechia (against).

General pairs until further notice:

Mr. Bankhead with Mr. Boileau.
 Mr. McSwain with Mr. Kvale.
 Mr. McDuffie with Mr. Bell.
 Mr. Dear with Mr. Buckley of New York.
 Mr. Gambrill with Mr. Pfeifer.
 Mr. Sullivan with Mr. Wallgren.
 Mr. Haines with Mr. Dunn of Mississippi.
 Mr. O'Brien with Mr. Chapman.
 Mr. Larrabee with Mr. Brooks.
 Mr. Goldsborough with Mr. Adair.
 Mr. DeRouen with Mrs. Greenway.
 Mr. Underwood with Mr. Houston.
 Mr. Kelly with Mr. Smith of West Virginia.
 Mr. Schuetz with Mr. Lewis of Maryland.
 Mr. Rudd with Mr. Biermann.

Mr. Reilly with Mr. Cravens.
 Mr. Miller with Mr. Clark of North Carolina.
 Mr. Brunner with Mr. Gasque.
 Mr. Gray of Indiana with Mr. Harlan.
 Mr. McMillan with Mr. Claborne.
 Mr. Montague with Mr. Hennings.
 Mr. Nelson with Mr. Zioncheck.

The result of the vote was announced as above recorded.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] may be allowed to proceed in order.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York?

Mr. FULLER rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Arkansas rise?

Mr. FULLER. I rise to object. I do not believe any Member who uses the language which the gentleman used is entitled to speak.

The SPEAKER pro tempore. Objection is heard.

Mr. SNELL. Mr. Speaker, I move that the gentleman from Massachusetts be allowed to proceed in order.

The question was taken; and on a division (demanded by Mr. FULLER) there were—ayes 160, noes 60.

So the motion was agreed to.

The SPEAKER pro tempore. The Committee will resume its session.

The Committee resumed its session, with Mr. ROGERS of New Hampshire in the chair.

The CHAIRMAN. The gentleman from Massachusetts [Mr. TINKHAM] is recognized.

Mr. TINKHAM. The issue before the House is whether or not an appropriation of \$174,630 shall be made out of the Public Treasury of the United States for the United States to enter the League of Nations, which is the political system of Europe.

Article no. 392 of the Treaty of Versailles states:

The International Labor Office shall be established at the seat of the League of Nations as part of the organization of the League.

The International Labor Office is one of two parts of the International Labor Organization. The other part is the International Labor Conferences. The question, therefore, is, Shall we join the political system of Europe?

Another question is, Shall we consummate one of the most contemptible intrigues ever attempted in the parliamentary history of this country?

The joint resolution in pursuance of which this appropriation is sought was introduced in both the Senate and the House just before adjournment last June. No hearings were held on the resolution by the Senate and House committees reporting the resolution. No witnesses appeared before the committees. A quorum was not present when the committees voted to report the measure. The resolution passed the Senate without debate or explanation and without a roll call in a day of great confusion. The discussion of the resolution in the House was limited to 40 minutes, the debate occurred late at night, and the resolution was passed by a margin of 4 votes after coercive tactics had been employed to change a sufficient number of votes which had already been cast against the resolution to insure passage of the resolution. I wish to ask the Chairman of the Committee on Foreign Affairs to explain at this time why it was that the members of the committee were not notified that this most important issue was to come before the committee? Second, why no witnesses were called?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. TINKHAM] has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TINKHAM. Second, why there were no witnesses called before the committee? Why the resolution was passed by this committee and reported to the House without a quorum being present in committee?

Mr. McREYNOLDS. The gentleman was not present, was he?

Mr. TINKHAM. I was not, for I received no notice that the subject was to be considered.

Mr. McREYNOLDS. As a matter of fact, the gentleman does not attend when he does receive notices.

Mr. TINKHAM. That is an unfair comment, and it is not true.

Mr. McREYNOLDS. I will say to the gentleman that my impression is there were notices sent out. I will say the records show that there were 12 members of that committee present.

Mr. TINKHAM. That is not a quorum.

Mr. McREYNOLDS. The gentleman was not there to raise the question.

Mr. TINKHAM. That is true, because I received no notice that the resolution was to be considered.

Mr. McREYNOLDS. The fact of it is the gentleman has been in that committee only three or four times during the last year; is that not true?

Mr. TINKHAM. The gentleman is wrong, and the RECORD will show that he is.

Mr. McREYNOLDS. And is it not a fact that the gentleman receives notices and he does not take part except on some special thing where he is particularly interested?

Mr. TINKHAM. That is not true.

Mr. McREYNOLDS. And did not the gentleman have 20 minutes to argue this case before the House the last time and the chairman of the committee only took 4 minutes?

Mr. TINKHAM. It took him only that time to say all that he could say in favor of the resolution. [Laughter.]

Mr. McREYNOLDS. I will say to the gentleman that the chairman was very anxious to accommodate the gentleman on that time; and when the chairman went down to present this case, the gentleman from Massachusetts followed from the other aisle. Now, I will ask the gentleman if he asked to have any witnesses come before that committee?

Mr. TINKHAM. I had no notice that the resolution was to be considered.

Mr. McREYNOLDS. Was the gentleman here the last week during that Congress or was he away in Massachusetts?

Mr. TINKHAM. I was here, and the RECORDS will show that I was here.

Mr. McREYNOLDS. I will ask if the gentleman has not been smarting under that ever since he was defeated on that occasion.

Mr. TINKHAM. I had just grounds to be, with the methods which were used.

Mr. McREYNOLDS. I am sorry the gentleman feels that way.

Mr. TINKHAM. The only communication before the committee in support of the resolution was a letter from the Secretary of Labor which mendaciously stated that—

The organization is not even now an integral part of the League of Nations, and membership in the organization does not imply affiliation with the League. * * *

Mr. McREYNOLDS. Will the gentleman yield at that point?

Mr. TINKHAM. I yield.

Mr. McREYNOLDS. The clerk of the committee has just brought the record, and the record shows that notices were sent out on that occasion. I hold the record before me.

Mr. TINKHAM. I do not deny that notices were sent out, but what I do contend is that the notice did not indicate what was to be considered, as was usually the case.

Mr. McREYNOLDS. Did not the gentleman ask me whether notices were sent to the members of the committee?

Mr. TINKHAM. What I asked was whether notice was given that this resolution was on the agenda. There was no notice given that this resolution was to be considered; yet it was the most important resolution to come before the committee in the 2 years of the last Congress.

Mr. McREYNOLDS. We not only considered this bill but we considered others at that hearing.

Mr. TINKHAM. And there was nothing on the agenda to indicate that this resolution was to be considered.

Mr. McREYNOLDS. And two of the gentleman's Republican colleagues were present and voted for the resolution, the gentlewoman from Massachusetts, Mrs. ROGERS, and the gentleman from Connecticut, Mr. Bakewell.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mrs. ROGERS of Massachusetts. If I voted for it, I did not know what had been brought up.

Mr. McREYNOLDS. The gentlewoman may not have, possibly, when she voted for it. [Laughter.]

Mrs. ROGERS of Massachusetts. If I did, it was presented in such a way that I could not, it should be said in justice to myself.

Mr. TINKHAM. Mr. Chairman, this resolution, in pursuance of which this appropriation is asked, involves the United States in the political affairs of Europe, the International Labor Organization being a part of the League of Nations, and being established by article XIII of the Versailles Treaty.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. Mr. Chairman, is it in order for one Member of the House to state how another Member voted in committee?

The CHAIRMAN. The Chair will state to the gentleman from New York that the Chair does not think that a parliamentary inquiry at this time.

The gentleman from Massachusetts will proceed in order.

Mr. TINKHAM. I do not believe this House desires to have the United States enter the League of Nations.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BLANTON. Mr. Chairman, I think it is only fair that the gentleman have further time. I think every Member has a right to be heard on any pending subject. I ask, therefore, unanimous consent that the gentleman from Massachusetts may proceed in order for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TINKHAM. Mr. Chairman, in addition to the fact that this appropriation means United States entry into the League of Nations, there are other fundamental objections. One is that the resolution itself is unconstitutional. The Federal Government is a government of limited and enumerated powers. The Supreme Court has repeatedly said that it is a government of limited and enumerated powers. The tenth amendment to the Constitution is as follows:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Unless a Federal act, a resolution—as in this case—or a statute can cling to some constitutional grant of power, it is not a legal act, resolution, or statute at all, but is pure usurpation.

There is no authority in the Constitution, except the treaty-making power, by which what has been done in this resolution can be done constitutionally. There is in the Constitution no delegated power which allows the Congress to provide for United States membership in the International Labor Organization without a treaty. The action of the Congress in this matter was pure usurpation; there is no constitutional authority for it.

By entering the International Labor Organization, the United States is subject to trial and judgment, and to enforcement of economic boycotts and sanctions by the Court of the League of Nations, which Court is outside the judicial system of the United States. There is involved, therefore, a relinquishment of sovereign rights of the United States. In other words, you appropriate money for membership in an international organization which involves the surrender of sovereign rights of the United States; you pass a resolution

and you appropriate money for membership in an international organization which allows the Court of the League of Nations to levy boycotts and sanctions against the United States. I believe that in justice to yourself, and certainly in justice to the people of the United States, you should not take this action.

This International Labor Organization considers labor legislation. Who belongs to the organization? Communist Russia. Can they improve the labor legislation of the United States, or will they listen to suggestions from the United States in relation to labor legislation? Another member of this organization is Fascist Italy. Do we want their labor legislation here? Can we influence them with the record they have in relation to labor legislation? Another member is national socialistic Germany. What legislation can they suggest to us, and what can we suggest to them that will be acceptable to them? In other words, American representatives will be formulating labor legislation for the United States in cooperation with whom? With Communists, Fascists, and National Socialists.

The proposal upon its face is revolutionary and should be rejected by this Congress, as it can be rejected if this appropriation is refused.

Organized labor in the United States is opposed to communism, is opposed to the Russian philosophy, is opposed to what fascism in Italy represents, and is opposed to what national socialism in Germany represents; yet Congress would provide funds for United States membership in the International Labor Organization influenced, in part, by these Communists, Fascists, and National Socialists, whose philosophy is alien to ours.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. BLANTON. Ever since I have been in this House I have been against participation by this Government in these conferences abroad; such, for instance, as the agricultural conference in Rome; but I am afraid my friend from Massachusetts has been voting for many of these other matters.

If he is so unalterably against this one, and I am against this one, too, and against the balance of them, why has the gentleman not been against all of the others?

Mr. TINKHAM. I have been, and I am today, against the United States' joining any political organization in Europe.

Mr. BLANTON. Did not the gentleman vote last year for the agricultural conference in Rome and for the United States to maintain a representative in Rome, Italy, to represent the farm interests, with a salary of \$5,000 a year and expenses?

Mr. TINKHAM. I did not consider that a political relationship, but a wholly economic one. Of course, I have no objection to economic relations with any nation.

Mr. BLANTON. Is the present one any more political than the one at Rome, Italy?

Mr. TINKHAM. Very much. The Treaty of Versailles says the International Labor Office shall be established at the seat of the League of Nations, as a part of the organization of the League.

I object to the United States' going into the League of Nations. I object to the United States' going into any part of the League of Nations, because it is a political organization. This labor organization is interwoven with the Secretariat of the League of Nations, with the Council of the League of Nations, purely political bodies, and with the League Court, which is a court of a political character. If you approve of this appropriation of \$174,630, as I have explained, we are subject to economic boycotts and sanctions which it may be found that the League Court can enforce against the United States for certain acts. I object to those things because it affects the nationality and the independence of the United States.

Mr. BLANTON. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Texas.

Mr. BLANTON. The time and place to stop such matters is in the committee from which they emanate and to do it by proper minority reports and proper procedure on the

floor of the House when it comes up under those minority reports. I am against engaging in all of these transactions in various parts of Europe on various questions. Practically all of them are junkets.

Mr. RICH. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman believe our participation in this labor conference will do more to drag American labor down to standards that are set in foreign countries than to continue to keep American labor on the plane it is now or on a higher plane?

Mr. TINKHAM. It seems to me that result would be inevitable.

Mr. COLDEN. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from California.

Mr. COLDEN. Is not the gentleman aware of the fact that this International Labor Organization is making a worldwide investigation of wages, hours, sanitation, and the conditions surrounding the health of the workingmen and other questions important to the labor people of the entire world?

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. OLIVER. Mr. Chairman, I hate to object, but I thought we had an understanding that we would try to limit debate.

Mr. FISH. Will the gentleman not consent to 2 additional minutes?

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. TINKHAM. Mr. Chairman, in reply to the question of the gentleman from California [Mr. COLDEN], may I say that all of our labor laws set a standard much higher than the standards of Europe, and that any international conference which may be held and any action which may be taken, or any recommendation which may be made must be in the nature of lowering American standards rather than raising them.

Mr. COLDEN. Is it not a fact that as the result of the investigations made by the International Labor Organization of the conditions of the workingmen in certain countries, those conditions have been improved and the results have been very beneficial to the workingmen in that territory?

Mr. TINKHAM. I do not know about that, but I do know that the results could not be beneficial to the workingmen of the United States.

Mr. COLDEN. Well, I do.

Mr. TINKHAM. I know that our standards are the highest standards in the world, and that any recommendations that may come from countries with a much lower standard, if adopted, will only impair our standards and our splendid record in relation to labor.

Mr. COLDEN. May I say to the gentleman that I have visited this institution. I have read many of their reports, and I am convinced that it is one of the very valuable international agencies that exist.

Mr. TINKHAM. I have been there four times myself.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Is it not a fact that the American Federation of Labor has endorsed this measure?

Mr. TINKHAM. The facts are that this issue was for years before the American Federation of Labor after Samuel Gompers' death, and that the federation refused approval of the proposal. It was not until the Congress had passed the resolution providing for membership in the organization that the federation approved United States membership.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I voted for this resolution last June when it was brought up in the House. At that time many Members asked me what the stand of the American Federation of Labor was and how I was going to vote. I went to the telephone and called Mr. Green, who told me they were in favor of it. At that time John Lewis, president of the United Mine Workers, was on his way to Europe to take part in the Conference. I believe he was on the ocean at that time.

I intend to vote for the amendment offered by my colleague, the gentleman from Massachusetts [Mr. TINKHAM]. I voted for the resolution last June; but when I went home, I took it up with the labor men in my district. One of the first questions they asked me was, "Why did you vote to get us mixed up in Europe?" I explained my reasons. I talked it over with members of the central labor unions throughout my district, and I found that invariably they were opposed to this proposition.

In 1929, at the convention of the American Federation of Labor held in Toronto, Canada, Mr. Andrew Furuseth, of the Seamen's Union, had this to say:

If anybody here knows anything about the League of Nations, and especially the Labor Office, it is your humble servant. I was at its birth, and the representatives of labor in Europe, sir, are not telling the truth. It was not the American Federation of Labor or its president that had anything to do, especially with the formation of the Labor Office. He was there, and they wanted a labor office established. The representatives of labor in Europe were eager for the Labor Office, and knowing that Sam Gompers would be a thorn in their side on the floor they put him in the chair.

I sat in a corner when they were drawing up a constitution for that body. I noted the general beautiful language in general terms. I could have brought the very words here if I had thought it was going to come up, but in substance it was this: That they guarantee fair and humane conditions to all men, women, and children in Europe; they guarantee fair conditions to those of the tropics—no such thing, if you please, as a standard by which to tell whether it was humane or not, or whether it was just or not, or whether it contained any signs of freedom or not. And I drafted up or repeated the thirteenth amendment to the Constitution of the United States and asked Sam Gompers, who was in the chair, to see that it was submitted as a standard by which to judge.

He introduced it, and you would hardly believe it, but it is as true as I am standing here, and I am willing to be struck dead right now if it is not, that laughingly, without discussion, it was voted down. And it was voted down by those representatives who want what? They want markets in America, they want raw materials from America upon their own conditions, they want access to America upon their own terms.

Now, then, when they had voted down that proposition to apply as a test the thirteenth amendment, that there shall be no slavery or involuntary servitude within the jurisdiction of the League, when they had voted that down laughingly, and there wasn't one that didn't have laughter in his face, Samuel Gompers introduced the other—that the labor power of the human being is not to be treated as a commodity or article of commerce. That was adopted, and when the proposition came before the League to endorse the drafted constitution it was amended so as to read: "The labor power of a human being is not simply a commodity, but an article of commerce." In other words, labor power can be sold or bought, and that can't be done without selling or buying a laborer. You know that. But it says it is not "merely" that it is something more or something less. It reverses the meaning of the declaration entirely. Instead of denying that it was an article of commerce, it said that it was.

