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Congressional Record

SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MARCH 13, 1935

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

Eternal Father, whose dear name doth ever show the greatness of Thy love, apart from whom all gain is loss, all labor vainly done: Bless us as we bend before Thy mercy seat in prayer, and hear Thy loving call to service at this the beginning of another day.

Help us to banish pride and wrong, which ever since the world began have marred its peace; and, as we look with sorrow on the feeble scepter of our will, do Thou remove from us all bitter strife, and change our discords into harmony, that by the anointing of Thy grace we may give to the people of this Nation beauty for ashes, the oil of joy for mourning, and the garment of praise for the spirit of heaviness, that they may be called the planting of the Lord to Thy honor and glory; through Jesus Christ our Savior. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Tuesday, March 12, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 6021) 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, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from Maine [Mr. WHITE] and the Senator from Delaware [Mr. HASTINGS] are necessarily detained from the Senate. I ask that the announcement stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

OPERATION OF NATIONAL HOUSING ACT

Mr. ROBINSON. I ask that there may be printed in the RECORD a letter from the President to Mr. James Moffett, Federal Housing Administrator, relating to the operations of that organization.

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

THE WHITE HOUSE,
Washington, March 6, 1935.

Hon. JAMES MOFFETT,
Federal Housing Administrator,
Washington, D. C.

DEAR MR. MOFFETT: This will acknowledge your encouraging memorandum on the operation of the National Housing Act.

I wish to express through you my gratification to the chairmen and members of the community better housing campaign committees throughout the country because of the results they have accomplished in less than 7 months of activity in calling to the attention of property owners the benefits to be derived under the National Housing Act in modernization and repair and also in construction of new homes.

I am particularly impressed with your statement that 6,174 communities have selected chairmen of their better-housing committees and that between 250,000 and 500,000 volunteer workers are participating, through these committees, in the work of acquainting property owners with the uses they can make of the Housing Act. It is good to know, also, that the better housing committees now have a population coverage of approximately 70,000,000 and that 2,100 of these cities and towns are conducting house-to-house canvasses in which thousands of canvassers, in addition to the committee groups, are carrying on this work.

I note that to date calls have been made on over 6,000,000 properties, and that the property owners have pledged 1,100,000 jobs for modernization and repair for a total value of $275,000,000, and that in addition you estimate there has already been spent since last August approximately $250,000,000 for modernization and repair.

As you point out, with the continued active cooperation of our civic-minded committees, house-to-house canvasses will be conducted by practically every community campaign committee, with many millions of home owners and business-property owners yet to be contacted. This activity means that with the advent of spring an immense volume of business and employment will undoubtedly be generated. In other words, the American people will clearly see that the Housing Act provides for the Nation a way back to recovery and prosperity.

In regard to construction of new homes, I am glad to know that enabling legislation has been passed during the last 60 days in 26 States, and that you anticipate prompt action by the remaining States, where enabling legislation is necessary, to permit the mutual mortgage-insurance plan to operate. That you already have received applications for millions of dollars of mortgage insurance, with approximately 30 percent of the applications covering the construction of new homes, plainly indicates we may expect a decided improvement in the new-home construction field.

I agree with you that the refunding of existing mortgages in long-term amortized mortgages insured under the National Housing Act will result in a safer mortgage structure for the country and will result in a much-needed impetus to home construction, with a resultant tremendous demand for durable goods and labor, invaluable benefits to business and the community in general.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

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NOMINATION OF HUBERT D. STEPHENS TO R. F. C.

Mr. HARRISON. Mr. President, as in executive session, I ask unanimous consent that the Senate approve the nomination of my former colleague, Hon. Hubert D. Stephens, to be a director of the Reconstruction Finance Corporation, the President having just sent the nomination to the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the nomination of Hubert D. Stephens, of Mississippi, to be a director of the Reconstruction Finance Corporation. The senior Senator from Mississippi [Mr. HARRISON] asks unanimous consent for the present consideration of the nomination. Is there objection? The Chair hears none, and the nomination is confirmed, and, without objection, the President will be notified.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Charles B. Roberts, 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 resolution adopted by Townsend Old Age Pension Club No. 1, of Alpine, Calif., favoring 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 petitions of several citizens of North Carolina and Virginia, praying for the enactment of legislation providing old-age pensions, which were referred to the Committee on Finance.

He also laid before the Senate the petition of Local No. 2, Public Works and Unemployed Union, of Oakland, Calif., favoring the enactment of House bill 2827, known as the "Workers' Unemployment, Old-Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also laid before the Senate the petition of the Jefferson-Fairview Business Association, of Detroit, Mich., favoring the enactment of the so-called "Patman bill", being the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the East New York Branch, American League Against War and Fascism, of Brooklyn, and the Emil Zola Young Civic Club, of New York City, in the State of New York, protesting against the enactment of alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate the memorial of Harry Gobourne, of Brooklyn, N. Y., remonstrating against the adoption of a prevailing-wage amendment to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

Mr. WALSH presented resolutions adopted by the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of adjusted-service certificates of veterans of the World War, which were referred to the Committee on Finance.

(See resolutions printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3429, CONGRESSIONAL RECORD.)

Mr. WALSH also presented memorials, numerously signed, of sundry citizens of the State of Massachusetts, remonstrating against publicity of personal income-tax returns, which were referred to the Committee on Finance.

He also presented petitions of members of General Henry W. Lawton Camp, No. 11, United Spanish War Veterans, of Springfield, Mass., praying for the passage of the bill (H. R. 100) to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes, which were referred to the Committee on Finance.

He also presented a resolution adopted by Branch No. 215 of the Polish Workmen's Aid Fund, of Peabody, Mass., endorsing the so-called "Wagner bill", providing for majority rule in collective bargaining, the outlawry of company-promoted unions, etc., which was referred to the Committee on Education and Labor.

He also presented memorials of sundry citizens of Cambridge and Westboro, in the State of Massachusetts, remonstrating against the enactment of the so-called "Wheeler-Rayburn bill", providing for the control and elimination of public-utility holding companies operating, or marketing securities in interstate and foreign commerce, etc., which were referred to the Committee on Interstate Commerce.

Mr. NORRIS presented a resolution of the House of Representatives of the State of Nebraska, favoring the prompt enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

(See resolution printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3429, CONGRESSIONAL RECORD).

Mr. NORRIS also presented the following joint memorial of the Legislature of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Senate joint memorial memorializing Congress, the Department of the Interior, and the National Park Service to create a national-park area in the North Platte Valley extending from Bridgeport, Nebr., to and including Guernsey Lake, Wyo., and to acquire such historic landmarks, sites, and structures as are pertinent to the history of the Oregon, Mormon, and California trails, with particular reference to the acquisition, preservation, and restoration of Old Fort Laramie and its maintenance as a historical museum

Whereas the North Platte Valley between Bridgeport, Nebr., and Guernsey Lake, Wyo., and the region immediately contiguous thereto is an area of great historical significance, embracing pioneer forts, Indian battle grounds, national monuments, outstanding landmarks, and prehistoric excavations and deposits; and

Whereas innumerable emigrants who settled the Oregon country, thereby saving the Northwest Territory to the United States, and the countless pioneers and gold seekers who traveled the Mormon and California trails to Utah and California, treked their way westward along the valley of the North Platte and across the Great Plains to the West; and

Whereas old Fort Laramie, to which there is attached more historic sentiment and more of the atmosphere of the pioneer than any other spot in the West, is rapidly falling into decay and ruin; and

Whereas this historic area should be preserved to posterity in order that future generations may see it and visualize the inspiration of the sturdy pioneers who passed that way: Now, therefore, be it

Resolved by the Senate of the Fiftieth Nebraska Legislature (the house of representatives concurring), That the Congress of the United States, the Department of the Interior, and the National Park Service be requested to proclaim the territory immediately adjacent to the North Platte River between Bridgeport, Nebr., and Guernsey Lake, Wyo., a national-park area; and be it further

Resolved, That the National Park Service be requested, and it is hereby requested and memorialized, to acquire those historic landmarks, sites, and structures such as are pertinent to the history of the Oregon, Mormon, and California trails, with particular reference to the acquisition, preservation, and restoration of Old Fort Laramie and its maintenance as a historical museum to be operated by and under the jurisdiction of the National Park Service; and be it further

Resolved, That copies of this memorial be submitted to Hon. Harold L. Ickes, Secretary of the Interior; to Hon. Arno B. Cammerer, Director of the National Park Service; and to each of the Members of the Wyoming and Nebraska delegations in Congress.

Mr. MURPHY presented the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 5

Whereas the present interest rate on farm mortgages, including those of the Federal Land banks, is excessive and out of line with other rates to such an extent as to deprive the farmer of necessary credit and greatly reduce his purchasing power; and

Whereas the National Government is making large expenditure in an effort to hasten and insure the return of prosperity and is able through its borrowing powers to furnish money for this and other agencies of the Government and to make loans to railroads, banks, and other industries at substantially lower rates than those now afforded to farmers by the Federal land banks; and

Whereas recovery of purchasing power and the return of prosperity to the agricultural districts is a prerequisite to the return of national prosperity: Now, therefore, be it

Resolved by the Senate of the State of Iowa (the house of representatives concurring therein), That we call upon the Congress of the United States to authorize money to be loaned on Federal land-bank loans at the same 3-percent rate at which Federal land-bank bonds are issued and take such action relative to the financing and refinancing of farm mortgages at such a rate of interest as to place them on a parity with other industries and to remedy the said conditions now existing so as to permit the

great agricultural population to again become substantial purchasers of the products of industry to the end that the return of prosperity may be hastened.

The secretary of the senate and the clerk of the house of representatives are authorized and directed to furnish copies of this concurrent resolution to the Iowa Representatives in the National Congress.

INCREASE IN FOOD PRICES

Mr. WALSH. Mr. President, I ask to have inserted in the RECORD a letter from Charles F. Adams, one of the leading distributors of foodstuffs in New England, in which he discusses the comparative costs of food products. I call especial attention to one paragraph, as follows:

In presenting comparative food costs which are so seriously adding to our consumer burden and admitting that the extreme low prices of 1933 were too low to be healthy, yet it is equally apparent that the extent and rapidity of the increase in food prices is just as wrong, since the advance has far outdistanced any increase in the average pay envelop.

It seems to me the information in this letter is very valuable, and I ask that the letter be treated as in the nature of a petition and referred to the Committee on Agriculture and Forestry.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

FEBRUARY 27, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Because of the writer's close association with the distribution of foodstuffs and general knowledge of consumer needs and their limited present purchasing power, I am submitting to you the following information concerning conditions here in Massachusetts:

As far as foodstuffs are concerned, Massachusetts is distinctly a "consumer" State. Processing taxes plus N. R. A. and A. A. A. additions to costs of food and food distribution bear particularly heavily upon this Commonwealth, which enjoys far less compensating advantages or benefits than many other States.

If I can believe the Boston press, wage differentials are affecting seriously our manufacturing interests and have forced industry out of Massachusetts in order that they may survive or be able to meet the competition of districts having lower minimum-wage limits.

In presenting comparative food costs which are so seriously adding to our consumer burden and admitting that the extreme low prices of 1933 were too low to be healthy, yet it is equally apparent that the extent and rapidity of the increase in food prices is just as wrong since the advance has far outdistanced any increase in the average pay envelop.

The following table will indicate to you the increase in retail food prices (or decrease in one instance only) between April 1, 1933, and February 1935:

Retail price of staple groceries

	February 1935	April 1, 1933	Increase	Percent
Sugar, 10 pounds	$0.50	$0.47	$0.03	6.38
Butter, 1-pound rolls	.39	.23	.16	69.57
Cheese, Young America, 1-pound	.21	.21		
Lard, pure, 1-pound	.16	.07½	.08½	113.33
Sliced bacon	.33	.17	.16	94.12
Salt pork	.21	.09	.12	133.33
Eggs, Brookside	.43	.27	.16	59.26
Potatoes, 15 pounds (a principal northeast product)	.15	.19	[1].04	[1]21.05
Pea beans	.03⅔	.02½	.01⅙	46.67
California beans	.06	.05	.01	20.00
Rice	.05	.04	.01	25.00
Rolled oats, bulk	.05½	.02½	.03	120.00
Corn meal	.03½	.03	.005	16.67
Bread flour, 24½ pounds	.85	.51	.34	66.67
Peas, standard, no. 2	.13	.11	.02	18.18
Corn, standard, no. 2	.10	.07½	.02½	33.33
Tomatoes, standard, no. 2	.08½	.07	.01½	19.05
Evaporated milk, 14½ ounces	.06¼	.05½	.0075	13.64
Fluid milk, quart	.11	.08	.03	37.50

Retail meat prices

	February 1935	April 1933	Increase	Percent
Beef:				
Rib roast	$0.29	$0.17	$0.12	70.59
Cube steak	.39	.25	.14	56.00
Hamburg, no. 2	.19	.10	.09	90.00
Porterhouse steak	.57	.45	.12	26.67
Rump steak	.65	.39	.26	66.67
Sirloin steak	.49	.37	.12	32.43
Tenderloin steak	.65	.55	.10	18.18
Top round steak	.45	.27	.18	66.67
Chuck roast	.33	.19	.14	73.68
Rump roast	.33	.21	.12	57.14

[1] Decrease.

Retail meat prices—Continued

	February 1935	April 1933	Increase	Percent
Beef—Continued.				
Sirloin roll	$0.55	$0.35	$0.20	57.14
Liver	.14	.11	.03	27.27
Lamb:				
Kidney chops	.35	.35		
Fore quarters	.16	.12½	.03½	28.00
Legs	.25	.23	.02	8.70
Pork:				
Chops	.23	.19	.04	21.05
Loins	.23	.17	.06	35.29
Veal legs	.25	.19	.06	31.58
Poultry:				
Chickens, 4-5 pound	.35	.25	.10	40.00
Ducks	.23	.17	.06	35.29
Fowl	.29	.23	.06	26.09
Turkeys	.35	.27	.08	29.63
Smoked meats:				
Sliced bacon	.33	.23	.10	43.48
Hams	.25	.18	.07	38.89
Shoulders	.18	.13	.05	38.46
Frankforts	.17	.15	.02	13.33
Cured meats:				
Brisket, best	.33	.17	.16	94.12
Brisket, rolls	.23	.12	.11	91.67
Lean ends	.27	.17	.10	58.82
Middle ribs	.23	.10	.13	130.00

The weighted average prices of the Massachusetts meat index are as follows:

April 1933	91.5
January 1935	128.6
Increase	37.1
Percent	40.54
Massachusetts food index—other foods and groceries:	
April 1933	84.9
January 1935	110.7
Increase	25.8
Percent	30.39
Massachusetts index—total foods:	
April 1933	83.9
January 1935	116.0
Increase	29.1
Percent	33.48

NOTE.—There has been a substantial increase in the meat-index averages since January 1935, which totals are not yet compiled by the State Department.

To simplify the above figures, in the case of meats, what cost the consumer 91½ cents in 1933, in January 1935 would cost $1.28⅗. Other tables can be interpreted accordingly.

Fresh milk, which is not included in the above schedule, has increased 3 to 4 cents per quart. Milk is a very vital product, and its consumption has fallen off alarmingly in this city, particularly in the poorer districts. The writer is certain that the average family is unable to supply its children with sufficient fresh milk under present conditions for proper and necessary nutrition. At the present writing there is a surplus of about 2,500,000 quarts of milk per week in this market which cannot be sold, even at present prices. In the face of this large surplus which consumers are now unable to absorb at present prices, the Federal Government has within the week advanced the price of milk one-half cent per quart to the farmers, which may be justified by present costs of production, and the State milk-control board has doubled this increase by an advance of 1 cent in the consumer price, adding one-half cent to dealers' profits.

Estimating most conservatively, the increase of food costs to our consumers, largely wage earners, the conclusion is appalling. If the cost is but $2 extra per family per week, it means $100,000,000 annually added to the cost of food in Massachusetts alone.

At a distance, it appears to the writer those concerned with the interests of the consumer have been relegated so far to the rear that they are completely out of the picture. It is certain that if it costs the families of Massachusetts a million dollars more for their food their purchasing power in other products has been correspondingly restricted and there is this much less to spend to keep the wheels turning in other industries.

If compartively the same condition exists throughout the United States, it would indicate that the annual food bill of the Nation has been increased at least $3,000,000,000.

Sincerely yours,

CHARLES F. ADAMS.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, reported it without amendment.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 1414) for the relief of the

rightful heir of Joseph Gayton, reported it without amendment and submitted a report (No. 321) thereon.

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. BURKE:

A bill (S. 2234) granting an increase of pension to Alfred G. J. Petersen (with accompanying papers); and

A bill (S. 2235) granting a pension to Nellie Minerva Woodward (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 2236) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof; to the Committee on the Judiciary.

By Mr. REYNOLDS:

A bill (S. 2237) for the relief of Mary E. Stout; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 2238) for the relief of Adele Lade Veze; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2239) for the relief of Thomas I. Dickson; to the Committee on Claims.

By Mr. BILBO:

A bill (S. 2240) for the relief of John Livingston and Mrs. John Livingston; to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 2241) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 2242) for the relief of Luther D. Hanna; to the Committee on Military Affairs.

By Mr. WHEELER (by request):

A bill (S. 2243) relating to the allocation of radio facilities; to the Committee on Interstate Commerce.

By Mr. McGILL:

A bill (S. 2244) granting a pension to Bertram B. Brown; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 2245) to relieve unemployment in mining districts, increase the monetary gold and silver reserve of the United States, and to develop strategic, deficiency, and noncompetitive mineral resources of the Nation, and for other purposes; to the Committee on Mines and Mining.

By Mr. GORE (by request):

A joint resolution (S. J. Res. 83) to provide for an increase in the size of the Federal building being constructed at Hugo, Okla.; to the Committee on Public Buildings and Grounds.

HOUSE BILL REFERRED

The bill (H. R. 6021) 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, was read twice by its title and referred to the Committee on Banking and Currency.

CHANGE OF REFERENCE

On motion of Mr. BARBOUR, the Committee on Commerce was discharged from the further consideration of the bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, and it was referred to the Committee on Claims.

PUBLICITY OF INCOME-TAX RETURNS—AMENDMENTS

Mr. COUZENS and Mr. LA FOLLETTE each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, which were ordered to lie on the table and to be printed.

PROPAGANDA OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. NORRIS. Mr. President, I send to the desk and ask to have read a concurrent resolution. After it shall have been read I will ask unanimous consent for its present consideration. I hope no Senator will ask that it go over under the rule.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 12), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Federal Trade Commission be, and it is hereby, directed to make an investigation and report its conclusions to the Congress as to the propaganda which is now going on over the Nation regarding Federal legislation on the subject of holding companies, and to inform the Congress the origin, magnitude, purpose, methods, and expense of said propaganda.

Mr. NORRIS. I now ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, my attention was diverted for the moment. May I ask the Senator from Nebraska if the resolution has just been offered or did it come over from a previous day?

Mr. NORRIS. I have just now offered it.

Mr. McNARY. Does it seek information concerning what may be called "propaganda" regarding holding companies?

Mr. NORRIS. It does.

Mr. McNARY. May I ask to have the resolution read again?

The VICE PRESIDENT. The clerk will again read the resolution.

The legislative clerk again read the concurrent resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

REGULATION OF COMMERCE IN PETROLEUM

Mr. THOMAS of Oklahoma. Mr. President, some time ago I introduced a bill identified as Senate bill 2027, proposing some regulations for the oil industry. Since the bill was introduced an investigation has been made as to how certain parties interested in oil reacted to the bill. I have here a statement which gives the result of those queries and answers; and I ask permission to insert it in the RECORD as a part of my remarks.

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

That the petroleum industry is in serious need of permanent legislation which will enable the Federal Government, through its authority over interstate commerce, to assist the oil States in their stabilization program is self-evident. Measures intended to express this purpose in legislation have been given careful consideration by Congress, and one of these bills would have probably passed the previous Congress had it not been that the National Industrial Recovery Act was expected by many to be of greater help to the industry than it has proven to be.

The petroleum industry has been operating under short-term legislation. This has prevented the industry from making large investments in exploration and development work which are essential. It has also interfered with its reemployment program. Most of the measures affecting this industry expire in the current year. The present oil code ends in June of this year unless renewed. The oil excise taxes end about the same time. The Texas law on which the success of the present "hot oil" bill depends expires in September of this year. It is therefore important that this session of Congress should pass some legislation which will give this industry a sound basis on which to operate. Such a measure is S. 2027.

This measure proposing Federal aid to the oil States and to the oil industry has been receiving the enthusiastic support of the greater part of the industry. At the annual meeting of the North Texas Oil and Gas Association held at Wichita Falls, Tex., Saturday evening, March 9, 500 oil operators enthusiastically cheered this measure as a means of preventing chaos in the industry. This association had previously gone on record as favoring all the points covered by the bill which I have offered.

An unusual majority of Texas operators are in favor of this bill. This is true even in the east Texas field, which is the center of whatever opposition to this measure may exist. Ballots have recently been sent to every landowner, royalty owner, or other person interested in the oil business in the east Texas section offering an opportunity for a vote on seven proposals. Three of the questions on that ballot affected provisions of this bill. One was a vote on the recommendation to include in any Federal legislation a provision to limit withdrawals of crude oil from storage. On this proposal there were 911 votes in favor of such limitation and only 33 votes opposed.

Another proposal went to the very heart of the measure I have offered. It was a question of whether provision should be made in

Federal legislation for Federal allocation of quotas in commerce and production quotas to the States. Eight hundred and seventy-five votes were cast in favor of this and 57 against.

On the question of providing for an interstate compact between the oil-producing States with a Federal umpire, substantially the provision set forth in the bill I introduced, the vote was 816 in favor and 64 opposed.

I should like to set forth here the tabulation of votes so far as the returns have been received. The number of ballots sent out was 5,329. The number of replies received was 958. On this point the Literary Digest, in their response to a letter of inquiry, dated March 6, 1935, states: "Generally speaking, we think that a return of 10 percent is sufficient on which to base an average. However, it has frequently been held that a return of 5 percent is sufficient on some questions to show the trend." This they qualify, however, by stating, "If there are just one or two questions, there will be a larger number of returns than if you require 10 or 12 to be answered." Since there are seven questions raised, it is quite evident from the experience of the Literary Digest that the returns received may be considered as quite representative of the sentiment in the field. The following are the returns to date:

	For	Against	Blank
1. For an adequate tariff on imported crude and its products	930	8	20
2. Reenactment and increase of present Federal excise taxes on foreign crude and its products	941	8	9
3. Repeal of present exemption of imported bunker oil from excise taxes	888	50	20
4. Correction of present discrimination against domestic asphalt by Bureau of Public Roads	910	23	25
5. Limitation of crude oil storage withdrawals	911	33	14
6. Provisions for Federal allocation of quotas in commerce and production quotas to States	875	57	26
7. Provision for an interstate compact between producing States with a Federal umpire	816	64	78

In view of the fact that this ballot was taken in that section of the State which has been generally believed to be the center of whatever opposition there may be to Federal legislation on the oil industry, these figures are of the very greatest importance.

The attitude of the people of Texas on this question has been repeatedly expressed before congressional hearings and public meetings held in Texas. When a similar matter was given a hearing by the Senate Committee on Mines and Mining in May 1934, Texas sent representatives here to support the bill which I introduced at the previous session of Congress and which, in many respects, was much like the present bill so far as principle is concerned although the machinery set up was quite different in character. During that hearing I placed in the record of the hearings, as will appear from page 72 to 77, inclusive, telegrams received supporting a measure which would give to the Federal Government the kind of authority which is set forth in this bill. In addition to large numbers of telegrams from other oil-producing States of the Union, associations, firms, corporations, and individuals in all parts of Texas sent their telegrams, urging the passage of this kind of legislation. Some of these telegrams were signed by large numbers of people. I had taken no steps to obtain this telegraphic support of the measure. So far as I am aware there was no concerted attempt to drum up interest in the bill. This was a voluntary expression on the part of the Texas people who realized the necessity of legislation of this type being adopted for the benefit of the entire industry. In the present year, at annual meetings of various oil associations in Texas, resolutions have been adopted favoring a bill of this character. The West-Central Texas Oil and Gas Association, at its annual meeting held February 5, 1935, at Breckenridge, Tex., adopted a resolution which declares:

"Whereas it is the consensus of opinion of this association that permanent legislation should be enacted by the Congress of the United States to aid the respective States in obtaining and maintaining a permanent stabilization of the oil industry and protect the respective States from the results of excess production in other States: Therefore, be it further

"*Resolved*, That the Federal legislation to that end recommended by the planning and coordination committee for the petroleum industry and the Independent Petroleum Association of America be, and the same is hereby, recommended by this association as most desirable to accomplish the desired results, and the Senators and Members of the House of Representatives of Congress are respectfully urged to advocate and support such legislation; be it further

"*Resolved*, That a copy of this resolution be mailed to each of the Senators and Members of Congress from Texas, and that this resolution be spread upon the minutes of this meeting.

"C. W. HOFFMAN,
"*President West Central Texas Oil and Gas Association.*
"K. F. PAGE,
"*Secretary-Treasurer*
West Central Texas Oil and Gas Association."

This meeting was attended by over 350 oil operators.

Texas, however, is not the only State which has concern in this matter. The Associated Industries of Oklahoma at their annual meeting the 22d day of January 1935 voted as follows:

"*Resolved by the Associated Industries of Oklahoma in annual meeting assembled this 22d day of January 1935*, That we go on record as favoring Federal legislation to assist in stabilizing the petroleum industry to aid the oil-producing States in the conservation of petroleum and in the enforcement of State laws to that end, and providing for the equitable allocation among the oil-producing States of production of crude petroleum to balance with demand for domestic consumption and export; be it further

"*Resolved*, That we endorse the enactment by Congress of the bill prepared by the planning and coordination committee of the petroleum industry and recommended by that committee to the subcommittee of the Committee on Interstate Commerce of the House of Representatives, known as the 'Cole committee', as the type of legislation needed to fulfill the requirements herein set out, a copy of which bill is hereby attached and made a part of this resolution; be it further

"*Resolved*, That a copy of this resolution be sent to each Member of the Oklahoma delegation in Congress."

The two States of Texas and Oklahoma are not the only ones which are urging the adoption of this measure. Similar support comes from other States but I have emphasized these two because of their large production and strategic importance in any conservation program. More than the oil States are involved, however. More than the industry itself is concerned. The whole economic structure of the Nation is affected by the health of the oil industry. If we deny to this important phase of the Nation's business the support which only the Federal Government can furnish it, since only the Federal Government has authority over interstate commerce, then we are retarding the return of prosperity and preventing the employment of large numbers of men for whom there would be positions and jobs if we gave to this great industry permanent legislation on which it might base its plans for expenditure of many millions of dollars.

AMERICAN MERCHANT MARINE—ARTICLE BY ALFRED H. HAAG

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Alfred H. Haag, head of shipping courses in the school of foreign service, Georgetown University, entitled "Participation of the American Merchant Marine in the International Carrying Trade."

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

PARTICIPATION OF THE AMERICAN MERCHANT MARINE IN THE INTERNATIONAL CARRYING TRADE

By Alfred H. Haag

Throughout the ages ships have played an important role in the progress of civilization.

Archeological investigations conducted upon the site of a little village in the Valley of the Nile have brought to light a boat model which, Egyptologists tell us, dates back to a time which antedates even the predynastic Egyptian period. The lines of the model bear a strong resemblance to those of the boats of today.

Eight thousand years ago Babylonia had attained a comparatively high state of civilization, and some historians believe that the rivers Euphrates and Tigris then may have been navigated. This conclusion seems to be a logical one, for history teaches us that both sides of the Nile were colonized by Babylonians, and they or their immediate successors are believed to have been the first boat builders of any consequence.

Egyptian boat building in 1600 B. C. had reached a marked state of development when Queen Hatshopsitu sent her expeditions to the Land of Punt. These boats were manned by 15 oarsmen a side. A mast centrally located carried a square sail, and a heavy rope truss was used to strengthen the hull.

On the walls of the Temple of Hatshopsitu are illustrations depicting the return of these expeditions, accompanied by hieroglyphic inscriptions which are virtually transcripts of bills of lading, listing the commodities brought back. They include gold, silver, ivory, ebony, skins, and feathers, and incense trees, used principally in burial ceremonies of the Egyptians.