I hope the American Federation of Labor will never again make the terrible blunder of endorsing that infernal rotten thing called "the labor office."

The foregoing remarks show the attitude of Mr. Furuseth on the question of the I. L. O.

A few moments later Vice President Matthew Woll, of the federation, said:

Just a moment ago we adopted a resolution covering both the League of Nations and the labor office, and this is the report the convention adopted:

"In lieu of resolution no. 56, your committee desires to recommend that, in view of the fact that the United States is not a member of the League of Nations, no action should be taken by the American Federation of Labor to affiliate with the International Labor Organization, which is a division of the League."

That is the declaration of the convention as unanimously expressed only a moment ago.

So the American Federation of Labor at that convention said unanimously that as long as the United States is not

in the League of Nations we do not believe the United States should enter this labor board. The United States today, I am happy to state, is not a member of the League of Nations. The American Federation of Labor at its last convention took no action, but simply called attention in their report to the fact that, since Congress had passed the resolution, they, of course, would naturally want one of their own representatives to be there.

Mr. COLDEN and Mr. DUNN of Pennsylvania rose.

Mr. CONNERY. I shall be pleased to yield in a moment. [Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. If my friend is going to ask me if these conferences have not helped labor conditions throughout the world, I will say to him frankly I think that these conferences have not had anything to do with labor conditions being bettered throughout the world.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from California.

Mr. COLDEN. Does not the gentleman believe, as one of the outstanding friends of labor on this floor—

Mr. CONNERY. I thank the gentleman.

Mr. COLDEN. That any agency that has for its purpose the raising of the standard of living in other countries and improving the conditions of labor in such countries, is also making a contribution to the status of labor in our own country?

Mr. CONNERY. The only difference of opinion I have with the gentleman is that that cannot be done by entering the League of Nations through the back door. It can be done by open conferences between those countries and the United States similar to the disarmament conference and other conferences that we have had with other countries which do not tie us up politically with Europe.

Mr. COLDEN. If the gentleman will permit a further question, may I say that in his references he spoke of the nations of Europe. Is it not true that nations all over the world are represented in the I. L. O.?

Mr. CONNERY. Yes; and will the gentleman answer this statement? If the gentleman thinks that any representative of the United States going over and sitting in with these men can do anything to get Japan to pay decent wages and shorten their hours, I am sure he is much more optimistic than I am. [Applause.]

Mr. COLDEN. I will say to the gentleman that if he will read the reports that have come from the I. L. O., I am sure he will find that some very substantial contributions have been made to the labor situation in other parts of the world.

Mr. CONNERY. In their talk, perhaps, but anything England has got, in better labor conditions, anything that Germany has got, or any other country, they got through the trade unions in those countries and not from these conferences under the League of Nations.

Mr. COLDEN. Is not the gentleman aware of the fact that investigations have been held in countries where labor was not organized and where labor was helpless?

Mr. CONNERY. Yes.

Mr. COLDEN. And by reporting and exposing those conditions the situation has been substantially corrected and remedied.

Mr. CONNERY. No; I do not know of any situation that has been corrected as a result of these conferences.

Mr. COLDEN. I can show the gentleman some from the reports that have been made.

Mr. CONNERY. I want to point out this fact. I do not see how any Member in this House could believe that a representative of the United States Government can go over to a labor conference, dealing with the representatives of Mr. Mussolini, the representatives of Mr. Hitler, the representatives of Mr. Stalin, with any possibility of wages being increased or hours reduced in those countries where those

dictators control wages, control hours, and absolutely control the lives of the people who are living in such countries. [Applause.]

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. O'MALLEY. Like myself, I believe the gentleman was one of the few Democrats who opposed this resolution that would get us into the International Labor Organization?

Mr. CONNERY. No; I voted for it last year.

Mr. O'MALLEY. I am sorry. Did not the delegates come back from that conference disgusted, and did they not admit in press statements that when they got over there they found they could do nothing unless we got into the League of Nations, too?

Mr. CONNERY. I do not know about that, I will say to the gentleman.

Mr. O'MALLEY. The Associated Press carried the statement that one of the delegates said we were expected to join the League of Nations before we could do any good in that labor organization.

Mr. CONNERY. I do not know about that.

Mrs. GREENWAY and Mr. BLANTON rose.

Mr. CONNERY. I yield first to the gentlewoman from Arizona.

Mrs. GREENWAY. Would it not be possible, if we were allied with these conferences, to find out how, or under what conditions, things are produced, and prevent competition from our own country with products produced in that way?

Mr. CONNERY. I will say to my friend from Arizona that all she needs to do is to come in any day and sit with the Committee on Labor and she will find out what is going on in every part of the world on labor conditions, including what they are paying and what their hours are, and we are trying to remedy that in this country with a 30-hour-week bill.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. The question is whether we are more concerned about the welfare of our own American labor at home or whether we are more concerned about doing missionary work for alien labor in foreign countries. [Applause.]

Mr. CONNERY. Mr. Chairman, I am particularly pleased to find the gentleman from Texas and myself in accord on any labor proposition [laughter], and I want to say to the gentleman from Texas that on a proposition of this kind I agree with Will Rogers. He never made a truer statement than when he said that the United States never lost a war and never won a conference, referring to these conferences held abroad.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more, in view of the fact that so many Members desire to ask questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman.

Mr. MARCANTONIO. Mr. Chairman, is it not a fact that any important action of the International Labor Organization will have to be ratified ultimately by the Assembly and the Council of the League, where we have no representation at all and where we do not want to go?

Mr. CONNERY. That is true; and, furthermore, in this appropriation we are helping to pay the expenses of this organization which is under the League of Nations.

Mr. MARCANTONIO. Exactly.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. ANDREWS of New York. Does the gentleman feel that if this appropriation fails it will stop our participation in the Labor Organization?

Mr. CONNERY. My experience is that any time the House refuses to appropriate money for a specific object, as in this case, it fails.

Mr. HEALEY. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. HEALEY. Is it not a fact that when this matter was before Congress, it was represented that the American Federation of Labor was in favor of its passage?

Mr. CONNERY. Yes.

Mr. DUNN. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Will the gentleman tell us what the attitude of the American Federation of Labor is to this participation in the organization?

Mr. CONNERY. I haven't any knowledge of that, except the report of the federation at the last convention, in which they mentioned the fact of its existence, and that is about all, and they would take advantage of the fact that it does exist. The gentleman can get that report.

Now, as I say, I think this is dangerous to the United States. I do not see any advantage of appropriating this sum of money for a representative to that organization where the cards are stacked against him before they start. We know that when labor gets anything in England they get it through their trade unions. When labor in Germany gets anything they get it through their trade unions, and so with any other country in the world. I think this is a waste of money to send a representative to this international organization, which is merely the adjunct and tool of the League of Nations.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. McREYNOLDS. Does not the gentleman think that after this organization has incurred these liabilities it would be embarrassing for Congress to refuse to make an appropriation now?

Mr. CONNERY. No; I do not think it is embarrassing. I would be in favor of paying any past expenses. I believe in paying any debts the Government has entered into by contract or otherwise, but I think we ought to step out and stop it in the future. I want to say that I regret that the bill came up before the House under suspension of the rules.

Mr. McREYNOLDS. The gentleman was on the floor at the time, and did he not ask for an opportunity to make a speech?

Mr. CONNERY. Yes, to say that I had talked with Mr. Green, because many Members had asked me the position of the federation.

Mr. McREYNOLDS. Are they still for it?

Mr. CONNERY. I do not know. The gentleman can telephone Mr. Green.

Mr. McREYNOLDS. The gentleman from Tennessee does not telephone Mr. Green like the gentleman from Massachusetts.

Mr. CONNERY. I know this much, that my congressional district is very much against it, and that comes first with me.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. COLDEN. The gentleman from Massachusetts mentioned that the American Federation of Labor already possessed statistics sufficient to satisfy our needs. Does not the gentleman believe that in the I. L. O., where all nations sit, where each nation is represented by three delegates, one representing labor, one capital, and one the Government, you can get much better information in the other countries by those countries participating than you can here sitting around a table with a few figures before you?

Mr. CONNERY. No; I do not think so. I think the results the gentleman is seeking can be obtained promptly by consultation with the labor unions of those countries without governmental intervention. I hope the amendment of the gentleman from Massachusetts [Mr. TINKHAM] will prevail.

Mr. WOOD. Mr. Chairman, I very much dislike to take issue with my good friend from Massachusetts, Mr. CONNERY,

but I rise in favor of this appropriation. I do not think Congress made a mistake last session when we passed the resolution referred to. The American Federation of Labor is in favor of the International Labor Court, or the International Labor Union. They are so much in favor of it that 3 months ago they sent to Geneva Mr. Wilson, a representative of the executive council of the American Federation of Labor, and last evening I had a talk with Mr. Green, president of the American Federation of Labor, Mr. Roberts, and Mr. Hushing, the legislative representatives, and they all expressed to me that they are heartily in favor of this appropriation. I do not think it is necessary for us to get so disturbed about an appropriation of a little \$174,000, when it deals with a question which involves the welfare of labor throughout the world, particularly when we have been dealing out millions and billions without the blinking of an eye in the past two sessions of Congress and in this session.

This Nation has been carrying on conversations in numerous conferences, and we have had treaties and have discussed everything on the face of the earth with the civilized nations of the world except labor conditions of the workers throughout the world. All of these conferences, as we all know, are based on trade and commerce. Whatever else you may say, whatever we may contend in these conferences about the high purposes of all the conferences we have held with other nations, yet at the bottom of the whole subject rests trade and commerce. That is all the nations confer about. They talk about a good many other things, but the real intent and purpose of their having representatives to deal with other nations is because they want to get more trade and commerce. We may just as well agree with that.

We have on the north of us a great empire, the Empire of Canada. An imaginary line 3,000 miles long separates us. The workers in Canada receive a similar wage and have similar hours and similar working conditions to the workers in this country. The result has been that we have not had very much controversy with Canada in our trade relations, and we have not because the wages in Canada and the United States have been almost on a par, when considering the purchasing power.

Just assume that we had China on the north or India, with their 10- and 15-cents-a-day labor. Every Member of this House knows that that miserable wage could not prevail in Canada, and if it did, that we could not do business with Canada unless we had a standing army from one end to the other on the border line between this country and Canada. It has been said here, and well said, that this Nation has about the highest wage standard of any nation on the face of the earth. That is about true, and I am proud of it; but when we discuss the 6-hour day we immediately talk about the importation of cheap goods, cheap commodities from foreign countries manufactured under conditions of longer hours and lower wage standards which come in unfair competition with American-made goods.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. Sisson. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. In considering our legislation regulating the hours of labor, the prevailing rate of wages, and so forth, especially the 6-hour day and the 30-hour week, we are constantly met with the argument that if we pass a 6-hour day without an embargo it will destroy the working conditions of the workers of this Nation. I think that the International Labor Union is a noble effort, and I can see no objection to the representatives of labor throughout the world meeting in conference so that we may discuss matters and conditions that surround each and every nation and try to enter into some kind of an agreement looking toward the lowering of the hours of labor in the Nation and improving the working conditions of the people of those nations. It has been said that we have not accomplished anything. We have had many

conferences on disarmament and many other things, and it has taken conferences throughout the years to accomplish anything. I do not agree that the International Labor Union is perfect and I do not expect, nor does anyone, that we can accomplish everything with one session.

But let us try. Let us spend this \$174,000, because labor not only of this Nation but throughout the world wants this conference, and they believe they can accomplish something by the conference.

Mr. O'MALLEY. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. O'MALLEY. Does the gentleman think we could possibly enter into an agreement that would be kept with representatives of nations that have not as yet kept their agreement to pay their debts to us?

Mr. WOOD. Yes; I believe we can, because there is an element in this that does not prevail in a conference with respect to our war debts and to our treaties.

Mr. O'MALLEY. A European conference is a European conference.

Mr. WOOD. This International Labor Union will represent the expression of labor in all these nations. That is an entirely different situation than when you are discussing our war debt or treaties.

Mr. O'MALLEY. Nobody in that conference will represent Italy who does not represent Mr. Mussolini's viewpoint, or he would be recalled.

Mr. WOOD. The gentleman cannot say that. I would not say that because Mr. Wilson, who represented the American Federation of Labor, did not represent the views of President Roosevelt. He represented the views of labor, as represented by the American Federation of Labor. When the gentleman says that, then he reflects upon the good purpose of the representatives of organized labor who are sent over there.

Mr. WELCH. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. WELCH. Is it not a fact that the executive council of the American Federation of Labor has endorsed it?

Mr. WOOD. They have endorsed it and have sent a member of the council to the conference.

Mr. WELCH. Is it not also a fact that William Green, president of the American Federation of Labor, has been elected as permanent representative to the International Labor Organization?

Mr. WOOD. That is a fact; yes. As I have said before, last night I talked to him and the two legislative representatives of the American Federation of Labor, all of whom advised me the American Federation of Labor was unqualifiedly in favor of participation by this Nation in the International Labor Union.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. MARCANTONIO. The actions of this bureau will have to be approved by the assembly and Council of the League of Nations, where we have no representatives and where we have decided not to join. Does the gentleman think that under those conditions we will receive a square deal, or a deal equal to the deal which other nations receive who are members of the League?

Mr. WOOD. I will say I am not depending upon the League of Nations. I am depending upon the sentiment that will be disseminated by the representatives sent to this conference from our own country. It will have a great moral effect upon the people of the nations which they represent, irrespective of what the League of Nations does.

Mr. MARCANTONIO. But the gentleman admits this is a part of the League of Nations?

The CHAIRMAN. The time of the gentleman from Missouri [Mr. Wood] has again expired.

Mr. DUNN of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman have 5 additional minutes. I desire to ask him a very important question.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. DUNN of Pennsylvania. Is it not a fact that the gentleman is now president of the Federation of Labor of the State of Missouri?

Mr. WOOD. That is right; the State Federation of Labor.

Mr. FORD of California. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. FORD of California. Does the gentleman agree with the sentiment expressed here, that the labor representatives from the rest of the world, who go to that conference, are all crooks who are laying for the American representatives, ready to take their shirts?

Mr. WOOD. No; I do not agree with that, because the American Federation of Labor receives representatives from a number of European countries, and the views expressed by those representatives in all conferences are not the views of their government, and we have reason from many years' experience to have confidence in their high purposes in the interest of world humanity.

Mr. STUBBS. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. STUBBS. Is it not the gentleman's conviction that sooner or later, unless we are able to bring the wage standards of the other countries of the world up to our wage standards, we will have to eventually drag our wage standards down to theirs?

Mr. WOOD. The gentleman is absolutely right, in my opinion. There is no question about it, because we cannot hope to lift up our wage standards if all of the other nations of the world continue to maintain a low-wage policy.

Mr. CONNERY. Will the gentleman yield?

Mr. WOOD. I yield to my friend from Massachusetts.

Mr. CONNERY. That can all be taken care of very simply and without any conference at all if the Secretary of the Treasury were instructed by Congress that wherever the total landed cost of any article or commodity imported into the United States was less than the cost of production of a similar article or commodity in the United States, it should be barred.

Mr. WOOD. I will say to the gentleman from Massachusetts [Mr. CONNERY] the governments of this world have been trying to do that all these years. The gentleman ought not to have any objections if representatives of labor throughout this world desire to meet and discuss these matters and see if they cannot solve the problem.

Mr. CONNERY. Does the gentleman mean that that representative from Italy, from Germany, or from Russia would be a representative of labor at that conference?

Mr. WOOD. Yes. They would be, certainly.

Mr. CONNERY. How could a man come from Italy or from Germany or from Russia, under Mussolini, Hitler, or Stalin, and say, "We want shorter hours of labor and higher wages" without getting shot when he got back home?

Mr. WOOD. Oh, we cannot let Italy or Russia or Germany stand in the way of the progress of the rest of the world. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. MAY. Considering the amount of cost of production of articles in this country that is included in the wage scales, would it not be vitally important to this country if we could participate in an agreement by which the scales of wages in other countries would go up and thereby restrict the manufacture and production of articles in China, for instance, which come in competition with our higher-priced articles?

Mr. WOOD. Absolutely. That is the purpose which the American Federation of Labor had when it sent Mr. Wilson to the Geneva Conference.

Mr. COLDEN. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. COLDEN. Is it not a fact that every one of these nations must send a labor representative, and that representative is striving for better conditions in labor all the world over?

Mr. WOOD. Absolutely. There is no disagreement among the wage earners of all nations on that important point.

Mr. TRUAX. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. TRUAX. I am glad to verify what the gentleman from Missouri has stated, namely, that the American Federation of Labor is 100 percent back of this proposal. We cannot control or dictate the policies of European representatives, but we surely have confidence in the delegates who will be sent there by the American Federation of Labor.

Mr. WOOD. Absolutely.

Mr. O'MALLEY. Will the gentleman yield further?

Mr. WOOD. I yield.

Mr. O'MALLEY. Has the American Federation of Labor ever put this question of our entering into this International Labor Organization to a vote of the members of the various unions?

Mr. WOOD. Oh, I do not know anything about this rank and file vote of the different unions.

Mr. O'MALLEY. They would not find one local that would vote in favor of our going over there if they did.

Mr. WOOD. In the legislation which we pass here, would the gentleman be in favor of this Congress referring to a referendum vote of the people every law that is passed by the Congress?

Mr. O'MALLEY. Oh, no.

Mr. WOOD. In the American Federation of Labor we meet and we do things in a certain manner. They elect their delegates. The national labor unions elect their delegates to the American Federation of Labor.

Mr. O'MALLEY. And they go to a convention?

Mr. WOOD. Yes; convention of the American Federation of Labor. Now, they do not mold sentiment there. There is a State federation of labor in the 48 States of the Union. They meet annually. They are the ones who mold public sentiment. They are the ones who are the moving spirit in what the American Federation of Labor does.

Mr. O'MALLEY. How can anybody presume to speak for labor on an international question like this without first letting the members of the unions, which will be affected by anything they do over there, have something to say about it and state their position?

Mr. WOOD. The members of the unions are in favor of this international labor tribunal.

Mr. O'MALLEY. I think the gentleman is mistaken and that a vote of the membership would develop some surprises.

Mr. CONNERY. I wish to assure the gentleman from Wisconsin that the only time that it was brought up at an American Federation of Labor convention in the form of a resolution it was defeated by the unanimous vote of the convention, as I have pointed out in the remarks of Matthew Woll, vice president of the American Federation of Labor.

Mr. WOOD. No.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. OLIVER. Mr. Chairman, I yield one-half minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I thank the distinguished gentleman from Alabama very much for his unflinching courtesy. I want to correct the RECORD. The Chairman of the Committee on Foreign Affairs was in error when he said I voted for this labor bill. I did him the courtesy at the time he mentioned it a few minutes ago of saying that if it came to a vote while I was in the room I did not understand it. I think he knows that I vote for every measure of his that I can, but I never voted for this; I was not even in the committee room.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield me 1 minute?

Mr. OLIVER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Chairman, I do not have any independent recollection about this matter. All I know is that the record shows that Mrs. ROGERS and others were present. Since the lady says she did not vote, then, of course, I am not questioning her statement.

Mr. FISH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. FISH. Mr. Chairman, I make the point of order that the gentleman from Tennessee is out of order in stating how a member of his committee voted.

The CHAIRMAN. The point of order is well taken. The Chair sustains the point of order.

Mr. McREYNOLDS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McREYNOLDS. Mr. Chairman, when a member of a committee appears before this House and undertakes to state how he or she voted and says that the chairman of the committee misrepresented the matter, would the present occupant of the chair hold that the chairman of the committee could not say what the records show?

The CHAIRMAN. As the Chair understands it, the action to be taken is to make a point of order against the statement being made originally. This is the Chair's understanding of the rules.

The point of order is well taken.

The gentleman from Alabama will proceed.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

Mr. OLIVER. Mr. Chairman, I decline to yield.

No one could add to the very splendid address of the gentleman from Missouri [Mr. Wood], and all of you know how deeply interested he is in every cause that affects labor. I am informed, as he stated he was informed, that Mr. Green, the president of the American Federation of Labor, is very much in favor of this item being carried in the bill. I am sure the resolution would not have passed at the last session had not Congress felt at that time that labor favored the resolution. It is in the interest of labor. Let us assume that we may not be able to accomplish anything at first. Yet this is a time when we must take counsel of our hopes and not of our fears.

If you will read the resolution passed by the last Congress, and which this appropriation seeks to make effective, you will find the resolution is carefully worded and seeks to improve the condition of the wage earners, such being its clearly declared purpose. American representatives by the terms of the resolution are clothed only with authority to confer with representatives of other countries and to report the result of such conferences. Such conferences are advisory only.

The friends of labor in this country know that no recommendations which even suggested the lowering of the standards of living in this country, as now approved by organized labor, would for a moment be considered. Like churches, we are simply sending missionaries into the field to be of service to wage earners, if possible. These missionaries may not accomplish what we hope, but we will at least be performing the Christian duty of making an earnest effort to improve and uplift the standards of labor in every country of the world.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. FISH. I wish the gentleman would make it clear to me, and I think the gentleman knows that the House would like to know, too, whether the decisions of the International Labor Organization must be submitted to the Council or Assembly of the League of Nations.

Mr. OLIVER. Not so far as we are concerned, since the joint resolution clearly states that our Government assumes no obligations to or under the League of Nations. Our delegates only bring back such recommendations as they may desire to submit to our Government for consideration. They are neither required nor authorized to submit such recommendations to the Council or Assembly of the League of Nations.

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mrs. ROGERS of Massachusetts 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.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am sure that in the excitement the gentleman from Tennessee, Chairman of the Foreign Affairs Committee, did not quite realize what he said. I was present only a short time at the meeting the day when this so-called "labor bill" came up. I left before the bill was brought up or before it came to a vote. I left before a vote was taken on the bill that was reported out of the committee previous to this so-called "labor bill"; I did not vote for this labor agreement. I should not have voted for it, because I should have thought it very unwise, very harmful to the labor of this country. I have a large labor district myself. I know only too well what it means for the people to be out of work. The fact that economic conditions are very bad at this time was forcibly brought to my attention when I went to Gallinger Hospital today to see a very ill patient. Eight hundred patients were there. The place was terribly overcrowded. On one floor four very sick people were occupying beds in the hall. When I asked why there was so much sickness which resulted in this overcrowded condition the reply was, "Probably bad economic conditions."

You can easily see why I would not have voted for this bill.

Mr. MARTIN of Massachusetts. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I may say that last year when this bill first came up I asked the gentlewoman from Massachusetts if she was present in the committee when the vote was taken. She replied she was not there and did not know anything about the vote.

Mrs. ROGERS of Massachusetts. There was no record vote, according to the clerk's record. I believe there were two other Republicans and myself there in the early part of the session, but no record was made when I left, and I believe one of the other Republicans left before this labor bill was brought up.

Mr. Chairman, I ask unanimous consent to withdraw the preferential motion.

Mr. BULWINKLE. Mr. Chairman, I object.

The CHAIRMAN. The question is on the preferential motion offered by the gentlewoman from Massachusetts.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TINKHAM].

The question was taken; and on a division (demanded by Mr. TINKHAM and Mr. MARTIN of Massachusetts) there were—ayes 65, noes 82.

So the amendment was rejected.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to return to page 23, line 17, in order to offer an amendment which has been sent up by the State Department.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

CLAIMS ADJUSTMENT, UNITED STATES AND TURKEY

Committee amendment: On page 23, line 17, insert a new paragraph as follows:

"Such portion as may be necessary of the appropriation for participation of the United States in the examination and settlement at Istanbul, Turkey, of claims provided for by public resolution entitled 'Joint resolution authorizing appropriations for expenses of representatives of the United States, to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either country against the other and for expense of proceedings before an umpire, if necessary'."

approved June 18, 1934, fiscal year 1934, to remain available until June 30, 1935, is made available as of November 1, 1934, and shall continue to be available until June 30, 1936, for the expenses, including all items of expenditures specified in said resolution and personal services and rent of offices in the District of Columbia, of preparing in the District of Columbia for the approval of the Secretary of State, distribution after making the said deductions provided for in said resolution of the amount received or to be received from the Turkish Government in settlement of said claims."

The committee amendment was agreed to.

The Clerk read as follows:

Contingent expenses: For stationery, furniture and repairs, floor coverings not exceeding \$300, file holders and cases; miscellaneous expenditures, including telegraphing and telephones, postage, labor, typewriters and adding machines and the exchange thereof and repairs thereto, street-car fares not exceeding \$300, newspapers, press clippings, and other necessities ordered by the Attorney General; official transportation, including the repair, maintenance, and operation of 5 motor-driven passenger cars (1 for the Attorney General, 2 for general use of the Department, 2 for the Bureau of Investigation for investigative work), delivery truck, and motorcycle, to be used only for official purposes; purchase, including exchange, of a motor-propelled passenger-carrying automobile for the Attorney General at not to exceed \$2,500; purchase of law books, books of reference, and periodicals, including the exchange thereof; traveling and other miscellaneous and emergency expenses, authorized and approved by the Attorney General, to be expended at his discretion, \$153,000: *Provided*, That this appropriation may be reimbursed for expenditures in connection with cars herein authorized for the Bureau of Investigation from the appropriation for the expenses of said Bureau when approved in writing by the Attorney General: *Provided further*, That not to exceed \$2 per volume shall be paid for the current and future volumes of the United States Code, Annotated.

Mr. McMILLAN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: On page 24, line 19, strike out "\$300" and insert in lieu thereof "\$1,000."

The committee amendment was agreed to.

The Clerk read as follows:

Printing and binding: For printing and binding for the Department of Justice and the courts of the United States, including not to exceed \$6,000 for printing and binding the decisions of the District Court of the Panama Canal Zone, \$288,000.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the last word has not anything to do with what I propose to speak about, except that it involves money. I was not here yesterday at the time the section involving the State Department was under discussion, and particularly that part that had to do with money appropriated to maintain the service.

As a member of the Foreign Service Buildings Commission and the only Republican member besides Senator BORAH, I want to call the attention of the House to the fact, and particularly the Chairman of the Subcommittee on Appropriations, that we appropriated last year \$1,200,000 for an embassy in Soviet Russia to house a personnel of 70. We have sent over 40. It is proposed to reduce that probably to 20. We have, however, provided \$1,200,000 for building purposes, and there is no way in this bill to reduce this amount of money. If there was, I should offer an amendment, and I think it would be an appropriate amendment, to cut the sum in half.

There is no reason for building an embassy and a consulate at an expense of \$1,200,000, which was originally planned for a personnel of 70 when that personnel is going to be reduced to 20. We could therefore save \$600,000 or more and apply that amount in the building of a legation in Finland, which has not repudiated its debts or pledges, or to the erection of an embassy or legation in some other country where we do a great deal more trade and commerce than we do with Soviet Russia. I make the statement at this time because this is the proper place to make it and because the chairman of the subcommittee yesterday found fault with me when he said that although I had opposed the recognition of Soviet Russia, I favored this appropriation last year. I did favor it. Once Soviet Russia was recognized by the President it was an accomplished fact and, of course, we had to appropriate money for an ambassador,

and you appointed a very able ambassador, who is still there. We had to appropriate money for an embassy. But in view of the fact that Soviet Russia has failed to keep its promise, in view of the fact that we transact practically no trade with them, and in view of the fact this \$1,000,000,000 worth of trade that was held out to us in the way of bait has all fallen by the wayside, it is up to the Appropriations Committee to revise their estimate for the American Embassy in Moscow before it is completed. This was a building designed to hold 70 American diplomatic agents and other officials. This will be reduced to 20 or less. England only has 25 consular agents at Moscow and does a larger amount of trade.

I submit that the chairman of the subcommittee when his committee considers this matter again should bring back another measure reducing the amount of money we appropriated last year at least by half and apply that money to Finland or to erect an American Legation or Embassy in some other country.

In conclusion, may I say that I may not agree with all that the gentleman from Massachusetts [Mr. TINKHAM] said today, but I believe in his right to say it and anything he wants in the way of criticism of Members of the House when he is willing to substantiate it. That is the essence of free speech and that is the issue here. I want to warn the House that it is a very improper custom for the Members of the House of Representatives to assail, malign, and impugn people's motives outside of the House of Representatives who cannot answer for themselves, and then when some one here in debate criticizes a Member, to delete what he says from the RECORD. Every Member has the right to freedom of speech in the House, and every Member has the right to defend himself. Certainly the gentleman from Massachusetts [Mr. TINKHAM] should have the right to prove his charges before some committee of the House.

The issue involved was merely that of freedom of speech, and before we expunge the statements of Members of the House from the RECORD, I submit we ought to be careful what we say about others outside of the House of Representatives.

The pro forma amendment was withdrawn.

The Clerk read as follows:

UNITED STATES SUPREME COURT

Salaries: For the Chief Justice and eight Associate Justices; Reporter of the Court; and all other officers and employees, whose compensation shall be fixed by the Court, except as otherwise provided by law, and who may be employed and assigned by the Chief Justice to any office or work of the Court, \$410,500.

Mr. OLIVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment: On page 30, line 24, strike out "\$410,500" and insert in lieu thereof "\$416,000."

The committee amendment was agreed to.

The Clerk read as follows:

Salaries of judges: For 41 circuit judges; 150 district judges (including 2 in the Territory of Hawaii, 1 in the Territory of Puerto Rico, 4 in the Territory of Alaska, and 1 in the Virgin Islands); and judges retired under section 260 of the Judicial Code, as amended, and section 518 of the Tariff Act of 1930; in all, \$2,195,000: *Provided*, That this appropriation shall be available for the salaries of all United States justices and circuit and district judges lawfully entitled thereto, whether active or retired.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: On page 31, lines 20, 21, and 22, strike out "and judges retired under section 260 of the Judicial Code, as amended, and section 518 of the Tariff Act of 1930", and in line 22, strike out "\$2,195,000" and insert in lieu thereof "\$1,959,000."

Mr. YOUNG. Mr. Chairman, the purpose of this amendment is to eliminate the retired pay of the Federal judges of this country. This amendment is offered by me in the interest of the taxpayers of our country. Too little is done here in the Congress for the taxpayers.

The question is, Shall retired Federal judges of our country be considered a privileged class? At the present time the retired judges are receiving \$236,000 per annum. These

judges, during the time following their appointment, it is true, devote themselves to their judicial duties. Then \$236,000 per annum is being paid from the funds of the United States to these gentlemen who have retired at full pay. These are the only officials of our Government who are receiving full pay following their retirement.

Mr. BLANTON. Mr. Chairman, will the gentleman yield? Mr. YOUNG. I yield.

Mr. BLANTON. If the Committee of the Whole House on the state of the Union were to adopt the gentleman's amendment and strike out this amount of money, these judges eventually would get their retired pay, because there is a law giving them retired pay. This amendment would merely take away this appropriation. Their claim against the Government would be allowed under existing law, and some future Appropriations Committee would have to bring in a bill appropriating the money to pay them.

Mr. YOUNG. The gentleman from Texas is correct in his statement that these retired judges would still have a claim against the Government. I have introduced a bill in the House providing for the repeal of retirement pay for Federal judges.

Mr. BLANTON. That should come first. Until you repeal the law you have got to pay them. For instance, we could not pass a law to take the gentleman's salary away from him. He would still have a claim against the Government for his salary which would be good 50 years from now, and as long as there is a law authorizing retired pay to these judges you cannot take it away from them by simply striking money out of this bill.

Mr. YOUNG. As I stated, the gentleman is correct in his statement that the retired judges have a claim for their full salary, but I offer this amendment to bring the matter before the Committee to show that this is a privileged class that we have built up by a special law. I think it is high time that the Congress in the present session should repeal this retired pay law and eliminate this class. Federal judges receive salaries of \$10,000 and \$12,500 per annum and then are privileged to receive retirement pay in the amount of their salary, and to show my desire that this provision be repealed and to show the saving, I figured this up after making inquiry at the Library of Congress and at the Treasury Department and found it was the rather astounding sum of \$236,000 per annum.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

PENAL AND CORRECTIONAL INSTITUTIONS

For all services, including personal services compensated upon fee basis, supplies, materials, and equipment in connection with or incident to the subsistence and care of inmates and maintenance and upkeep of Federal penal and correctional institutions, including farm and other operations not otherwise specifically provided for in the discretion of the Attorney General; gratuities for inmates at release, provided such gratuities shall be furnished to inmates sentenced for terms of imprisonment of not less than 6 months, and transportation to the place of conviction or bona fide residence at the time of conviction or to such other place within the United States as may be authorized by the Attorney General; expenses of interment or transporting remains of deceased inmates to their homes in the United States; maintenance and repair of passenger-carrying vehicles; traveling expenses of institution officials and employees when traveling on official duty, including expenses of attendance at meetings concerned with the work of the several institutions when authorized by the Attorney General, and including expenses incurred in pursuing and identifying escaped inmates; traveling expenses of members of advisory boards authorized by law incurred in the discharge of their official duties; rewards for the capture of escaped inmates; newspapers, books, and periodicals; firearms and ammunition; tobacco for inmates; and the purchase and exchange of farm products and livestock, when authorized by the Attorney General: *Provided*, That any part of the appropriations under this heading used for payment of salaries of personnel employed in the operation of prison commissaries shall be reimbursed from commissary earnings, and such reimbursement shall be in addition to the amounts appropriated herein.