Egypt, flourishing for centuries, eventually yielded place in maritime affairs to the Phoenicians. Those able, courageous, and enterprising mariners brought commercial control of the Mediterranean and adjacent seas to their homeland, and through that control to their principal cities of Sidon and Tyre a wealth and power notable even to this day.

With the fall of Sidon, and later of Tyre, maritime supremacy passed to the Greeks and Carthaginians, the latter a people of Phoenician stock. Neither was able long to retain it, being subjugated by Rome.

Rome, however, was primarily a military and not a commercial power, and while for some hundreds of years her galleys policed the Mediterranean and the Atlantic north to Britain she did little to extend the sphere of commercial intercourse.

From the fifth century to about the thirteenth century the commerce of the Mediterranean was largely in the hands of Constantinople and various of the Italian city-states, with the latter engaging as well in trading upon the Atlantic.

At the beginning of the thirteenth century, however, a new competitor appeared—the Hanseatic League (a confederation of Baltic and North Sea ports), which eventually controlled a substantial portion of the commerce of northern Europe, leaving that of the south in the hands of the Italian city-states after the fall of Constantinople.

Soon Portugal forced a division of Italy's half, and, although it took her a hundred years to establish herself, she increased her estate by adding the Azores, the Canaries, Madeira, and Zanzibar.

For the next 2 centuries Spain ruled the seas, followed by Holland, who sought to secure supremacy with the aid of the Hanseatic League, but hardly had she done so before a new heir appeared—England, then a small island kingdom, but one destined by her maritime strength and policies to become the world's greatest empire.

During the latter part of the eighteenth century an epochal event took place on this side of the Atlantic, when the architects of the day met in convention and drew plans and specifications for the construction of a mighty vessel designed to weather the tempest of every sea and to unfurl from her stern an ensign theretofore unknown.

The plans were forthwith submitted to the prospective purchasers for their approval and met with immediate endorsement. The spark of independence had been kindled. The old unseaworthy vessel was abandoned, and in due time the new ship slid down the ways, while the reverberating toll of her bell announced to the world that the launching had been accomplished, and she sailed out to sea christened the United States of America.

With this ship serving as a master model, our early American pioneers set forth with skill to build material ships. They were successful from the outset; and when our srip of state encountered the first squall in 1812, our merchant ships serving as privateers were a most potent influence in bringing about an advantageous peace.

On January 5, 1818, during a snowstorm, the *James Monroe* inaugurated the first ocean-liner service across the North Atlantic between New York and Liverpool—that of the famous Black Ball Line.

This fine fleet of sailing packets provided a monthly schedule, and, later, a semimonthly schedule, which was maintained with remarkable regularity, a tribute to the skill of American shipbuilders and seamen.

Toward the middle of the century a new type of sailing vessel was introduced, when the famous creations of Donald McKay and John W. Griffiths came into being, among them the *Flying Cloud*, the *Rainbow*, and the *Sea Witch*. Our sailing vessels during the first half of the last century outranked those of our competitors, and we, likewise, outbuilt our competitors. The records disclose that from 1820 to 1860 American vessels carried 77 percent of our foreign trade.

Our ship of state then encountered a terrific storm. The ship, however, was built of durable timber, and after 4 years emerged victorious. These 4 years of fratricidal strife, however, had depleted American fleets and marked the beginning of the decline of our shipping in foreign trade, which was accentuated by the increasing diversion of our capital and effort to the prospectively more profitable opening and development of the West.

The United States fell behind in the transition from sail to steam and from wood to iron and steel, and in 1870, 82 percent of iron vessels were being constructed in the yards of Great Britain as against 8 percent in our own shipyards.

At the time of the Spanish-American War, because of our deficiency in merchant tonnage, it became necessary to purchase and charter ships for use as naval auxiliaries. This was the first warning.

Again in 1908, when President Roosevelt sent the White Squadron around the world, it was accompanied by ships of foreign registry. A second warning, to which no heed was paid.

At the outbreak of hostilities in Europe in 1914 the sudden withdrawal of the foreign tonnage which had been carrying 90 percent of our commerce rudely awakened the American people to the fact that we had but few ships of our own.

Commerce moved to the seaboard, but not beyond. Piers were piled high, warehouses were glutted, and railroad cars lined the tracks for miles inland.

The cost to the American public, due to the shortage of American ships, was expressed by the late Senator Wesley L. Jones, in addressing the Senate during the Sixty-ninth Congress, when he said:

"No one can tell what our lack of ships cost the Nation. No one can tell what our farmers and business men paid in increased rates after the war began because of our lack of ships. It was estimated by the Secretary of the Treasury, however, that during the year 1915 agriculture and industry would pay in increased freight charges $311,864,400. This continued more or less until we entered the war, and it is entirely safe to assume that our people were taxed over a billion dollars on the transportation of their products through increased rates. This practically all went into the pockets of foreign shipowners."

The situation became so serious in 1916 that the Congress passed legislation creating a United States Shipping Board. Our country became a belligerent shortly thereafter.

We needed ships, not only to move our commerce, but for use as naval auxiliaries and transports as well. We were deplorably deficient in ships for these purposes.

We then embarked upon the most stupendous shipbuilding program in the world's history. Ships were ordered by the thousands. Ships were commandeered, requisitioned, seized, purchased, and chartered wherever they could be found. New shipyards came into being almost overnight, and the industry grew, within 20 months, from one employing 50,000 people to one with a personnel of 350,000. The demand for shipbuilding material was such that it exhausted various industries, particularly the steel industry, and we resorted to building ships of wood, composite ships, and even concrete ships.

The magnitude of the Government's war-time ship-construction program is exemplified by calling attention to the fact that it equaled the combined sea tonnage of the United States, Germany, France, Italy, Japan, Holland, and Sweden before the war and represented the total tonnage destroyed during the war by submarine, mine, and raider warfare.

When the armistice was signed, it was found that the colossal sum of $3,000,000,000 had been expended or committed in the production of ships during this brief period—twice the value of all the ocean-going ships in the world before the war.

After the armistice contracts for more than 900 vessels of over 3,000,000 gross tons were canceled, and at the end of the war-time shipbuilding program we had completed about 2,300 vessels of 9,400,000 gross tons. Those which were acquired by seizure and other means made a grand total of 2,500, of ten and one-quarter million tons.

During the interval between the signing of the armistice and the passage of the Merchant Marine Act, 1920, many of the vessels which had been acquired as a result of the war-time activities were rendering valuable service, as there was a great demand for ship tonnage before the slump in 1920.

The first post-war shipping legislation, the Merchant Marine Act which became law in 1920, was based primarily on the experience of the near pre-war and the war years. In addition it was inspired by the fact that we had acquired a fleet of about 2,500 vessels (a war-time heritage and by no means an efficient peace-time merchant marine) and by a strong determination that our resources and our country should not again be subjected to almost complete dependence upon foreign ships for our ocean transportation.

This act set forth the American shipping policy. "It is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or a military auxiliary in time of war or national emergency."

To attain these major objectives the Shipping Board was authorized and directed to investigate and determine as promptly as possible what steamship lines should be established and put in operation from ports of the United States to such world and domestic markets as in its judgment were desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States and an adequate postal service, and to determine the type, size, speed, and other requirements of the vessels to be employed upon such lines, and the frequency and regularity of their sailings, with a view to furnishing adequate, regular, certain, and permanent service.

Under the foregoing mandate the Shipping Board determined upon 38 lines, which were, in due course, established and put in operation.

After the passage of the Merchant Marine Act, 1920, the respective committees in the House and Senate, charged with the duty of studying and observing the workings of the law, became convinced that further legislation was needed to accomplish its purpose.

The Congress thereupon had made a Nation-wide survey and canvass of the United States, inland and coastwise. It consulted the people directly through meetings held in the principal cities of the country. It sought and secured the views of trade, finance, business, and agriculture through their chosen representatives.

In substance, the survey disclosed that there was a unanimous demand to carry on and provide the Nation with a merchant marine commensurate with its requirements. The prime requisite was a method of overcoming the handicap of capital and operating costs under the American flag because of our higher living standards.

The problem was most carefully investigated and studied. The most reliable and well-informed were consulted in regard to the phase they knew best. The committees of Congress, giving due weight to the factual evidence before them and using their own best judgment, submitted their recommendations to the Congress in the form of the Merchant Marine Act, 1928, which provided for the further development of an American merchant marine and, through the grant of financial aid, endeavored to assure permanence and expansion.

The act of 1928 reaffirmed the policy enumerated in that of 1920.

What is the showing of accomplishment in that respect?

The records disclose that in the 10 years preceding the World War we carried an average of 10 percent of our foreign waterborne trade.

During the past 10 years we have carried a third of our commerce in our own ships, despite the great slump in world trade and the keen competition to which our ships were subjected by the introduction of many new and modern ships built during that period by our foreign competitors.

Before the World War short-sighted economists propounded the theory "let the nations carry our commerce which can carry it cheapest"—and we pursued that policy—it proving, conclusively, to be an economic fallacy.

Had we aided our shipping for the half century between the Civil and World Wars even to the same extent aid has averaged since the passage of the Merchant Marine Act, 1928, we would have saved two of the three billion dollars spent in the building of the war-time emergency fleet, which after all did not provide an efficient competitive American merchant marine. Of far more importance than this, however, is the fact that we would have possessed at the beginning of the World War a strong merchant fleet of a size sufficient to transport and maintain an army overseas. With such a fleet at our disposal it is questionable whether

we would have become involved in the conflict with its enormous cost.

The world shipping industry, admittedly, is in a deplorable state. Vessel tonnage is far in excess of present world-trade requirements.

Is the United States to blame for this condition?

Ships and loans to the Allies by the United States were among the major factors in the successful prosecution of the war by the Allies.

As to the ships, had the rate of loss in ships resulting from the unrestricted German submarine warfare continued for long at the level of the first few months of 1917, the war could not have ended otherwise than unfavorably for the Allies, due to a lack of ship tonnage and to their inability to provide replacements. It was in April of that year that the United States became a participant in the war and, as Mr. C. Ernest Fayle (a noted British authority) says, "in response to the agonized appeals of the Allies for assistance", launched the most gigantic ship-construction program in the world's history, primarily to compensate for the serious losses caused by German submarine activities.

Had all of the ships originally ordered by the United States Government been completed and ready for sea in the spring of 1920, they would have found profitable employment, for it was not until after March of that year that the general slump in freights began. Thereafter the demand for tonnage fell off, and in 1921 between eleven and twelve million gross tons of sea-going steel steam tonnage were laid up. Sir W. J. Noble pointed out at that time: "Now, it may be at once admitted that had the trade of the world maintained its first post-war impetus, this excess of tonnage would have been, in effect, no excess at all, but would have represented simply the increase necessary to keep pace with the normal growth of world trade."

That the United States had no intention of monopolizing the oceans after the war is evident, for promptly after the signing of the armistice contracts for 960 vessels were canceled, of which 700 were for ocean-going vessels, and there were finished only those ships which had reached advanced stages of completion.

The rapid curtailment of the United States Government shipbuilding activities is evidenced by the number of keels laid during the years 1918 to 1921, inclusive, which were 1,110, 651, 54, and 5, respectively. From 1922 to 1928 not one ship was built in American shipyards for services in the overseas foreign trade; while during the same period millions of tons of ships were built by our foreign competitors.

Yet foreign shipping authorities have continually criticized the American shipping policy, claiming that the United States, in the main, is responsible for the chaotic conditions prevailing in the world shipping today. The time has arrived to halt this tirade against the American merchant marine and to refute the fallacious and unwarranted attacks aimed at American shipping and against American sea power in general.

From June 1922 to June 1933 the steam and motor tonnage of the world increased by 5,285,000 tons. During this period the United States reduced its tonnage by more than 3,000,000 tons, or over 20 percent of its total; the tonnage of the British Empire decreased by 40,000 tons, or less than one-fifth of 1 percent of its total. This small decrease in British tonnage is more than offset by the increased speeds of the many new vessels added to the British fleet during that period. With the exception of France, which showed a slight reduction, a substantial increase is recorded in the tonnage of the other countries, part of which increase is attributable to the purchase in considerable numbers of former British ships.

Had other countries reduced their tonnage in the same proportion as did the United States since 1922, there would be no idle ships in the world today.

In the world's post-war shipbuilding activities vessels built during and since 1921 to December 31, 1933, of ocean-going types, 3,000 gross tons and upward—including cargo ships, cargo liners, intermediate liners, and liners—a total of 2,399 vessels of 16,288,000 tons were constructed by the principal maritime countries. (Shipping World Year Book, 1934.) The United Kingdom built 1,070 of 7,165,000 tons, or about 44 percent; while the United States built 130 of 1,105,000 tons, or less than 7 percent of the total tonnage.

Of cargo ships—ships with speeds of less than 12 knots—out of a total of 1,203 of 5,740,000 tons, the United States built 31 of 178,000 tons, while the United Kingdom built 581 of 2,736,000 tons.

Of the cargo-liner types—ships with speeds of 12 knots to under 14½—out of a total of 674 of 4,444,000 tons, the United States built 33 of 234,000 tons, while the United Kingdom built 287 of 1,829,000 tons.

Of the intermediate-liner types—ships with speeds of 14½ to under 16½ knots—out of a total of 336 of 3,002,000 tons, the United States built 15 of 94,000, while the United Kingdom built 143 of 1,454,000 tons.

Of liner types—ships with speeds of 16½ knots and upward—out of a total of 186 of 3,102,000 tons, the United States built 51 of 599,000 tons, while the United Kingdom built 59 of 1,146,000 tons.

The foregoing figures disclose the preponderance in tonnage built for British owners, compared with that for American account, to be nearly twice for liners, nearly 8 times for cargo liners, more than 15 times for intermediate liners, and more than 15 times for cargo ships.

Of vessels in excess of 25,000 tons (which include the superliners built and building by Germany, Italy, France, and Great Britain), the United States has not built, and is not building any; while, during the last 8 years, the countries mentioned have built, or are building, 18 of such vessels of 725,000 gross tons.

These figures clearly demonstrate the conservative post-war building of liners and cargo ships by the United States. So it has been, as well, with tankers.

Great Britain, the United States, and Norway are the principal tanker-owning countries, their combined tonnage representing about 77 percent of the world's total. Of the tanker tonnage 10 years of age or less of these three countries, Norway owns 70 percent, Great Britain 51 percent, and the United States less than 11 percent. In the matter of tonnage of tankers, with speeds of 12 knots and upward, the United States is outranked by Norway 4 to 1, and by Great Britain 3 to 1.

Do American ships get an equitable share of the international carrying trade?

A comparatively recent report of the Chamber of Shipping of the United Kingdom states: "The number of ships under 2,000 tons gross engaged in the world's international sea-borne carrying trade is negligible, but, with the exception of the United States of America, ships under all flags of 2,000 tons gross and upward are available for, if not actually employed in, that trade. On the other hand, in the case of the United States of America, there are many ships of 2,000 tons gross and upward engaged solely in the coasting trade of that Nation." Of vessels 2,000 gross tons and upward, the United States has 11,335,000 tons—2,330,000 tons operate on the Great Lakes; 1,360,000 tons comprise the Government-owned laid-up fleet, which offers no menace to foreign competition; 2,400,000 tons are tankers; 2,175,000 tons are employed in the coastwise trade. This leaves 3,084,000 tons operating in the foreign trade.

There are about 37,400,000 tons of vessels, 2,000 gross tons and upward, available in the world which operate in the international sea-borne carrying trade transporting goods and passengers. The tonnage under the American flag is about 8 percent. Tonnage figures alone, however, reflect neither carrying power nor efficiency. Those important elements are determined by the mobility and modernity of vessels. Since the United States ranks fifth in tonnage among the six principal countries in ships with speeds of 12 knots and upward and has the smallest percentage of vessels 10 years of age or less, the position occupied by the United States in the international carrying trade is even more inferior than its 3,000,000 tons would seem to indicate.

Thus far the analysis made concerns ships. To further clarify the American position, a summary is given for the transportation of goods and passengers in the foreign commerce of the United States. During the last 12 years 31 percent of the cargoes between the United States and foreign countries were carried in American ships, while vessels under the British flag in this trade carried substantially the same amount.

In the passenger traffic between the United States and foreign countries American ships carried about 28 percent, while British ships transported 44 percent of the total. In the important trans-Atlantic routes American ships carried about 11 percent of the passenger traffic, while British ships carried the major portion. Only a small percentage of the commerce in the indirect trade is handled by American ships. Since there are no tramp ships operating under the American flag, foreign ships have a monopoly of this business, which represents a substantial volume.

Figures for the carriage by the British mercantile marine show that the British ships transport about 90 percent of the inter-imperial trade, 60 percent between the British Empire and foreign countries and 25 percent of the trade between countries foreign to the British Empire.

These facts furnish no foundation for the criticisms directed at American shipping by Sir Adam Anderson, Hon. Alexander Shaw, and Mr. W. L. Runciman.

Anderson: "It may interest you to know to what length the United States of America goes in subsidizing their mercantile marine in dumping services on the world's market below cost, and in this way refusing to be paid their debts in the form of shipping services in which the world, and in particular Great Britain, can pay. * * * After giving full credit to the United States of America for her courage in scrapping ships, her seagoing tonnage still remains 240 percent above its pre-war volume. * * * It is obvious that the first step toward restoring equilibrium between supply and demand must be taken by those who have disturbed that equilibrium."

Shaw: "As regards payment of war debts by services, the whole position is much aggravated by the unwillingness of America to be paid in such services, among the chief of which are those rendered by British shipping. * * * But the United States has now a policy of high subsidies to American-owned ships. * * * But elementary political economy prompts the comment that the American taxpayer is being mulcted in order to close yet another avenue by which war debts can be repaid him—namely, the avenue of British shipping services."

Runciman: "In the 8 years from 1914 to 1922, Government money in the United States was responsible for more than trebling the mercantile tonnage in the country, and the bulk of the new tonnage was built after the ravages of the submarine campaign had been more than made good. It was a war-time program indeed well justified as to the earlier efforts, but carried on long after any need existed either for finishing contracts or to meet the demand of trade. That was the main cause of the great surplus of tonnage which is far in excess of any possible demand even if trade had progressed normally. * * * I should like to point out in this general survey that we in this country have not made the profound mistake made elsewhere of overbuilding. That we went rather far and rather fast nobody will deny, but in every

other country they went much farther and much faster. We have very much the same amount of tonnage today (1933) under the British flag as we had in 1913, whereas in the United States they have got about three times as much as before the war. * * * I have underestimated the extent of the American mercantile marine, but I was thinking of those ships that were fit for trade. If you count them all in, they have nine times as much, and a very costly luxury it has proved. * * * I believe that much of the misfortune which has befallen the cargo fleets of the world comes from overbuilding, and that those who went farthest have done the most harm."

Summarized, these statements imply that the United States continued to build long after any need existed to meet the demands of trade, and that this building was the main cause of the great surplus of tonnage in the world today; that we are refusing to accept payment of war debts in the form of shipping services; that the United States is guilty of dumping services on the world's market below cost; that the American taxpayer is being mulcted by the payments of shipping subsidies under the guise of mail-carrying allowances.

Mr. Runciman admits that the use of Government money in the United States for the building of war-time tonnage was well justified, but claims the effort was carried on long after any need existed for finishing contracts or to meet the demands of trade.

What do the records disclose?

First, that there was an insistent demand for ship tonnage after the signing of the armistice up to and including the first 3 months of 1920. What is the construction record of the United States Government in 1920 and 1921? In 1920 it laid 54 keels, 39 of which were cargo ships and 15 tankers; 26 of the 39 cargo ships were laid in the first 3 months of 1920, before freight rates began to slump in that year. In 1921 the United States laid 5 keels—4 tankers and 1 cargo ship. Therefore, the United States Government ordered the laying of keels for 14 cargo vessels of 93,000 gross tons after the freight rates began to slump in 1920. And, as has hereinbefore been stated, from 1922 to 1928 not a keel was laid in an American yard for overseas foreign trade.

The modest contribution of the United States Government to cargo tonnage in 1920 and 1921, and the reduction of over 3,000,000 tons in the United States merchant marine since then, does not warrant the assertion by Mr. Runciman that our building activity "was the main cause of the great surplus of tonnage which is far in excess of any possible demand even if trade had progressed normally."

As to that part of Sir Alan Anderson's statement, in which he says:

"After giving full credit to United States of America for her courage in scrapping ships her seagoing tonnage still remains 240 percent above its pre-war volume * * *. It is obvious that the first step toward restoring equilibrium between supply and demand must be taken by those who have disturbed that equilibrium."

He obviously implies that the American merchant marine should be reduced to its insignificant pre-war size and the United States again made a maritime vassal of Great Britain.

Sir Alan Anderson's statement that the United States is dumping services on the world's market below cost, and in this way refusing to accept payment of war debts in the form of shipping services, is an erroneous assertion. The United States has not dumped any services on the world's market below cost. A striking example of dumping is the sale by British owners of an enormous amount of tonnage for operation at nearly scrap prices to foreign buyers.

As to the loans—President Roosevelt in his message to Congress of June 1, 1934, on the war debts, pointed out that "these were actual loans made under the distinct understanding and with the intention that they would be repaid, and that they furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers."

Our President thus set forth concisely a well-known fact and confirmed the earlier statement of Mr. Fayle, who, in the War and the Shipping Industry, referred to the plan adopted in 1917 of concentrating shipping on the shortest routes as the only practicable method of rendering the available carrying power adequate to essential requirements, and stating that this entailed the temporary abandonment of trades and markets in which the British flag and British Government had long predominated; he added, "Such operations, by which the future was more and more deeply mortgaged to provide for the pressing necessities of the present, bore little relation to the processes of ordinary trade. They could be carried on only by pledging the credit of the state, and they would, in fact, have been impossible but for the loans granted by the United States Government when British and allied credit was exhausted."

Insofar as repayment through the rendition of shipping services is concerned, it plainly will be evident that, since nearly 70 percent of the goods and an even greater percentage of passengers carried between the United States and foreign countries has been handled by foreign shipping services, a very substantial adherence to this method of facilitating repayment has proved ineffective, judging from the number of nations which are in default in the meeting of their obligations to the United States.

Hon. Alexander Shaw, in his statement, infers that because the United States has a policy of aiding its shipping the American taxpayer is being mulcted. Ninety years ago the British taxpayer supported British steamship lines in substantially the same manner that American lines are given aid today, and the British Government considered such aid to be warranted in order to provide "regular means of communication, develop traffic, and otherwise promote the interests of Great Britain, besides establishing a regular mail service."

The determined objective of British policy is stated in the Report of the Departmental Committee Appointed by the British Board of Trade to Consider the Position of the Shipping and Shipbuilding Industries After the War, wherein it says:

"The maritime ascendency of the Empire must be maintained at all costs and * * * the great wastage sustained by the mercantile marine during the war must * * * be repaired without delay."

Compared to this, the established policy of the United States to possess a merchant marine "sufficient to carry the greater portion of its commerce" is moderation itself.

There are two primary reasons for the overtonnage condition of the world today: One, the determination of countries which occupied strong positions upon the seas before the World War to retain or regain their former strength; and, two, the effort of countries which occupied inferior places to improve their positions.

The British mercantile marine shortly before the war carried more than half of the total sea-borne trade of the world. Germany's merchant fleet, which ranked second only to Great Britain before the war and which was reduced under the terms of the Versailles Treaty to negligible proportions, is regaining rapidly its former strong position.

With these two countries making every effort to regain their former strong positions, and with other countries increasing their merchant tonnage to carry what they consider to be an equitable share of their trade, there has been produced ship tonnage exceeding the needs of the present depressed conditions in world trade.

Last May in the parliamentary debates in the House of Lords, speaking on the shipping situation, Lord Marley said:

"We have had one or two rather militaristic and aggressive speeches. I think, in particular, the term which we must avoid at all cost was that we must sweep other flags off the seas and prevent in all circumstances any modification of British preponderance in the mercantile marine of the world. I hope that any empire policy which is adopted will not be so aggressive in tone as that, but that it will all the time be remembered that, while it is true that for many years Great Britain and the Empire had a preponderance of the maritime carrying trade of the world, yet in justice other nations must be entitled to their share of that carrying trade."

The seas are the highways of world trade and no nation has an inherent right to monopolize them. Each country which furnishes part of the sea-borne traffic is entitled to carry an equitable share of such traffic.

The records of the past offer conclusive proof that national interest requires the maintenance of an adequate merchant marine. We cannot survive as a first-class commercial or naval power without a strong merchant fleet.

We must at all times have a voice in the movement of our commerce overseas, a voice in the control of ocean rates, and be adequately supplied with ships of our own to transport our commerce when other nations are at war.

The time has arrived for decisive action if we are to occupy a proper place in the carrying of our foreign commerce, and it is imperative that we embark upon a definite replacement program to modernize our foreign-trade fleet.

The bulk of our tonnage in the American merchant marine operating in the foreign trade consists of vessels contracted for during the war, and these vessels are all pre-war types, of slow speeds, and costly to operate.

The net result is that the greater portion of the passenger and freight traffic gravitates to the more modern and faster ships of our foreign competitors. In this connection it is significant to note that the modern American vessels built during the past 5 years are competing successfully in our foreign trade routes and are as well patronized as any vessels in the trades in which they ply.

During the past year a number of governmental committees have been studying our shipping problems with a view toward putting the industry on a sound basis.

In the recent past the Chief Executive, the Secretary of Commerce, and the Secretary of the Navy have all expressed themselves in favor of an adequate American merchant marine; and it is reasonably certain that in the near future shipping legislation will be enacted which will enable America to again occupy her rightful place upon the seas commensurate with her position as a Nation of the first rank.

IMPORTATION OF FOREIGN CORN

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD an article from a recent issue of the Des Moines (Iowa) Register entitled "Foreign Corn Floods Over Tariff Wall."

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

[From the Des Moines (Iowa) Register]

FOREIGN CORN FLOODS OVER TARIFF WALL—ARGENTINE EXPORTERS ARE PLEASED WITH UNITED STATES SHORTAGE

By Richard Wilson

BALTIMORE, MD.—Capt. E. R. Howe, of London, immensely pleased by the roar of cranes unloading Argentine corn from the hold of

his stream-lined freighter, *Argow*, into coal cars on the Baltimore docks, concluded last week that it was Iowa's "own damn fault."

"Last year you were burning it, and this year you are buying it", he observed. "Why, they are all laughing at you in Buenos Aires."

Captain Howe has some perception in these agricultural matters, for, like many another sailor, a neat homestead of 2,400 square yards awaits his return to England.

UNPRECEDENTED QUANTITIES

Captain Howe's freighter, the latest in speed and fuel economy, was but one of a score or more of shipping which has docked at four American ports, pouring corn into the United States in almost unprecedented quantities since drought and crop reduction reduced America's crop to the lowest in 60 years.

Corn from every corner of the earth is understood by A. A. A. officials to be entering America at the rate of about 1,000,000 bushels a week, an event never before duplicated in foreign trade.

TARIFF AT WORK

For one of the few times in the last two decades, the tariff on corn is at work—a tariff with which political orators have wooed the West for dozens of years.

Corn from the Argentine, from China, from Belgium and Rumania and Kwantung, from Mexico, Jugoslavia, and Cuba, from the Dominican Republic and South Africa has been flowing with ease over the 25-cents-a-bushel tariff wall for the last 7 months.

LURE IS GREAT

The lure is great, for cash corn has been selling in New York at 98 cents a bushel and higher, and in the Corn Belt at figures ranging nearly that high.

Even at a million bushels a week, the need for corn in the country could not be satisfied. Although the need for corn as feed is at probably the lowest point in the last century, it is still greater than the world can easily supply.

SUPPLY AND DEMAND

With 20,000,000 fewer hogs on farms, there is need of 430,000,000 bushels of corn less than normal. With 7,000,000 fewer cattle on farms, there is need for 500,000,000 fewer bushels.

But the country could still use 2,000,000,000 bushels and it has not more than 1,300,000,000.

Seven hundred million bushels could enter the United States, A. A. A. officials estimated, before the need is fully satisfied. This estimate depends, of course, on the supply of early forage.

UNABLE TO OBTAIN CORN

The present demand is from the coastal regions, which have been unable to obtain corn from the usual sources in the Corn Belt, where the drought cut the crop in two.

And Captain Howe thinks it is the United States' "own damn fault, because it failed to perceive the logic of holding on to such a durable commodity as corn when it had too much instead of burning it."