Mr. McMILLAN. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 41, line 5, after the semicolon, insert the following: "packing, crating, drayage, and transportation of household effects, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty, and uniforms for the guard force when specifically authorized by the Attorney General."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

United States Industrial Reformatory, Chillicothe, Ohio: For the United States Industrial Reformatory at Chillicothe, Ohio, including not to exceed \$287,000 for salaries and wages of all officers and employees, \$531,000.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 43, line 19, strike out the figures "\$287,000" and insert "\$293,500."

The committee amendment was agreed to.

The Clerk read as follows:

United States Southwestern Reformatory: For the United States Southwestern Reformatory, including not to exceed \$192,000 for salaries and wages of all officers and employees, \$390,000.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 43, line 23, strike out the figures "\$192,000" and insert "\$196,000."

The committee amendment was agreed to.

The Clerk read as follows:

Federal jails: For maintenance and operation of Federal jails, including not to exceed \$296,500 for salaries and wages of all officers and employees, \$528,940.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 44, line 6, strike out the figures "\$296,500" and insert "\$300,000."

The committee amendment was agreed to.

The Clerk read as follows:

This title may be cited as the "Department of Justice Appropriation Act, 1936."

Mr. OLIVER. Mr. Chairman, I ask to return to the first paragraph under the Department of Justice to make a statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Mr. Chairman, there was a reduction made in the appropriation carrying salaries in the Department of Justice for the Attorney General's office. It was not the purpose of the committee to stipulate how that reduction should be made, but simply to leave to the discretion of the Department the allocation of the same in the filling of positions, and in the exercise of that discretion the Department is fully authorized to appoint an assistant budget officer.

The Clerk read down to and including line 7 on page 67.

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5255, making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, and had come to no resolution thereon.

DEVALUATION VERSUS REGULATION OF THE DOLLAR

Mr. FIESINGER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by placing therein a letter I sent to the Attorney General on the question of the devaluation versus the regulation of the dollar.

The SPEAKER. Is there objection?

There was no objection.

Mr. FIESINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter which I sent to the Attorney General on the question of the devaluation versus the regulation of the dollar:

Re Federal court action in gold clause contracts—Devaluation versus regulation.

JANUARY 14, 1935.

HON. HOMER S. CUMMINGS,
Attorney General, Washington, D. C.

DEAR MR. CUMMINGS: In your address before the Supreme Court in the gold contract cases on January 9, attacking the gold clauses in contracts, you are reported as having said: "Their effect, if enforced, is of such serious consequence as substantially to deprive the Congress of the power to regulate the value of the dollar."

I am a Member of Congress from the State of Ohio and of the only committee of Congress which, in my opinion, has made an exhaustive study of this question. In view of its great importance, I am constrained to write you an open letter so that the American people may be advised of the fundamental fallacies involved in the above-quoted statement. I do this recognizing that these matters are so vital to our national welfare and because it may be that in the crux of these things we shall find the remedy for much of our present sufferings.

Let me repeat that the only committee of Congress which has exhaustively studied this question, one which so far has not been allowed to express its views, is abundantly able to sustain the proposition that the courts can uphold the gold clause agreements without impairing the power of Congress to regulate the value of money by a sound compliance with well-known principles of economic law.

The gold content bill was not drawn by the Congress, notwithstanding that the Constitution has so directed by implication. The committees of Congress could not ascertain who drew the gold clause bill. As a Member of the House, I was not allowed to debate it. But if the House committee of authorized jurisdiction had been permitted to hold hearings on these bills and debate them fully, we should have been able to determine who framed the measure; and we would have shown in debate that it was not drawn in the interest of the United States for two reasons: First, because it was not an act regulating the value of money; second, because it called for the abrogation of contracts—exactly what you are now asking the Supreme Court to do.

I call your attention to the wording of the Constitution: "Congress shall coin money and regulate the value thereof, and of foreign coins." Congress can coin money only by the process of fixing upon an agreed weight and fineness, the stamp placed upon the coin being in the nature of a certification of "weight and fineness", as provided by law. By this process you fix the weight of coins. Only by another process can you regulate value. Clearly coining money is a process of fixation whereby weight and fineness are fixed. Regulating the value thereof is a separate function which must be and can only be done in full recognition of the inevitable and inexorable force of economic law.

It is a striking fact that Congress has never enacted any law in compliance with this provision of the Constitution.

After fixing the weight of the coin, when we leave the value of the metal therein to fluctuate, we not only fail to regulate the value of the coined money but we increase the instability of paper money and bank credits, which are measured by the coin as a unit of value. We must recognize that collateral back of paper money is changed in value if the value of the coin is allowed to fluctuate. The stability of our paper money and of our whole credit structure is involved in our neglect to regulate the value of the metal contained in the coin.

In your arguments before the Court, due apparently to your zeal to support the administration's policies, you have confused these two separate provisions of our fundamental law, namely, to "fix" weights and to "regulate" values. I am so sure that this is unintentional on your part that I am endeavoring to bring the matter forcefully to your attention. I feel sure you would not intentionally confuse the issue in the public mind, possibly including members of the Court itself, for you yourself have fully emphasized the gravity thereof.

To regulate the value of the coined money involves a clear understanding of two words, "regulate" and "value." After changing the weight of a coin Congress, under the Constitution, must still regulate its value or purchasing power. There is nothing in the present law which regulates the value of the gold dollar after its weight is changed from 23 to 14 grains. Is it not just as important to regulate the value of the gold in the 14-grain dollar as in the 23-grain dollar? The fluctuating value of gold is as destructive in one case as it is in the other.

This matter is so clearly fundamental that misunderstanding is unfortunate. Fixing the weight is an act of coining. Regulating can only relate to the value of the monetary metal from which the coin itself is made; and this can be done only, as far as Congress is concerned, by operating upon the demand-supply

ratio of the metal. This is a statement of a fundamental truth. Any doubt about it is set at rest by the words of the Constitution which immediately follow: "And foreign coins." How can the United States regulate the value of foreign coins otherwise than by regulating the value of the metal out of which those coins are made? Congress is required to regulate the value of the metal of its coins for domestic use, and also the metal out of which foreign coins are made, to assure United States export trade at profitable price levels. The Government's presentation before the Supreme Court completely ignores this fundamental factor. You may say Congress cannot regulate the value of the metal gold. I say it can. It is the business of Congress to do it. If left free to act, Congress can and will do it. The bill that was to open debate before Congress on this specific point was suppressed by the House Rules Committee.

You speak of an international agreement. Congress, under its constitutional powers, has another plan. What will become of this constitutional power of the Congress to regulate the value of its coins if we unalterably commit ourselves to fixation by an international agreement? In that case will not the bankers of Europe have power to exercise control regulation instead of Congress? Can Congress make such a delegation of power under the Constitution as you have presented to the Court?

By your position, then, you are asking the Court not only to destroy confidence in the sanctity of contracts but at the same time you propose to destroy the effectiveness of the very provisions of the Constitution you advance as a basis for this dangerous action. Is not this a statement of fact, Mr. Attorney General?

In the present confused state of world economics, it is vital for the Supreme Court to refuse to set up the principle of repudiation of contracts; but it is equally important that we permit Congress to regulate the value of money as well and to recognize their oath of office and preserve all other provisions of the Constitution, which our forefathers, with profound and inspired vision, have established.

Can you not recognize the fact that the very foundation of civilization may give way under the impact of such an attack, which might well abolish the remnant of confidence that now staggers on the brink of an abyss? Is not the oath of office imposed to take these fundamental questions out of political considerations?

So grievous is this error and so grave the consequences of it that, in my humble opinion, the destiny of this Nation rests upon a simple, sane, and clear conception of the fundamentals here involved. Under such circumstances will you pardon me for presenting for your serious consideration my reasons why it is not necessary for our country to tear down the bulwark of confidence as to the sanctity of contracts, and why the power of Congress to regulate the value of the money it coins has no relation in fact to the gold clauses; but, on the contrary, the relation you have urged upon the Court rests upon a fundamental misunderstanding and misconception of the simplest application of basic economic law.

That which you ask the Court to do does violence to the sanctity of contracts. You admit it. You must recognize this as one of the cornerstones of Anglo-Saxon law. You justify such violence by urging upon the Court that Congress would be divested of its constitutional power to coin money and regulate the value thereof. This is error based upon error, and of such grave consequence, in my judgment, that you should seriously consider modifying your position before the Court. You must recognize that devaluation—fixation—is not regulation, and I am sure that you agree with me that political policies must take second place to the economic security preserved to us in the Constitution, and which in this case so manifestly affects the general well-being of the Nation and the world, and even touches the preservation of a civilization which it has taken centuries to evolve.

With great respect and high personal esteem, I beg to remain,
Yours very sincerely,

WILLIAM L. FIESINGER,
Member of Congress, Representing the
Thirteenth Congressional District, Ohio.

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the St. Lawrence waterway project, including therein a letter from Major Ripley, to the president of the New York State Waterways Association, containing valuable information which, I believe, will be of use to the Members of the House.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, for the moment I object because we have been objecting to extensions of this character.

CRIMINAL ACTIVITIES IN THE DISTRICT OF COLUMBIA

The SPEAKER. Without objection, the proceedings whereby House Resolution 92 was adopted this morning will be vacated, and without objection on line 2 of that resolution the figures "66" will be stricken out and the figures "94" inserted. This action is taken because of a mistake in the drafting of the resolution as read from the Clerk's desk. Is there objection?

There was no objection.

The SPEAKER. The question now is on agreeing to the committee amendments.

The committee amendments were agreed to, and the resolution as amended was agreed to.

ST. LAWRENCE SEAWAY A WHITE ELEPHANT

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I feel, after the many debates in both the House and Senate during the Seventy-third Congress on the controverted question of the St. Lawrence waterway, that any man ought to apologize for taking any further time of the Members of the House.

Even though they have other duties, I ask them to remain in the Chamber long enough to enable me to point out some of the things which enter into the consideration of the question.

For exactly 4 centuries white men have dreamed of using the St. Lawrence River as the highway to power and wealth.

Today that desire is stronger than ever, but with a dozen generations come and gone since white men first used this route into the interior of North America the goal has not been reached. The mighty barriers which nature placed along the route have not been removed by man as the centuries passed.

But now a climax has been reached in the quest for gold. Two great nations within the next few weeks must determine whether they are ready to spend hundreds of millions of dollars to help the men of commerce achieve their dream.

There are those in the United States, and in Canada, too, who claim this would be an investment yielding great profit. There are others who brand the scheme to convert the rapids and shoals of the St. Lawrence into a mighty seaway as an economic crime.

Some supporters of the plan argue that it would create along the St. Lawrence Valley a mighty industrial empire, aiding both nations on the unfortified border.

Others see only disaster to already great cities, a looting of the Great Lakes region by the mariners of other nations. Some even profess to fear that American cities on the Great Lakes—Buffalo, for example—might some day face the fire of guns of the British Navy should the seaway be built.

I recognize that there are two sides to the question, and certainly every Member of Congress or of the Senate has a right to take any position which his judgment causes him to assume.

I have been an opponent of the proposed treaty, and, of course, what I shall have to say will be in opposition to the treaty.

From the report which the Senate Foreign Relations Committee made on the St. Lawrence Seaway Treaty, one would think that opposition to the canalization of the boundary river to provide passage to the Great Lakes for ocean-going ships was confined to the railroads and a few ports on the Atlantic seaboard. This idea is dissipated by the Merchants' Association of New York City, which has listed a multitude of organizations and interests on record against the pending treaty.

Of course, all the shipping interests in New York State are opposed to the seaway plan. But so are the Baltimore Association of Commerce, the Lake Carriers' Association, the Board of Commissioners of New Orleans, the Lumbermen's Exchange, the Ocean Traffic Bureau, the Commercial Traffic Managers, the Northeast Chamber of Commerce, the New England League, the Newport News Chamber of Commerce, the Philadelphia Bourse and the board of trade there, the Mississippi Valley Association, and the Illinois State Chamber of Commerce—to mention only a few.

The organizations formally on record against the St. Lawrence seaway represent in their memberships citizens having investments aggregating many billions of dollars.

In considering the vote of the Mississippi Valley Association against the treaty it looks as if the hydro-power treaty, masquerading as seaway pact, is about to experience the

same difficulty in being ratified this session as it did about a year ago.

The Senate last March rejected the St. Lawrence Treaty on a vote of 46 for and 42 against, two-thirds being necessary for ratification. Nothing has happened since then that would tend to increase support of the treaty on its merits. The fundamental fallacy of the waterway project, reputable economists say, is in assuming that the project means cheap transportation, or that it is needed. Before the country engages to spend hundreds of millions for a seaway to the Great Lakes it should make certain that it is going to get benefits commensurate with the outlay required. The weight of acceptable opinion holds that the project is not economically sound.

In its resolution on the controversial seaway pact the Mississippi Valley Association went on record thus:

We oppose the ratification of the St. Lawrence Treaty * * * until its inequities shall have been protected * * * until a commercially useful Lake-to-the-Gulf waterway shall have been made secure. * * *

We have not given all the "untils" because the one that really counts, so far as the Mississippi Valley is concerned, is the one that relates to the Chicago-New Orleans waterway. This waterway required diversion of water from Lake Michigan into the Illinois River via the Chicago Drainage Canal, and so to the Mississippi. Since this means diversion of water from the St. Lawrence Watershed, Canada insisted, when the St. Lawrence Treaty was drawn, that a maximum of water divertible at Chicago be made a clause of the treaty. This was done. That the Mississippi Valley Association will oppose the treaty as long as this provision remains a part of it could be taken for granted even if the association had not adopted a forthright resolution:

If the Senate ratifies this treaty it will hand to the United States a "white elephant" that will need to be fed constantly. The scheme cannot be made to pay.

Frank P. Walsh, chairman of the Power Authority of the State of New York, reported to President Roosevelt that the seaway treaty now has the militant backing of the Governors of 20 States and the mayors of more than 50 cities, regardless of party. He, therefore, predicts that the Senate will ratify the treaty, and that work on the project will be started next spring.

Mr. Walsh professes belief that the seaway will assure a saving of \$79,000,000 a year to land-locked States on foreign commerce alone; and he says that—

The savings in electric rates in the nine States in the Northeast within transmission distance of the St. Lawrence power project have been conservatively estimated at \$200,000,000 a year.

Mr. Walsh must know that the St. Lawrence seaway proposal was advanced in the interest of the wheat growers of the Middle West, that the estimate as to saving on foreign commerce was based principally on the shipment of their surplus product. He should be informed that the proposed savings to the grain trade by the seaway would not materialize because of rapidly diminishing exports. He must know as well that St. Lawrence power could not be transmitted to the nine States of the Northeast cheaply enough to make it economically available. Yet he talks glibly about saving them \$200,000,000 a year in reduced rates for electricity.

Mr. Walsh is a most amazing man in the figures that he presents and in the methods that he employs as an official of the State of New York. For instance, he takes no account of the fact that the taxpayers of New York State will have to pay the cost of the St. Lawrence power development. The bill that will be charged against them for it is \$90,000,000. He does not say anything of benefits to them from this huge expenditure.

They will be called upon to invest \$90,000,000 that the people of nine other States may have cheap electrical power. And they are paying Mr. Walsh at the rate of \$75 a day to go up and down the Northeast to sell that idea.