GETS UP LITTLE STEAM

"I've had to burn it myself," he said, "when I ran out of coal, but it gets up precious little steam."

Several years have passed since Iowa farmers actually stoked the kitchen stove with corn, but the captain, and Argentina, have never forgotten, although in neighboring Brazil millions of bags of coffee have gone up in smoke because she had too much to bring a fair income.

FOUR MILLION SIX HUNDRED AND NINETY-FOUR THOUSAND ONE HUNDRED AND SIXTY-TWO BUSHELS

Since last August, when a fiery sun was ruining millions of acres of corn in the Midwest, 4,694,162 bushels of corn had come into the American ports from abroad through January.

Captain Howe was carrying 6,600 long tons, approximately 260,000 bushels, which will help to swell Argentina's exports. When February and March figures are compiled the total doubtless will exceed any other previous importation.

FIVE HUNDRED THOUSAND BUSHELS YEARLY AVERAGE

A liberal estimate by Bureau of Agricultural Economics experts is that average United States imports are 500,000 bushels yearly. In the winter of 1927–28, 5,000,000 bushels came into the country, carried by wheat importers. In the winter of 1924–25, four and a half million bushels came over the tariff wall, attracted by a short United States crop.

"The wharves in Buenos Aires are piled to the sky with sacks of corn", Captain Howe said. "There are, I think, at least a dozen cargoes on the way."

SHIPPING OLD CORN

Argentina is shipping old corn. The harvest of this year's crop is shortly to come on and it will be, according to advices to the Bureau of Agricultural Economics, between 425,000,000 and 450,000,000 bushels, not a record, but almost a record.

This is about one-fifth of the average corn crop in the United States. When that corn is harvested experts anticipate a literal flood of corn.

CLEAN-UP SEEN

Argentine exporters, if they can get their crop to American ports before a decline in price sets in, will reap fortunes.

March futures are selling in Buenos Aires at about 42 cents per bushel. The cash price in New York has been 98 cents per bushel. Average charges for freight are 10 cents per bushel; for insurance, 0.2 cent, and for interest, 0.2 cent. Captain Howe got about 13 cents per bushel for transporting his cargo. He was anxious to get away from Baltimore last week because a cargo of sisal, which is supposed to be competing with cotton in the manufacture of clothing in Germany, was awaiting him in Mexico.

CONTINUANCE SEEN

Howe came out of retirement to resume carrying American products on English bottoms.

Corn will continue to come over the tariff barrier from Argentina so long as there is a spread of 1 cent or more between the Buenos Aires price, plus tariff, insurance, and interest, and the New York price, the Bureau of Agricultural Economics said.

LOOPHOLE FOUND

And Argentine corn may continue to come in long after that, for exporters are reported to have found a new loophole in the tariff. The grain trade in New York last week was greatly disturbed when it heard reports that 50 carloads of corn meal and grits had arrived over the tariff of 50 cents per hundred pounds.

So great was this disturbance that the Tariff Commission is now quietly investigating.

MILLED IN BELGIUM

The corn meal and grits were reported to be from Argentine corn, shipped to Belgium to be milled. An enterprising exporter discovered the tariff on corn meal and grits from Belgium was based upon the supposition that it takes 2 bushels of corn to make 100 pounds of the milled product.

Government economists said it actually takes 3 bushels. Belgium makes no charge against Argentine corn milled in transit and the result is that 3 bushels of milled corn can be exported to America for 50 cents, whereas the tariff on 2 bushels of shelled corn is 50 cents.

WALLACE NOT ALARMED

How long the price of corn can be maintained at its present level with continuing imports is held to be questionable. The Agricultural Adjustment Administration is not anxious that the price of corn and hogs climb too much higher, and Secretary of Agriculture Wallace views the importation with no alarm.

But continued importation, despite a less than normal demand, will tend, it is thought, to hold corn and hog prices down, although Secretary Wallace anticipates a general rise in the cost of food in the next few months.

EXCISE TAX ON PHILIPPINE COCONUT OIL

Mr. TYDINGS. Mr. President, I have in my hand a memorial of the Philippine Coconut Planters' Association relating to the excise tax on coconut oil. Inasmuch as this greatly affects the economy of the Philippine Islands, I ask that it may be printed in the RECORD.

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

MEMORIAL OF THE PHILIPPINE COCONUT PLANTERS' ASSOCIATION TO THE UNITED STATES SENATORIAL MISSION VISITING THE PHILIPPINE ISLANDS IN CONNECTION WITH THE TYDINGS-MCDUFFIE PHILIPPINE ACT ON THE EXCISE TAX ON PHILIPPINE COCONUT OIL, DECEMBER 13, 1934

The inclusion in the United States Revenue Act of 1934 of an excise tax of 3 cents a pound on Philippine copra and coconut oil has greatly affected the second largest industry of the Philippine Islands. This tax constitutes a heavy burden on the Philippine coconut industry, and, unless modified or done away with, it may bring the ultimate ruin of the said industry. Such an event would deprive more than 4,000,000 people, or more than one-fourth of the population of the Philippines, of their present means of livelihood.

These harmful effects of the excise tax were made known to the Congress of the United States during the discussion of the measure. Various appeals were sent to Congress and to the President of the United States from the Philippines. In a cable sent to Washington, Gov. Gen. Frank Murphy, of the Philippines, emphasized the responsibility of the American people in safeguarding the best interests of the people of the Philippines and urged Congress not to approve the measure. "In my opinion", Governor General Murphy said, "sudden and extreme action crushing to the Philippines and profiting foreign oil producers does not meet our plain responsibility to a people under the flag."

Despite the very strong opposition from the Philippines, and apparently because of the insistence of dairy and cotton interests in the United States, the tax was approved. As a means of mitigating in some way the known harmful effects of this tax on the Philippines, it was decided to fix the rate on Philippine coconut oil at 3 cents a pound, as against 5 cents, which was the rate fixed on coconut oil coming from other countries. In other words, the Philippines were given a preferential of 2 cents a pound.

CONDITIONS OF THE INDUSTRY EXAMINED

A dispassionate and careful consideration of the conditions obtaining in the coconut industry of the Philippines, and also of the circumstances surrounding the imposition of the excise tax, will show the need for its total elimination. In this connection the following are submitted:

(1) The tax is grossly unfair to the Philippines under the present trade relations with the United States and under the provisions of the Tydings-McDuffie Independence Act.

(2) The prohibition that the revenue derived from the tax cannot be used to aid the Philippine coconut industry is also unfair and should be eliminated.

(3) The tax should be eliminated for the best interest of both the United States and the Philippines.

(4) The amount of the tax is not proportionate to the value of the commodity on which it is imposed, for, as a matter of fact, the amount of the tax would be far greater than the value of Philippine exports of copra and coconut oil to the United States combined.

(5) The so-called "preferential" of 2 cents a pound for Philippine coconut oil is entirely ineffective and gives no real benefit to the Philippines.

(6) There is no danger of any overproduction of copra and coconut oil in the Philippines. In fact, the recent typhoons and earthquake, and the occurrence of such calamities as the leaf miner and the bud rot, have greatly reduced local production of copra in the islands, and any new plantings that have been made are offset by the number of coconut trees dying out due to destruction by typhoons and old age.

TAX IS UNFAIR

This is in open violation of the spirit of the free trade between the Philippines and the United States, an arrangement that was established purely at the instance of Congress and over the expressed opposition of the Filipino people. Under this arrangement, American goods enter the Philippine market with no restrictions whatsoever; and it is not fair that while this privilege is enjoyed by American goods restrictions be imposed upon Philippine products trying to find a market within the United States. President Roosevelt said in a message to Congress that the excise tax is "of course directly contrary to the intent of the provision in the Independence Act cited above." Although the President signed the revenue bill which contained the provision regarding the excise tax, he nevertheless requested Congress to reconsider the excise tax on Philippine copra and coconut oil.

REVENUE DERIVED FROM EXCISE TAX

The revenue act provides that collections derived from the excise tax on Philippine coconut oil shall be paid to the Philippine treasury, but the Philippine government is prohibited from using this fund for giving any subsidy—to mean even from its own funds—to producers of copra, coconut oil, or similar products. For the further payments of said excise-tax collections to the Philippine treasury will at once cease.

The injustice of this provision becomes at once obvious. For the coconut planter is not only deprived directly of the benefits of the tax, but the country is threatened with the complete and immediate withdrawal of its benefits at its slightest proof of any indirect application of the funds, or of its own funds, to the interest of the coconut growers. It appears only logical to expect that the party penalized should be the very ones to derive whatever benefit the tax affords, especially when it is clearly evident that the amount collected from the excise tax will exceed the value of Philippine coconut oil exported to the United States any time the price of coconut oil falls below 3 cents a pound. The quotation of this item in New York has ranged from 2¾ to 3 cents per pound, and it is seldom that the quotation touches the 3-cent mark of this year. Since the burden of the excise tax falls on the coconut industry and the payments for it are made by the industry itself, it is only fair that the collections that are returned to the Philippine treasury be used for aiding in some way the industry concerned.

In lieu of this prohibition, the Philippine Legislature should be empowered to dispose of the fund at its discretion. Should the legislature find it necessary to limit the use of the fund for aids to the coconut industry or to stop it in order not to cause any actual injury to any interests in the United States who may be prejudiced thereby, all could rest assured that the legislature would act in fairness to all concerned.

TAX SHOULD BE ELIMINATED

Regarding cottonseed oil which the excise tax is also supposed to protect, the following is quoted from a memorandum prepared by the American Council Institute of Pacific Relations: "Cottonseed oil is probably not seriously threatened by coconut oil, since its chief use is in cooking, as a salad oil, and as a competitor with lard. It is used in soap, but it commands a better price in the food market and therefore only the refuse from the refining goes into soap. Moreover, a cotton crop large enough to furnish the necessary byproduct to supplant coconut oil would affect the Government's cotton-reduction program."

In other words, cottonseed oil and coconut oil do not enter into real competition, because cottonseed oil goes chiefly into the manufacture of edible products while coconut oil is used principally in soap manufacture. Cottonseed oil is too expensive a material for the manufacture of soap, and that is why only its poorest grades or what is thrown away during the process of manufacture into edible oil is utilized for soap. Very little cottonseed oil thus finds its way into the soap kettle.

The annihilation or ruin of the copra industry of the Philippines would certainly bring about a material decline in the purchasing power of the Philippine market which presently buys enormous quantities of cotton products and also dairy products from the United States. The Philippines imported during the last 4 years an average of ₱17,798,394 of American cotton manufactures, and ₱5,659,605 worth of dairy products from the United States.

Comparing what the dairy farmers and cotton producers and manufacturers in the United States will lose because of the decreased consumption of the above articles in the Philippines, with what benefits, if any, they would derive from the operation of the excise tax, their loss will be a great deal more. It is therefore to the best interest of both the United States and the Philippines that the excise tax be removed.

TAX OUT OF PROPORTION TO VALUE OF COMMODITY

The excise tax as it stands is so excessive that it is altogether out of proportion to the value of the product on which it is imposed. In fact, if the amount of the tax that would have been collected for the entire year of 1933 on the total quantity of copra and coconut oil exported to the United States in that year were compared to the value of this export, it would be found that the excise tax collection would be far in excess of the value of the export on which the tax is collected. This fact is borne out by the following figures showing a comparison between the value of Philippine copra and coconut oil exported to the United States in 1933 and the amount of the excise tax on such products based on the rate of 3 cents per pound.

	1933		
	Quantity	Value	Excise tax
	Pounds	*Pesos*	*Pesos*
Copra	274, 506, 354	11, 902, 453	16, 470, 380
Coconut oil	346, 519, 818	18, 050, 150	20, 791, 190
Total		29, 952, 603	37, 261, 570

NOTE.—Rate of conversion, 1 pound coconut oil equals 1.667 pounds copra, excluding sack or container.

These figures again show the need for the complete elimination of the tax.

TWO-CENT PREFERENTIAL INEFFECTIVE

While it is true that the 2-cent preferential gives a real advantage to the Philippines insofar as coconut oil from other countries is concerned, it does not improve the position of the Philippine products in competing with other competing oils, especially palm-kernel oil, palm oil, tallow, whale oil, and fish oil. Tallow, which is a keen competitor of coconut oil in the manufacture of soap, is now taxed in the United States only one-half cent per pound. It is only natural that soap manufacturers will resort to tallow in preference to coconut oil any time they find that the difference in price favors the use of the former. Palm-kernel oil possesses the good qualities of coconut oil in the manufacture of soap and has been making rapid advance toward the soap kettle at the expense of coconut oil because of its lower price. Palm-kernel oil pays only 3 cents a pound, or the same as the excise tax on Philippine oil. Besides tallow and palm-kernel oil, there are other oilseeds that can be produced on a commercial basis in South America if the price at which they can be sold becomes sufficiently attractive. Some of these oils do not fall under the excise tax and would compete with coconut oil. Unless these various oils which compete with coconut oil are subjected to a higher tax than that presently levied on them in the United States, the beneficial effects of the 2-cent preferential on Philippine coconut oil would be nil or imaginary.

The recent trend in the consumption of coconut oil in the United States clearly proves the serious competition that the Philippine coconut oil under the excise tax is meeting from other oils. According to figures furnished by Mr. John Gordon, Secretary of the Bureau of Raw Materials, in Washington, importation of Philippine coconut oil into the United States during the month of August 1934 showed a decrease of 52.4 percent, as compared with August 1933. The figures for September 1934 again showed a decrease of 56 percent as compared with September of 1933. It is estimated that when the full effects of the excise tax are felt, importation of Philippine coconut oil into the United States may suffer a cut of from 35 to 50 percent.

Actual shipments of copra and coconut oil from the Philippines to the United States since June 1934, the months following the approval of the excise tax, compared with shipments during the same months last year, were as follows:

Copra exports to United States

[Metric tons]

	1934	1933
June	6, 632	23, 031
July	6, 490	24, 941
August	4, 490	22, 747
September	12, 766	17, 866

Coconut-oil exports to United States

[Metric tons]

	1934	1933
June	4, 123	10, 292
July	14, 181	13, 205
August	11, 498	18, 233
September	5, 471	18, 424

The above data do not exactly show the effects of the excise tax inasmuch as many of the shipments since June this year were made under contracts entered into previous to the approval of the excise tax. Furthermore, manufacturers have been buying coconut oil in recent months in preference to other oil materials because they are expecting possible modifications for the better in the present tax on Philippine oil during the next session of Congress.

INCREASE IN PRICES NOT DUE TO EXCISE TAX

The movement in the prices of copra and coconut oil since the excise tax went into effect is shown below:

Monthly average prices of copra in Manila and coconut oil in New York since June 1934

	Copra (per 100 kilos)	Coconut oil (tanks, New York) (cents, gold, per pound)
June	₱3.43	2¾
July	3.38	2½
August	3.97	2½
September	4.81	2¾
October	5.50	3

It will be seen from the above figures that there has been actually an increase in the prices of copra and coconut oil during the last few months. This increase, however, has not been due to the excise tax, but rather to world conditions affecting the market for fats and oils. The improvement in price was not confined to copra and coconut oil. It merely moved in sympathy with the general trend of world prices for fats and oils. The increase in price of other oils is indicated by the following comparative data:

Article	May 28, 1934	October 15, 1934
	Cents per pound	*Cents per pound*
Tallow, sulphonated, 25 percent	4¾	4¾
Palm-kernel oil, denatured	3½	2.85
Palm oil	2½	3.00
Whale oil, crude no. 1, nominal	4.00	4.00
Cottonseed oil	4.90	7.25

The drought in the United States and in Europe last summer has had the effect of increasing the demand for copra meal and copra cake to make up for the shortage in livestock feed. The general improvement in commodity prices in the United States under the N. R. A. also influenced the price of coconut oil.

Another very important factor in the recent rise in the price of copra in Manila was the fact that during the months of June and July, when the prices of Philippine copra were at the lowest level, buyers in Europe who ordinarily get their supply of copra from their colonies like Ceylon, Java, Celebes, Strait Settlements, and the South Sea Islands were induced to take advantage of the low prices of Philippine copra. So purchases were made here and local shippers made forward sales. These heavy forward sales to Europe had to be filled about the months of August and September, thus causing an unusually heavy demand for copra. As a result a scarcity was felt in the supply, and hence the rise in price.

NO DANGER OF OVERPRODUCTION

The fear of certain American interests that the production of Philippine copra may be increased to such a certain extent that the American market will be almost flooded with coconut oil is entirely unfounded. The production of copra is not carried on in the same way as 1-year crops like sugar, for instance, and the crop cannot be increased at will even with fertilizers, because the latter will be very expensive—20 cents per tree to get a 10-cent increase—and because it takes from 10 to 15 years for newly planted trees to reach maturity and it is not always certain that every tree that is planted will reach the fruit-bearing stage. About 30 percent replacing or replanting is always necessary. Furthermore, it should be remembered that the coconut plantations in the islands have recently suffered from the ravages of typhoons and also of bud rots and leaf miner which have greatly reduced and will continue to reduce production for the next 2 years. So, the fear of overproduction is entirely imaginary.

PRACTICAL RESULTS

From a recent report on comparative results of the excise tax on vegetable oils in the States, we quote the following, which is incorporated as a portion of this memorial:

"The vegetable-oil situation is quite confused. The obvious fact is that the prices are relatively high. Cottonseed oil is now being sold at 8.95 cents per pound, compared to the price from 4.65 to 4.85 last year. This is the result of several things: First, the crop of cotton; second, the heavy duties and processing taxes imposed on most of the vegetable oils. There has also been indicated a market shift from coconut oil to cottonseed oil in the manufacture of oleomargarine.

"The Bureau of Internal Revenue reports an increase in the manufacture of oleomargarine from August 1934 from 23,000,000 pounds in 1933 to 24,000,000 pounds in 1934. The cottonseed oil used in 1933 was 1,312,020 pounds, and in 1934 was 6,200,257 pounds. On the other hand, in the year 1933, 12,606,556 pounds of coconut oil was used, and in 1934, 7,740,442 pounds. This indicates that, notwithstanding the high price of cottonseed oil, it is replacing the coconut oil largely, it is presumed, because of the heavy processing tax.

"This has brought about another unanticipated result. For practically the first time in history cottonseed oil is being imported into the United States, but one shipment has been reported so far.

"Cottonseed oil has been heretofore exported from the United States in very large quantities. The fact that the manufacture of oleomargarine in the United States is not decreasing, and if cottonseed oil is brought in from abroad, there will be very little satisfaction to those who brought about the imposition of the heavy processing tax on coconut oil."

CONCLUSION

In view of all the facts presented above, it is respectfully recommended that the excise tax on Philippine copra and coconut oil be removed. And the import duty on coconut oil after the fifth year of the commonwealth government should also be eliminated until the expiration of the same commonwealth government.

Respectfully submitted.

PHILIPPINE COCONUT PLANTERS ASSOCIATION,
By FILEMON PEREZ, *for Tayabas, President,*
CONRADO BENITEZ, *for La Laguna, Secretary,*
MAURICIO CRUZ, *for La Laguna.*
RAMON SORIANO, *for Cotabato,*
FEDERICO SARABIA, *for Capiz,*
FRANCISCO SORIANO, *for Surigao,*
Members Board of Directors.

THE RICE INDUSTRY—AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

The VICE PRESIDENT. Morning business is closed. Under a special order of the Senate, the Chair lays before the Senate House bill 5221.

The Senate proceeded to consider the bill (H. R. 5221) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. SMITH. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, many of us know nothing about the bill and did not know it was on the calendar. I should like to have the Senator from South Carolina make a brief explanation of its purposes.

Mr. SMITH. Mr. President, the bill has been agreed upon by all interested in rice production and in the processing of rice. Under certain forms of law, rice was made a basic industry upon the passage of the original Agricultural Adjustment Act. Under the ordinary form of agreement, a success was not made of the operation as it related to rice. According to my information, the processors have all agreed to the present form of the bill. There are no changes, except the licensing feature is suspended and it has been agreed that there shall be a small processing tax. That is all that is involved.

Mr. DICKINSON. Mr. President——

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

Mr. SMITH. I yield.

Mr. DICKINSON. What about the authority to issue what are known as Treasury warrants?

Mr. SMITH. The explanation of that feature is that under the terms of the agreement all the purchasers agree to pay 1 cent per pound above the ordinary world price and when they export any rice that payment is to be rebated. They may have a quantity of rice on hand which will be shipped out of the country and it is provided that a form of warrant shall be given them upon exporting the rice. The matter of the warrants is taken care of in the last paragraph of the bill. When the rice is shipped out of the country the warrants will be placed to the exporter's credit to the extent of 1 cent per pound rebate.

Mr. DICKINSON. As a matter of fact, that simply means the Government pays 1 cent a pound as a bonus out of the Public Treasury for all rice that is shipped in export, does it not?

Mr. SMITH. Oh, no. Neither the Government nor anyone else pays out a cent on that basis. The rice is all sold at the American price. When any of that rice is exported, the shippers get a rebate of 1 cent per pound, and that is all.

Mr. DICKINSON. As a matter of fact, what happens is that a tax warrant is issued to the producer, who can either cash that warrant and let the processor pay the processing tax, or he can turn the warrant over to the processor who will deliver it in cancelation of the processing tax.

Mr. SMITH. That is identically the same thing.

Mr. DICKINSON. That does not cost the Government anything?

Mr. SMITH. It does not cost the Government or the consumer anything. It only applies to export operations.

Mr. DICKINSON. But under the latter part of the bill when the processing tax has been paid on a commodity to be exported and the drawback has been paid, then we find that when the warrant is turned into the Treasury it serves as an exemption of the tax, and then the Government has to pay the processing tax back to the processor, which is a drawback under the provisions of section 11, and in that case the exporter draws out of the Treasury 1 cent per pound.

Mr. SMITH. No; the Senator misinterprets it. Under the processing tax which will go into operation on April 12, the producer pays the processing tax on all the rice. On that part which he exports he gets a redemption certificate. He operates under the processing tax precisely like the cotton growers operate under the processing tax on cotton, with the distinction that the processing of rice is so different from the processing of cotton that the distinction could not be made as clearly as in the case of cotton, because cotton is ready to be exported when it has gone through the ginning process of the producer. Here we put the processing tax on the entire commodity, and when the evidence of export is furnished and the Internal Revenue Commissioner approves, then the rebate is paid, and it does not cost any one anything at all.

Mr. DICKINSON. Let me read section 11 to the Senator.

Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid; and, any provision of law notwithstanding, the Comptroller General is authorized and directed to certify for payment (without review of the facts of payment of such tax) any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue.

A tax warrant is issued to the producer and he turns it over to the processor. Under the law they are entitled to a 1-cent drawback refund. Therefore, they certify that the tax has been paid. How has it been paid? It has been paid by a Treasury warrant under the terms of the bill. Therefore the Government has not received the money. But under this provision, the authority of the Comptroller General notwithstanding, they are entitled to a drawback of 1 cent per pound on the rice.

Mr. SMITH. Let me explain that feature. It is a mere paper warrant. If the Senator will turn to section 11, it reads:

Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid."

The man gets his warrant. All right. When the rice is exported, the warrant is turned in and canceled, and no money whatever changes hands.

Mr. DICKINSON. Oh, yes; but read further. In line 6 of page 10 the bill says:

any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue—

Which means that the holder of the warrant is entitled to a drawback of 1 cent a pound.

Mr. SMITH. If that is on line 6, page 10, the Senator has a different print of the bill than the one I have. I desire to state to the Senator that under the terms of the bill the whole tax feature is covered by section 11, subsection (a). There was brought down from the Comptroller General's office the amendment that is in italicized type, and the Senator will see that just what I have explained to him is the fact. The amendment reads:

And with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding.

Mr. DICKINSON. Yes; and the matter is made worse rather than better, because the House text says that the refund shall be paid, and the Senator's amendment is even plainer in indicating that the refund is to be paid.

Mr. SMITH. Does not the Senator from Iowa understand that if in the first instance the tax is paid, and then, when the rice is exported the evidence in the form of a warrant that it is exported, this paper, is handed in—that is a mere bookkeeping procedure which entitles the holder of the warrant to that amount of exemption from the tax? That is all it means.

Mr. DICKINSON. Yes; and therefore, on account of the exemption from the tax and the fact that the tax has been certified as paid, he is entitled to a refund under the law. It is to be refunded to him.

Mr. SMITH. But cannot the Senator see that if, under the law, a tax warrant is issued on the percentage of the commodity that is exported, not subject to the tax, the presentation of the warrant cancels it, and for all bookkeeping purposes the tax is paid, and the exemption is paid?

Mr. DICKINSON. If the contention of the Senator from South Carolina is correct, I should like to know what benefit there is in the bill for the rice producer.

Mr. SMITH. He gets 1 cent a pound on all the rice produced.

Mr. DICKINSON. Very well. Where does he get it?

Mr. SMITH. He gets it from the sale of his rice. The Senator from Iowa now is coming to the point where the processing tax is levied to reimburse the farmer to the extent of 1 cent a pound on all the rice that is produced. That is the provision now in the bill, as against the agreement. I am referring to the processing tax, not the export tax. When we come to the question of the processing tax, there is a tax of 1 cent a pound on all the rice, and nobody is exempt. The processor pays 1 cent a pound on all the rice.

Mr. DICKINSON. Who is going to pay the producer this 1 cent a pound? Where is the money coming from?

Mr. SMITH. It comes out of the sale of the rice.

Mr. DICKINSON. It comes out of the processing tax, which is a consumers' tax, levied on the processing of rice. Therefore, a processing tax is levied on 225,000,000 pounds of rice, which is the carry-over of the present year. The producer is exempted from paying it, but on the other hand, he is given credit for 1 cent a pound on all this rice, which amounts to $2,225,000 taken from the consumers of the country. In other words, it is a straight subsidy to the rice producer. Is that right?

Mr. SMITH. No. There was one error in my statement. The producer gets 1 cent a pound for all domestically consumed rice, and that is his benefit payment. He does not get 1 cent a pound on the exported rice.

Mr. DICKINSON. Then, the purpose of this bill, as I understand it, is to sell in export practically the 225,000,000 pounds of carry-over rice.

Mr. SMITH. Yes.

Mr. DICKINSON. If the producer does not get any benefit from what is exported, he will get the benefit of 1 cent a pound only on what is domestically consumed.

Mr. SMITH. That is correct.

Mr. DICKINSON. That does not mean that he is going to get anything. Why? Because this is the carry-over, over and above the domestic consumption.

Mr. SMITH. Precisely.

Mr. LONG. Mr. President, will the Senator let me make a little correction there? There is a little misunderstanding. I am informed that this is the situation:

The tax warrant is issued only on the 1933 and 1934 crops where a processor can show that he has paid the full parity price and used in payment the tax on the 1933 and 1934 crops. It merely prevents double payment by the processor who has already paid 1 cent.

Mr. SMITH. That is correct. The Senator from Iowa is talking about the rice that is now in stock. The rice that is now in stock is taken care of by the bill. As to the amount of rice that now must be sold abroad, there must be a clear understanding that it will have to be sold at the world price, and if the processors must pay the domestic price they lose a cent a pound.

Mr. ROBINSON. Mr. President, the tax-payment warrant is for the purpose of giving to the producers and to the processors who have conformed to the marketing agreement, and have held their commodity for orderly marketing, the same benefit that was derived by those producers who have sold their rice.

Mr. SMITH. Yes; that is correct.

Mr. ROBINSON. It works out very effectively, is acceptable to everyone who is interested in the production and processing of rice, and, as the Senator says, results in no final cost to the Treasury.

Mr. SMITH. That is correct.

I desire to call the Senator's attention to the fact that my information is that the processors and the producers have agreed on this amendment. They have agreed that they will have this processing tax in lieu of the agreement to pay 1 cent a pound above the market for all domestically consumed rice, and export the balance at the world's price. The processors now have a large stock on hand; they are getting inquiries, and they wish to make their invoices for export. Therefore, they desire to have finally settled the question as to just how they are going to be reimbursed or not penalized to the extent of 1 cent a pound for the export rice; and that is what is covered by the pending bill.

Mr. DICKINSON. As a matter of fact, if the rice producers are not going to get any benefit from the rice which is domestically consumed——

Mr. SMITH. Oh, yes; they get the benefit of all that, but none from the export rice.

Mr. DICKINSON. The Senator contends, then, that no benefit is to be derived by the rice producers on the quantity of rice which is exported?