The Chamber of Commerce of the State of New York opposes it, as does virtually every other business organization of importance throughout the State. Its only supporters, virtually, are Frank P. Walsh, chairman of the State power

authority, and Delos Cosgrove, his echo and assistant. Despite every evidence to the contrary, both these men continue to go about the country advocating ratification of the treaty, persistently misrepresenting the State and the wishes of its people.

If we have too much wheat, we plow it under and destroy it, paying the farmers out of the Treasury. If we have too much corn, we do likewise. With too much cotton, we reduce the acreage and give the farmers baled cotton out of the Government warehouse. With too many pigs, we kill the litters of young pigs and pay the farmer for having put less pork and bacon on the market.

But when we have too much transportation, with existing facilities only partly used, we dip into the Treasury to build a parallel line that will throw thousands of American railroad men out of work in order to keep Canadian ships busy.

It would be far worse to increase the transportation facilities of the Nation, either by rail or by water, than it would be to increase the pork, cotton, and wheat supplies, because the railroads, suffering now from too much competition and too much taxation, form the backbone of the Nation. Proceeding with the St. Lawrence project now or in any time in the future would be tumbling this once giant structure, which needs strengthening.

In view of the recent declaration in opposition to the project voiced by Representatives of the Western and Middle Western States it was most designed to benefit, there would seem little use for pursuing the matter further. The consensus of that opinion was that the treaty was entirely too one-sided, giving the bulk of the benefits to Canada for which the United States was to pay the greater part of the costs. It was decried, even, as an unemployment relief project in view of the fact that the greater part of the unemployment relief would accrue to Canada while Uncle Sam would pay the bill. Such benefits as might accrue to the United States, it was held, were negligible and not worth considering.

The treaty would result in depriving the southern and Atlantic ports of much trade. There is plenty of electric current for this part of the country to be obtained from the northern part of New York State, which is largely mountainous. And, as Senator WAGNER points out, this is not the time to expend so large a sum of money as would be called for, which would go largely to pay Canadian labor, when millions of our men are out of work.

From a commercial viewpoint, 79 percent of the Nation's electrical generating capacity is fuel burning. It is cheaper. Furthermore, from a commercial point of view, while only one-sixth of the country's waterpower has been harnessed, the remaining sites are expensive to develop, distant from markets, unreliable in flow or undesirable in some other respect from the strictly commercial viewpoint. So that if further electric power production is to be based on a commercial set-up, fuel-burning plants rather than water power would be used. And at present rates there is 50 to 75 percent excess capacity in many areas.

The ideal combination is to use water power as a supplementary source to carry peak loads for brief periods, while all of the load part of the time, and the bulk of the load the rest of the time, are carried by the economical fuel burners.

The Montreal (Canada) Gazette, had the following to say against the approval of the St. Lawrence Waterway Treaty, which clearly sets forth what the organizations believe the cost to both Nations would have been and, therefore, what has been saved:

Two arguments advanced by the proponents of the waterways scheme, in order to influence affirmative action by the Senate, are: (1) That it will save the Central West wheat farmer sufficient sums on his freight bills to make it possible to sell his product in Europe; (2) that the railways of the country very soon will be unable to handle the Nation's traffic, and therefore it is necessary to increase at once transport facilities to help them out.

Thinking Americans, however, will note that the United States is selling little or no wheat in Europe, and they must know that Australia and the Argentine, to mention no other competing wheat-producing countries, are able, and will continue to be able, to supply Europe with all the wheat it needs

at lower prices than it can be profitably grown and shipped from the Great Lakes even at the saving in the costs of transportation which it is contended will be possible under the Lakes-to-Atlantic waterway plan. Such a saving for the few would be at the great expense of the many.

Competent engineers have demonstrated that the taxpayers will have to pay 11 cents for every 4 cents that the provision of the new seaway facilities may save the farmers on the transportation of their wheat to a European market if and when such a market can be secured. Regarding the second argument, surely the prospects of the country's railways being inadequate to handle the Nation's traffic in a few years are wholly imaginary.

In the knowledge of the enormous financial liability involved in the seaway scheme, there is force and pertinence in the contention advanced in the Senate and outside the Senate that, even if traffic prospects were as substantial as seem by those with whom it has long been a gilded dream, some day ocean ships will carry their goods down the Lakes, down the St. Lawrence, and across the Atlantic, it would be less expensive to construct another railway from the Central West to the eastern coast than to build the contemplated seaway, which will require from \$25,000,000 to \$50,000,000 annually to pay the interest on the investment and maintain the property.

One thing certain is that, because of its extraordinary heavy costs, the seaway, considered apart from the power potentialities of the project, cannot be made to pay its way, for if the rates for transport thereon are made high enough to provide the shadow of a chance of a return on such a vast capital expenditure, they will necessarily be so much superior to the rates charged by the railways as to forbid traffic.

Let us consider what further effect it would have had upon American and Canadian railroads and their employees. If the St. Lawrence waterway were capable of handling during the navigable season of the Great Lakes, which is approximately 7 months each year, any considerable amount of traffic, the amount handled would be taken from the railroads or from the ships now operating on the Great Lakes. The public, however, would still expect that during the remaining 5 months of the year, when the Great Lakes are not navigable, the American and Canadian railroads would have been requested to hold, ready for service, equipment to carry on the commerce of both Nations and railroad employees would have been expected to hold themselves in readiness to man this additional train service. Consequently we would have had more part-time workers on our railroads and more idle equipment; in addition, we would have placed upon each Nation not only a debt to meet the cost of construction but an everlasting maintenance cost.

UNEMPLOYMENT INSURANCE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, 50 years ago the first law of modern unemployment insurance of the world came into force. It was the law referring to sick insurance for industrial workmen in Germany. Starting in Germany, the idea of social insurance spread slowly but has ultimately found its way into many great nations. It has become the basis and cornerstone of modern workmen's social politics.

When, under the great statesman Bismarck's chancellorship, social insurance was first introduced, he was warned against taking this "jump in the dark", for nowhere did any experience in the matter exist.

Now, the introduction of social insurance no longer means jumping in the dark. We can look back upon an experience of 50 years that points the way to real social politics—and at the same time shows how they should not be made.

WHAT IS SOCIAL INSURANCE?

Generally speaking, social insurance falls into four broad categories:

First. Accident, including workmen's compensation.

Second. Sickness, including maternity.

Third. Old age, including invalidity or physical incapacity to earn a living.

Fourth. Unemployment.

WHERE IS IT IN FORCE?

Unemployment insurance, in most cases coupled with other social legislation, under public control or authority, has been established in 18 foreign countries. The systems established fall into two main groups, usually distinguished by the terms "compulsory" and "voluntary." Compulsory systems are those in which unemployment insurance is made obligatory for certain designated classes of workers and under definite conditions prescribed by law. Voluntary systems are those in which unemployment insurance through private organizations is recognized, encouraged, and even subsidized by the state, but the establishment of such insurance is not obligatory.

The 18 countries having unemployment-insurance legislation are almost equally divided between these 2 types, the legislation in 9 countries being compulsory in character and in 8 voluntary, while in 1 country—Switzerland—the cantonal legislation is in some cases compulsory and in others voluntary. The distribution of the 18 countries on this point and the date of the first legislation on unemployment insurance in each country are as follows:

Compulsory system:

Austria.....	1920
Bulgaria.....	1925
Germany.....	1927
Great Britain.....	1911
Irish Free State.....	1920
Italy.....	1919
Luxemburg.....	1921
Poland.....	1924
Queensland.....	1922

Voluntary system:

Belgium.....	1920
Czechoslovakia.....	1921
Denmark.....	1927
Finland.....	1917
France.....	1905
Netherlands.....	1916
Norway.....	1915
Spain.....	1931

Mixed system:

Switzerland.....	1924
------------------	------

As is indicated by this chart, elaborate state systems for unemployment insurance are comparatively new, although innovations along this line trace back 50 years. Germany, itself, did not complete a full-rounded social-insurance program until 1927. All but two of the systems were established since the World War.

HOW HAS IT WORKED IN FOREIGN COUNTRIES?

A study of the various unemployment- and social-insurance systems now in force throughout the world reveals a wide difference in policy and operation. They are alike only in their objective—namely, the relief of the evils and hardships of unemployment, distress, and poverty through some form of insurance. Otherwise, they differ among themselves on practically all important points, including coverage, methods of contributions, amount, and character of benefits, provision for emergency benefits, method of administration, and so forth.

A sweeping view of the foreign systems yields convincing proof that the compulsory type has many advantages over the voluntary type.

Belgium, which began its program in 1920, is now about to revamp its system and change from a voluntary system to a compulsory system.

Denmark has had the unpleasant experience within the last few years of seeing the payment benefits far outstrip the incoming contributions. She has been left with an increasing deficit each year and contemplates a change to the compulsory system.

The Netherlands has an older system, beginning a voluntary program in 1916. It is conducted by trade unions, under Government authorization and supervision. It developed that the trade unions found themselves unable to keep up the benefit payments since they far exceeded the voluntary contributions. It was necessary, therefore, for the various municipal governments to help them out. The

state then found it necessary to aid the municipal governments. Result: A rising tax burden, with the state in actual practice supporting the plan. At present the country has what is known as "social support", the state contributing three times as much as the municipalities. Its weakness lies in the fact that there are no compulsory employer-employee contributions, and the state is carrying all the burden.

France does not have a strict insurance scheme. She has set up an elaborate system of national unemployment agencies. Her voluntary unemployment-insurance program became a virtual dole, with the state subsidizing an overlapping system of agencies and municipal offices. Under the plan direct aid was given the unemployed for a certain number of days by the state and then he fell back on his community. The state was aiding the community so this failed to solve the problem. A recent movement for a new system, similar to President Roosevelt's program of the new deal, is proving successful, and France will soon have a compulsory system of social insurance.

Germany's system called for 50-50 contributions from the employer and employee. The state did not propose to assist. As a compulsory system it worked well for those physically able and fortunate enough to secure work, although the state found it necessary to subsidize the municipalities to some extent. The difficulty arose over the necessity for taking care of the increasing unemployed, who could not be helped beyond a limited point by the employer-employee contribution system. Germany set up a system for welfare support, making direct grants to local governments to take care of this. The difficulty has developed over the double relief system, one being handled by the employers and employees without Government help, and the other existing as direct Government relief. Criticism is that the present awkward program is discouraging initiative and placing an increasing burden on the state. The unemployment-insurance system needs to be nationalized, loopholes plugged and adjusted to take care of all classes.

Italy has a triple contributory plan, government, employer, and employee each contributing. It is compulsory in name only, inasmuch as there are many exceptions and only 21 percent of the workers are covered. During the period it has been in operation benefits have totaled less than one-half the contributions. Very small benefits are allowed. Because of present large surplus there is an agitation for larger benefit payments. Italy's well-rounded, old-age, invalid pension, orphans', widows', maternity, and unemployment insurance, sternly administered by the state, demonstrates the need for national control and supervision.

Great Britain, observing the errors and pitfalls of past experience of her own and other nations, adopted a remodeled unemployment-insurance program in June of 1934. It is similar to the American proposal for a complete social insurance system.

Chile has, perhaps, one of the most successful social insurance systems now in operation. Beginning 16 years ago, it has operated well and effectively in abolishing poverty, acute depression, and acts as a cushion for severe economic and social shocks. Its present social security administration includes:

(a) Unemployment insurance: Compulsory for all persons under 65—except a few in the higher brackets or covered by special schemes. Financed by triple contributions—3 percent borne by employer, 2 percent by worker, 1 percent by state.

(b) Maternity benefits.

(c) Invalidity benefits.

(d) Old-age pensions: This is formed by accumulating in the account of each insured person that part of the triple contribution which he, himself, pays, namely, 2 percent of his wage. It becomes payable at the age of 55, 60, or 65, at his choice.

(e) Direct relief: Direct food, clothing, and shelter to destitute. Financed by a special tax on income from investments and business profits, and on salaries above \$500 a month.

(f) Public assistance: State provides hospitals, dispensaries, lunatic asylums, infirmaries for aged, and work-houses. Money raised by tax on betting, patents, and by revenue derived from the institutions themselves. Administered by regional offices.

(g) Low-cost housing: Loans made to industrious persons for new-home building. Slum eradication encouraged by Government. Liberal loans granted.

OPINIONS "CON" AND "PRO"

While the movement in favor of all types of social insurance is rapidly growing, particularly as it concerns unemployment and old-age insurance, there is still a body of opinion opposed to the establishment of any such system.

AGAINST

The essential arguments of those opposed to social insurance are as follows:

First. Social insurance is paternalistic and therefore incompatible with individual freedom.

Second. Social insurance undermines the character of the workingman, taking away incentives for thrift, self-reliance, efficiency, and so forth.

Third. The administrative machinery involved would necessarily be too complicated and too liable to political pressure.

Fourth. Industry should care for these matters itself.

Fifth. Social insurance would put too heavy a burden on the taxpayer.

Sixth. Social insurance would put too heavy a charge on industry.

Seventh. Social insurance prevents the reduction of wages.

Eighth. Federal legislation in this field is of doubtful constitutionality.

Ninth. The sound investment of insurance reserves presents great difficulties.

FOR

First. The advocates of social insurance maintain that since we have long recognized our responsibility toward the weaker members of society, our responsibility to feed, clothe, and house those who cannot care for themselves, a certain degree of paternalism on the part of our Government is no new thing; and that, so long as it is necessary to protect the great masses of workers and to guarantee them a decent minimum standard of living, this paternalism is justifiable.

Second. It is held by the proponents of social insurance that a contributory system would not lead to thriftlessness or a loss of self-respect, but would rather encourage thrift, in that it would set up an organized and collective system of savings; and, in removing the charity element from emergency funds, would permit the maintenance of self-respect even during those periods when earnings were cut off.

Third. Relative to the administration of such a system, it is pointed out that plans adopted abroad vary greatly in complexity; that unquestionably the simpler types have been the more successful; and that, therefore, there is no reason to suppose that simplicity would not characterize the plan adopted in this country.

Fourth. Social-insurance administration abroad has been singularly free from scandal and abuse and distinctly less costly than that of private insurance companies.

Fifth. In reply to the allegation that the cost of social insurance to industry would be too great, it is noted from foreign experience that "the resulting charge which enters into the cost accounts of productive enterprise may be estimated as being on the average rather less than 1 percent of the value of gross output."

Sixth. Although its advocates acknowledge that social insurance might make the lowering of wages more difficult, they hold that to be desirable. As for the increased tax burden involved, the reduction in the present cost of welfare relief, now largely met by the Government, would tend to offset the cost of such a plan to the taxpayer. To the extent that social insurance ameliorates the tragic consequences of unemployment, sickness, and old-age dependency, to that extent it reduces their social cost. Furthermore, it offers the only coordinated, efficient, and economical plan of administering relief—a method far superior to the pie-

meal, haphazard, uncoordinated, and wasteful systems of private and public charity in vogue in this country today.

Seventh. As for the constitutionality of such law and the soundness of the investment of insurance reserves, these are matters largely to be determined by the act itself, and are purely technical. The arguments favoring social insurance are fundamental; most of the arguments against are labored and superficial.

WHAT HAVE WE LEARNED FROM OTHER SYSTEMS?

From a survey of the strength and weaknesses of the various foreign systems, the United States may well draw the following conclusions:

First. The system must be compulsory: This is the only way of protecting all those who need protection, as experience with voluntary systems abroad has demonstrated. Otherwise the young, the healthy, and often even those who most need insurance fail to take advantage of the system, once it is established, thereby making its membership too limited to have much effect on the social problem it was designed to solve and jeopardizing its financial status by overweighing it with "poor risks."

Second. The cost must be spread as widely as possible: (a) The employee should contribute: This encourages thrift, promotes self-respect, and makes very clear the distinction between insurance and welfare relief. Moreover, it gives the worker the right to participate in the administration of the system, as it is then not just something set up for his benefit but something for which he has paid and in which he has a definite interest. (b) The employer should contribute: The employment hazards of the worker result largely from the progress and operation of the industries from which the employer profits. It is fair to make the cost of social insurance in part a charge upon industrial production, just as the depreciation of machinery, fire, theft, and liability insurance are items in the cost of production. (c) The State should contribute: It is the recognized duty of the Government to promote the citizen's welfare and to protect those who cannot protect themselves against insecurity. Funds for the Government's contribution must be raised by taxes of one form or other.

Third. The family must be the unit for social-insurance purposes: A comprehensive system of insurance should embrace not only the hazards facing the breadwinner directly, but also those affecting his dependents. Hence the need for insurance reserves for old age, widows, orphans, invalids, insane, and maternity.