Mr. SMITH. No; there is not.

Mr. DICKINSON. If that be the case, it is my judgment that the benefits of the bill are greatly reduced.

Mr. SMITH. Very well. Take the question of our cotton: We export 60 percent of the American crop. The farmer gets no benefit whatever from that, but from the 40 or 45 percent that is domestically consumed he gets a benefit. That has been the case ever since the processing tax was levied on cotton.

Mr. DICKINSON. As a matter of fact, what I am fearful of is that we shall encounter in connection with cotton the same situation that we are now meeting in the case of rice, and that is that the carry-over will accumulate. It is accumulating now, in fact.

Mr. SMITH. Mr. President, if the markets were all open, and we did not have the miserable old tariff law which has choked everybody to death and which the Senator from Iowa so vociferously upholds, we should get rid of our surplus, because the world would be getting our products cheaper than we could use our own products. That has been my contention against the application of the principle of the high protective tariff. This bill is nothing in the world but a domestic application, for the benefit of the farmer, of the principle of the infernal high-tariff law; and I defy any man to show the difference. The Senator from Iowa is arguing against the bill because the farmer is going to get the benefit of a higher price in America for what he makes than for what is exported. That is the principle of the high protective tariff—that the manufacturer may mulct the American people, but may sell his surplus abroad cheaper than he sells his product to us.

Mr. DICKINSON. Do I understand then, that the Senator from South Carolina is advocating a tariff on rice?

Mr. SMITH. No; I am not, but I am making the statement that since the farmer is disorganized and unable to protect himself, the Government is attempting to stand in lieu of an organization, in order that he may get out of his product a reasonable percentage of the wealth he produces. If I had my way, I would lower the tariff to a revenue basis, and turn everybody loose, and let them utilize the markets of the world to the best of their ability; but still there would remain the unorganized farmer.

Now, I desire to ask the Senator a question. It is said the law of supply and demand operates. Is there not another law as powerful as that, that things move along the line of least resistance? When the farmer produces his raw material, either in the form of rice, or wheat, or corn, or hogs, or cotton, and the manufacturer, or the processor, begins to make his cost sheet, and finds a little sales resistance, if the farmers offer him less resistance than the purchasing public, does any man here attempt to say where the deduction will be made?

Do not Senators on this floor know that whenever the manufacturer or the processor of any article undertakes to make up his cost sheet, every item of overhead is added—freight, the incidental expenses, and everything else—and then he fixes his price for the purchase of the raw material according to the profit to which he thinks he is entitled, or which he can make?

I am here to ask at this stage, until we can get things better regulated than they are, that we support the Government's attempt to step in and provide for the farmer the organized protection which we find in industrial business.

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

Mr. SMITH. I yield.

Mr. HAYDEN. The Chairman of the Committee on Agriculture and Forestry will remember that when the pending bill came over from the House of Representatives I directed his attention to a rather unusual situation which exists in the Salt River Valley in Arizona and in the Imperial Valley in California. There are certain areas of land which after prolonged irrigation become alkaline or bear excessive quantities of salt. For many years the farm practice has been to pond water on these lands to absorb the alkali or drive such salts down through the soil to the underlying gravel beds.

In recent years the farmers have found that they can get some benefit from such land by planting a crop of rice to be grown in the ponded water. A year's treatment of that kind will make the land fertile for 5 or 10 years before the alkali or salt comes back. That is only done in process of crop rotation, and I suggested that rice be eliminated from the operation of the law where the Secretary of Agriculture finds that it is part of a crop rotation. What consideration did the committee give to that suggestion?

Mr. SMITH. Mr. President, I wish to be frank with the Senator. I suggested the Senator's proposal to those in authority in the Department of Agriculture, and they said that, though the planting of rice might sweeten the soil and eliminate the alkaline content, the rice crop might be so profitable and the yield so great that they would continue to sweeten even when sweetening was not necessary, and it would be hard upon the other rice producers.

Mr. HAYDEN. Is it true that if a crop of rice were planted on such land a portion of 1 year as a part of a system of crop rotation all such rice produced would have to bear the full processing tax fixed in the pending bill?

Mr. SMITH. Yes.

Mr. HAYDEN. Someone in the Department of Agriculture tried to explain to me that the rice growers of the irrigated regions could escape from the situation by asking for no benefit and having no tax to pay. Is that possible?

Mr. SMITH. That feature was not discussed. I did not discuss that phase of it.

Mr. HAYDEN. The Senator will remember that my amendment proposes to leave this matter entirely in the discretion of the Secretary of Agriculture to determine whether or not the exemption from the processing tax might be extended.

Mr. SMITH. I did not discuss that feature, that in case they should utilize these lands for that purpose they would ask for no benefit if they were not taxed, that they would just produce it and send it on the market, without any governmental interference at all.

Mr. HAYDEN. That is exactly what the rice growers of my State want to do.

Mr. SMITH. I did not discuss that feature of it, and I do not know about it. I was not advised as to what quantity of rice could be produced under the conditions the Senator indicates.

Mr. HAYDEN. There will be someone to administer this law, and if through the Secretary we gave to those who administer the law authority to find that such a crop of rice was merely grown as a part of a scheme of crop rotation, that it was not a customary matter, could not arrangements be made whereby the rice might be produced and sold without receiving a benefit and without being taxed?

Mr. SMITH. Has the Senator any idea what would be the aggregate quantity of rice produced under those conditions?

Mr. HAYDEN. I have no definite figures in regard to the matter at all, except that I know that it has been found that it is advantageous to plant some rice where a farmer is keeping a pond of water on land for a large part of a year.

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

Mr. SMITH. I yield.

Mr. ROBINSON. It is the opinion of those who have formulated the proposed legislation and given special study to it that such an arrangement as the Senator from Arizona suggests would upset the whole program, because it would make possible rice cultivation on considerable areas of land the product of which would be exempt from the processing tax, whereas those raising rice on lands elsewhere would be subject to the processing tax.

Let me say now, in connection with the statement made by the Senator from Iowa [Mr. DICKINSON], that it is entirely true that the net result of the transaction with respect to the tax-payment warrants is no cost to the Government whatever; all the money finally comes out of the processing tax.

Of course, this is a program of production control and adjustment. It is a change from the program of previous seasons, which was a program of marketing agreements; and it is made necessary by the fact that there have accumulated considerable surpluses in the hands of producers and of processors, both of whom have withheld those surpluses from the market for the purpose of sustaining the market and securing the orderly marketing of their products.

If we shall provide for the cultivation of large areas in rice to be exempt from the processing tax, even though it be only in alternate seasons, the result will be that the production will be greatly increased, it will not be subject to the processing tax, and the whole arrangement will be upset.

I am sorry, of course, not to be able to concur in the suggestion made by the Senator from Arizona, but I regard this as vital; and if his amendment were put into the bill and were to stay in it, I should think that the bill would be ineffective to accomplish the purpose for which it is intended.

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

Mr. SMITH. I yield.

Mr. HAYDEN. In telephonic conversation with officials in the Department, I was told that such an amendment as I have proposed was not necessary, because the rice so produced could be sold at the world price. In other words, if the Arizona and California rice growers do not obtain any advantage under this proposed law, they would suffer no loss under it, provided an arrangement of the kind I have suggested can be made by the Department. The proponents of this bill should have no objection, because it would have no effect one way or the other. Of course, if those who produced this rice sought to obtain in the market the higher price which would result from the operation of the proposed legislation, and, at the same time, to escape the tax, that would be unjust; on the other hand, if they were compelled to accept a lower price for their rice and obtained no benefit one way or the other, it could not affect the situation at all.

Mr. SMITH. Under the law, could not an arrangement be made with the department by which those to whom the Senator refers could do what he suggests without coming under the provisions of the processing tax?

Mr. HAYDEN. That is exactly the suggestion I want to get from the chairman of the committee.

Mr. SMITH. The Senator did not indicate that to me.

Mr. HAYDEN. I fully realized that a group of small producers cannot stand in the way of a great movement such as that contemplated in the pending bill. On the other hand, if it is the considered judgment of the chairman of the committee that the Department of Agriculture can make an arrangement such as I have suggested can be made, whereby those who produce this rice will not receive an enhanced price, but must take the world price for their rice, and will obtain no benefit through the law, I might be satisfied not to offer my amendment.

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

Mr. SMITH. I yield.

Mr. LONG. It certainly seems to me a strange thing that, after we have done everything we could to take care of the cotton people, and the corn people, and the wheat people, and the hog people, they are here arguing against a rice bill. There is nobody on earth who needs this relief more than does the rice farmer, and there is no one any more entitled to it than the rice farmer. This happens to be one form of relief that would go directly to the rice farmer, who is, above all people in this country, underpaid for a very nutritious product which is being produced in this country today.

Mr. HAYDEN. Mr. President, I am not delaying the enactment of the proposed legislation. I am merely trying to find out whether rice produced under the conditions I have suggested could be marketed without interfering with the plan now under consideration.

Mr. SMITH. Mr. President, I may say to the Senator from Arizona that I do not think that an amendment of the kind he proposes should be placed in the bill, for the reason that it would inject an element of uncertainty as to how much would be produced, and what effect it might have on the market. However, it seems to me that the Senator might make some arrangement, inasmuch as power is proposed to be given in this measure for the Secretary to do a great many things. I think that if the Senator would take the matter up with the Department he might find relief for his people without incorporating the amendment in the bill, with the understanding that it would be under the supervision of the Department, and that it was to be wholly outside of the pale of the proposed law.

Mr. HAYDEN. With that assurance from the chairman of the committee, I shall not offer my amendment.

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

Mr. SMITH. I yield.

Mr. CONNALLY. If I understand the pending measure correctly, the basic idea is to allow the rice producers to secure a processing tax only on that amount of their production that is domestically consumed, and to sell the remainder of the crop in the world market at the world price.

Mr. SMITH. That is correct.

Mr. CONNALLY. In other words, it is simply a reversal, as suggested by the Senator, of the protective theory, in order to give the producers an advantage on domestic consumption.

Mr. SMITH. That is an accurate statement.

Mr. CONNALLY. Which is in harmony with the other legislation regarding agricultural products we have enacted heretofore.

Mr. SMITH. The Senator is correct.

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

Mr. SMITH. I yield.

Mr. KING. What obstacles are now interposed to the disposition of the surplus rice in the markets of the world?

I want enlightenment; but it looks to me, may I say, that this is simply a gratuity paid to rice producers who withheld their rice from sale on the market.

Mr. SMITH. Oh, no, Mr. President.

Mr. ROBINSON. If the Senator will permit me to interrupt him, let me say that there is not a dollar paid finally out of the Treasury. It is true, as pointed out by the Senator from Iowa [Mr. DICKINSON], that the tax-payment warrants are issued and used to show the payment of the tax, but in the final accomplishment every dollar comes out of the processing tax. It is the application of the same principle which we have applied to other agricultural products.

Mr. SMITH. To cotton, for instance.

Mr. ROBINSON. Yes. If this proposed legislation should not be passed, if it should be rejected, it would mean the destruction and ruin of the rice business in the United States. It is believed that this is a better method of handling the problem than through marketing agreements. It will accomplish several purposes. It will enable the producers to shift from marketing agreements to an agricultural-adjustment program. As I have already stated, and as the Senator from South Carolina [Mr. SMITH] has made clear also, it makes fair and equitable provision for those producers who have held their rice for the purpose of orderly marketing. It makes provision for those processors who have done the same thing. They paid the parity price, the price that was contemplated by the marketing agreement; and the object of the arrangement referred to as tax-payment warrants is to secure to make equitable provision so that they will not suffer great loss and be discriminated against, when they and such processors are the persons who have contributed perhaps more than others to the effectiveness of the marketing agreement.

Mr. SMITH. Mr. President, let me explain.

Mr. KING. I should like to ask the Senator a question. Is it proposed to pay 1 cent to the rice producers who have held their rice stocks and have not shipped them when others shipped them abroad?

Mr. SMITH. The others got the world price. Let me explain to the Senator.

Mr. KING. Very well.

Mr. SMITH. Under the marketing agreement all the rice was bought at a cent above the world's market. That is about what it was.

Mr. KING. Bought by whom?

Mr. SMITH. By the processors and by some of the farmers. That which was not consumed is now in the exportable stock, but all the exportable stock bought by the processor was purchased at a cent above the market. Now, the farmers are perfectly agreeable that they shall be repaid 1 cent. Invoices are coming in now and the farmers who have held their rice, and the processors who bought the rice or have accumulated it now want to ship it out in the world trade, and they want that rebate of 1 cent. That is all there is to it. And they cannot ship a bushel until they can meet the world price, and the only way they can meet it is to have these warrants under which they will be refunded the 1 cent; that is all.

Mr. KING. Mr. President, who will refund it?

Mr. SMITH. It comes out of the Treasury into which it was paid; it will be handed back. The same money they paid in will be paid back. And no one will have lost or gained a penny.

Mr. KING. Does the Senator mean that for all this 225,000,000 pounds of rice which has been withheld there has been money paid into the Treasury?

Mr. SMITH. There has been paid in 1 cent a pound.

Mr. KING. Before it was processed?

Mr. SMITH. Certainly. It is not processed except just to clean it; that is called "processing." The trash and seed and other grain are blown out of it and then it is in the clean form. Now it is in the warehouses, and invoices are coming in, and unless we relieve them of this tax which they have paid they cannot ship it in the world market.

Mr. KING. Let me make one further inquiry, and then I shall desist. Did processors or farmers or anyone else pay into the Treasury of the United States 1 cent a pound for all the rice which has been withheld?

Mr. SMITH. Yes; and now, as they export it and take the world's price, they will get exactly what they paid when they accumulated it.

Mr. ROBINSON. And that provision is absolutely essential to both the processors and the producers, and it is important that action be taken promptly.

Mr. SMITH. It will ruin the producers to have the surplus continue to pile up and have no market for it.

Mr. DICKINSON. Mr. President, if no benefit results from the provisions of the bill to those who hold the rice which is going to be sold in export, why can they not sell it in export without this bill? Why do they need the bill?

Mr. SMITH. Because the tax has already been paid on this old accumulated stock.

Mr. DICKINSON. Oh, no!

Mr. SMITH. Yes; it has been paid.

Mr. DICKINSON. Oh, no, Mr. President!

Mr. ROBINSON. Oh, yes; they paid parity price. That is correct.

Mr. SMITH. The statement is correct.

Mr. ROBINSON. They had a marketing agreement under which they paid the parity price, which included 1 cent a pound. The effect of this arrangement is to put them back as if they had not paid that parity price and enable them to take the world price.

Mr. DICKINSON. The great bulk of this rice is presumed to be in the hands of the producers. The producers have not paid any parity price.

Mr. LONG. Mr. President, what happened is that they paid the price and then could not sell the rice. That is the trouble.

Mr. DICKINSON. Who paid the price?

Mr. LONG. The man who produced the rice, in the long run.

Mr. DICKINSON. Oh, no; the rice is still in his possession, and he has not paid any price at all. It is still his rice.

Mr. LONG. All the bill does is to put the rice back in the position where it can now be sold under present world conditions. I read the statement about the purpose of the bill. I do not think my friend from Iowa really understands it. I have a statement which was handed to me by a gentleman who sat in the hearings——

Mr. DICKINSON. The Senator is mistaken. I fail to misunderstand it.

Mr. LONG. Here is the statement. It can be relied upon as being accurate. Tax warrants are only issued on the 1933–34 crop.

Mr. DICKINSON. Those two crops.

Mr. LONG. Yes. Wherever processor can show that he has paid the producer full parity price offered in payment of the tax on the 1933–34 crop it prevents a double payment. That is the purpose of the bill.

Let me say to the Senator from Iowa that he has been a pretty good protectionist here.

Mr. DICKINSON. I am one of the best.

Mr. LONG. I have always stood with him on protection. If the stand he is taking today were to prevail we would not have a rice industry in the United States very long. It is absolutely necessary, if we are to maintain a domestic rice industry in the United States, that we should save these people from the conditions which prevail. We produce some rice down in my State, and I know for a fact it is not possible to keep alive the rice business unless we get some remedial legislation of this kind.

Mr. ROBINSON. If those who have held their rice for orderly marketing, those who have paid the parity price, which embraces 1 cent a pound above the world market, shall be compelled to sell on the world market without reimbursement for what they have paid out in the nature of a processing tax they will have to operate at a very great loss. The object of this arrangement is to protect them

against the effect of selling on the world market when they have paid the domestic price or the parity price, which is 1 cent above the world market.

Mr. DICKINSON. There are 225,000,000 pounds of this rice. How much of it is in the hands of the producers, how much is in the hands of the cooperatives, and how much is in the hands of the commission concerns?

Mr. ROBINSON. The figures which I have here and which are approximate, as the Senator will understand, are as follows: Stocks in producers' hands as of today in the Southern States, 4,320,000 bushels; California, 4,300,000 bushels; stocks in the processors' hands as of today, Southern States, 4,294,800 bushels; California, 337,680 bushels; making a total in the producers' hands of 8,620,000 bushels and in the processors' hands 4,632,480 bushels.

It will be remembered that the processors have all paid the parity price. They have paid 1 cent a pound above the world market, and when they export they will be entitled to a refund of 1 cent. It is, as the Senator has said, in the nature of a bounty, but at the same time the cost of the transaction comes not out of the Treasury finally but comes exclusively out of the processing tax.

Mr. DICKINSON. I take exception to the statement that the processing tax is not in the Treasury. The processing tax is a consumer's tax. It is in the Treasury as is any other general revenue. The only thing we did was to give the Secretary of Agriculture blanket authority to draw a check on it any time he wanted to. But it is part of the general revenues of the Government. When it is said that under this bill the 1 cent will be paid out of the processing tax, and that it will not cost the Government a cent, let me suggest that the only people who make up our Government are the consumers, and the consumers are the only ones who pay the processing tax. So the statement that the money does not come out of the Treasury is not a proper statement.

It is just like any other sales tax. It is paid by the general public. I eat rice. I presume I paid some of this processing tax. As a matter of fact, the 12,000,000 pounds in the hands of the processors does not amount to very much, because there are 225,000,000 pounds in the carry-over. That being the case, most of it is in the hands of the producer, and the processing tax has not been paid on it.

Mr. SMITH. Mr. President, let me call the Senator's attention to the fact that it does not make any difference how much is in the hands of the producer, whenever he sells it, on whatever percentage is domestically consumed, he is entitled to 1 cent a pound above the price, and whatever is exported will go at the world's price. It does not make any difference how many pounds the producer may have.

Mr. DICKINSON. Why can he not now export it in the world market under exactly the same conditions the Senator suggests if the provision of the bill is as it is interpreted by the Senator from South Carolina?

Mr. SMITH. The processor who paid the contract price is now getting inquiry about exporting his rice.

Mr. DICKINSON. Yes; but under the law now he is entitled to a drawback on whatever he exports. He does not need this measure in order to do that. That is a general law of the A. A. A.

Mr. SMITH. The processing tax is designed to simplify matter to do away with the licenses and do away with agreements. I tried to tell the Senator that at the beginning. It is to simplify the law, so that nobody, either the processor or the producer, will have to take out a license. Then the Government can determine exactly how much is exported and how much is domestically consumed.

Mr. DICKINSON. As a matter of fact, if the statement of the Senator from South Carolina is correct, nobody needs this proposed law in order to export rice. Under existing conditions they have all the privileges under the present law which they would have under the proposed law; that is, they can export it with a drawback or a refund if the processing tax is paid, but not with a refund if the tax is not paid.

Mr. LONG. Mr. President, the Senator loses sight of the fact that if a miller, as an example, had bought from the 1933–34 crop and paid, for instance, for clean rice $3.30 a sack, he has paid the price that was agreed upon and arranged through the Department of Agriculture, which included whatever price and tax and other things were supposed to be on it. That included 1 cent a pound. Now he has paid that; he has a sack of clean rice on hand that cost $3.30. If you make him pay another cent, he has got to pay the processing tax of 2 cents a pound, which will make it impossible to market the rice.

Mr. ROBINSON. And he would be discriminated against as compared with a man who sold his rice and did not hold it.

Mr. DICKINSON. He does not have to pay any processing tax on what he exports under any conditions. If he has paid a tax, it can be refunded to him in the form of a drawback. If he has not paid the tax, he can export the commodity in the general market in the regular trade. Therefore, if most of this rice is to be exported, what is the use of trying to dodge the issue here and say that there is not going to be a refund of the tax? When it is said that it has been paid by a Treasury warrant, the Secretary of Agriculture issues a Treasury warrant, which entitles the man who holds it to a refund. He can take it to the Treasury and get cash for it, if he wants to do so, at 99 cents on the dollar or he can turn it in and pay the processing tax. Then he can show that the processing tax is paid by the Treasury warrant, and then he can get a drawback or refund of 1 cent a bushel. Why try to write something in the measure that is not in it?

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

Mr. DICKINSON. Yes.

Mr. LONG. At first I thought my friend from Iowa was seeking information, but now I have decided that he just wants to kill our bill.

Mr. DICKINSON. The point I am trying to make is that if we take this action in the case of rice, in a little while we are going to be asked to take similar action with respect to wheat and cotton, and we are going to have charged up to the consumers of the country a subsidy or a royalty, or whatever one may want to call it, on all such products as are sold in the export market; and whenever we come to that situation, we are facing a danger. It is the precedent that is sought to be established by this bill which I think is wrong, and that is the reason I am opposing it.

Not only that, but I found in the hearings somewhere that under the provisions as to producers' agreements there is set up a fund whereby a man is going to get a bonus if he sells his rice for export. I have not been able to turn to it as yet, but I know that it is in the hearings.

I should like to call attention now to several phases of this matter. In the first place, under the policy of the Agricultural Adjustment Administration, we imported in 1933–34, 42,114,000 pounds of rice. At the same time we have accumulated a carry-over of rice, showing an increase from 148,000,000 pounds to 225,000,000 pounds. Only a little of that is in the hands of the processor; most of it is in the hands of what is known as the "cooperative producers."

Now I wish to call attention to another phase of this bill. Under the contract, I think if Senators will turn to the statement of Mr. Miller in the House committee hearings they will find this:

> To this end, these proposed amendments have been drafted to attain three principal objectives: First, to maintain prices at recent levels throughout the remainder of this marketing season; second, to move the surplus of rice from the 1933 and 1934 crops into the channels of trade; third, to permit a change from a marketing-agreement program to a production-adjustment program in such a manner as will avoid any adverse effect on the interests of any group of growers or any group in the trade.
>
> The proposed amendments specifically provide the following: First, the levying of a processing tax on March 1, 1935. Without such an amendment a processing tax could not be made effective until the beginning of the next marketing year, August 1, 1935. Second, the issuance of tax-payment warrants to growers who hold rough rice from the 1933 and 1934 crops, and to millers holding

stocks of rough rice which have been purchased at the prices specified in the existing marketing agreements and licenses. These warrants may be used in the payment of the processing tax. Third, the elimination of a floor-stock tax on clean rice now in the hands of millers, jobbers, retailers, or others in the trade who have stocks on hand in order to exempt from the tax all old-crop rice for which the marketing-agreement price has been paid.

The immediate effect of this proposed legislation would be to permit the stocks now in the hands of growers and millers to move into the channels of trade. Through the use of that provision of the Agricultural Adjustment Act which provides for drawbacks on the export of commodities upon which a processing tax is levied, millers and others in the trade should be able to export increased quantities of rice at prices now prevailing on the foreign markets.

What no one has explained is why they cannot do that now. There is nothing to prevent them doing so. If they are not getting 1 cent a pound drawback under the provisions of the present law, then there is nothing in this bill that helps them so far as the export trade is concerned. In other words, they would get no benefit under the bill for the rice which would be exported.

If the plan operates as may reasonably be expected, it would mean that surplus stocks of the 1933 and 1934 crops will have moved into foreign consumption at world prices and the growers will not be carrying heavy stocks of rough rice as they enter upon a program of production adjustment with benefit payments to cooperators.

Under the existing program two marketing agreements are in operation. These agreements have maintained the domestic prices at about 100 percent above the prices prevailing for the 1932 season and have placed the grower in a much improved position. One effect of these agreements has been to largely eliminate speculative buying, with the result that unprecedentedly large stocks have accumulated in the growers' hands.

That is the reason why I say that the processing tax has not been paid on this rice. As suggested here, only 12,000,000 pounds are in the hands of the processors. The remainder of it is in the hands of the growers.

During the past year the trade has been purchasing from growers largely to the extent needed to meet their current requirements. In the absence of the program which would be made possible by these amendments, it is estimated that on August 1, 1935, the carry-over in the hands of growers and millers would be about 225,000,000 pounds of clean rice. If this rice is permitted to move into foreign markets and the price prevailing in these markets, it would seem certain that the carry-over stocks on August 1, 1935, would be down to more manageable proportions.

If there is nothing in the bill which benefits the producer in exporting his rice, if he does not get the 1-cent drawback on the rice he exports, then there is nothing in this bill that will help the rice exporter at all. Therefore, I contend that my interpretation of section 10 as amended is correct, and the amendment proposed by the Senator's committee only makes it plainer that the interpretation is correct. I do not see how it can be interpreted in any other way.

Next, I want to suggest that there has been absolutely nothing said that has explained what has become of the bonus or the bounty or the "jackpot" which the cooperative producers were going to arrange among themselves as growers for the export of rice. It was provided in the contract agreement that they should have a fund of that kind. There has been no suggestion as to what has happened to that fund, what has become of it, where it is, how much was paid in, or whether there was any paid in; and I do not believe that any bill of this kind ought to be passed by the Senate before we have some explanation of a provision of that situation.

I now call attention to the provision wherein we find that the benefits of the bill are to go only to the cooperative producers. In other words, we find that the benefits of this bill as provided on page 7, line 4, are only to extend to eligible cooperating producers. What does that mean? That means the very type of coercion we have been trying to avoid and which the Department of Agriculture said they were not going to employ. It means that the producers are not going to have any market for their rice unless they come in and comply with all the rules and regulations imposed by the Department of Agriculture.

Who are the only eligible cooperating producers? We find a definition in the bill of an eligible cooperating producer. It appears on page 4, beginning in line 7:

The term "cooperating producer" means any person (including any share tenant or share cropper) whom the Secretary of Agriculture finds to be willing to participate in the 1935 production adjustment program for rice.

Who is he? He is the farmer who will come in and sign a contact whereby he will agree to sacrifice his independence as a rice producer and do what the Department of Agriculture tells him to do.

Mr. ROBINSON. Mr. President, the whole crop program is based on the cooperation of the producer. If there could not be cooperation on the part of the producer, the program would not be effective in any way.

Mr. DICKINSON. Very well. Then let us go back to the case where it was held, in order to maintain the constitutionality of the Agricultural Adjustment Act, that it is purely a cooperative concern and there is no coercion. It is said the benefits of the bill are going to be extended only to the man who will sign an adjustment contract. There is no question that we should not say it is purely cooperative on the one hand and then say the program is going to be limited only to those who will come in and sign up. The cooperative benefits then only go to those who sign up.

Typical of Government attempts to aid agriculture by price fixing and production control is the outcome of the A. A. A.'s southern rice-marketing agreement, as evidenced by the bill—H. R. 5221—now before Congress. The history of such economic devices in foreign countries is that they usually result in reduced consumption and increasing surpluses, as this has.

In September 1933 the A. A. A. entered into an agreement with the southern rice millers and growers which undertook to control production and to fix a minimum growers' price for rice. The domestic carry-over of rice in 1933 was 148,000,000 pounds. After 15 months' operation under this agreement, it is estimated that the carry-over for the current year will be 225,000,000 pounds, which is the largest carry-over on record.

The present price of rice—about 3½ cents a pound—is 1 cent above the world market level, and it is for this reason that American rice has not passed freely into consumption. When it is realized that this 1-cent difference is about 40 percent above the world price it can be understood why the foreign consumption of American rice has fallen off. In fact, this situation has been aggravated by a nearly 100-percent increase in rice imports. Due to the high domestic price of rice, imports increased from 22,000,000 pounds in 1933 to 42,000,000 pounds in 1934.

It is evident that this large carry-over of rice, mainly in the hands of the growers, cannot be sold unless the price is substantially reduced. To sell it at the world price level would result in a heavy loss to the growers. So the purpose of this proposed amendment to the Agricultural Adjustment Act is to authorize the Secretary of Agriculture to impose a processing tax of 1 cent a pound on rough rice, so that the surplus may be sold gradually at the world price without loss to the present holders. This bill proposes that the levying of this tax commence March 15. The floor-stock tax would not apply to clean rice.

The method of compensating the cooperating—parties to the marketing agreement—holders of any rough rice produced in 1933 and 1934 would be for the Secretary of Agriculture to issue them tax-payment warrants with a face value equal to that of the processing tax. These warrants could be used for paying the processing tax on rice at their full face value or would be redeemable in cash by the Secretary of Agriculture at 99 percent of their face value. This tax would cost the consumer—with an annual consumption of about 750,000,000 pounds—around $11,000,000 a year. Although the tax would be 1 cent, it would be imposed on rough rice, the weight of which is reduced about 38 percent by cleaning before passing into consumption. So it is probable that the additional cost to the consumer would be at least 1½ cents a pound. This increase in price to the consumer would result in decreased domestic consumption, so that the rice surplus might be further increased.

The principle involved in this bill is important. It is an example of the usual sequence of economic planning where, when one device fails, it is necessary to substitute another scheme to offset it. In this case it is proposed to have the consumer pay the holders of rice for the loss which they will incur by having participated in this A. A. A. marketing agreement. Of course, the taxpayer eventually pays for the failure of Government experiments, but taxing the consumer to cover such losses would arouse serious opposition.

The bill now before us has been rushed through the House and has been approved unanimously by the Senate Agricultural Committee. If this amendment is enacted, the A. A. A. plans to terminate the present marketing agreement and engage in a production adjustment program, while endeavoring to maintain the present price levels.

It is my judgment that the pending bill of itself is not such a serious matter. It is the establishing of the principle that more particularly concerns me, for when we adopt a scheme of this kind, in a little while we find ourselves in more difficulty than we were before we adopted it. It may be said this is a reaction of the tariff. If we had a proper tariff we would be using at least 40,000,000 more pounds of rice in our own country.

I am simply giving the warning that so long as we try to maintain ourselves in this country by lifting ourselves out of our troubles by our bootstraps we are going to get into trouble deeper than ever. What this bill proposes is purely a charge against the consumers of the country in the name of a processing tax for the benefit of a limited number of producers. I am in sympathy with the rice producers and with the producers of all farm commodities. I have been strongly sympathetic with them, because I have lived among them all my life. If we expect ever to reach a permanent economic recovery basis, we must do away with panaceas which attempt to support everybody by a charge against the Public Treasury.

The theory that this bill will not cost anyone anything is entirely wrong. The processing tax on farm products for the month of March to date is shown by a statement which I hold in my hand. From the 1st of March to the 13th of March there had been paid in at the expense of the consumers of the country $36,251,780.69. There was paid in for the portion of the fiscal year beginning January 1 the sum of $389,200,171.03. This is the type of sales tax that is being imposed on the consumers of the country by the processing tax which has been levied not only on one commodity but on several.

I find that the worst phases of the bill are three in number, as follows:

First. If we pass it, it will merely be an attempt to extend the draw-back provision of refunds to the point where a man pays a processing tax with a piece of paper which is a Treasury warrant issued by the Secretary of Agriculture in lieu of the actual payment in cash of the processing tax on his commodity.

Second. It is an attempt to relieve one group at the expense of the general taxpayer.

Third. It is limiting the benefits of the whole machinery, if there are any benefits to it, to the man who will come in and sign up an allotment contract and take orders from bureaucrats in Washington as to how and when he shall plant.

Therefore it is my judgment that this kind of legislation should be defeated. I know there is no hope of defeating the bill. I simply believe it is the beginning of another vicious type of legislation which we are going to be called upon to support, and which is to make a bad matter worse by charging more to the consumer in the name of a processing tax, and then let the benefits accrue to those who happen to be within the favor of the Department of Agriculture, who will sign away their rights to run their own farms and manage their own business. I think it is a vicious type of legislation.

On page 174 of the document entitled "Agricultural Adjustment, a Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934", I find this statement:

> Consequently, the Administration negotiated marketing agreements with the California rice industry and the southern rice industry. The outstanding provisions of these agreements are:
>
> 1. The mills agree to pay such minimum prices for rough rice as may be proclaimed by the Secretary of Agriculture.

That is merely price fixing.

> (The initial prices proclaimed under the agreement were approximately parity.)
>
> 2. The millers and the Secretary agree to a minimum conversion charge for rice milling.
>
> 3. The millers agree to set aside 10 cents a barrel in the South, and an undetermined amount in California, in order to create a marketing fund which is to be used under the supervision of the Secretary for the development of markets for American-grown rice.
>
> 4. The millers' and growers' organizations agree to a plan of production control which provides for the allotment of acreage among growers on the basis of past production and an advantage in returns to cooperating growers. The mechanics of this equalization pool plan are roughly as follows: When growers deliver their rice to mills, the mills pay a fixed percentage of the Secretary's fixed price to the grower and the balance into a growers' trust fund. (In California, the arrangement is 70 percent to the grower and 30 percent to the trust fund.) All growers who have cooperated by planting no more than their allotted acreage will participate pro rata in the ultimate distribution of the trust fund. Growers who have not participated in the production control plan and/or have planted more than their allotted acreage will not receive any share of the trust fund.
>
> Parties to the marketing agreement covering the southern branch of the industry are the Secretary of Agriculture and the rice millers of Arkansas, Louisiana, Texas, and Tennessee.

It is my understanding that this matter was gone into, and the amount of acreage was fixed for each of the various States, and that is the marketing agreement under which they have been operating. Under that marketing agreement they have raised more rice than is normal, and that is one of the reasons why we now have this problem before us.

In other words, the contract and the agreements, instead of reducing production, have left it as high as it was formerly, and we have had no benefits from the plan. That being the case, we are now turning to what is known as a processing tax and an allotment plan, which I suppose means that the consumers are to be taxed a little more money to pay to the fellow down in Louisiana who whittles a stick and lets his acreage lie idle. To me that is just inconsistency.

Mr. President, in connection with my remarks I ask unanimous consent to insert in the RECORD an editorial from the Baltimore Sun entitled "Dwindling Farm Exports."

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

[From the Baltimore Sun]

DWINDLING FARM EXPORTS

> A Government bulletin, which is worth quoting in full, says:
>
> "The smallest January volume of farm products in more than 20 years was shipped out of the United States this year, according to the Bureau of Agricultural Economics. The Bureau's index is 57, compared with 62 in December and with 93 in January a year ago.
>
> "The January index of cotton exports is 68, compared with 109 in January last year. Exports this January were 486,000 bales, against 782,000 bales a year ago. Total exports for 7 months ended January 31 were 3,325,000 bales, compared with 5,929,000 bales during the corresponding period of 1933–34. Volume of cotton exports has declined 44 percent, and value has declined 27 percent.
>
> "January exports of wheat and flour, including flour milled from Canadian wheat, were 1,310,000 bushels, one of the smallest monthly exports on record. Total exports of wheat and flour from July 1 to January 31 were 14,830,000 bushels, compared with 18,607,000 bushels during the corresponding period of 1933–34. The Bureau says that during this period imports exceeded exports by 16,000 bushels.
>
> "All products except fruits were exported in less than pre-war volume in January. The index figures are: Grain and products, 17; animal products, 33; dairy products and eggs, 69; fruit, 189; wheat, including flour, 14; tobacco, 97; hams and bacon, 18; lard, 45. All figures compare with a pre-war base of 100."
>
> These are astounding figures, indeed. They show our foreign market for farm produce rapidly dwindling. They are even more astonishing when we recall that spokesmen for the A. A. A. have repeatedly assured the farmers that they need have no fear of losing their markets abroad in submitting to bureaucratic control of crop reduction. Just how will these A. A. A. spokesmen now go about the business of explaining away this drastic decline in farm exports?

The PRESIDENT pro tempore. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Agriculture and Forestry was, in section 1, page 1, line 10, after the word "before", to strike out "March 15" and insert "April 1", and on page 2, line 1, after the word "after", to strike out "March 15" and insert "April 1", so as to make the section read:

Be it enacted, etc., That subsection (a) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by striking out the comma after the words "except that" in the second sentence and inserting in lieu thereof the following: "(1)"; and by striking out the period at the end of said second sentence and inserting a comma and the following: "and (2) in the case of rice, the Secretary of Agriculture shall, before April 1, 1935, proclaim that rental or benefit payments are to be made with respect thereto, and the processing tax shall be in effect on and after April 1, 1935."

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 16, after the word "from", to strike out "March 15" and insert "April 1", so as to make the section read:

SEC. 3. Subsection (b) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the words "except that" in the first sentence the following: "(1)"; by striking out the period at the end of said first sentence and the word "If" at the beginning of the second sentence and inserting in lieu thereof a comma and the words "and if"; and by striking out the period at the end of said second sentence and inserting in lieu thereof a comma and the following: "and (2) for the period from April 1, 1935, to July 31, 1936, both inclusive, the processing tax with respect to rice shall be at the rate of 1 cent per pound of rough rice, subject, however, to any modification of such rate which may be made pursuant to any other provision of this title."

The amendment was agreed to.

The next amendment was in section 6, page 3, line 23, after the word "own", to strike out "livestock and", and insert "livestock"; in line 24, before the word "producer", to strike out "for the" and insert "directly for a", and on page 4, line 2, after the words "applied for", to insert "by application then pending"; so as to make the section read:

SEC. 6. Subsection (d) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by renumbering paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following:

"(7) In the case of rice—

"(A) The term 'rough rice' means rice in that condition which is usual and customary when delivered by the producer to a processor.

"(B) The term 'processing' means the cleaning, shelling, milling (including custom milling for toll as well as commercial milling), grinding, rolling, or other processing (except grinding or cracking by or for the producer thereof for feed for his own livestock, cleaning by or directly for a producer for seed purposes, and drying) of rough rice; and in the case of rough rice with respect to which a tax-payment warrant has been previously issued or applied for by application then pending, the term 'processing' means any one of the above-mentioned processings or any preparation or handling in connection with the sale or other disposition thereof.

"(C) The term 'cooperating producer' means any person (including any share-tenant or share-cropper) whom the Secretary of Agriculture finds to be willing to participate in the 1935 production-adjustment program for rice.

"(D) The term 'processor', as used in subsection (b-1) of section 15 of this title, means any person (including a cooperative association of producers) engaged in the processing of rice on a commercial basis (including custom milling for toll as well as commercial milling)."

The amendment was agreed to.

The next amendment was on page 4, after line 17, to strike out section 7, in the following words:

SEC. 7. Subsection (b) of section 12 of the Agricultural Adjustment Act, as amended, is amended by inserting in the first sentence thereof, after the comma following the words "rental and benefit payments", the words "redemption of tax-payment warrants issued under the provisions of subsection (b-1) of section 15 of this title."

And in lieu thereof to insert:

SEC. 7. Subsection (1) of section 8 of the Agricutural Adjustment Act, as amended, is amended by inserting at the end of the first sentence thereof the following new sentence: "In the case of rice, the Secretary, in exercising the discretion conferred upon him by this section to provide for rental or benefit payments, is directed to provide in any agreement entered into by him with any rice producer pursuant to this section, upon such terms and conditions as the Secretary determines will best effectuate the declared policy of the Act, that the producer may pledge for production credit in whole or in part his right to any rental or benefit payments under the terms of such agreement and that such producer may designate therein a payee to receive such rental or benefit payments."

The amendment was agreed to.

The next amendment was, in section 8, page 5, line 21, after the word "tax", to insert "and provided no tax payment warrant has been previously issued with respect thereto or previously applied for by application then pending)"; on page 6, line 1, after the word "thereof", to insert "at the rate in effect at the time of such issuance"; in line 3, after the word "on", to strike out "March 15" and insert "March 31"; in line 4, after the word "to", to insert "or at the direction of"; in line 5, after the word "after", to strike out "March 15" and insert "April 1"; in line 7, after the word "processor", to strike out "(and with respect to which no tax payment warrant has been previously issued or applied for)"; in line 11, after the word "that", to strike out "he" and insert "such processor or other person"; in line 18, after the word "to", to strike out "March 15" and insert "April 1"; in line 24, after the word "after", to strike out "March 15" and insert "April 1"; on page 7, line 2, after the word "cover", to insert "the tax on"; in line 3, after the word "rice", to insert "the rate in effect at the time title was so transferred"; in line 11, after the word "transfer", to strike out "and redemption"; in line 19, after "1934"; to insert "and"; after line 19, to strike out "(2) upon presentation to the Secretary of Agriculture shall be redeemed by him in legal tender for 99 per centum of their face value at such place or places as may be prescribed by the Secretary of Agriculture; and"; on page 8, line 1, to strike out "(3)" and insert "(2)"; in line 5, after the word "in", to strike out "purchases, or redeems" and insert "or purchases"; in line 7, after the word "warrant", to insert "or the right of any person thereto"; on page 9, line 14, after the word "transfer", to strike out "use, and/or redemption" and insert "and/or use"; and in line 19, after the words "and/or", to strike out "redemption" and insert "transfer", so as to make the section read:

SEC. 8. Section 15 of the Agricultural Adjustment Act, as amended, is further amended by inserting, after subsection (b), the following subsections:

"(b-1) The Secretary of Agriculture is authorized and directed to issue tax-payment warrants, with respect to rough rice produced in 1933 and 1934 (provided the processing of such rice is not exempt from the tax, and provided no tax-payment warrant has been previously issued with respect thereto or previously applied for by application then pending), sufficient to cover the tax with respect to the processing thereof at the rate in effect at the time of such issuance, to any processor with respect to any such rice which he has in his possession on March 31, 1935, and to, or at the direction of, any other person with respect to any such rice which, on or after April 1, 1935, he delivers for processing or sells to a processor: *Provided*, That in case any such processor or other person is the producer of such rice (or has received such rice by gift, bequest, or descent from the producer thereof) that such processor or other person is, if eligible, a cooperating producer: *And provided further*, That in case such processor or other person is not the producer thereof (nor a person who has received such rice by gift, bequest, or descent from the producer thereof), (a) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, prior to April 1, 1935, such producer received the price prescribed in any marketing agreement, license, regulation, or administrative ruling, pursuant to this title, applicable to the sale of such rice by the producer, and (b) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, on or after April 1, 1935, such producer received at least the full market price therefor plus an amount equal to 99 percent of the face value of tax-payment warrants sufficient to cover the tax on the processing of such rice the rate in effect at the time title was so transferred, and was, if eligible, a cooperating producer.

"(b-2) The warrants authorized and directed to be issued by subsection (b-1) of this section—

"(1) shall be issued by the Secretary of Agriculture or his duly authorized agent in such manner, at such time or times, at such place or places, in such form, and subject to such terms and conditions with reference to the transfer thereof or the voiding of warrants fraudulently obtained and/or erroneously issued, as the Secretary of Agriculture may prescribe, and the Secretary of Agriculture is authorized to discontinue the further issuance of tax-payment warrants at any time or times and in any region or regions when he shall determine that the rice is any such region or regions can no longer be identified adequately as rice grown in 1933 or 1934; and

"(2) shall be accepted by the Collector of Internal Revenue and the Secretary of the Treasury at the face value thereof in payment of any processing tax on rice.

"(b-3) (1) Any person who deals or traffics in or purchases any such tax-payment warrant or the right of any person thereto at less than 99 percent of its face value shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"(2) Any person who, with intent to defraud, secures or attempts to secure, or aids or assists in or procures, counsels, or advises, the securing or attempting to secure any tax-payment warrant with respect to rice as to which any tax-payment warrant has been theretofore issued shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"(3) Any person who, with intent to defraud, forges, makes, alters, or counterfeits any tax-payment warrant or any stamp, tag, or other means of identification provided for by this title or any regulation issued pursuant thereto, or makes any false entry upon such warrant or any false statement in any application for the issuance of such warrant, or who uses, sells, lends, or has in his possession any such altered, forged, or counterfeited warrant or stamp, tag, or other means of identification, or who makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such warrants or stamps, tags, or other means of identification, shall, upon conviction thereof, be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or both.

"(4) All producers, warehousemen, processors, and common carriers, having information with respect to rice produced in the years 1933 or 1934, may be required to furnish to the Secretary of Agriculture such information as he shall by order prescribe as necessary to safeguard the issuance, transfer, and/or use of tax-payment warrants.

"(5) The Secretary of Agriculture may make regulations protecting the interests of producers (including share-tenants and share-croppers) and others in the issuance, holding, use, and/or transfer of such tax-payment warrants."

The amendment was agreed to.

The next amendment was, in section 9, page 10, line 6, after the word "commodities", to insert "and (2)", so as to make the section read:

SEC. 9. Subsection (e) of section 15 of the Agricultural Adjustment Act, as amended, is further amended, by inserting after the word "*Provided*", the following: "(1) That in the event any of the provisions of this title have been or are hereafter made applicable to any possession of the United States in the case of any particular commodity or commodities, but not generally, this title, for the purposes of this subsection, shall be deemed applicable to such possession with respect to such commodity or commodities, but shall not be deemed applicable to such possession with respect to other commodities; and (2)."

The amendment was agreed to.

The next amendment was, in section 11, page 10, line 22, after the word "paid", to strike out "and any provision of law notwithstanding, the Comptroller General is authorized and directed to certify for payment (without review of the fact of payment of such tax) any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue" and insert "and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding", so as to make the section read:

SEC. 11. Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid; and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SMITH. Mr. President, I move that the Senate insist on its amendments and ask for a conference with the House of Representatives on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SMITH, Mr. BANKHEAD, and Mr. NORRIS conferees on the part of the Senate.

PROPOSED LOAN TO CHINA—THE FOREIGN DEBTS

Mr. LEWIS. Mr. President, I crave the attention of the Senate for a few moments on a subject which I feel is pertinent.

We have just listened to discussion on the part of eminent Senators, one from Iowa [Mr. DICKINSON] and other Senators on the floor, touching the matter of rice. I am moved to recall that it has been stated in the public press that a proposition has been made to this Government that it shall join with Japan, England, and possibly France in a loan to China, which, of course, if made, would enable China greatly to increase her rice production; and if rice is an important commodity to be considered in connection with the welfare of our Government, as stated by Senators, we can readily see the immediate effect such rice increase would have upon the rice production of America.

I turn from the suggestion of agriculture, however, that one may see the pertinency of my observations as relating to a threat of international complication on loans to foreign lands.

I sincerely protest against and greatly hope that this, my Government, will not be induced, or by any form of indulgence seduced, to enter into a loan to China or any other foreign country in combination with European lands. We have had enough experience with lending our money, with the vast billions lost to us. Having lost both the money and the friendship of the European lands, it is now gravely proposed that we again blunder into the idea of joining ourselves with two countries of Europe and one country of Asia and make ourselves a joint creditor of another country in Asia by lending the American money in conjunction with the money of the Europeans.

Mr. President, I invite my honorable colleagues to certain reflections justifying my fears. The moment we lend the money as aid to commerce, the question will first arise as to the land of the creditor in which that money shall be spent. Right there will arise a controversy between England, which has a large sphere of territory and dominance in China, and France, which has a larger one in Indo-China, and Japan, whose interest is to possess the complete trade of China, and we promptly join in that controversy. This situation shows that our country would become at once involved in controversy, a broil between the countries in which shall be spent the money that shall be loaned by these four creditors.

From the results we promptly awaken a conflict between ourselves and Japan, also between ourselves and France, then between ourselves and England, our immediate joint creditors. We come out of it with a situation where the other countries, having territorial spheres in or adjacent to China, will have the advantage of the trade. They would land their goods in their own territorial areas and transfer the supplies from those particular bases to those which may be the purchaser. Then our America would be completely out, and, far from realizing anything in a commercial profit, we would lose at the beginning and invite a conflict with these European nations, and this complication would continue, as it has in the past, to all our foreign debtors.

Second, sir, suppose the loan is effected. When we come to collect the loan, behold our situation! The United States would assume to collect; but her fellow creditors—England, having a large sphere of interest in China, and France, having an equal sphere of interest in Indo-China—will each object to the United States foreclosing the loan in any manner it can. Standing upon that objection, the other creditors will protest that we have become an enemy of China and its oppressor. There, again, we make more enmities, and in the conflict we collect no money, and we gather no friendship, but we do gather the liabilities of continuous and multiplied hatreds.

And now, sir, if this threatened course should be adopted, we turn to behold that this morning's foreign press brings from Saturday the correspondence that our honorable friends in England—statesmen representing the foreign creditor, together with spokesmen for France—make a public announcement that there never was a debt to the United States! Far

from merely failing to continue to include the interest in what is called the "budget", our honorable debtors make free to announce that there has been an illusion in assuming that there ever was a debt; that we indulged in imagination, and gave to the relationship, whatever there was, something of an attractive feature called a "debt", but that it has no real existence! For this frank position we congratulate ourselves and commend the honor and frankness of these open declarations of these controlling statesmen.

If these nations have already reached the point where the debt in such respect is not to be regarded in any form whatever as an obligation, fancy how we shall continue that attitude of mind if we blunder into a joint loan with countries already our opponents in every phase, and repeat the drama of embarrassment and danger in which we lose both money and friendships and acquire nothing but enemies for America.

Mr. President, if the time is come, from any phase of our own consideration, that we wish to go to the rescue of China as to any needs it may have, or to the rescue of any other country, let me propose that, instead of lending our money, we ascertain what it is that these lands need to buy with the money if they had it. Then, sir, we supply this need by offering the things they expect to purchase—this by supplying the credit from the farm or factory of America. In this manner we supply their necessity, we protect our money, we preserve our friendship, and avoid a sure complication that haunts us in the shadow of this threat of joining with foreign countries to become a joint creditor with Asia and Europe for any land, China or other foreign people in the world.

Mr. President, we have learned a lesson with the billions which have been lost to us in South and Central America, with the billions which are surely lost now in Europe. Surely we will not duplicate this error and do another great offense to America. We remember something near home—Haiti, Santo Domingo, and particularly Nicaragua. In view of these experiences, which should warn us of a repetition of the dangers which lurk in these situations, I again call upon my country to be on guard and let America be American. Let us not fall into this blunder of further loans of American money to the loss of her money, the loss of her friendship, and the insult again to her prestige. On our pennants, floating over our Ship of State, "America! look up, look out, and beware!"

THE CALENDAR

The PRESIDENT pro tempore. The clerk will state the first bill in order on the calendar.

The first business in order on the calendar was the bill (S. 944) to amend section 5 of the Federal Trade Commission Act.

Mr. CAREY and Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. ROBINSON. Mr. President, there are Senators who desire to be present during the call of the calendar, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

Mr. LEWIS. I announce the absence of the junior Senator from Arkansas [Mrs. CARAWAY] and of the junior Senator from Louisiana [Mr. OVERTON], caused by illness.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present. The clerk will call the next measure on the calendar.

BILLS PASSED OVER

The bill (S. 1404) to promote the efficiency of national defense was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109 (U. S. C., title 18, sec. 203)), and for other purposes, was announced as next in order.

Mr. McGILL. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PICKWICK LANDING DAM

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. HARRISON. Mr. President, let this be passed over for the present without prejudice.

The PRESIDENT pro tempore. The bill will be passed over without prejudice.

ALVA A. MURPHY

The bill (S. 170) for the relief of Alva A. Murphy was announced as next in order.

Mr. KING. Let that bill be passed over without prejudice.

The PRESIDENT pro tempore. The bill will be passed over without prejudice.

RETIREMENT OF ACTING ASSISTANT SURGEONS OF THE NAVY

The bill (S. 883) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years was announced as next in order.

Mr. CONNALLY. Mr. President, I think this bill should go over.

The PRESIDENT pro tempore. The bill will be passed over.

MACK COPPER CO.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was announced as next in order.

Mr. KING. Mr. President, I may say to the Senator from Kentucky that the attorney for the claimant in this case has said that he would furnish me with certain evidence, and I am awaiting its receipt.

Mr. LOGAN. Mr. President, it is perfectly satisfactory to me that the bill should be passed over. I have no interest in it except that I made the report.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McGILL. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

INVESTIGATION OF THE N. R. A.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let that resolution go over without prejudice.

The PRESIDENT pro tempore. The resolution will be passed over without prejudice.

BILLS PASSED OVER

The bill (S. 438) for the relief of Roy Chandler was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 724) for the relief of James T. Moore was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ROGER P. AMES

The bill (S. 1850) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended by including Roger P. Ames among those honored by said act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, be, and the same is hereby, amended by inserting between the names "Aristides Agramonte" and "John H. Andrus" the name "Roger P. Ames", so that the act as amended will read as follows:

"That in special recognition of the high public service rendered and disabilities contracted in the interest of humanity and science as voluntary subjects for the experimentations during the yellow-fever investigations in Cuba, the Secretary of War be, and he is hereby, authorized and directed to publish annually in the Army Register a roll of honor on which shall be carried the following names: Walter Reed, James Carroll, Jesse W. Lazear, Aristides Agramonte, Roger P. Ames, John H. Andrus, John R. Bullard, A. W. Covington, William H. Dean, Wallace W. Forbes, Levi E. Folk, Paul Hamann, James F. Hanberry, Warren G. Jernegan, John R. Kissinger, John J. Moran, William Olsen, Charles G. Sonntag, Clyde L. West, Dr. R. P. Cooke, Thomas M. England, James Hildebrand, and Edward Weatherwalks, and to define in appropriate language the part which each of these persons played in the experimentations during the yellow-fever investigations in Cuba; and in further recognition of the high public service so rendered by the persons hereinbefore named, the Secretary of the Treasury is authorized and directed to cause to be struck for each of said persons a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary of the Treasury, and to present the same to each of said persons as shall be living and posthumously to such representatives of each of such persons as shall have died, as shall be designated by the Secretary of the Treasury. For this purpose there is hereby authorized to be appropriated the sum of $5,000; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary in order to pay to the following-named persons during the remainder of their natural lives the sum of $125 per month, and such amount shall be in lieu of any and all pensions authorized by law for the following-named persons: Pvt. Paul Hamann; Pvt. John R. Kissinger; Pvt. William Olsen, Hospital Corps; Pvt. Charles G. Sonntag, Hospital Corps; Pvt. Clyde L. West, Hospital Corps; Pvt. James Hildebrand, Hospital Corps; Pvt. John H. Andrus, Hospital Corps; John R. Bullard; Dr. Aristides Agramonte; Pvt. A. W. Covington, Twenty-third Battery, Coast Artillery Corps; Pvt. Wallace W. Forbes, Hospital Corps; Pvt. Levi E. Folk, Hospital Corps; Pvt. James F. Hanberry, Hospital Corps; Dr. R. P. Cooke; Pvt. Thomas M. England; John J. Moran, and the widow of Pvt. Edward Weatherwalks."

BANKING HOUSE AT FORT LEWIS, WASH.

The bill (H. R. 3266) authorizing the maintenance and use of a banking house upon the United States Military Reservation at Fort Lewis, Wash., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the National Bank of Tacoma, a national-banking association organized and existing under the laws of the United States relative to national banks, and any successor or assignee national-banking association, be, and is hereby, authorized to maintain in and on the United States military reservation at Fort Lewis, Wash., for the conduct of a general banking business, the building heretofore erected on said reservation by the Army National Bank of Fort Lewis, Wash., pursuant to the authority contained in the act of June 17, 1930 (46 Stat. 774), and to occupy and use the same for and conduct therein a general banking business authorized under and by the charter of said bank and the laws of the United States relative to national banks, all under such regulations and conditions and for such term or terms as the Secretary of War has heretofore prescribed with respect to the Army National Bank of Fort Lewis, Wash., or as the Secretary of War may hereafter prescribe.

NATIONAL JAMBOREE OF BOY SCOUTS

The Senate proceeded to consider the bill (S. 935) to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 3, after the word "officials", to insert the words "and also furnish a camping site on the Fort Myer Military Reservation, Fort Myer, Va.", so as to make the bill read:

Be it enacted, etc., That the Secretary of War and the Secretary of the Navy are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the national jamboree of the Boy Scouts to be held at Washington, D. C., during the summer of 1935, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials, and also furnish a camp site on the Fort Myer Military Reservation, Fort Myer, Va.: *Provided*, That the Secretary of War or Secretary of the Navy before delivering such property shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

The amendment was agreed to.