Fourth. Benefits should be lower than normal wage: Because of the cost involved and to prevent slackness and desire for idleness on the part of the worker, benefit payments should not be at the full wage rate, but only sufficient to maintain a national standard of well-being.

Fifth. Government should conduct the program: Experience in foreign nations offers convincing proof that a sound, workable social insurance program cannot be successfully carried out by private groups. All the various types of insurance should be conducted by the same governmental agency, thereby eliminating chances for duplication, waste, loopholes, and so forth. In this country our State governments may be given opportunity to preserve a measure of responsibility, but all should work together under the general supervision of the Federal Government. Defects have been found in the Switzerland system, where the various Cantons are permitted to accept or reject the social insurance program. This independence of the Federal system has led to a condition whereby at the present time certain Cantons have a compulsory system and other Cantons a voluntary system. Our Nation should profit by this exhibition of the lack of coordination and establish a uniform national operation. This is practically vital if the Government is to join in contributing a percentage to the reserve funds.

SYNOPSIS OF THE UNITED STATES PLAN

The Wagner-Lewis bill now before Congress provides briefly:

First. Unemployment-insurance plan permitting maximum compensation of \$15 a week under State-sponsored programs. This would be financed by a uniform pay-roll tax, starting at

1 percent next January 1 and moved up to 3 percent in 2 years, unless business recovery made a quicker step-up possible. A 90-percent credit allowed employers contributing under compulsory State plans; the remaining 10 percent used for State and Federal administration.

Second. Three-pronged old-age pension plan, providing noncontributory compulsory and voluntary phases with Federal subsidies not more than enough to pay a \$30 a month total to any person over 65. Compulsory fund financed by pay-roll tax graduated from 1 percent in 1937 to 5 percent after 1957, and borne 50-50 by employers and employees. Persons too old to build up their own insurance would be cared for. Voluntary system permits supplemental annuities up to \$50 a month.

Third. Federal subsidies to States in aid of mothers and dependent children from \$25,000,000 annual fund. Annual federation appropriation of \$4,000,000 for State maternal and child health grants; annual \$2,000,000 appropriation for State crippled-child care, and \$1,500,000 annually for aid to child-welfare services.

Fourth. Supplemental Federal aid to State and local public-health agencies from \$10,000,000 annual appropriation, \$2,000,000 to go for Bureau of Public Health research; remaining \$8,000,000 allotted to States on a basis of need.

Only wage earners drawing under \$250 a month could participate in the compulsory old-age pension plan. The President's Economic Security Committee proposed similar eligibility under State-drawn unemployment-insurance plans, with Government workers and beneficiaries under the Railway Retirement Act exempted.

Excluded from the program is any provision for so-called "health insurance", although studies are being made, in consultation with representative physicians, looking to supplementary legislation along this line.

Under the unemployment-insurance plan workers are assured their right to strike. Compensation would begin 4 weeks after an employee lost his job and continue for a 16-week maximum. The employee could receive work relief under the Public Works program when insurance benefits expired.

Entering the voluntary-retirement insurance field, heretofore reserved for private companies, the three-headed old-age pension plan would permit the Government to sell old-age annuities to persons either not eligible under the compulsory plan or who wished to increase their annuity. No such policy would have a maturity value of over \$9,000.

Following recommendations submitted by the President's Committee on Economic Security, the Federal Relief Administrator would handle Federal subsidies for old-age pensions and dependent-child care; the Labor Secretary, subsidies for maternal and child welfare; Public Health Service, State health allocations; while the Treasury Secretary would manage and invest all deposits for unemployment insurance and old-age pensions. A social insurance board would study the course of the experiment and advise with the Labor Secretary.

INQUIRY INTO THE POSTMASTER GENERAL'S DISTRIBUTION OF IMPERFORATE STAMPS

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, a practice has recently grown up that I feel should be brought to the attention of the Members of this House, and made the subject of an investigation by the members of the Committee on the Post Office and Post Roads, so that those responsible for it may be given an opportunity to defend themselves and to make an explanation.

On behalf of the 9,000,000 philatelists in the United States, and because I feel that the American people are entitled to know the facts concerning the Postmaster General's practice of bestowing valuable gifts upon his friends and officials of the Federal Government, I introduced the following resolution of inquiry, which was referred to the Committee on the Post Office and Post Roads:

Resolved, That the Postmaster General be, and he is hereby, directed to furnish to the House of Representatives the following information:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.

2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.

3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.

4. The name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

While I was motivated in asking this inquiry by the request which I received from the Westchester County (N. Y.) Chapter of the American Philatelic Society, the questions involved here are so broad that they interest every citizen, whether a stamp collector or not. The real question at issue is not whether certain philatelists or stamp dealers have been injured but whether Mr. Farley or any official of the United States has used his official position to show favors and bestow valuable gifts upon a special group of people.

If the Postmaster General or any other official of the Government has so used his position, I think we will all agree that it is unethical and improper. I will reserve any expression of opinion whether it is anything more than that until the House is fully informed of the facts and can pass judgment upon the legality of this practice.

At the outset only the philatelists viewed the practice of the Postmaster General with alarm, realizing that the imperforate and ungummed sheets distributed by him would be classed as rarities and therefore command a high price in philatelic markets.

The American Philatelic Society feels that this new deal in philately is a discrimination against the rank and file of stamp collectors, because sheets of imperforate stamps are not made available to them for purchase.

During the present administration it has been the practice of the Postmaster General, when there were new issues of stamps, to requisition from the Bureau of Engraving and Printing the first few sheets printed, before they had been gummed and perforated, autograph them, and present them to a favored few of his friends. When the Mother's Day stamp was issued, Mr. Farley autographed and presented the first full sheet of 200 subjects to Mrs. Roosevelt. Later he inscribed one of these imperforate sheets of stamps for the President, Colonel Howe, and one for his own children—Betty, Ann, and James A., Jr.

With the printing of the Wisconsin stamp which followed, sheets are said to have been autographed by the Postmaster General for the President, his secretary, Third Assistant Postmaster General, and this time one for each of Mr. Farley's three children.

This procedure appears to have been followed with each new issue until the national parks stamps when the first sheet was presented to the Secretary of the Interior.

I have no definite knowledge of how many of these sheets have been distributed, though the members of the Post Office Committee have shown me the courtesy of letting me see the reply furnished by the Postmaster General in response to the resolution of inquiry. I think, however, a fairly accurate estimate would be considerably over 100. There has been an estimate made of 160. Press reports have criticized the presentation of some of the recent stamps to the President, Mrs. Roosevelt, Secretary Ickes, the children of the Postmaster General, the Secretary to the President, Louis Howe, the First Assistant Postmaster General William W. Howes, the Acting Second Assistant Postmaster General Jesse Donaldson, the Third Assistant Postmaster General Clinton B. Eilenberger, Gen. Hugh Johnson, an unnamed friend of Mr. Farley in Norfolk, Va., and it is rumored that a set went to a

Member of the United States Senate and another to a Senator's son.

The Norfolk Philatelic Society addressed a letter to President Roosevelt urging him to "take steps immediately to discontinue this favoritism in the distribution of imperforate stamps"; and prompted by the report that a collector in that locality had a sheet of 200 Mother's Day stamps, which had a face value of \$6, but which he had insured for \$20,000, and for which he had been offered \$30,000 by a New York stamp company. Sometime ago a similar sheet of the Mother's Day stamp was in New York. It bore a signature, "James A. Farley, May 18, 1934", and like the Norfolk sheet, was said to be insured for \$20,000. The owner and dealer, however, could not come to terms.

I am told that the dealer, who has not made public the name of the owner offering the sheet for sale, has twice invited the Post Office Department to send an inspector to see him concerning the sheet, to give him an opportunity of informing the Post Office Department of the name, but the inspectors have not availed themselves of the opportunity.

Speaking of the Norfolk sheet, Mr. Farley, in reply to an inquiry by the Herald Tribune, said:

At the time of the Mother's Day stamp issuance I purchased five sheets of the ungummed and imperforate stamps. These sheets went to the President, Mrs. Roosevelt, Secretary Ickes, and Louis McHenry Howe, the President's Secretary. Also I presented one to a friend of mine in Norfolk, Va., and that probably was a mistake.

Mr. Farley further clarified his position by explaining that in sending the sheet he used an imperforate one because the holes in the perforated sheet caught the point of his pen.

Again commenting further to the press on the sheet offered for sale in Norfolk, Mr. Farley prefaced his explanation by saying, "The worst part of it is it was." In other words, Mr. Farley's regret seems to be not that he made valuable gifts but that his friends disposed of the gifts. I have not seen nor have I heard any adequate defense. His attempts at justification of the issuance of autographed imperforate sheets because his pen stuck in the perforated ones does not vindicate him even in the eyes of those who are endeavoring to shelter him.

It develops that a sheet of imperforate and ungummed stamps is a museum piece and of great value. I am credibly informed that there are 9,000,000 stamp collectors in the United States who purchased stamps last year amounting to several million dollars. Any little irregularity in a stamp creates a value entirely unrelated to its nominal price. The Postmaster General has brought out a lot of new issues on the theory that the people are getting tired of the old ones. Up to the present time he has turned out 20 special issues. There were 10 of various denominations in the national parks series; 1 for the town of Newburgh, N. Y.; 2 for the Chicago exposition; 1 for the N. R. A.; 1 for Kosciusko; the *Graf Zeppelin* flight stamp; the Byrd "Little America" stamp; the Maryland commemorative stamp; the Mother's Day issue; and the Wisconsin Tercenary stamp.

The president of the local chapter of the society in my own county informs me that he knows of collectors who have paid as high as \$175 each for the imperforate stamps in pairs and in blocks. I have a letter written by Eugene Klein in Philadelphia, a dealer, offering for sale another stamp, the 2-cent Grand Canyon, imperforate, pair at \$350, from one of the sheets given by the Postmaster General.

One of our colleagues has received the following letter from Mr. George R. M. Ewing, 52 Vanderbilt Avenue, New York City, commenting on the practice of the Postmaster General to which I have referred:

Postmaster General Farley is presenting entire sheets of new stamps to some of his friends, including the President. These sheets are not perforated nor are they cut apart into small panes of 50 to 100 as we buy them in the post office. Consequently they constitute an entirely different variety of stamp from the perforated stamps sold in the post offices. It is absolutely impossible for any private citizen to buy any of these imperforate stamps. Consequently anyone getting one of these sheets pays Farley the face value and gets a sheet of stamps that is worth thousands of dollars in the philatelic market.

As an example, several weeks ago I saw an unperforated sheet of Mother's Day stamps—200 stamps on the sheet (when cut into panes, we bought them in small panes of 50) and it bore the signature of Mr. Farley on one of the sheet margins. The sheet of stamps was sent to the Scott Stamp & Coin Co., 1 West Forty-seventh Street, New York City, for them to purchase and the owner asked \$20,000 for the sheet. They cost 3 cents a stamp and he asked \$100 a stamp from the dealers. The Scott Co. refused to buy the sheet and sent it back. They will not divulge the name of the owner to private individuals, but Hugh M. Clark (head of the Scott Co.) has twice requested the local postal authorities to send up an inspector to question him, and he would give the inspector the information. His invitation has been absolutely ignored to date.

Not only sheets of Mother's Day issue but of every issue brought out under Farley's supervision has been distributed, and some day these are coming on the market—if not by the present holders, then by their estates—and stamp collectors are going to be forced to absorb United States stamps that they never had the opportunity to acquire when they were current. Naturally they will be forced to pay through the nose—as they are being asked to do at the present time.

I, personally, have been offered blocks of the 4-cent national parks and the 8-cent national parks, imperforate (and these can only come from the presentation sheets) at \$250 per stamp, \$500 for a pair of stamps, and \$1,000 for a block of four. They were offered to me by a dealer, and he said they were offered to him from a source in Washington in exchange for United States stamps that the owner desired for his collection. I refused to buy and the dealer later told me that he declined the order as he couldn't place the stamps at that price—but, a few days later, he received the same identical want list from a dealer in Washington. In other words, the owner found a Washington dealer he could do business with.

So that you will not think that it is a case of "sour grapes" with me relative to these unperforated sheets, I want you to know that I own a pair of unperforated 2-cent national parks stamps that I bought from a dealer (Eugene Klein) in Philadelphia in September and paid him \$250 for them. This was before I was aware of what was going on, and they were represented to me as having been found in a post office out West. If we succeed in getting the Department to issue these sheets unperforated, the value of my pair will drop from \$250 to 4 cents; nevertheless I want to see it done.

It took comparatively little effort to ascertain that blocks of stamps which can only have been a part of the incomplete sheets such as were requisitioned by Mr. Farley have found their way into the hands of dealers in several parts of the country and are held for high prices to be sold to persons who can afford to buy.

Suppose if we give the present possessors of the sheets the benefit of the doubt, though we know single imperforate stamps, pairs, blocks, and sheets have more than once been offered for sale at high prices, there is nothing to prevent their heirs or estates after their death from placing them on the market. We know of instances where men have left nothing to their heirs but valuable stamp collections. On the auction block these have created huge fortunes. One of our late colleagues in the House is said to have left a collection of stamps valued at \$1,000,000. Now, if a single sheet of 200 stamps, the face value of which with perforations is four to six dollars, is salable unperforated in the philatelic market for \$20,000, a set of the 20 special and commemorative issues is worth \$400,000. I am informed that the President has two such full sets, and Mr. Secretary Ickes has another, and from newspaper reports there are many others. From this it is easy to understand why there has been such a tempest raised among philatelists against this distribution by the Postmaster General.

The score of philatelic organizations which have passed resolutions condemning the distribution of imperforate sheets of commemorative stamp issues not available to the general public offer suggestions as to how to right the wrong which they feel has been done them. The first of these resolutions was adapted in July by the Westchester County Chapter and presented at the American Philatelic Society's convention as early as last August. The resolution asked the Post Office Department to discontinue the practice as detrimental to stamp collecting in that rare varieties of United States stamps were being created which would at some future time command exorbitant prices in the stamp market. The fears of the members were justified, for we now know that some of these stamps have already found their way into the hands of dealers and are being offered and sold for tremendous prices.

Again on January 18, 1935, the Westchester County Chapter No. 85, adopted a resolution asking the officers of the American Philatelic Society to call to the attention of the Post Office Department that the policy of issuing imperforate presentation sheets of stamps causes confusion and is "detrimental to the best interests of American philately." The members believe that the "practice has continued to the further detriment of collectors of the United States stamps, as some of those imperforate stamps have already been offered for sale and there is nothing to prevent any and all of them being offered at some future time." The resolution asks further that the Post Office Department recall and deliver to the Bureau of Engraving and Printing, for destruction, all such irregular and contraband productions. It was further resolved that a copy of the resolution be forwarded to President Roosevelt, a fellow member of the American Philatelic Society, with the request that he personally intervene in the matter in the interest of collectors in general and for the preservation of the credit of philately in the United States. This resolution was passed after it was absolutely authenticated several new stamps, including the Mother's Day and the national parks stamps, had been issued before being perforated and had found their way into the hands of dealers. The members, in adopting the resolution, felt that such issuances and practices have a strong tendency to cast suspicion that favoritism is practiced by the head of an important department of our Federal Government, who, like Caesar's wife, should be above and beyond suspicion.

In a poll taken by the National Federation of Stamp Clubs it was found that the clubs are unanimously against the policy of giving out imperforate sheets of stamps to favored individuals.

The practice of making presentations of these special varieties originated with the present administration. Before this time the Post Office Department and the Bureau of Engraving and Printing have zealously guarded against knowingly issuing any special varieties, and every precaution has been taken to see that no stamps were issued other than the regular common stamps available at the Philatelic Agency and in the post offices to the public.

The Bureau of Engraving and Printing, I find upon careful inquiry, acts merely as a manufacturer executing a contract. The Postmaster General, under the law, requisitions from the Bureau the quantity and type of stamps needed or desired and the Bureau executes the order.

In the case of the imperforate and ungummed stamps the Postmaster General specifically ordered them delivered to him unfinished, or if he did not do so by what authority were they issued? The Bureau of Engraving and Printing is extremely careful in the issuance of all stamps, that they be just as requisitioned and perfect in every way. The Director has no discretion in the matter. He carries out his instructions to the letter. If the Bureau of Engraving and Printing, in furnishing these special stamps to the Postmaster General, acted upon regular requisitions submitted by the Post Office Department in accordance with the established practice, that Bureau is, of course, without blame.