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

SUBSISTENCE AND RENTAL ALLOWANCE IN ARMY

The Senate proceeded to consider the bill (S. 1940) to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922, which was read, as follows:

Be it enacted, etc., That, effective from and after July 1, 1935, the value of one subsistence allowance as that term is used in section 5 of the Pay Readjustment Act of June 10, 1922 (42 Stat. 628), as amended, shall be and remain fixed at 60 cents per day; and the rate for one room for the purpose of computing the money allowance for rental of quarters authorized in section 6 of said act shall be and remain fixed at $20 per month.

Mr. KING. Mr. President, I ask the Senator from Texas to make an explanation of this measure.

Mr. SHEPPARD. Mr. President, at the present time the rate of subsistence and rental allowance is fixed after an investigation by a bureau in the Department of Labor, based on findings as to cost of living during the preceding year. That has turned out to be very unsatisfactory. It varies from year to year, is always a year behind actual costs of living, and those affected never know what to expect.

All the pending measure does is to make permanent the amount already fixed in the Pay Act of 1922 as the standard, which was subject to reduction by this investigation but never to increase, no matter to what an extent an increase might be justified.

Mr. KING. Mr. President, does not this make it not only the maximum, but perpetuates it, even though conditions might change so that the amount might be too much?

Mr. SHEPPARD. If it should turn out that way we could then consider a change in view of current costs. The allowance is only $20 a month per room and 60 cents a day for subsistence. Certainly I do not think the Senator could say that this allowance is unfair or excessive, especially when it is recalled that rental allowance is paid only when an officer is on such duty that Government quarters cannot be furnished.

Mr. KING. I am not complaining, but in view of the fact that it has heretofore been flexible and it was regarded, perhaps, as improper to have it static——

Mr. SHEPPARD. I say to the Senator that if we can find a way of making these allowances reflect current conditions there will be no objection to surveys with that end in view. All officers of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service are affected by this measure.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

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

BILL PASSED OVER

The bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

DETAIL OF MILITARY AND NAVAL OFFICERS

The Senate proceeded to consider the bill (S. 707) to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters", which was read, as follows:

Be it enacted, etc., That the act of May 19, 1926 (Public, No. 247), be, and the same is hereby, amended by striking out the word "and" preceding the words "Santo Domingo" and inserting after the words "Santo Domingo" the words "and the Commonwealth of the Philippine Islands."

Mr. KING. Mr. President, I ask that that bill go over.

Mr. HAYDEN. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. I withhold the objection.

Mr. HAYDEN. The only effect of the proposed legislation would be to add the Philippine Islands to the authority already contained in the present statute. The departments are now allowed by law to send military missions to certain Latin American Republics, and if an independent Philippine government is to be created they will undoubtedly have to have some kind of military establishment, and this bill would merely extend to the new government in the Philippine Islands the same recognition we have given to other countries.

Mr. KING. Mr. President, I agree with the Senator, and I have no objection to the provisions of the bill with respect to the Philippine Islands, because of the relations between that government and this, and probably this measure is meritorious. I thought it was a de novo measure.

Mr. HAYDEN. Not at all.

Mr. KING. I have heretofore offered measures to repeal the law under which we are furnishing or have furnished to Latin American Republics military and naval officers. I think it is an unwise and an improper course to furnish military and naval officers to Latin America.

Mr. HAYDEN. But, in view of the peculiar relationship we have with the Philippine Islands, it is entirely proper.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

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

ELMER E. MILLER

The bill (S. 365) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller, former disbursing clerk in the Bureau of Pensions, against the United States for the recovery of any unpaid part of his salary as such clerk, as fixed by law, for the fiscal years ending June 30, 1922, June 30, 1923, and June 30, 1924, respectively.

SEC. 2. Such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceeding for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

BILL PASSED OVER

The bill (S. 708) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

CONCRETE ENGINEERING CO.

The bill (S. 931) for the relief of the Concrete Engineering Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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 the Concrete Engineering Co., of Houston, Tex., in full settlement of all claims against the Government of the United States, the sum of $4,304.61, or so much thereof as may be necessary, to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on steel building forms at Houston, Tex., between February 23, 1926, and September 30, 1927, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate subsequently was decided to be according to law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

TAMPA MARINE CO.

The bill (S. 1860) for the relief of the Tampa Marine Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Tampa Marine Co., a corporation, of Tampa, Fla., out of any money in the Treasury not otherwise appropriated, the sum of $2,130, in full settlement of all claims against the Government of the United States for a penalty imposed upon said company in connection with a contract made between said company and the Government, dated August 15, 1928, for certain work and repairs on the United States lightship tender *Ivy: Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FRANK SPECTOR

The Senate proceeded to consider the bill (S. 1055) authorizing adjustment of the claim of Frank Spector, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust a claim of Frank Spector for refund of a deposit of $1,700 made in connection with the purchase of certain surplus property at an auction sale held February 9, 1922, at the Philadelphia Quartermaster Depot, and to allow in full and final settlement of all claims arising out of the transaction the sum of not to exceed $1,700. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,700, or so much thereof as may be necessary, to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

R. B. MILLER

The Senate proceeded to consider the bill (S. 28) for the relief of R. B. Miller, which had been reported from the

Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized to pay to R. B. Miller, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of the shipment of 75 carloads of manganese ore shipped over the Norfolk & Western Railroad from Suter, Va., Rocky Gap, Va., and Graham, Va., to Reading, Pa., Harrisburg, Pa., and Birmingham, Ala., during the period that said railroad was operated by the Director General of Railroads and which said amount was in excess of the regular freight rates published and allowed by law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 925) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether any part of this money is to be paid by the District of Columbia or whether it is all to come out of the Treasury of the United States. I am not sure. Let it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

DONNIE WRIGHT

The Senate proceeded to consider the bill (S. 148) for the relief of the estate of Donnie Wright, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of" to strike out "$10,000" and insert in lieu thereof "$4,500"; and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Donnie Wright, late of Vicksburg, Miss., the sum of $4,500, in full satisfaction of its claim against the United States on account of the death of said Donnie Wright caused by injuries received by her in 1929 in an elevator in the post-office building at Vicksburg, Miss.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

TRIFUNE KORAC

The Senate proceeded to consider the bill (S. 1863) for the relief of Trifune Korac, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill 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 to Trifune Korac, out of any money in the Treasury not otherwise appropriated, the sum of $2,000, representing the amount reimbursed by him to the American Employers' Insurance Co. upon the forfeiture of two immigration bonds executed by said company, upon security furnished by said Trifune Korac conditioned upon the appearance before the immigration authorities of Kirsto Temelkovich and Kosta Simonvich, aliens, who, after the forfeiture of said bonds and the payment of the amount thereof by the bonding company, were apprehended through the efforts of said Trifune Korac and subsequently deported: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

BILLS PASSED OVER

The bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 794) for the relief of the Bowers Southern Dredging Co. was announced as next in order.

Mr. KING. I should like an explanation of the bill. It seems that the contract was violated, and under the terms of the contract liquidated damages were to be paid. What reasons justify a measure which would absolve the defaulting company from payment of a just legal obligation?

Mr. GIBSON. The senior Senator from New York [Mr. COPELAND] asked to be present when the bill was taken up, and I suggest that it be passed over for the time being.

The PRESIDENT pro tempore. The bill will be passed over.

WORK-RELIEF PROGRAM

The joint resolution (H. J. Res. 117) making appropriations for relief purposes, was announced as next in order.

The PRESIDENT pro tempore. Being the unfinished business, the joint resolution will be passed over.

FILING OF SUITS UNDER WORLD WAR VETERANS' ACT

The Senate proceeded to consider the joint resolution (S. J. Res. 65) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, which had been reported from the Committee on Finance with an amendment, on page 2, line 7, to strike out "three months" and to insert in lieu thereof "ninety days", so as to make the joint resolution read:

Resolved, etc., That in addition to the suspension of the limitation for the period elapsing between the filing in the Veterans' Administration of the claim under a contract of insurance and the denial thereof by the Administrator of Veterans' Affairs or someone acting in his name, the claimant shall have 90 days from the date of such denial within which to file suit as herein provided. This resolution is made effective as of July 3, 1930, and shall apply to all suits now pending against the United States under the provisions of section 19, World War Veterans' Act, 1924, as amended, and any suit which has been dismissed solely on the ground that the period for filing suit has elapsed but wherein the extension of the period for filing suit as prescribed herein would have permitted such suit to have been heard and determined, may be reinstated within 90 days from the date of enactment of this resolution: *Provided*, That on and after the date of enactment of this resolution, notice of denial of the claim under a contract of insurance by the Administrator of Veterans' Affairs or someone acting in his name shall be by registered mail directed to the claimant's last address of record.

The amendment was agreed to.

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

ALICE F. MARTIN

The bill (S. 1135) for the relief of Alice F. Martin, widow, and two minor children, which had been reported from the Committee on Military Affairs adversely, was announced as next in order.

Mr. KING. I move that bill be indefinitely postponed.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Utah.

The motion was agreed to.

UNITED STATES DISTRICT COURTS IN MICHIGAN

The Senate proceeded to consider the resolution (S. Res. 64) requesting the Department of Justice to investigate the advisability of redistricting the State of Michigan, with

reference to judicial districts, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 2, after the word "investigate" to insert "if such has not been done", so as to make the resolution read:

Whereas there is great congestion in the district courts of the United States for the eastern district of Michigan; and

Whereas there is an apparent need for a fourth district judge in said eastern district of Michigan; and

Whereas the eastern and western districts of Michigan cover vast geographical areas; and

Whereas great inconvenience in conducting the business of the district courts of said districts results from the traveling made necessary by the vastness of such areas; and

Whereas it may be advisable to redistrict the State of Michigan, creating three judicial districts therein, instead of providing for a fourth judge in the eastern district of said State: Therefore be it

Resolved, That the Department of Justice is requested to investigate, if such has not been done, the advisability of such redistricting and to report to the Senate, as soon as practicable, the results of its investigation.

The amendment was agreed to.

The resolution as amended was agreed to.

The preamble was agreed to.

CHEROKEE FUEL CO.

The bill (S. 1854) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it hereby is, given jurisdiction to hear and determine the claim of the Cherokee Fuel Co., Inc., Kansas City, Mo., for damages and for losses resulting from the cancelation by the depot quartermaster at St. Louis, Mo., of a contract between the United States Quartermaster Corps and the claimant, dated July 1, 1920, for furnishing coal at Camp Funston, Kans., to the Quartermaster Corps.

BILTMORE-OTEEN BANK, BILTMORE, N. C.

The Senate proceeded to consider the bill (S. 1079) authorizing the Secretary of the Treasury to execute a certain indemnity agreement, which had been reported from the Committee on Finance with an amendment on page 2, line 1, to strike out the numerals "1932" and to insert in lieu thereof "1922", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized to execute, in the name of the United States, and deliver to the liquidating agent of the Biltmore-Oteen Bank, Biltmore, N. C., upon receipt from such liquidating agent of $385, an agreement of indemnity binding the United States to make reimbursement to such liquidating agent in the event that such liquidating agent is required to make payment to a bona fide holder upon presentation of draft no. 380, dated November 7, 1922, in the amount of $385, drawn by the Biltmore-Oteen Bank, Biltmore, N. C., on the Hanover National Bank, New York, N. Y., to the order of the Treasurer of the United States.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island was announced as next in order.

Mr. KING. Mr. President, I notice that the former Secretary of War reported adversely on the bill. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

BEATRICE I. MANGES

The Senate proceeded to consider the bill (S. 283) for the relief of Beatrice I. Manges, which had been reported from the Committee on Claims with amendments, on page 1, line 7, after "Ohio", to strike out the words "as damages" and to insert in lieu thereof "in full settlement of all claims against the Government", and to add a proviso at the end of the bill, 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, the sum of $1,000, and $50 per month in an amount not to exceed $2,500, to Beatrice I. Manges, of Cleveland, Ohio, in full settlement of all claims against the Government for injuries received November 7, 1918, when a United States Army truck collided with an automobile of which she was an occupant: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriatetd in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

ARTHUR SMITH

The Senate proceeded to consider the bill (S. 1856) for the relief of Arthur Smith, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$30,000" and insert in lieu thereof "$5,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Smith, of Roanoke, Ind., the sum of $5,000, in full satisfaction of all claims of such Arthur Smith against the United States for damages resulting from injuries received by him when struck by a United States Army truck, driven by one Jerry E. Doods (Citizens' Conservation Corps enrollee no. 5K-4159), on Federal Highway No. 24, between Roanoke and Fort Wayne, Ind., on August 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

FRED C. BLENKNER

The bill (H. R. 593) for the relief of Fred C. Blenkner was considered, ordered to a third reading, read the third time, and passed.

LUCILE A. ABBEY

The bill (S. 43) for the relief of Lucile A. Abbey 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 act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Lucile A. Abbey in the same manner and to the same extent as if said Lucile A. Abbey had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

ANNA W. AYER

The Senate proceeded to consider the bill (S. 896) for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased, which was reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased, the sum of $500. Such sum represents the amount of a cash bond forfeited on June 3, 1920, by Capt. Asa G. Ayer for failure to appear as a material witness in the case of *United States* v. *H. W. Coffin* in the United States District Court for the District of Maine, sitting at Bangor, Maine, such failure to appear being caused by his necessary and unavoidable absence from the United States at such time: *Provided*, That the amount of the forfeited bond has actually been covered into the Treasury: *Provided further*, That no part of the amount appropriated in

this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

DUKE E. STUBBS AND ELIZABETH S. STUBBS

The Senate proceeded to consider the bill (S. 1386) for the relief of Duke E. Stubbs and Elizabeth S. Stubbs, husband and wife, both of McKinley Park, Alaska, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, or either of them, both of McKinley Park, Alaska, for any losses and damages sustained by Duke E. Stubbs and Elizabeth S. Stubbs in the silver-fox farming and trading-post business, or other business and occupation, conducted by them, or either of them, at McKinley Park, Alaska, arising out of the extension of the limits of the Mount McKinley National Park by an act of Congress approved on the 19th day of March 1932 (47 Stat. 68), and/or by virtue of any acts, or actions, of any and all officers and employees of the United States in carrying out or in connection with the extension of the limits of Mount McKinley National Park after the 19th day of March 1932: *Provided*, That the action in the Court of Claims to establish such losses and damages may be instituted within 1 year from the date of the approval of this act, and the same right of appeal to the United States Supreme Court from the judgment of the Court of Claims shall be had as in other causes in that court.

Mr. KING. Mr. President, I ask for an explanation of the measure.

Mr. GIBSON. Mr. President, the claimant and his wife had had an interest in a fox farm, which was taken over in connection with the establishment of Mount McKinley Park. As a consequence, they suffered considerable damage. A similar bill was passed at the last session, but was vetoed by the President, he giving as the reason the objections raised by the Department of the Interior. The Department of the Interior does not object to the bill in its present form, which allows the Court of Claims to pass upon the claim of the claimants.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the Committee on Claims.

The amendment was agreed to.

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

The title was amended so as to read: "A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska."

JACOB SANTAVY

The bill (H. R. 426) for the relief of Jacob Santavy was considered, ordered to a third reading, read the third time, and passed.

A. H. MARSHALL

The bill (S. 712) for the relief of A. H. Marshall was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. H. Marshall, of Charleston, Mo., the sum of $20,000 in full settlement of all claims against the Government of the United States for the destruction of lands on the Mississippi River in the vicinity of Buffalo Island by reason of the construction of certain river-control works under the direction of the Secretary of War: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CHELLIS T. MOOERS

The Senate proceeded to consider the bill (S. 906) for the relief of Chellis T. Mooers, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$10,000" and to insert in lieu thereof "$4,500", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chellis T. Mooers, of Arlington, Mass., the sum of $4,500. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Chellis T. Mooers as the result of the death of his wife, Edith M. Mooers, who was struck and fatally injured by a United States mail truck in Arlington, Mass., on April 1, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

RALPH E. WOOLLEY

The bill (S. 391) for the relief of Ralph E. Woolley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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, the sum of $7,755.47 to Ralph E. Woolley, of Honolulu, Territory of Hawaii, in full satisfaction of all claims against the United States for damages on account of delay in the construction of certain buildings at the Naval Operating Base, Pearl Harbor, Territory of Hawaii, making necessary extra expenditures in connection with the installation, under contract no. 245, dated December 23, 1927, of plumbing, steam, oil distribution, and electrical systems in such buildings: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SANFORD & BROOKS CO.

The Senate proceeded to consider the bill (S. 685) for the relief of the Sanford & Brooks Co., which had been reported from the Committee on Claims with an amendment.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. LOGAN. Mr. President, this is a matter which has been considered by the Treasury Department off and on, as I recall, for some years. Sanford & Brooks, who, I think, were partners, had some contracts with the Government to do some dredging, as I recall. I have not been over the record for some time. Their operations covered some 3 or 4 years. They finally became involved in a controversy with the Government and won a suit aggregating something over $200,000.

It was contended by the Bureau of Internal Revenue that the amount of the judgment should be reported as income for the particular year in which the judgment was paid. The taxpayer insisted that it should be apportioned among the years when they actually earned this money. The case was taken to the courts and finally by the Supreme Court was decided adversely to the contention of the taxpayer, but the Supreme Court suggested that, while under the law no relief could be granted by the Court, it would be a matter of legislation.

If the Senator from Utah will examine the concluding paragraph of the report of the Treasury Department, he will find, according to my recollection, that the Department recommends the payment or does not object to the payment of $53,000. The total amount of tax paid was something over $70,000, and, as I recall, the Treasury Department says that it makes no objection to the payment of everything that was paid over and above $16,000 plus. We passed the bill upon that statement last year, and the Committee on Claims has reported it again upon the same information it had before it last year. Consequently, the report was not rewritten, but we simply adopted the report submitted last year.

Mr. KING. Does the Senator contend that the amount of $53,280 is consistent with the rather negative statement of Mr. Mills, former Secretary of the Treasury, who said:

In view of the unusual circumstances in this case the Department will interpose no objection to a bill granting special relief to the Sanford & Brooks Co. for all taxes paid for the year 1920 in excess of $16,728.

Mr. LOGAN. I figured that out very carefully last year, I may say to the Senator, and there was $16,000 in taxes that should have been paid by the company. They paid $72,000 or $73,000, according to my present recollection. They paid this much more than they would have paid if the amount due them by the Government had been paid in the years in which it was earned, but it was not so paid; it accumulated, and it has been charged up to the year in which they recovered it.

Mr. KING. Mr. President, I have such confidence in the able Senator from Kentucky that, while I have some very serious misgivings about this case, I will not object.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The CHIEF CLERK. On page 2, after "United States", it is proposed to insert the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Sanford & Brooks Co., a corporation organized and existing under the laws of the State of Maryland, the sum of $53,208.49, in full satisfaction of its claim against the United States for refund of income taxes assessed and collected for the year 1920 on amounts paid by the United States to such corporation during such year to compensate the said Sanford & Brooks Co. for the cost to it of certain work done in dredging the Delaware River for the Government of the United States, of which work the said Government got the benefit, said work having been done during the years 1913 to 1916, both inclusive, under contract with the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

WORK-RELIEF PROGRAM

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

Mr. LEWIS. I again announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness.

The PRESIDING OFFICER (Mr. MINTON in the chair). Ninety Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the committee as amended.

Mr. GLASS obtained the floor.

Mr. BARBOUR. Mr. President——

Mr. GLASS. I yield to the Senator from New Jersey.

Mr. BARBOUR. I send to the desk an amendment and ask that it may be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 3, line 19, it is proposed to insert after the words "soil erosion" the words "seacoast erosion."

Mr. BARBOUR. I offer that amendment and ask the chairman of the committee if there is any objection to its adoption.

Mr. GLASS. Mr. President, I have no objection to the proposed amendment, although I am certain its subject matter is already covered by the joint resolution. I shall make no objection to it, provided we are not to have a flood of amendments of this kind.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from New Jersey is agreed to.

Mr. BORAH. Mr. President——

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

Mr. BORAH. I desire to offer an amendment to come in after the word "resolution" on page 3, line 25.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, line 25, after the word "resolution", it is proposed to insert the following additional proviso:

And provided further, That no part of this appropriation or money herein provided shall be expended or used for military, naval, or aviation (when connected with military or naval enterprises) purposes.

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

Mr. BORAH. I yield.

Mr. HAYDEN. As I understand the text of the amendment offered by the Senator from Idaho, not a dollar of the money proposed to be appropriated by the pending joint resolution could be expended for the improvement of a sidewalk in a navy yard or for the building of any kind of a structure at an Army post.

Mr. BORAH. No; I do not think that construction could be placed upon the language, but if it be necessary to build sidewalks, let us build them by reason of appropriations in the Army appropriation bill; let us know where the money to be provided by the joint resolution is going, so far as we may.

Mr. HAYDEN. In the public-works appropriation which we made about a year and a half ago, certain sums were set aside for use for construction at Army posts and for improvements in navy yards. There was also money set aside for the construction of naval vessels, and that may be the point to which the Senator may desire to direct his amendment, but would he deprive people of employment in connection with ordinary repairs and improvements about Army posts?

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

Mr. BORAH. I yield.

Mr. CLARK. I should like to say to the Senator from Arizona that it has been in evidence before the Munitions Investigating Committee that before the Public Works Administration was even constituted $238,000,000 for the Navy were withdrawn from the fund provided by Congress for the handling of the unemployment situation, which was later added to by a sum of $40,000,000, with which no effort was made, nor has been made to this day, to combat unemployment. It was testified by the responsible admiral, the head of the Bureau of Construction and Repair, that that allotment had been made and a ruling obtained from the Comptroller General to the effect that the money should be available until expended. The primary interest of the Navy Department was not in reemployment but was in naval construction; and so far as the purposes for which Congress provided $3,300,000 are concerned, the money allocated to the Navy might as well have been taken and thrown in the sewer. I think the amendment of the Senator from Idaho is extremely well advised.

Mr. THOMAS of Utah. Mr. President——

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

Mr. BORAH. I yield.

Mr. THOMAS of Utah. I should like to offer an amendment as a substitute for the amendment which has been offered by the Senator from Idaho. I will ask the clerk to read it; and I will ask also if it is not satisfactory to the Senator from Idaho?

The PRESIDING OFFICER. The amendment in the nature of a substitute proposed by the Senator from Utah will be stated.

The CHIEF CLERK. In lieu of the amendment proposed by Mr. BORAH it is proposed to insert the following:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements or construction in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BORAH. Is that substitute more satisfactory to the committee?

Mr. GLASS. I think it clarifies very much the purpose of the Senator from Idaho.

Mr. BORAH. I am not sure that it does clarify it. Of course, I have no pride of authorship in this matter. I do not see why we cannot make the appropriation, as some Senators unquestionably desire to do, in the War Department appropriation bill.

Why not let us know something about the details? The amendment which I have offered has nothing to do with the question of whether we shall increase the Navy or whether we should have a larger Military Establishment. It has only to do with the fact that we should deal with these subjects in the proper appropriation bill. I desire to limit the fund appropriated in the pending joint resolution to the purposes for which it is appropriated, that is, for relief and for public works. We know from experience that some $250,000,000 was taken out of the previous relief appropriation and used for military purposes that had nothing whatever to do with relief. We know that was done under circumstances and conditions which left thousands of people in want of relief. I feel strongly that no discretion should be lodged in the Commander in Chief of the Army and the Navy, as to how much should be expended in building up our Military Establishment. That should be determined by the Congress.

Mr. CLARK. Mr. President, may I ask the Senator from Idaho a question?

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

Mr. BORAH. I yield.

Mr. CLARK. We all know the Senator from Idaho is one of the greatest lawyers in the United States. Would he be able to define expenditures for nonmilitary purposes on military reservations?

For instance, I happen to know that in many military posts in the country buildings are in disrepair. I happen to know that in St. Louis, at Jefferson Barracks, the noncommissioned officers' quarters are a disgrace to the Government. A few weeks ago I happened to be at Fort Niagara and saw there noncommissioned officers' quarters which are a disgrace to the Government. They ought to be repaired and put in better shape. It ought to be provided for in the War Department appropriation bill. Would the Senator from Idaho or the Senator from Utah [Mr. THOMAS] be able to say whether the repair of barracks and quarters of the Regular Army Establishment over the country would be military or nonmilitary purposes? Where do we draw the line?

Mr. BORAH. The proposed substitute of the Senator from Utah would be a very broad authorization. The amount of money could be used in a way which would really furnish no relief at all.

Mr. GLASS. The Senator from Idaho asked me if I was willing to accept the proposed substitute of the Senator from Utah. Personally, I am in entire sympathy with the suggestion offered by the Senator from Idaho, but I am not authorized by the committee to accept either proposal.

Mr. BORAH. I really prefer to have adopted the amendment which I offered. If the committee in conference wishes to make any modification to cover some of the suggestions which have been made here, it might be possible to do so. I believe the substitute offered by the Senator from Utah is too broad. It permits expenditures which I think ought not to be made under the terms of the pending joint resolution. Such expenditures ought to be provided for in the War Department appropriation bill. We have appropriated very heavily in that appropriation bill.

In other words, I do not like to see the Congress of the United States separate itself from the question of determining how much shall be utilized for military and naval purposes, either direct or indirect. I think that matter ought always to pass under the scrutiny and the censorship of the Congress. We should not grant general appropriation privileges dealing with such subjects.

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

Mr. BORAH. I yield.

Mr. VANDENBERG. May I suggest to the Senator that the substitute offered by the Senator from Utah is an amendment in the third degree and possibly a point of order would lie against it?

Mr. President, I submit the parliamentary inquiry: Is not the substitute offered by the Senator from Utah an amendment in the third degree, and is it not out of order?

The PRESIDING OFFICER. The Chair is advised that the substitute of the Senator from Utah is an amendment in the third degree. The point of order is well taken. The question is upon the amendment offered by the Senator from Idaho to the committee amendment.

Mr. BYRNES. Mr. President, I want to submit only a few remarks with reference to the amendment of the Senator from Idaho. With reference to the statement as to expenditures made by the President under the Public Works appropriation act, I think it well that Members of the Senate should know the language of the act under which those expenditures were made. In the act as passed by the Congress the Congress said:

If in the opinion of the President it seems desirable, the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor and construction of heavier-than-air aircraft and technical construction for the Army Air Corps and such Army housing projects as the President may approve, and provision of original equipment for the mechanization or motorization of such Army units.

Mr. CLARK. Mr. President——

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

Mr. BYRNES. I yield.

Mr. CLARK. Without undertaking to fix the responsibility for the allocation of public-works funds as between the Congress and the President—though I think the Congress is fully as much responsible as is the President, for that matter—does not the Senator agree that the money allocated for the construction of warships was certainly not in pursuance of the general policy of reemployment? If the Senator does not agree to that statement, he certainly disagrees very seriously with Administrator Ickes in his testimony before the munitions committee.

Mr. BYRNES. I often find myself in disagreement with Administrator Ickes, and I may often do so in the future. Regardless of what was the general policy of the bill and the extent of the bill as it was first introduced, the Congress declared, not that the President should have the power to construct a few buildings, but, if in the opinion of the President, it was desirable to use the money therein appropriated to construct a sufficient number of vessels to cause the United States of America to comply with its quota under the treaty of 1930, he might do so. The Congress wrote that language into the law.

Another question arises as to the amendment of the Senator from Idaho to the amendment of the committee. I am not in disagreement with the object which the Senator has in mind if it is to prohibit, as the Senator from Missouri [Mr. CLARK] would prohibit, an allotment of money for the construction of vessels or an extension of military purposes, but the Congress had no right to authorize it to be done in the previous bill and then complain of it. If we do not now want it to be done, this is the place to say so.

Mr. CLARK. Mr. President, if the Senator from South Carolina will permit me, let me say that I agree entirely with him as to that proposition. I voted against the bill. I voted against that provision in the bill. I complained with good grace because in the bill we were surrendering a public fund for a purpose entirely out of keeping with its purposes.

Mr. BYRNES. As to the amendment of the Senator from Idaho, I am not in disagreement with what I believe to be the object he has in view. I believe, however, that the proposed substitute of the Senator from Utah [Mr. THOMAS] would accomplish the real purpose which the Senator from Idaho seeks, and I have no objection personally to the proposed substitute of the Senator from Utah.

I submit to the Senator from Idaho that, after all, if the purpose of the bill is to provide an opportunity to give men jobs, if the money is to be spent to give jobs and jobs can be given in the construction of barracks at Army posts, in my opinion that is more to be desired, because it is a Federal project and something that would have to be done, than the spending of the money in the construction of buildings which are not upon property of the United States Government, but upon the property of some city, county, or State. If this is to be done, if we are to give jobs to people, and jobs can be given them by permitting them, as the proposed substitute of the Senator from Utah would permit, to work upon the construction of barracks at some Army post or some navy yard, it would furnish jobs, which is the object of the bill, and it would not be out of accord with the object of the Senator from Idaho to prevent the use of the money for the construction of battleships or the expenditure of portions of the appropriation for the Army.

Mr. BORAH and Mr. FLETCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. BORAH. Mr. President, does the Senator from Florida wish to discuss this amendment?

Mr. FLETCHER. Yes; I was about to refer to it.

Mr. BORAH. I desire to say that in order to permit the parliamentary situation to be changed I am willing to withdraw my amendment if it is understood that the amendment of the Senator from Utah [Mr. THOMAS] is to be accepted. I have concluded it is all I can secure.

Mr. BYRNES. Mr. President, I cannot speak for the committee, but I hope the Senate will accept it, because there is no intention on the part of anyone on the committee, and no intention on the part of anyone connected with the administration so far as I know, to use the money provided in this joint resolution except in accordance with the amendment which the Senator from Idaho and the Senator from Utah have in mind.

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

Mr. BORAH. I yield.

Mr. CLARK. We cannot lose sight of the fact that the very definite statement has been made, apparently by authority, by the chairman of the subcommittee having to do with the subject of military appropriations in another body, that it is proposed to take over $400,000,000 of this fund which Congress is about to appropriate for rehabilitation and reemployment and use it for the purpose of mechanizing the Army and making reestablishments and improvements at Army posts.

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

Mr. CLARK. The Senator from Idaho [Mr. BORAH] has the floor.

Mr. O'MAHONEY. Will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. O'MAHONEY. In response to what the Senator from Missouri has just said, I desire to say that under the modified amendment of the Senator from Utah no such purpose could be carried out. All that could be done under the modified amendment of the Senator from Utah would be to make physical improvements in posts and reservations and not to engage in any mechanization work or any naval construction work which the Senator from Idaho has in mind.

Mr. CLARK. Mr. President, of course I have listened to the amendment of the Senator from Utah, but I do not think it reaches the question. In other words, if the War Department should consider it necessary or desirable, as it might do—it has done some very remarkable things—to spend $400,000,000 for the purpose of making a tremendous modern fortress out of old Fortress Monroe, nothing in the amendment of the Senator from Utah would prevent that.

If the Senator from Idaho will yield for just a moment further, I think there is a very essential difference between the amendment offered by the Senator from Idaho and the substitute amendment offered by the Senator from Utah; and it goes to the very fundamental of our system of government. Every parliamentary reform, every guarantee of the English Constitution, every right that was won by the Colonies in this country before we became States, was won as a result of withholding funds from the King or from the Executive for the support of the Army and Navy. Whenever Congress gives up the right to specify exactly what funds shall be spent for the Army and Navy, it will give up the most sacred right that the Anglo-Saxon system of government has yet developed.

Mr. BORAH. Mr. President, I quite agree with the Senator from Missouri. Evidently there is a difference of view upon this matter. Therefore I am going to call for a yea-and-nay vote upon my amendment. If that amendment shall be defeated, the Senator from Utah may then offer his amendment.

Mr. FLETCHER. Mr. President——

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

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

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

Adams	Bailey	Bilbo	Brown
Ashurst	Bankhead	Black	Bulkley
Austin	Barbour	Bone	Bulow
Bachman	Barkley	Borah	Burke

Byrd	Gibson	McKellar	Schall
Byrnes	Glass	McNary	Schwellenbach
Capper	Gore	Maloney	Sheppard
Carey	Guffey	Metcalf	Shipstead
Clark	Hale	Minton	Smith
Connally	Harrison	Moore	Steiwer
Coolidge	Hatch	Murphy	Thomas, Okla.
Copeland	Hayden	Murray	Thomas, Utah
Costigan	Johnson	Neely	Townsend
Couzens	Keyes	Norbeck	Trammell
Cutting	King	Norris	Truman
Dickinson	La Follette	Nye	Tydings
Dieterich	Lewis	O'Mahoney	Vandenberg
Donahey	Logan	Pittman	Van Nuys
Duffy	Lonergan	Pope	Wagner
Fletcher	Long	Radcliffe	Walsh
Frazier	McAdoo	Reynolds	Wheeler
George	McCarran	Robinson	
Gerry	McGill	Russell	

Mr. LEWIS. I reannounce the absence of Senators, and the reasons therefor, as stated by me upon the last roll call.

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. ASHURST. Mr. President, if I am correct in my understanding, the pending amendment is the one proposed by the Senator from Idaho [Mr. BORAH].

The PRESIDING OFFICER. The Senator is correct.

Mr. ASHURST. Mr. President, during my service in the Senate I have learned generally to lean with confidence and trust upon the views of that erudite gentleman, that splendid scholar, whose services I hope will be retained in the Senate as long as he may choose to remain here, the Senator from Idaho [Mr. BORAH]. I now find myself embarrassed by the circumstance that I am unable to adopt his view respecting the amendment tendered by him.

The able Senator has offered an amendment reading as follows:

And provided further, That no part of this appropriation or money herein provided shall be expended or used for military, naval, or aviation (when connected with military or naval enterprises) purposes.

Mr. President, I am not a militarist. If I ever should belong to the Army, I presume I would be one of the awkward squad. No man in the Senate, however, is more truly convinced than am I of the necessity of appropriate Naval and Military Establishments for our country.

About 1 week ago when the War Department appropriation bill was being considered by the Senate, there was a learned discussion in which the Senator from Illinois [Mr. LEWIS], the Senator from Texas [Mr. SHEPPARD], the Senator from California [Mr. MCADOO], and the Senator from Missouri [Mr. CLARK] took part. I ventured to suggest at that time that our Army now was only a skeleton; and I went on to say that I, for one, was in favor of clothing that skeleton Army with blood and sinew and flesh. I repeat that statement here.

Some Senators at that time said they perceived no reason why the Military Establishment of the United States should be increased. I ventured to assert that any reflecting Senator of perception realized that the entire Pacific coast was the Achilles' heel of the United States. I am not willing that our sons, unequipped, barehanded, and unprepared, shall meet danger.

Every victory that has ever been won, whether in the fields of morals, whether in the field of debate, in lawsuits, chemistry, dialectics, financial success, health, sports, or otherwise, was won as a result of careful preparation or prevision. The same is true as to nations.

Only last year I visited an Army post; inasmuch as it was in another State than my own, I shall not mention the name. The Senator from Idaho, humanitarian that he is, if he were commander of an army, would indignantly and with contempt refuse to house men in such ramshackle buildings as those in which the soldiers at this post were quartered.

I now advert to a place within my own State, which I feel at liberty to mention, Fort Huachuca. If the Senator from Idaho, humanitarian that he is, were the commander at Fort Huachuca, he would, with indignation and contempt, refuse to quarter human beings in the miserable, squalid, insanitary places where the soldiers there are now quartered; and Fort Huachuca, in Arizona, is one of the most important posts in our country. Indeed, the mess hall at Fort Huachuca and what we would call the bunk houses, or sleeping quarters, and other buildings, in order to keep the walls from falling, are supported by props or stays. No Senator who visited the post would for a moment be other than in favor of an immediate expansion and rehabilitation of the facilities at Fort Huachuca. I know of one post that has not a proper supply of potable domestic water.

If the amendment of my able friend from Idaho were adopted, it would prevent the War Department from expanding the facilities at these various posts. His amendment would paralyze the arm of the administration if, forsooth, it saw fit to improve the sanitary conditions at any one of our military posts.

Mr. President, it is only a few weeks since we rejected the World Court. I have no quarrel with those who rejected the World Court. I voted for it. I salute those who participated in that debate; it was a debate worthy of the epic days of our country; it was a debate worthy of Burke, Pitt, Jax, Gladstone, and Disraeli; a debate worthy of Webster and Clay, Benton and Calhoun of our country. We declined to enter the World Court, meaning that we did not intend to settle our disputes in a forum of reason, of philosophy, debate, or diplomacy.

How men can refuse to vote against our country entering the World Court, which proposes to allow our country an opportunity to settle its disputes by reason and diplomacy, and then refuse to allow their country to prepare itself for the other extreme is beyond my comprehension. How any system of logic could ever be conjured up that would say, "I am against settling our disputes either by reason or by force" I cannot understand.

We are driven to a choice. We must settle the disputes of this Nation in the forum of reason or vi et armis. There is no use for Senators to think there is any other side to the question. Having rejected the World Court—and I have no criticism to make of those who did—how may Senators now say, "I shall not even give the country a chance to prepare itself for eventualities which may come?"

It seems to me that it is our duty, not only as Senators but as citizens of this Republic, to see to it that we shall have a proper Army, an Army trained and equipped, an Army that is housed in buildings appropriate for human beings, where the water supply is adequate.

I hope that the amendment of the able Senator from Idaho will be defeated. In taking this positive stand against his view, I say, in conclusion, as I said in the beginning, that it requires no small degree of temerity, no small degree of courage, to oppose amendments or bills put forward, I repeat, by that accomplished and erudite gentleman, my friend the Senator from Idaho. I hope his amendment will be defeated.

Mr. BYRNES. Mr. President, I desire to ask the Senator from Idaho whether he would accept the amendment offered by the Senator from Utah [Mr. THOMAS], which I think would be satisfactory and which would end the discussion.

Mr. BORAH. Mr. President, expressing my own personal view, with two words stricken out of that amendment, I should be willing to accept it. I understood that the able Senator from Missouri [Mr. CLARK] was not satisfied with it, and he having collaborated with me in offering my amendment, I do not feel free in withdrawing the amendment.

I have no objection to using money for the improvement of posts where improvements are necessary, where it will give employment, and where it could really be said to come within the term "relief", but I do not want the Government to enter upon a program of building new posts, wholly outside of any contemplation of relief.

Mr. THOMAS of Utah. Mr. President, I should just like to say here that if the amendment offered by the Senator from Idaho shall be voted down, I shall then offer my amendment to take the place of the one voted down.

Mr. BYRNES. May we not suggest that the Senator from Idaho withdraw his amendment and permit the vote to come on the amendment of the Senator from Utah, or accept that as an amendment to his amendment?

Mr. BORAH. I might just as well withdraw my amendment entirely.

Mr. BYRNES. I understood the Senator from Utah to be willing to strike out of his amendment the words "or construction."

Mr. THOMAS of Utah. The two words will be found stricken out when I offer my amendment.

Mr. BORAH. I do not see the Senator from Missouri in the Chamber, but I think I will take the responsibility, if the Senator from Utah will amend his amendment by striking out those two words, of withdrawing my amendment, and permitting the amendment of the Senator from Utah to take the parliamentary position now held by my amendment.

Mr. THOMAS of Utah. I offer the amendment, and ask that the clerk read it.

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

The LEGISLATIVE CLERK. In lieu of the pending amendment to the committee amendment, it is proposed to insert the following:

Provided, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. THOMAS of Utah obtained the floor.

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

Mr. THOMAS of Utah. I yield.

Mr. HAYDEN. As I heard the amendment read the first time, the word "construction" was contained in it, which would have permitted construction of a new building at any Army post. I understood the Senator from Idaho to say that he did not want to see new establishments created. Would it satisfy the Senator if we permitted the construction of a new building at an existing Army post?

Mr. BORAH. No; I have gone just as far as I intend to go. There is no reason in the world why if we want an entirely new military program we should not put it in an Army appropriation bill. No one is arguing against the improvement of military posts. No one is arguing against the improvement of the Military Establishment. That is another question. Nor is anyone arguing against the improvement or the enlargement of the Navy. But let the Congress of the United States pass upon such questions as specific propositions in the proper appropriation bill—not in a bill which is designed for relief and for recovery.

Mr. HAYDEN. As the amendment stands, if I read it correctly, we could improve an old building which ought to be torn down, but we could not build a new one on the same site. The Senator from Idaho does not want to have any new Army posts created in their entirety, and he does not want to have any new battleships built; and it seems to me we could accomplish what he desires if we could confine the construction and improvement to existing Army posts.

Mr. CLARK. Mr. President, will the Senator from Utah yield to me?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. Under the contention of the Senator from Arizona, we could take old Fort Apache, which has been practically abandoned by the Government for 20 years because men cannot live there, and, under the language which the Senator from Arizona suggests, the Government might spend four or five million dollars making a great fortress out of that old post. It seems to me to be unreasonable to draw such a distinction between an existing post, no matter how much abandoned it may be and no matter how useless it is, and new construction. It seems to me the test ought to be whether we are actually appropriating money for the purpose of reemployment, for the purpose of relief, the purpose set forth in the title, and as to whether Congress is going to retain the power which has been one of the bulwarks of Anglo-Saxon liberty—the power to control expenditures for military and naval purposes.

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

Mr. THOMAS of Utah. I yield.

Mr. FLETCHER. I think the Senator from Arizona [Mr. HAYDEN], is correct, and it seems to me the objections raised by the Senator from Idaho [Mr. BORAH], and the Senator from Missouri [Mr. CLARK], would be met if it were provided that at posts where barracks have to be changed and repaired such changes and repairs may be made, and in some instances where the buildings are worn out and of no account, that new buildings may be substituted for the old. Why is that not entirely reasonable? I think the Senator from Missouri will find in some of the instances he mentioned, where the barracks were uninhabitable, that it would be a disgrace if the Government permitted soldiers to occupy them. If there is such a building, and it is found to be more reasonable and economical to tear it down and put up another in its place, why should not that be permitted?

Mr. CLARK. Mr. President, if the Senator from Utah will further yield, I will say to the Senator from Florida that, so far as I am concerned, I am in favor of appropriating the money to put the Army posts in a state of repair. I think it is a disgrace that some of them have been allowed to fall into the state of disrepair in which they are. But I agree with the Senator from Idaho that the Congress ought to appropriate specifically for those items, and I say it is not right to pass an Army appropriation bill one week carrying over $400,000,000 for the support of the Army, and then come in and try to chisel another $400,000,000 out of another appropriation.

Mr. FLETCHER. No, Mr. President; it is nothing of the sort. Senators must remember that one bill is passed for the purpose of maintaining the organization of the Army and the other is an appropriation bill for the purpose of relief and work relief, and that in the expenditure of this money it might be entirely feasible, in view of the fact that it involves the employment of labor and use of material, to expend money on existing posts. I see no objection to that. It could be done without delay.

Mr. ADAMS. Mr. President, if the Senator from Utah will allow me, I should like to ask a question of the Chairman of the Appropriations Committee, the Senator from Virginia [Mr. GLASS]. I thought the War Department appropriation bill was taken up and passed last week. Am I in error as to that?

Mr. GLASS. No.

Mr. ADAMS. When are we going to take up the relief bill?

Mr. GLASS. Next week. We have engaged in a long discussion about the disgraceful condition of barracks and of the prohibition contained in the suggestion of the Senator from Idaho against any sort of construction. The President has been authorized under an act approved June 16, 1933, to repair barracks and to build houses. Some of them have been repaired, and some houses have been built. Under that act the President is authorized to engage in that sort of construction. I understand there is $1,600,000,000 still available under the public-works bill which was passed nearly 2 years ago, and the President is now authorized to do the very thing we are contesting about here on the floor. I suppose I am too practical a man. I do not understand these parliamentary moves. What I wanted to do was to accept one or the other, or let us vote on one or the other of these proposals, and let it go to conference, and there we could straighten it out.

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

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. With reference to the situation described by the Senator from Virginia, I call his attention to the fact that while, as he remarked a while ago, there is $1,500,000,000 of public-works money still on hand, it ought to be stated that all of that money has been allotted except about $179,000,000.

Mr. GLASS. Mr. President, does the Senator know—they do not tell me about these things—how much of it, if any, has been allocated to the reconstruction of barracks and the improvement of disgraceful quarters which have been described here today?

Mr. BARKLEY. I am not able to give the Senator that information, but I know that in exercising the authority conferred by the statute, to which the Senator has referred, the President, or the War Department, under his authority, began the improvement of some of the Army posts. They are now in the process of constructing necessary buildings at some of the forts, with one of which I am especially familiar. However, there has been an allotment of only about enough to do half the work which is necessary to be done at one or more of these forts. I should not like to see an amendment offered which would stop that work right in the middle of the process of finishing the erection of barracks and houses and quarters which the War Department and the President and, I think, Congress agree are almost the minimum requirement for some of these posts.

Mr. GLASS. I am not familiar with that.

Mr. BARKLEY. I do not wish to see any of this money used to build battleships, or to open up any new Army posts, or to buy tanks or tractors or any other military equipment, but certainly it is not inconsistent with the use of this money for relief to use some of it, and a considerable portion of it, in the construction or reconstruction of necessary quarters in the posts which already are in existence throughout the country, and whatever amendment may be adopted I certainly hope it will not handicap the administration in completing work which it has already started.

Mr. THOMAS of Utah. Mr. President, I am sure the discussion which has already been held incident to the two proposed amendments proves better than anything else the need of the last amendment which we now have before us for our consideration. Surely some sort of amendment should be put into this bill to emphasize, and emphasize definitely, those things which have been pointed out both by the Senator from Idaho [Mr. BORAH] and by the Senator from Missouri [Mr. CLARK].

Probably everyone cherishes more than any other thing connected with our Constitution the provision which limits Congress in its appropriations for Army purposes to periods of not more than 2 years. That is one of the basic heritages of our American Government. It is one of the finest things connected with what we call "congressional and constitutional government" in the United States. For us to do as the Senator from Missouri has said—to pass an extremely large appropriation bill for the Army, and at the same time be silent and allow it to be understood that probably thousands and even millions of dollars are to be taken from a public-works bill and used for military purposes, would be doing something for which the country will not and should not stand.

Already accusations have been printed in the press of foreign countries that we are dodging our constitutional responsibility; that we are making it possible, through indirect appropriations, to appropriate indirectly for purposes for which we would not dare to appropriate directly. It is to protect the President of the United States—it is to protect the United States itself from discussion, probably meaningless, from editorial writings, probably with a purpose, but at least from discussion which is going on throughout the world—that this amendment is offered. The first part of the amendment will take care of that.

The second part of the amendment will provide for and see to it that there shall be improvements in living quarters, that men who belong to our military and naval personnel who have not been properly housed shall have the right type of houses; that the right kind of improvements shall be made and continue to be made on Federal-owned and Federal-controlled lands; and in order that there may be no confusion at all about what is meant by "military" and "nonmilitary", those words are incorporated in the amendment, and the whole thing is made so plain that no administrator can make a mistake about it.

I trust the Senate will agree to the amendment.

Mr. ASHURST. Mr. President, let the amendment be stated once more. There seems to be but one copy.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read as follows:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. ASHURST. Mr. President, no one who thinks properly can, in my judgment, object to the philosophy of the Senator from Idaho [Mr. BORAH] or that announced by the Senator from Utah [Mr. THOMAS] when they declare that if Congress is to expand the Army or the Navy, or increase it, in other words, it should be done openly and directly and specifically. They are correct in that conclusion both as a matter of ethics and as a matter of law and philosophy. If one additional soldier or marine is to be added to the forces of our country it should be done openly. I am in favor of doing it openly with all persons in the world knowing how much and for what purpose we increase the Army or the Navy. Neither I nor anyone else who takes the view I take as to this amendment desires by any indirection or subterfuge to increase the Army or the Navy. I would scorn, as I know all other Senators would scorn, to increase our Army or our Navy silently or secretly. If it is to be done, it should be done openly. My solicitude in this matter is not secretly to increase the Army by one soldier or the Navy or the Marine Corps by one man. So far as I am concerned, in this present debate, I desire only that such existing posts, hospitals, cemeteries, and other facilities for the Army and the Navy as now exist shall not be permitted to fall into disrepair, and that those which have fallen into a state of disrepair shall be repaired or reconstructed.

If it be the judgment of Senators who are members of the Military Affairs Committee that the pending amendment, as proposed to be amended by the Senator from Utah [Mr. THOMAS], will permit the War Department to prevent buildings at Army posts and other places from falling into disrepair, and will, as the Senator from Missouri says, permit a reconstruction of facilities that have fallen into complete disrepair, then I am content.

I wish again to assure the Senate that I have no purpose, by any direction or indirection, in the instance of this particular amendment, to increase the Army. I think it would be unfair and disingenuous to attempt it by this method; but I realize, as I think all those who have observed conditions closely realize, the need of housing our soldiers and marines in buildings which at least are habitable.

I ask the Chairman of the Senate Committee on Military Affairs or some member of the Military Affairs Committee if the opinion is entertained that the amendment as now proposed would be eligible to carry out the purposes I have suggested.

Mr. COPELAND and Mr. BARKLEY addressed the Chair.

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

Mr. ASHURST. I think the Senator from New York rose first, and I yield to him.

Mr. COPELAND. Mr. President, may I ask the Senator if I am correct in understanding that one of the purposes of this amendment is to enlarge the cemeteries?

Mr. ASHURST. No; I do not think that is one of the purposes, although I did not understand the Senator's question entirely.

Mr. COPELAND. I said that, as I understand the Senator, one of the purposes is to enlarge the cemeteries. I merely wanted to suggest that all our cemeteries, military and civil, will need to be enlarged in order to accommodate those who will die from starvation unless we shall pass a human-relief bill pretty soon.

Mr. ASHURST. The Senator from New York being more familiar with cemeteries than I am [laughter], I am not able to discuss that question with him.

Mr. LEWIS. Mr. President, may I be pardoned for saying that at least it is a grave subject. [Laughter.]

Mr. THOMAS of Utah. Mr. President——

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

Mr. ASHURST. I yield, of course, to the Senator who is the proponent of the amendment.

Mr. THOMAS of Utah. I presume the Senator expects an answer to his question?

Mr. ASHURST. I shall be quite content with any suggestion made by the junior Senator from Utah. I think his purpose is what most of us have in mind.

Mr. THOMAS of Utah. I think, Mr. President, a mere reading of that portion of the amendment which has to do with improvements will answer the question. I will read it, as follows:

> But this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or non-naval purposes in such places.

Mr. CLARK and Mr. BARKLEY addressed the Chair.

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

Mr. ASHURST. I yield first to the Senator from Missouri.

Mr. CLARK. Mr. President, I have no desire to preclude the Senator from Kentucky, but as to the point made by the Senator from Utah I wish to ask him if he has any doubt, referring to what the Senator from Arizona [Mr. HAYDEN] said awhile ago, that under the terms of his amendment it will be possible to provide new construction as well as to repair existing buildings on Army and Navy reservations?

Mr. THOMAS of Utah. It would depend on the construction of the meaning of the word "improvements."

Mr. CLARK. The Senator from Utah will necessarily agree that, while there may have been some opinion of some sort by the Comptroller General at some time that may be at variance with the commonly accepted legal interpretation of that term, it seems to me to be perfectly clear that the authority to improve would include the authority to construct new buildings, if necessary, if they were improvements to existing facilities.

Mr. HAYDEN. Mr. President——

The PRESIDING OFFICER. Does the senior Senator from Arizona yield to his colleague?

Mr. ASHURST. I yield to my colleague.

Mr. HAYDEN. Perhaps the conclusion I stated was hasty. I heard the amendment read, and I took it that the word "improvements" would not include the construction of new buildings. I am inclined to agree with the Senator from Missouri [Mr. CLARK] that the erection at an Army post of a new building would necessarily of course be an improvement. With that understanding, I have no objection to the amendment.

Mr. BARKLEY. Mr. President, will the Senator from Arizona yield to me there?

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

Mr. ASHURST. I yield the floor.

Mr. BARKLEY. Does the phrase "or for other nonmilitary"—I have forgotten the exact language and will inquire of the Senator from Utah what is the reference to nonmilitary activities?

Mr. THOMAS of Utah. The amendment reads:

> Or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BARKLEY. The Senator uses the word "other." I am wondering whether that language would relate back to "improvements", so that it would offer an opportunity for confusion in the interpretation of the language in a situation such as this: I have in mind a military post which during the war was a cantonment where large numbers of soldiers were assembled and housed in temporary wooden buildings. Since the war that cantonment has been converted into a permanent Army post, one of the largest in the United States, and they are now in process of substituting permanent brick buildings and barracks for the old, temporary, wooden structures which were erected during the World War. Would the use of the words "nonmilitary or nonnaval" so confuse the interpretation of the Senator's amendment that someone could say that any building erected at a post for the housing of men in uniform is, of course, a military or naval improvement? Is there some other language the Senator could use there, rather than "nonmilitary or nonnaval" as applied to improvements which are in progress at military and naval posts, which would give a clearer understanding of what the Senator means?

Mr. THOMAS of Utah. I think, Mr. President, there would be no confusion at all if there should be kept in mind the first part of the amendment, because the contrast is definitely made between "improvements" and those things which can be decidedly defined as munitions or battleships or guns or other articles which have to do with actual fighting instruments connected with the military.

Mr. BARKLEY. Yet some legal technician might take the position that any improvement, any structure, any building on a military reservation or Army camp involves a military use of the money.

Mr. THOMAS of Utah. It is for that purpose that this amendment is offered as a substitute to circumvent the legal technicians or whatever they may be called. I think the Senator will find, if he will read the amendment carefully, that, instead of being confusing, actually it will make it impossible for anyone to misjudge the difference between a military and nonmilitary function.

Mr. CLARK. Mr. President, I ask unanimous consent, out of order, to insert in the RECORD at this point an article from today's edition of the New York Times with reference to the increase of the French naval building program, assigning as a reason for it the naval policy of the United States.

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

The article referred to is as follows:

[From the New York Times, Mar. 13, 1935]

FRENCH BILL CALLS FOR BIG WARSHIPS TO RIVAL VESSELS OF ITALY AND REICH—PROVIDES ONE 35,000-TON CRAFT IS TO BE BUILT NOW AND ANOTHER WHEN TREATIES PERMIT—CABINET SHAPES THE TWO-YEAR ARMY SERVICE SCHEME—SOCIALISTS ARRANGE PROTEST MEETINGS

PARIS, March 12.—A bill submitted to the Chamber of Deputies today by Francois Pietri, Minister of Marine, provides for the construction of two 35,000-ton battleships. One such vessel is to be laid down immediately, together with two destroyers, but the measure stipulates that the Minister of Marine may make all arrangements for construction of a second 35,000-ton vessel as soon as international treaties permit.

The object of framing the bill this way is to achieve both economy and speed. A considerable saving in contracts can be effected if it is known in advance that two sister ships are to be constructed. Moreover, if all the preliminary arrangements have been foreseen the second ship can be assembled much more rapidly than the first ship, once the treaty restrictions have been lifted.

The fact that France is preparing to go forward with these two ships as speedily as possible indicates a general belief here that the Washington limitation treaty will be dead in 1936 and that there is no chance of its being renewed.

There has been some discussion here of the advisability of constructing such heavy ships, but in view of Germany's pocket battleships and Italy's laying down of 35,000-ton cruisers the French argue that it is other nations that took the lead and that France has been forced into building up to the limit to keep pace.

French writers are inclined to blame the United States for the size selected because, they contend, it was the wish of the United States to fix the limit at 35,000 tons, although France consistently favored a lower figure.

"The figure of 35,000 tons was agreed upon at Washington", says the paper Capital, "because it was the maximum size ship able to go through the Panama Canal and because it accorded with the then existing big units of the American fleet. At the present time a 30,000-ton ship is required to provide us with guns equal in strength to those we would encounter from other nations."

"It became necessary for us to build a big ship the moment Italy decided to put down the *Vittorio Veneto* and the *Littorio*", declares the Journal. "They cannot accuse France of taking the lead—she is only replying to the action of others."

ARMY PLAN COMPLETED

The Cabinet completed today its plans for lengthening the military-service term, making clear that the 2 years' military service was intended to apply only to the "lean years" between now and 1939, when youths born during the war will be called to the colors.

In full agreement with his ministers, Premier Pierre-Etienne Flandin will make a detailed statement on the subject to the

Chamber on Friday and explain that this extension of the military term is to be only provisional. By applying article XL of the present law, the Minister of War will be able to extend the service period of recruits called up in April of this year to 18 months instead of a year. Thereafter until 1939 the service period will be extended to 2 years if the Government's proposals obtain the approval of Parliament.