It was of interest to me to learn that the first United States stamps issued in 1847 in 5- and 10-cent denominations were imperforate. These were cut from sheets furnished to the post offices by the postmaster who sold them. There were also legitimate imperforate sheets of stamps issued by the Post Office Department subsequent to 1917 for use in vending machines. These were placed on sale in sheets of 100 at the Philatelic Agency and at post offices.

When sheets of imperforate Red Cross stamps were accidentally turned out several years ago, the error was discovered before the stamps were offered for sale and all copies were destroyed, the Post Office Department at that time having gone so far as to refuse the request of the Postal Museum for a sheet for its collection.

In 1929 or 1930 a sheet of the Von Steuben stamps, through an oversight, was issued without perforations. The Post Office Department immediately took steps to retrieve it, and 3 of the 4 panes were found and destroyed. Later the fourth

was purchased in a small Texas city by a minister said to have been Leslie Boone. Mr. Boone, realizing its philatelic value, cut the sheet into blocks, which he offered for sale at \$500 each.

In other years and in previous administrations such errors as imperforate sheets have been known to occur by accident, and in that event when discovered they were destroyed before being placed on sale. When errors were not detected, such as in 1917, when the die of a 5-cent stamp was placed in a sheet of 2-cent stamps, or in 1918, when the center of the 24-cent air mail stamp was inverted, the stamps were sold at regular face value before the discovery. These have, of course, attained high value since because of their rarity. A single air mail stamp with the plane printed upside down is known to have brought \$3,200 at auction.

I am told that in Canada a few sheets of 2-cent King Edward stamps were blown out of a window before they were perforated. The Canadian Government promptly made an effort to retrieve them, and upon its failure to do so issued similar sheets of stamps without perforations.

In 1919 we know of another similar instance. This time imperforate sheets of Bavarian stamps were stolen. To offset their fictitious value the Bavarian Government printed and issued a whole set of imperforate sheets and placed them on public sale.

For some time Russia has issued perforate and imperforate sheets of stamps for the acknowledged purpose of creating a demand for both issues in the philatelic market. This is well known and frankly admitted to increase the sales of stamps to collectors.

How other governments have corrected their stamp abuses and problems is not our concern, however, except insofar as we wish to follow their example.

The question is not whether there is a law prohibiting a restricted distribution of incompletely manufactured or imperforate stamps but rather a question of whether the Postmaster General has authority under the law to issue or release any stamps for purposes other than strictly postal use. Many lawyers believe that he is only authorized to do those things authority for which is specifically given him in the statutes or the postal regulations. Clearly the Postmaster General's authority in regard to the issuance of postage stamps finds its source in the statutes and is limited to the issuance of stamps for postal purposes. The imperforate sheets under consideration were not released for postal purposes—Mr. Farley has so stated. He stated that they were given to his selected few friends as souvenirs of the occasions. There is nothing in the statutes or the postal regulations which authorizes the Postmaster General to engage in the souvenir-vending business. The United States of America is not in the souvenir business.

Small sheets of 6 and 25 stamps were issued on four occasions, beginning with July 14, 1933. These were not restricted in sale to the Postmaster General's selected friends, and in addition to the 200 and 400 subject sheets. In each instance an inscription on the margin of the small souvenir sheets stated—

Printed * * * under authority of James A. Farley, Postmaster General * * * in compliment to * * *.

In the several official circulars issued to postmasters throughout the country and in the Postal Bulletin the sheets were referred to as souvenir stamps, capable of serving postal duty but issued for the benefit of stamp collectors. No reference is made in the circulars as to the source of the Postmaster General's authority for issuing these souvenir sheets for purposes primarily other than postal uses.

The possible precedent of a somewhat similar sheet in connection with the International Philatelic Exhibition of October 1926 is not comparable with the 1933-34 souvenir sheets, since in the 1926 instance the stamps were fully perforated, gummed, and incapable of being distinguished from identical individual stamps on sale at all post offices.

Since the printing and distribution of the 1933-34 souvenir sheets and the accounting and distribution of them, as well as their sale, entailed an expenditure of Government funds, it might be interesting to obtain an opinion from the Comp-

troller General as to the propriety of the expenditures made. The fact that the sales may have netted a profit would not affect the legal question involved.

It is a fundamental concept that Government property and governmental facilities are public property and exist for the benefit of the public at large alone. The restricted or monopolistic use of Government property or facilities for private gain is abhorrent to the fundamental concept of popular government.

It is not at this time contended that the Postmaster General or any member of his staff received any private monetary reward for having made it possible for a selected few to obtain the sheets in question, but it is contended that through the exercise of his control of the great institution which has been entrusted to his management he has impressed certain Government property with great and extraordinary value. This property he has made available to the exclusive benefit of a few persons of his own individual selection.

This clearly is an indirect circumvention of that which is fundamental to popular government, namely, special privilege.

On February 1, I offered an amendment to the Treasury and Post Office appropriation bill, as follows:

Provided, That no part of the appropriation shall be used for the manufacture and distribution of any postage stamps that shall not be fully perforated and gummed and ready for sale at post offices or other places where postage stamps are sold—

which, if it had been adopted, would have specifically prohibited unusual distributions. Perhaps such unusual distributions made by the Postmaster General are already illegal, but this amendment would have cleared up any doubt on that question. The amendment, however, became, instead of a question of right and wrong, a partisan matter on the part of the Members on the other side of the aisle, and was voted upon as such. It consequently failed of passage. Perhaps some of those on the other side who voted against that amendment feel that no new legislation was necessary to make illegal practices of this character; and if there were Members of the House whose vote on the amendment was influenced by such consideration, I am sure they are taking a keen interest in this discussion.

Examining the resolution of inquiry which I presented last Monday, and which was before the Post Office Committee on February 5, and the reply of the Third Assistant Postmaster General, it is plain to be seen no more evasive reply was ever made. The Third Assistant Postmaster General does not answer a single question in my resolution. He does not state how many imperforate stamps have been issued; he does not give the names of the persons to whom they were issued.

The resolution asked:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.
2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.
3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.
4. The name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

The reply, which was not sent to the committee by Mr. Farley, but by his Third Assistant Postmaster General, is a masterpiece of evasion.

The Committee on the Post Office and Post Roads, to whom was referred the resolution (H. Res. 76) requesting information from the Postmaster General, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following informative letter from the Post Office Department:

POST OFFICE DEPARTMENT,
THIRD ASSISTANT POSTMASTER GENERAL,
Washington, February 4, 1935.

HON. JAMES M. MEAD,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR MR. CHAIRMAN: Since January 1, 1933, 27 varieties of postage stamps have been issued by the Department. A list of these stamps, together with the quantities issued and made available for sale to the public, is attached (exhibit A).

All of these stamps, with the exception of the souvenir sheets, were made available to the public in sheets of either 50 or 100, according to the size of the stamp, which is the usual form in which they are distributed to postmasters. These sheets were perforated and gummed. The 1- and 3-cent Century of Progress souvenir sheets were in panes of 25 stamps, imperforated and ungummed; the souvenir sheets of the 3-cent Little America stamp were in panes of 6 stamps, imperforate and ungummed; the souvenir sheets of 1- and 3-cent national parks stamps were issued imperforate but gummed in panes of 6 stamps.

With the exception of the souvenir stamps, the sheets of stamps first come from the press in 200 subject form, imperforate, and ungummed. Since January 1, 1933, 98 of these sheets (including souvenir sheets) from 20 of the varieties have been presented to high Government officials as specimens of new issues. In filling an order for some stamps, through inadvertence, one of the large sheets was sold to a man in Norfolk, Va. He apparently exhibited this sheet to several dealers in New York and elsewhere and it has been the subject of a great deal of comment in philatelic circles, with a high valuation placed thereon. This man paid \$6, or face value, for this sheet, which went out through error, and the Department is making an effort to recover it.

The records disclose that thousands of die proofs of newly issued stamps and sets of stamps, including those of the postage-due variety, have been given out by previous administrations. It has also been the custom of the Post Office Department during previous administrations to prepare several hundred albums containing specimens of the current issues to be given to the delegates to the international postal conventions. There exist, therefore, several precedents for the furnishing of specimens of stamps, and none of the sheets presented by this administration was in any wise intended for speculation or for sale. On the contrary, it seems that the publicity and complaint on the part of the collectors and philatelists has arisen mainly by reason of exhibition of this sheet of stamps by the man at Norfolk.

There has been no loss to the Government, and I am satisfied that the supposed value placed upon a sheet of these stamps is inflated and fictitious and is merely intended for purposes of criticism.

The Post Office Department has invariably adhered to a policy of providing commemorative stamps for sale to the public in such forms as to be readily usable for postage; that is to say, sheets of convenient size, perforated and gummed. The only deviation from this policy whatever has been the issuance of the small souvenir sheets in imperforate form in honor of philatelic gatherings of unusual importance.

Very respectfully,

C. B. EILENBERGER,
Third Assistant Postmaster General.
Postage stamps issued since Jan. 1, 1933

Description	Denomination	Number issued
<i>Cents</i>		
General Oglethorpe.....	3	61,729,200
Proclamation of peace.....	3	73,382,400
Century of Progress.....	1	295,189,300
Do.....	3	304,379,300
Century of Progress souvenir sheets in panes of 25 stamps..	1	11,588,050
Do.....	3	11,232,500
N. R. A. emergency.....	3	1,899,145,100
Gen. Thaddeus Kosciuszko.....	5	41,429,200
Little America.....	3	26,300,800
Little America souvenir sheets in panes of 6 stamps.....	3	4,441,650
Maryland Tercentenary.....	3	42,092,700
Mother's Day.....	3	210,000,000
Wisconsin Tercentenary.....	3	65,000,000
National parks:		
Yosemite.....	1	80,000,000
Grand Canyon.....	2	75,000,000
Mount Rainier.....	3	85,000,000
Mesa Verde.....	4	15,000,000
Yellowstone.....	5	85,000,000
Crater Lake.....	6	15,000,000
Arcadia.....	7	15,000,000
Zion.....	8	15,000,000
Glacier.....	9	15,000,000
Smoky Mountains.....	10	20,000,000
National parks souvenir sheets in panes of 6 stamps:		
Yosemite.....	1	4,800,000
Mount Rainier.....	3	3,000,000
Zeppelin.....	50	3,260,000
Air mail—special delivery.....	16	10,000,000

Under the rules of the House a resolution of inquiry addressed to the head of one of the executive departments must be reported by the committee to which it is referred within a week. The committee made its report to the House on February 5; recommended that the resolution not pass on the basis of the information furnished by the Third Assistant

Postmaster General. The matter again became a purely partisan one, and the motion to lay the resolution on the table was carried.

In one respect at least the Third Assistant, Mr. Ellenberger, does not agree with his superior concerning the sheet of Mother's Day stamps offered for sale for \$20,000 by the owner from Norfolk. Mr. Farley said:

At the time of the Mother's Day stamp issuance I purchased five sheets of ungummed and imperforate stamps. These sheets went to the President, Mrs. Roosevelt, Secretary Ickes, and Louis McHenry Howe, the President's Secretary. Also I presented one to a friend of mine in Norfolk, Va., and that probably was a mistake.

In his reply to the resolution the Third Assistant Postmaster General reports concerning the same sheet:

In filling an order for some stamps, through inadvertence, one of the large sheets was sold to a man in Norfolk, Va.

Shall we believe the Postmaster General or shall we believe his Third Assistant?

By reason of the fact that the Postmaster General did not answer the questions put to him in the resolution of inquiry, I offered the following resolution, which was referred to the Committee on Rules:

Resolved, That the Committee on the Post Office and Post Roads be, and it is hereby, authorized and directed to inquire into the sale and distribution of stamps by the Postmaster General and/or the Post Office Department through channels other than those provided by law or postal regulations for the sale of imperforate stamps to the public and to report to the House whether imperforate stamps, valuable by reason of their imperfections, have been distributed by the Postmaster General and/or officials of the Post Office Department, with the names of the persons to whom such stamps have been distributed and the prices, if any, paid therefor; and said committee shall have the power to subpoena witnesses, administer oaths, and send for such papers as may be necessary to carry out the investigation herein authorized.

Within a few hours after its introduction I was informed that the Post Office Department had decided to take the one step possible to correct the abuse by placing on sale, through the Philatelic Agency in Washington, imperforate sheets of all issues of which imperforate specimen or souvenir sheets have already been run, and these will be printed in sufficient numbers to meet the request of all collectors.

Furthermore, orders have been issued that hereafter no sheets of any stamp will be allowed outside of the Bureau of Engraving and Printing except in the form in which the stamp is available to the public over the counter. It would appear from the order that such stamps have been allowed outside the Bureau, though the Third Assistant Postmaster General, in his reply to the committee, would have us understand differently. The order will, I hope, put an end to the abuse, whether it was intentional or otherwise, so that it may not happen again.

Notwithstanding the decision of the Post Office Department to print and place on public sale imperforate stamps in every way like those distributed by the Postmaster General, I am of the opinion that legislation should be enacted at this session of the Congress which will settle any doubt as to the legality of such a practice and put an end to it for all time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RUDD for 2 days on account of illness.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 58. A joint resolution to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Friday, February 8, 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:

201. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1935, to remain available until December 31, 1935, for the Department of Agriculture, Bureau of Entomology and Plant Quarantine, for the control of chinch bugs, amounting to \$2,500,000 (H. Doc. No. 94); to the Committee on Appropriations and ordered to be printed.

202. A letter from the Secretary of War, transmitting report of an accumulation of documents and files of papers which are not needed nor useful in the transaction of the current business of the War Department; to the Committee on Disposition of Useless Executive Papers.

203. A letter from the Secretary of the National Institute of Arts and Letters, transmitting the report of the Institute covering 13 months; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 5440. A bill 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; without amendment (Rept. No. 84). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 5227. A bill providing for the appointment of an additional justice of the United States Court of Appeals for the District of Columbia, and for other purposes; with amendment (Rept. No. 85). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 240. A bill for the relief of Capt. Alexander C. Doyle; without amendment (Rept. No. 76). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 318. A bill for the relief of Arthur Van Gestel, alias Arthur Goodsell; without amendment (Rept. No. 77). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1119. A bill for the relief of Joseph W. Harley; without amendment (Rept. No. 78). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1565. A bill for the relief of Frank R. Carpenter, alias Frank R. Carvin; without amendment (Rept. No. 79). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 1575. A bill to correct the military record of John S. Cannell, deceased; without amendment (Rept. No. 80). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 2485. A bill for the relief of William Estes; without amendment (Rept. No. 81). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3787. A bill for the relief of Robert D. Hutchinson; without amendment (Rept. No. 82). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 3830. A bill for the relief of John H. D. Wherland, alias Henry Lowell; without amendment (Rept. No. 83). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. COLLINS: A bill (H. R. 5495) to provide for entry upon public lands for the purpose of establishing health habitations; to the Committee on the Public Lands.

By Mr. DOUGHTON: A bill (H. R. 5496) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 5497) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes; to the Committee on Labor.

By Mr. HILDEBRANDT: A bill (H. R. 5498) to provide for loans to farmers in the United States for crop production, and for other purposes; to the Committee on Agriculture.

By Mr. MONAGHAN: A bill (H. R. 5499) to provide funds for cooperation with School District No. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

Also, a bill (H. R. 5500) to provide funds for cooperation with Joint School District No. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation; to the Committee on Indian Affairs.

By Mr. PETTENGILL: A bill (H. R. 5501) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. BACON: A bill (H. R. 5527) to amend the act entitled "An act to authorize production-credit associations to make loans to oyster planters", approved June 18, 1934; to the Committee on Agriculture.

By Mr. CLAIBORNE: A bill (H. R. 5528) to amend the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases", approved April 22, 1908; to the Committee on the Judiciary.

By Mr. McSWAIN: A bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace; to the Committee on Military Affairs.

By Mr. GREEVER: A bill (H. R. 5530) to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended; to the Committee on the Public Lands.

By Mr. STEAGALL: A bill (H. R. 5531) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLANNAGAN: A bill (H. R. 5532) to provide for the acquisition of a portrait of Thomas Walker Gilmer; to the Committee on Naval Affairs.

By Mr. LEMKE: A bill (H. R. 5533) to provide for the impounding, conserving, and making use of the unappropriated waters of the eastern slope of the Rocky Mountains, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. PETTENGILL: Resolution (H. Res. 103) requesting the Secretary of War to maintain a perpetual military guard at the Tomb of the Unknown Soldier; to the Committee on Military Affairs.

By Mr. WOLFENDEN: Resolution (H. Res. 104) to pay to Carolyn S. Breneman, daughter of the late Henry R. Breneman, 6 months' compensation and not to exceed \$250 funeral expenses; to the Committee on Accounts.

By Mr. SHANLEY: Joint resolution (H. J. Res. 161) directing the President of the United States of America to proclaim November 11 of each year as a national memorial day for the observance and commemoration of the signing of the armistice; to the Committee on the Judiciary.

By Mr. WARREN: Joint resolution (H. J. Res. 162) relating to clerk hire of Members of the House, Delegates, and Resident Commissioners; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding amendments to the War Risk Insurance Act; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of New York, regarding the Hamilton Avenue-Governors Island-Battery vehicular tunnel; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to provide relief for farmers in drought-stricken areas in Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the mortgaging of vessels of less than 200 gross tons; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Arizona, urging immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, regarding the Townsend old-age-pension bill; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, urging passage of the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDREWS of New York: A bill (H. R. 5502) to authorize a preliminary examination and survey of Cayuga Creek and Little River, Niagara Falls, N. Y.; to the Committee on Rivers and Harbors.

By Mr. COLE of Maryland: A bill (H. R. 5503) authorizing the President to order Maj. E. P. Duval 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 resignation; to the Committee on Military Affairs.

Also, a bill (H. R. 5504) granting a pension to Abbie V. Hull; to the Committee on Invalid Pensions.

By Mr. COLMER: A bill (H. R. 5505) for the relief of J. B. Herrington; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 5506) for the relief of Sterling Fisher Lamb; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 5507) granting an increase of pension to Ellen Jones; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 5508) extending the time for consideration of application for retirement of Otis L. Sims under the Emergency Officers' Retirement Act; to the Committee on Military Affairs.

By Mr. GEHRMANN: A bill (H. R. 5509) for the relief of Carl C. Christensen; to the Committee on Claims.

By Mr. GILLETTE: A bill (H. R. 5510) for the relief of Alva A. Murphy; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 5511) granting a pension to Ella May Farris; to the Committee on Invalid Pensions.

By Mr. HEALEY: A bill (H. R. 5512) for the relief of John Francis Prendergast; to the Committee on Naval Affairs.

By Mr. KING: A bill (H. R. 5513) for the relief of Ralph E. Woolley; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 5514) granting a pension to Julia A. Taylor; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 5515) directing the conveyance of certain lands in Alaska to Herman Hoppell; to the Committee on the Public Lands.

By Mr. McKEOUGH: A bill (H. R. 5516) authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of

the said Archie Joseph Evans, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 5517) granting a pension to Annie Marie Swingle; to the Committee on Invalid Pensions.

By Mr. PETERSON of Georgia: A bill (H. R. 5518) for the relief of George Tatum; to the Committee on Military Affairs.

By Mr. PETTENGILL: A bill (H. R. 5519) for the relief of James O. Kurtz; to the Committee on Military Affairs.

By Mr. SADOWSKI: A bill (H. R. 5520) for the relief of Lukasz Komajda; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 5521) for the relief of Frank Williams; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 5522) for the relief of Robert J. Smyth, Jr.; to the Committee on Naval Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 5523) for the relief of A. H. Sphar; to the Committee on Claims.

By Mr. TAYLOR of South Carolina: A bill (H. R. 5524) for the relief of W. H. Hughes; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 5525) for the relief of George Current; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 5526) granting an increase of pension to Elijah W. Morgan; to the Committee on Pensions.

PETITIONS, ETC.

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

907. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, urging legislation to provide that a mortgage on vessels of the United States of smaller tonnage than 200 tons shall have the same priority over liens as vessels of 200 tons or upwards; to the Committee on Merchant Marine, Radio, and Fisheries.

908. By Mr. AYERS: Resolution of Order of Benefit Association of Railway Employees, Livingston Division, No. 39, Livingston, Mont., requesting enactment of legislation to modify the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

909. By Mr. BUCKLER of Minnesota: Petition of Arthur Isakson and Mary Peterson, of Deer Creek, and about 578 other citizens of the communities of Henning, Vining, Hewitt, Deer Creek, New York Mills, Fergus Falls, Battle Lake, Ottertail, Richville, Clitheral, Parkers Prairie, and Almora, all of the State of Minnesota, praying for passage into law of the Townsend old-age-pension plan; to the Committee on Ways and Means.

910. Also, petition of Orville Kruschke, secretary-treasurer, and members of the Sunnyside Local, No. 18, of Breckenridge, Minn., a unit of the Minnesota Farmers Union, praying for the rectification of the discrimination against cooperative elevators in the storage of relief seed and feed grains in the Northwest; to the Committee on Ways and Means.

911. By Mr. CANNON of Missouri: Petition of the St. Louis (Mo.) Medical Society, urging legislation to control the use of narcotic substances derived from the hemp plant; to the Committee on the Judiciary.

912. By Mr. CRAVENS: Petition of citizens of Crawford, Sebastian, Scott, Logan, Polk, Montgomery, Pike, Howard, Sevier, Little River, and Miller Counties, Ark., asking enactment of the old-age-pension legislation; to the Committee on Ways and Means.

913. By Mr. CULKIN: Petition of the Senate of the State of New York, requesting that the Hamilton Avenue-Governors Island-Battery vehicular tunnel project be included in the Federal works program; to the Committee on Appropriations.

914. Also, petition of the Senate of the State of New York, requesting hay and roughage for the farmers in the drought-stricken counties of western and northern New York; to the Committee on Agriculture.

915. By Mr. HOEPEL: Resolution of the city council of the city of Pomona, Calif., endorsing the Townsend old-age revolving pension plan and urging that it be enacted into law; to the Committee on Ways and Means.

916. By Mr. HULL: Resolution of the Wisconsin State Legislature, memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin; to the Committee on Agriculture.

917. By Mr. LAMNECK: Petition of Howard Powell, of 2421 Southway Drive, and other citizens of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

918. By Mr. LUNDEEN: Petition of officials and other citizens of Yellow Medicine County, Minn., urging that seed be given to farmers, and that payment be made in kind, bushel for bushel, one-half to be paid to the Government from the 1935 crop and one-half to be paid to the Government from the 1936 crop, farmers to pay handling charge; to the Committee on Agriculture.

919. Also, petition of the City Council of Duluth, Minn., favoring further legislation for the continuation of the Home Owners' Loan Corporation activities; to the Committee on Appropriations.

920. Also, petition of the North Como Improvement and Protective Association of St. Paul, Minn., urging the creation of a central national bank, the issuance of currency by the National Government, the abolition of tax-exempt securities, the retiring of interest-bearing bonds by currency or non-interest-bearing bonds, the revision of the National Recovery Act to protect labor, the temporary continuation of public works on a large scale, the development of the Mississippi Valley, continuation of slum eradication, the abolition of holding companies for public utilities; to the Committee on Banking and Currency.

921. Also, petition of the Lac qui Parle County Farmers' Union, Minn., urging the investigation of the Bowman formula for eradicating Bang's disease in herds; to the Committee on Agriculture.

922. By Mr. MARTIN of Massachusetts: Memorial of the Great and General Court of Massachusetts, favoring legislation to assist the fishing industry; to the committee on Merchant Marine, Radio, and Fisheries.

923. By Mr. MARTIN of Colorado: Petitions of residents of Colorado, in behalf of House bill 2858, by Representative ROGERS of Oklahoma, providing a national system of old-age pensions (the Pope plan); to the Committee on Ways and Means.

924. By Mr. MEAD: Petition of the National Building Granite Quarries Association of New York, regarding the deplorable condition of the granite industry; to the Committee on Labor.

925. Also, petition of the Order of Benefit Association of Railroad Employees, Buffalo, N. Y., Division No. 84, recommending the passage of the Pettengill bill (H. R. 8100); to the Committee on Interstate and Foreign Commerce.

926. By Mr. MERRITT of New York: Memorial of the Legislature of the State of New York to the United States Congress, urging that consideration be given to amendments to the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes, etc.; to the Committee on World War Veterans' Legislation.

927. By Mr. MILLER: Petition of J. W. Rich and other citizens of Prairie County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

928. Also, petition of Florence McCullough and other citizens of Fulton County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

929. Also, petition of Walter M. Cross and other citizens of Stone County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

930. Also, petition of Georgia Bailey and other citizens of Jackson County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

931. Also, petition of Mrs. M. J. Carter and other citizens of Lawrence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

932. Also, petition of B. Z. Webb and other citizens of Independence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

933. Also, petition of R. L. Baker and other citizens of Randolph County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

934. By Mr. PFEIFER: Senate Concurrent Resolution No. 33 of the Senate of the State of New York, Albany, favoring a vehicular tunnel from Hamilton Avenue, Brooklyn, to lower Manhattan via Governors Island, such project to be included in the Federal public works; to the Committee on Appropriations.

935. Also, Senate Concurrent Resolution No. 38 of the Senate of the State of New York, Albany, memorializing the Congress to give consideration to amendments to the War Risk Insurance Act; to the Committee on World War Veterans' Legislation.

936. Also, Senate Concurrent Resolution No. 28 of the Senate of the State of New York, Albany, memorializing the United States Department of Agriculture to make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers of such counties may maintain their herds for the rest of the winter; to the Committee on Agriculture.

937. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, urging legislation that will assist and preserve the fishing industry of the United States; to the Committee on the Judiciary.

938. By Mr. SADOWSKI: Petition of the Czechoslovak mass meeting, February 2, 1935, favoring the Workers' Unemployment and Social Insurance Act; to the Committee on Ways and Means.

939. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin memorializing the Congress of the United States to provide relief for farmers in drought-stricken areas in Wisconsin; to the Committee on Agriculture.

940. By Mr. STARNES: Petition of citizens of the Fifth Congressional District of Alabama, endorsing House bill 2856; to the Committee on Ways and Means.

941. By Mr. SUTPHIN: Petition of the New Jersey Association of Credit Men, urging that no action be taken to change the monetary base; to the Committee on Coinage, Weights, and Measures.

942. Also, petition of the board of directors of the Verhovay Aid Association, Pittsburgh, Pa., concerning bills introduced in Congress providing for unemployment insurance, old-age insurance, and sick-benefit insurance, and for legislation abolishing sweat shops and child labor; to the Committee on Ways and Means.

943. By Mr. TARVER: Petitions of Charley M. West and 18 other citizens of Walker County, D. A. Epperson and 11 other citizens of Murray County, J. C. Campbell and 19 other citizens and John Massey and 14 other citizens of Dade County, W. S. Brown and 18 other citizens and Tilda Ewing and 14 other citizens of Haralson County, and Frostic Pistom and 7 other citizens of Floyd County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

944. By Mr. TAYLOR of Colorado: Petition of citizens of Chaffee County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

945. Also, petition of residents of Mancos, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

946. Also, petition of residents of Pagosa Springs, Colo., urging the enactment of House bill 2856 for an old-age pension; to the Committee on Ways and Means.

947. Also, petition of citizens of Mesa County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

948. Also, petition of citizens of La Plata County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

949. Also, petition of citizens of Delta County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

950. By Mr. TRUAX: Petition of the Ashtabula County Democratic Executive Committee, by their chairman, R. J. Goggin, requesting the immediate payment of the adjusted-service certificates to the ex-service man; to the Committee on Ways and Means.

951. Also, petition of Raymond S. Smith and other farmers of Champaign County, Ohio, urging and demanding the passage of the cost of production and the Frazier-Lemke refinance bill, as they feel that these are the only measures that will help the farmer and cut the strangle hold that the monetary system has on agriculture; to the Committee on Agriculture.

952. Also, petition of Owsie Ellis and other citizens of Powhatan Point, Ohio, demanding that Congress enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum, as embodied in House bill 2856, introduced by Representative WILL ROGERS of Oklahoma, embracing a Federal pension of \$30 to \$50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pension; to the Committee on Labor.

953. Also, petition of Summit County Distressed Property Owners Association, of Akron, Ohio, by their president, L. C. Washburn, demanding that Congress in any amendment appropriating more funds for the Home Owners' Loan Corporation eliminate the institutional amendment of April 28, 1934, and the distress of the individual mortgagor be made the sole test of eligibility; to the Committee on Appropriations.

954. Also, petition of Mrs. Georgia McDowell and other citizens of Cleveland, Ohio, demanding that Congress enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Non-Partisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS of Oklahoma; to the Committee on Labor.

955. By Mr. WELCH: Assembly Joint Resolution No. 6 of the California State Legislature, memorializing the President and Congress to carefully consider what is known as the "Townsend plan of old-age revolving pension"; to the Committee on Ways and Means.

956. Also, resolution adopted by Board of Supervisors of the City and County of San Francisco, memorializing Congress to hear proponents of Townsend old-age revolving pension plan; to the Committee on Ways and Means.

957. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, urging the enactment of legislation authorizing the Reconstruction Finance Corporation to make loans to owners of fishing vessels of less than 200 tons in need of financial assistance; to the Committee on Banking and Currency.

958. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin; to the Committee on Agriculture.

959. By Mr. ENGLEBRIGHT: Petitions favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

960. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Banking and Currency.

961. Also, petition of the Washington Camp, No. 92, Pennsylvania Patriotic Order Sons of America; to the Committee on Military Affairs.

962. Also, petition of the Central Labor Union, Columbia, Pa.; to the Committee on the Judiciary.

963. Also, petition of the Knights of Civilization, San Francisco, Calif.; to the Committee on Ways and Means.

SENATE

FRIDAY, FEBRUARY 8, 1935

(Legislative day of Thursday, Feb. 7, 1935)

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

MILLARD E. TYDINGS, a Senator from the State of Maryland, and ERNEST W. GIBSON, a Senator from the State of Vermont, appeared in their seats today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 7, 1935, was dispensed with, and the Journal was approved.

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

Mr. LEWIS. I announce the absence of the Senator from Pennsylvania [Mr. GUFFEY] and of the Senator from Nevada [Mr. PITTMAN], who are necessarily detained, and also the absence of the junior Senator from Louisiana [Mr. OVERTON], caused by illness.

Mr. AUSTIN. I desire to announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent, and that the Senator from New Hampshire [Mr. KEYES] is unavoidably detained.

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

ADMINISTRATION OF OATH TO SENATOR-ELECT M'KELLAR

Mr. BACHMAN. Mr. President, I desire to announce that the Senator-elect from Tennessee [Mr. McKELLAR] is present in the Chamber. His credentials have been presented and filed, and he is now prepared to take the oath of office.

The VICE PRESIDENT. The Senator-elect will present himself at the desk and the oath of office will be administered.

Mr. McKELLAR, escorted by Mr. BACHMAN, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

CLAIMS OF OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers and employees of the Foreign Service of the United States for reimbursement of losses sustained by them by reason of catastrophes, war, and other causes during or incident to their service in foreign countries.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers and employees of the Government of the burden these losses have occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 8, 1935.

(Enclosures: Report of the Secretary of State, with enclosures.)

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, a list of documents and papers on the files of the War Department which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SHEPPARD and Mr. CUTTING members of the committee on the part of the Senate.

REVISED LAWS OF HAWAII, 1935

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting copy of the Revised Laws of Hawaii, 1935, which laws are subject to the approval of the Legislature of Hawaii, convening on the 20th instant, which, with the accompanying document, was referred to the Committee on Territories and Insular Affairs.

NOVEMBER REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of that Administration covering the month of November 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Commerce:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

RESOLUTIONS IN BEHALF OF THE FISHING INDUSTRY

Whereas the Congress of the United States has enacted legislation authorizing loans by the Reconstruction Finance Corporation to industrial enterprises in need of financial assistance; and

Whereas the fishing industry of Massachusetts and other States is also seriously in need of such assistance; and

Whereas under the present statutes of the United States a valid mortgage having priority over subsequently accruing liens may be executed and recorded covering vessels of 200 gross tons and upwards only, and accordingly no adequate security can be given by the owners of fishing vessels of less than 200 tons to the Reconstruction Finance Corporation for any loans which they may require: Therefore, be it

Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation which will provide that a mortgage on vessels of the United States of smaller tonnage than 200 tons shall have the same priority over such liens as vessels of 200 tons or upwards, or such other legislation as it may deem necessary, to the end that the fishing industry of the United States may be assisted and preserved; and be it further