By making this measure applicable only to the lean years, M. Flandin makes sure of the support of the radicals of Edouard Herriot's party, although the question is still being debated within the party and certain objections are being raised on the grounds of political expediency. The Socialists, on the other hand, will oppose the measure and make their own proposals. At a party meeting this morning it was decided to organize 40 protest meetings throughout the country and, following their usual tactics, Leon Blum and his colleagues are demanding that there be a general election on the military-service issue.

On the extreme right there is also considerable opposition to the proposed bill on the ground that it does not go far enough. Its provisional character does not satisfy those who wanted the 2 years' service made permanent.

It is probable that when the vote is taken in Parliament the extreme left and right will combine their votes for entirely different reasons in opposition to the government. Even so, it is to be expected that the bill will be approved before the end of this month, when Parliament will be adjourned.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah [Mr. THOMAS] to the amendment reported by the committee.

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

Mr. McNARY. I inquire what was the declaration of the Chair?

The PRESIDING OFFICER. The Chair stated that the question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

Mr. McNARY. What occurred to the amendment offered by the Senator from Idaho [Mr. BORAH]?

The PRESIDING OFFICER. The Senator from Idaho withdrew his amendment in favor of the amendment offered by the Senator from Utah.

Mr. McNARY. May we not have the amendment again stated by the clerk?

The PRESIDING OFFICER. The amendment to the amendment will again be stated.

The LEGISLATIVE CLERK. On page 3, line 25, after the word "resolution", it is proposed to insert:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BARKLEY. Mr. President, I desire, if I may have the floor, to offer an amendment to strike out the word "other", because I think the word "other" necessarily would be construed to relate back to the other things mentioned in the first part of the proviso offered by the Senator from Utah as an amendment, and I think the word "other" is not necessary.

Mr. BORAH. Mr. President——

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

Mr. BARKLEY. I should like to offer my amendment first. I move to strike out the word "other" in next to the last line of the amendment of the Senator from Utah.

Mr. GLASS. Mr. President, the Senator from Kentucky made an observation a while ago which he seems to have abandoned. I just cannot comprehend the appropriateness of the words "nonmilitary or nonnaval purposes." Any improvement to a barracks on a military reservation is for military purposes.

Mr. BARKLEY. That is my understanding, and I have not abandoned the observation I made, but I felt it should be corrected if it is possible for any nonmilitary structure of any sort to be erected at a military post. It might be conceivable that there might be erected a Y. M. C. A. hall which might not be military, or there might be erected on some public reservation a monument or marker which would not necessarily or strictly be military.

I repeat the observation which I made in the beginning: That any construction on a military reservation certainly has a military purpose. If we strike out the word "other", I think it would make it impossible to relate the so-called "military" operations back to the language occurring earlier in the amendment.

Mr. THOMAS of Utah. Mr. President, I should be happy to accept the modification, but I should have to ask the Senator from Idaho [Mr. BORAH] if he is willing.

Mr. BORAH. Mr. President, the trouble is that we are dealing with only one copy of the proposed substitute and it is very difficult to follow it. May I have the copy from the clerk's desk a moment? [After examination.] I have no objection to striking out the word "other."

The PRESIDING OFFICER. The Senator from Utah [Mr. THOMAS] has modified his amendment. The question is on the amendment of the Senator from Utah as modified, on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. LA FOLLETTE. Mr. President, if we cannot have the yeas and nays I suggest the absence of a quorum. It is an important amendment.

Mr. McNARY. Oh, Mr. President, let us have the yeas and nays. I submit the request again.

The PRESIDING OFFICER. Is the demand seconded?

The yeas and nays were ordered.

Mr. LA FOLLETTE. I withdraw the suggestion of the absence of a quorum.

The legislative clerk called the roll.

Mr. LEWIS. I again announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] occasioned by illness.

I also announce that the Senator from New York [Mr. WAGNER], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. SMITH], the Senator from Alabama [Mr. BANKHEAD], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Washington [Mr. BONE] are detained on important departmental business.

Mr. AUSTIN. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from South Dakota [Mr. NORBECK] are detained on official business.

I also wish to announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from Maine [Mr. WHITE] are necessarily absent; and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Alabama [Mr. BANKHEAD] and vote "yea."

The result was announced—yeas 71, nays 11, as follows:

YEAS—71

Adams	Connally	Lewis	Pope
Ashurst	Coolidge	Logan	Radcliffe
Austin	Costigan	Lonergan	Reynolds
Bachman	Couzens	Long	Robinson
Bailey	Cutting	McAdoo	Russell
Barbour	Dickinson	McCarran	Schall
Barkley	Dieterich	McGill	Schwellenbach
Black	Donahey	McKellar	Sheppard
Borah	Duffy	Maloney	Shipstead
Brown	Frazier	Minton	Thomas, Okla.
Bulkley	Gibson	Moore	Thomas, Utah
Bulow	Glass	Murphy	Townsend
Burke	Gore	Murray	Truman
Byrd	Harrison	Neely	Vandenberg
Byrnes	Hatch	Norris	Van Nuys
Capper	Hayden	Nye	Walsh
Carey	King	O'Mahoney	Wheeler
Clark	La Follette	Pittman	

NAYS—11

Bilbo	Gerry	McNary	Trammell
Copeland	Hale	Metcalf	Tydings
Fletcher	Johnson	Steiwer	

NOT VOTING—13

Bankhead	George	Keyes	Smith
Bone	Guffey	Norbeck	Wagner
Caraway	Hastings	Overton	White
Davis			

So the amendment of Mr. THOMAS of Utah to the committee amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

Mr. SCHALL. Mr. President, the Senator from Virginia [Mr. GLASS], Chairman of the Committee on Appropriations, in his report on House Joint Resolution 117, before the recess on Friday, March 8, brought in a new provision in which the $4,000,000,000 in one sum, subject to the allocation of the Executive, was distributed substantially as follows:

Highways and kindred projects	$800,000,000
Rural rehabilitation and relief	500,000,000
Rural electrification	100,000,000
Housing	450,000,000
Projects for professional and clerical persons	300,000,000
Civilian Conservation Corps	600,000,000
State and municipal public projects	900,000,000
Miscellaneous projects	350,000,000
Total	4,000,000,000

The committee reported further:

Provided further, That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution. (CONGRESSIONAL RECORD, p. 3216.)

The Senator from Idaho [Mr. BORAH], interrogating the Senator from Virginia [Mr. GLASS], asked the following question:

That means 20 percent of the $4,000,000,000?

Mr. GLASS. Twenty percent of the total.

Mr. BORAH. Then he [the President] could add $800,000,000 to any one of these items?

Mr. GLASS. He could; yes.

Mr. BORAH. If I may ask a further question, am I to understand that under the terms of the joint resolution the President could not use any of this money for objects other than those specified in the joint resolution?

Mr. GLASS. The Senator will note that under the designation of "miscellaneous projects" he could use $350,000,000 and the $800,000,000 that may be transferred.

Thus for "miscellaneous projects", as interpreted by the chairman of the committee in charge of the joint resolution, the President could use over $1,000,000,000. Query: Would "miscellaneous projects" include those projects for Government ownership and operation of industrial, commercial, transportation, utility, and financial enterprises incorporated by members of the Cabinet and bureau chiefs during the past 18 months, under the corporation laws of Delaware and other States, in which the temporary "emergency" powers of alphabetical bureaus are given "perpetual existence" and unlimited expansion in socialistic enterprise?

The Senator from Michigan [Mr. COUZENS] called attention to a further item of uncertain import, which appears to fit the status of Cabinet members and bureau heads acting as members of the board for the six Delaware corporations over which these officials have chartered themselves to preside:

Mr. COUZENS. I call the attention of the Senator from Idaho to the language "projects for professional and clerical persons, $300,000,000", which does not indicate at all what the money is to be used for. It may be used on any undertaking which would employ professional or clerical persons.

Under the light of this interpretation, "projects for professional and clerical persons" would fit the case of Secretaries Wallace and Morgenthau, who, on October 16, 1933, incorporated in Delaware under a charter of "perpetual existence" the Commodity Credit Corporation, which has charter powers to acquire and operate physical facilities—

For the handling, carrying, processing, manufacturing, storing, preparing for market, and marketing agricultural and/or other commodities and/or products thereof.

This Delaware corporation, manned by a board of Federal professional and clerical persons", is also chartered to open offices in any State "or colonies of the United States and in any or all foreign countries."

In addition to the $300,000,000 for "projects for professional and clerical persons", the President has the power under the proviso, as interpreted, to add $800,000,000, making a total of $1,100,000,000 for this socialistic "bold experiment" here and abroad.

Secretary Wallace, who holds the offices of Secretary of Agriculture, director in chief of the A. A. A., and chairman of the board for the Delaware corporation, would have here the foundation for all his boundless dreams. He could open an office in Canada, from which we are now importing wheat and feed to make good the destruction of crops by the drought and the A. A. A. He could open an office in Argentina for his professional and clerical staff to superintend the present importations of corn to make good the destruction of the corn crop by the A. A. A. He could also install his clerical aids abroad to bring back the 6,000,000 pigs killed by the A. A. A. for fertilizer last year, and now needed to keep in operation the scores of slaughterhouses that are closing down for lack of hogs.

This Wallace-Morgenthau-Johnston holding company, incorporated in Delaware by direction of the President, likewise has the charter powers to go into the slaughterhouse business to take the place of the packing houses closed by the pig slaughter of the A. A. A., operate mills and elevators that stopped due to the wheat program of the A. A. A., and operate cotton gins and cotton mills to take the place of those which were closed by plowing under 11,000,000 acres of cotton.

Under the two items pointed out by the Senator from Virginia and by the Senator from Michigan, and the proviso cited by the Senator from Idaho, as interpreted by the Chairman of the Committee on Appropriations, this joint resolution gives the President ample authority to go ahead with his six Delaware socialistic corporations by financing them to the following aggregate amounts:

"Miscellaneous projects", $350,000,000 plus $800,000,000—total, $1,150,000,000.

"Projects for professional and clerical persons", $300,000,000 plus $800,000,000—total, $1,100,000,000.

Aggregate for above two items, subject to allocation by the Executive for work relief under Delaware charters for socialistic industry, $2,250,000,000.

Secretary Wallace would be chairman of the board for one Delaware socialistic enterprise, and a member of a second board.

Secretary Ickes would be the biggest figure of all by holding down the chairmanship of three Delaware holding companies.

F. E. R. A. Administrator Hopkins would hold the proud position of chairman of the board over two Cabinet officials, Secretaries Ickes and Wallace, who hold the subordinate office of associates.

Secretary Morgenthau, of the Treasury, is a member of one Delaware corporation board, and doubtless ex-officio treasurer of all.

The six Delaware corporations together, including that which also holds a Tennessee charter, have all the powers over manufacturing, mines, transportation, utilities, power plants, trade, and finance that are exercised by the Soviet Executive Council in Moscow.

Congress would seem to have due notice of the intent of the President and his bureaucrats when he authorized his appointees to file charters of "perpetual existence" in Delaware. Can we escape responsibility, when in sight of the herd we "let down the bars to the cornfield"?

What would happen to a hired man on a farm if he should offer the alibi: "Yes; I opened the corn-crib door, but I did not suppose Farley's hogs would take advantage of it. I though they were only fooling when they squealed in that way"?

What will happen to Members of the Senate when they report back to the home States, to their manufacturers and merchants, to their wage earners and taxpayers: "Yes; we voted to open the Treasury doors to the amount of $2,250,000,000 to be invested in Delaware socialistic experiments in all kinds of industrial and commercial projects 'without restriction or limit as to amount'—as those Delaware charters read—but we did not suppose that Wallace, Ickes, Hopkins, Morgenthau, and the rest of the Federal bureaucrats would do the fool things they proposed to do in those soviet charters"?

What will happen? What would happen to any agent or representative who betrayed his trust? The people of our

States will say to us: "You know full well the powers and duties we gave you in article I of the Constitution, which you swore to uphold in order to get your office. You took that trust and drew your salaries. You were given full powers over our purse strings. That was the chief of your public duties. You betrayed us. You gave our hard-earned savings, collected into the Treasury as public revenue, to a so-called 'brain trust' of playboys to do with as they pleased—such as building socialistic air castles, cardboard houses of the Moscow pattern, imitation soviet towers in Delaware. In short, you violated your oaths of office. You squandered our revenue to build up socialistic competition to undermine and destroy the very industries which paid the taxes. Therefore, begone from our sight! We never knew you!"

That is the issue which today confronts us in our deliberations on House Joint Resolution 117, when we look over the items in this $4,000,000,000 appropriation subject to the allocation of the Executive.

The only difference between the present committee report and the original one is the interjection of a few sugared phrases to make the pill more attractive. It is the same medicine with a sugar coating. There is the same Executive allocation and abdication of the powers of Congress. It is an alibi framed in advance, and constitutes an advance admission of premeditated crime.

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

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, line 17, it is proposed to strike out "$600,000,000" and insert "$300,000,000."

On page 3, line 17, it is proposed to strike out the semicolon and insert the following:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance so that such students may pay such costs and living expenses necessary for pursuing study at such colleges or universities.

Mr. LONG. Mr. President, I trust my amendment is understood. The amendment takes the item of $600,000,000 and divides it. It does not raise the amount. It takes the Civilian Conservation Corps money, $600,000,000, leaves $300,000,000 for the Civilian Conservation Corps, and allots $300,000,000 for the colleges and universities of the United States, to help students who, by reason of financial conditions, are now unable to pursue their studies, to complete their courses.

This is a matter of economy as well as a matter of relief. As I said yesterday, it will cost the Government about one-half as much to pay the tuition and living costs of these students as it will cost to keep the same number of students in the Civilian Conservation Corps camps. As was said yesterday, we have a number of that kind.

Now, Mr. President, I wish to break away from my legitimate argument on that line to make a very cogent observation.

We have had a rule or a courtesy understanding in the Senate, which I understand has prevailed here as long as there has been a Congress, that protection would always be given to any Member of the Senate who, by reason of illness, could not be here to vote.

In other words, when any Senator by reason of some indisposition is unable to be here to vote on an important measure we have always arranged to give him a pair. That rule has been somewhat relaxed for some reason lately—I hope not permanently, because it would destroy a lot of the good faith upon which we have operated here—always assured that the vote of the Senate was a vote of 96 Members of the Senate instead of a vote of 95.

I am satisfied that there are those of us who could stay here until someone else became indisposed. In other words, this would be a physical contest rather than a contest on whether a measure before us was right or wrong. If we provide that only the men who remain hale and hearty may vote, then those of us who are able to stand up the longest will decide all questions. I would be here, probably, with the last ones who would be here under such an arrangement. [Laughter in the galleries.]

The VICE PRESIDENT. The Senator from Louisiana will suspend. The Chair understands that the Sergeant at Arms of the Senate has delivered to each guest of the Senate in the galleries a card or slip on which attention is called to the rules of the Senate. That has been done under the instructions of the Chair in the hope that our guests will heed the rules of the Senate. This is not a vaudeville show, and if our guests do not heed the rule and cannot refrain from laughter and manifestations of glee over the proceedings of the Senate the Chair will order the galleries cleared.

Mr. LONG. Mr. President, there are 96 Members of the Senate, whether they can all be present in the Senate or not. They necessarily must attend to other business of the Government, and there is no one in the United States with intelligence enough to vote for a United States Senator who does not understand that a paired vote is the same as a vote that has been cast.

I do not know of a Member of the Senate who has never paired his vote. There may be some few exceptions, but practically all of us have been paired on important votes for and against bills, for the reason that naturally all of us cannot remain hale and hearty all the time.

I should not like to be one to begin to break the rule making pairs in the United States Senate possible, because I would probably be the first one to feel the effect, when some occasion arose when I could not be here to cast my ballot by reason of other business to which I am required to attend, legitimately connected with my work as a United States Senator.

Two of my friends in this body, one my colleague from my own State, and one a Senator from an adjoining State, do not find it convenient to be here today, and perhaps will not tomorrow. I understand that if they have to be here they can be here. They will wish to vote on an important point that is to be considered by the Senate.

I have tried in every way I can, as has the pair clerk, and their secretaries have tried, to arrange for pairs for these two colleagues in this body who are physically indisposed, who are in this city, and desire to register their votes on a question which will come before the Senate.

The Senators to whom I refer have accommodated many Members of this body when they were hale and hearty. I refer to my colleague from Louisiana [Mr. OVERTON] and the junior Senator from Arkansas [Mrs. CARAWAY]. Time after time have both of these Senators accommodated hale and hearty Members of this body who could not be here to vote. Time after time has the little lady Senator risen in her place on behalf of someone on this side of the Chamber, and at times someone on the other side of the Chamber, and announced a pair, in order that she might accommodate some Senator who was physically indisposed, or who had to be absent on some business. The same thing has been true of my colleague, the junior Senator from Louisiana [Mr. OVERTON]. Time after time has he announced a pair.

However, when it comes to where there is a difference of only 1 or 2 votes, are we to have all that has been good of a rule which has been followed here thrown into the ash can, and have somebody say, "Oh, no; let us win in the hospital; let us have a hospital vote." Is that what we are to do here? If so, if that is to be the rule, then I wish to say that I am perfectly capable of standing here until several on this side get sick and will not be here to vote. I can absolutely assure Senators that if this is to be a physical endurance test, and they are by a sudden change to beat labor and the workingman because two of our colleagues are sick, there are plenty of us here to see that we are protected in that kind of a situation.

I appeal to this intelligent, discreet, courteous body of United States Senators on behalf of two of my colleagues who have been elected by very large majorities by their people to vote their sentiments in this body; I appeal to my colleagues not to undertake to take advantage of a situ-

ation which has operated to their advantage by reason of the solicitude which the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] have often shown toward them.

I do not call any names, I do not designate any Senators, but if Senators will search back through the records, Mr. President, they will find that at least 33 to 50 percent of the Members of this body have at one time after another been paired either with the junior Senator from Arkansas or the junior Senator from Louisiana since I have been a Member of the Senate.

Mr. President, I understand that the signals are out against any pair for these two Members of this body, and I have tried in every way that I could to secure for them the accommodations and the courtesies which have always been granted to all of us in the Senate.

I am going to appeal to the Members of this body that they not delay the pending joint resolution. Let us not delay the consideration of this measure. Let us expedite its consideration and its passage. Let us hurry it along as fast as we can, and we can do that by not varying what has been customary in this body. We can do that if we do not try to bar our colleagues from having pairs.

One Member of this body will be called to a department, or he will be called to a hearing, and always it has been possible for him to step up to the pair clerk and ask him to arrange for a pair in order that he may attend to some other business of the country. It has always been the same when one was indisposed, or was called out of the District by reason of some other business to which he must give his attention, which, of course, required that he be absent when the roll was called here.

This is what I want to ask of my party leaders on both sides of the Chamber, of *our* party leaders on both sides of the Chamber, because I recognize them both, and I follow both the party leaders. I follow the Republican leader part of the time, and I follow the Democratic leader part of the time, when either one of them is right, and when neither is right, of course, I cannot follow either one. Only when they are together do I fail to follow one or the other of them; and that was the case yesterday. That is the only certain way I have of knowing that I might be more right than both of them put together; that is, when both party leaders agree.

However, there is no question that we have all agreed in the matter of senatorial courtesy. It has been granted to me, it has been granted to my friend the Senator from Illinois, it has been granted to my friend the Senator from Oregon, it has been granted to my friend the senior Senator from Arkansas. It has been granted to nearly every man in this body time and time again. Time and time again in order that we may take care of the business of our constituents, we have to take advantage of the rule which permits us to have pairs, and to be voted whether we actually attend the roll call or not.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. May I inquire what has happened that is the basis for the alleged charge that Senators cannot obtain pairs?

Mr. LONG. That is what I am trying to find out. Something has happened. I do not know what has happened. I cannot find out what could have happened. It is a rather unusual thing. But I can assure the Senator from Oklahoma that at the end of 2 days' vigilant effort I am unable to get a pair for either the junior Senator from Louisiana or the junior Senator from Arkansas, who happen to be indisposed at this time.

Mr. THOMAS of Oklahoma. Mr. President, may I inquire whether the Senator has asked Senators for pairs for the two Senators he has in mind?

Mr. LONG. Yes; I answer that I have. I have asked for pairs. I have been to nearly everyone in this Chamber where I thought it would do any good, including the party leaders; and I want to say that some Senators have helped me, and say they can do no more.

Mr. THOMAS of Oklahoma. I might suggest that the Senator has not contacted me about the matter.

Mr. LONG. The trouble is the Senator is on our side in this question. That is our trouble.

Mr. THOMAS of Oklahoma. Mr. President, on a former occasion when the so-called "McCarran amendment" was before the Senate, I found that I had an engagement at one of the departments in company with some Representatives from my State. I left a request at the proper place that a pair be secured for me on the McCarran amendment. I desired to vote for the amendment. Of course, I advised the proper official that if a pair could not be secured a statement should be made for the RECORD that if present I would vote for the amendment. Apparently no one was willing to join in the pair, but the RECORD did state that had I been present I would have voted for the amendment.

I myself made no effort to secure a pair. I never have done so, because on former occasions when I made such requests I was uniformly accommodated. I wondered whether there was any sort of organization or influence which was operating against having any pairs upon any of the votes on the pending joint resolution? I have not heard of it, Mr. President. I was anxious to know whether the Senator from Louisiana had.

Mr. LONG. I am merely trying now to have disclosed what is behind it. That is what I am trying to find out. I cannot answer the Senator from Oklahoma, because I am searching my own conscience for the answer to the very question he is asking.

What has happened in this body that these two respectable and honorable Members, who have always accommodated their colleagues, now find themselves unaccommodated when they have requested pairs, by reason of the same condition prevailing with them which prevailed with other Senators when they asked for pairs? Who has changed the custom which has existed in the Senate since 1787 or 1789, whichever year it was that the Senate first went into session? Who has changed this custom? Why has the change been made? Is it because of the difference of one vote that anyone outside the Senate would be willing to win by reason of the hospitals declining to yield up two distinguished Members of this body? Is it a fight of physical endurance? Is that the way the rights of labor are adjudicated here, in the highest legislative body in the world? Is that what we are going on? In one breath we are denounced if we delay a vote, and then again it is all right; they are given a ukase to take advantage of the inability of two Members of this body to come here at the time the roll must be called. That is what we are up against.

How can that situation appeal to the hearts of those on this side of the Chamber who are in the leadership of the affairs of the Nation just now? I not only appeal to Senators of good sportsmanship, but I appeal to the spirit of courtesy in the Senate, which has assured the United States that at all times 96 Members of this body were voting the will of the people, and that chance did not control the settlement of important affairs. It has always meant that two votes from every State should be given the opportunity to be registered in this body. It has always meant that a decision for one side or the other did not rest upon some accident or some hazard or some momentary advantage or disadvantage in a physical respect. That has always been the case.

I call on any Member of this body to say that he has sat here for as long a period as 3 or 4 years, or even 2 years, and has not made a pair. I should like to see the Member who has not done it. If a search of the RECORD is made, it will be found that we have all done it. Time after time I have walked back to my colleague, or he has walked up to me, and said, "How are you going to vote?" I would say, "I have a pair with Senator So-and-so", or he would say to me, "I have a pair with Senator So-and-so", and we considered that his vote was cast; the only difference being that it enabled the Senator, whose duties are not confined

to casting his vote on the floor of the Senate, to perform other functions which he necessarily had to discharge.

Every Senator knows that his duties now comprise manifold things besides representing his constituents on the floor of the Senate. He has to go from department to department. In many instances he is a research clerk. He has to spend hours of toil looking into records and into statistics, looking into various things necessary for him to study in order that he may be able to formulate an opinion and formulate legislation to present to this body. By reason of the fact that he is assured that whatsoever may be happening here, his temporary absence will not affect his vote, the Senate has been able to operate more efficiently than it otherwise could have done. No one had to delay the proceedings, because every vote was protected.

That situation has now changed, for some reason. Now it is all changed. The right of the workingman is in contest—the right of the workingman to be protected against the imposition of a lower wage than the one he has now, which is too low. The right of the laboring man is in jeopardy. The living wage in this country today is about double the prevailing wage. I hope Senators understand me. The prevailing wage of America is only about one-half the living wage of America. The prevailing wage is about 50 percent of what it ought to be at the lowest.

Now, the rights of that laborer—the man who has lived by the sweat of his brow, the fruits of whose labor have been stolen from him as earnings taken by others—are in jeopardy. He wants his rights represented. He not only has to fight those ordinarily opposed to him but he has the power of prospect and promise thrown into the scales against him, and he must fight against that. He has to fight the lure of chance and of prospect, and it is an uphill battle. With all this against him, it so happens that momentarily two of his friends are in the hospital or are confined to their homes by reason of illness at this time; and then, all of a sudden, even the precedents which have been observed in the Senate for 150 years are suddenly to be changed to be used against the laboring man.

That is an abnormal situation. That is a matter of importance to this body. Senators who desire to expedite the passage of the joint resolution would see to it that such discourtesy does not happen in this body. They would remember what has happened in the past, and they would say, "I have been the gainer because of the existence of this rule. I have been protected by this age-old rule. I will not be one to try to take advantage of a situation and set aside the rule which has afforded me protection in the past."

I will leave that point now, Mr. President. I have presented it as best I understand it. I will leave that point right now, and I am going to appeal to the distinguished Senators here to think it over. They may not want to think it over right now. They may want to wait and sleep over it tonight. I am asking Senators, however, to think this matter over a little, and see whether or not they are now ready to cast aside a rule or a practice or a courtesy which has prevailed in the Senate this long and which has gained so much for all of us in the past.

I now come back to my amendment, which is on page 3, line 17. Down in my section of the country in Louisiana, close to where I was born and reared, they put up one of these Civilian Conservation camps. They built nine bungalows there for the men to live in. They built nine 5-room or 6-room houses, fine bungalows, with water and with heat, and lighted. They were fine bungalows for a Civilian Conservation Corps. They had not any more than got the houses built there on Black Creek in Louisiana—and I shall be glad to give Senators the exact location of this place if some of them should desire it—they had just about gotten those houses up and planted the saplings around them when they decided that they would discontinue that camp; so they moved off the land, and left the houses standing there, and gave these nine splendid homes to the man on whose land they stood, to be disposed of in any way he desired; and he very promptly tore down the houses and put up a lumberyard to sell the lumber which had been left. That is an absolute waste of the Government's money, an absolute distortion of anything which tends to good management or good practice.

That, Mr. President, is not more than happens in some other places. Perhaps some Senators may be loath to take all I have said to be 100 percent exact, and if they do I shall be only too glad to give them the names, the dates, the addresses, and locations of what I have mentioned here. I want to avoid such occurrences. The one I have just described cost the Government probably about $250 a month for every man they had down there.

Here is what I propose: Instead of enlarging the C. C. C. we ought to reduce it. At least we ought not to enlarge it. So if we want to take care of these young men and more young men and young women to boot, I will give the Senate a better way; and if the Senate will submit it to the young men and the young women who are affected by it there will be 90 of them who will vote for the plan which I suggest where there will be 1 who will vote for the plan suggested in this joint resolution. I will make the assertion to the membership of the Senate that if they go to a Civilian Conservation Corps camp and take a vote of those young men as to whether they would rather be on a college campus or in a State university or in some other university or to be out there among the red bugs and in the Civilian Conservation Corps, it will be found that 10 will vote to go to the university as against 1 voting to stay in the C. C. C. camp. Why should they vote that way? Because in the State university they can have decent associations, the advantages that a university affords, and they can be spending their time learning something. At the university they will be costing the United States $15 a month, whereas at the very lowest in a Civilian Conservation camp they will cost us from $50 a month up—mostly up—as was the case in the camp I spoke of, and the result is mostly a waste.

That is the amendment I am proposing. I do not propose to increase the amount. I propose to take $300,000,000 of this money which is being 95 percent wasted. I propose to take care at the very least of not less than three men where one is now taken care of. I propose to take care of them by putting them in institutions of learning rather than putting them into sapling camps.

When we had before us the reforestation bill I did not feel very favorable to it. I made the statement that in my section of the country I believed I could eat every sapling that came up. I really made the statement that in my opinion all the saplings they would plant could be eaten by a man as fast as he could come to them in a day's time. In my experience a man would have starved to death trying to survive on those saplings for food, because they came up so far apart that no man would have been able to keep his stomach filled while he traveled from one sapling to another that grew where they had been planted by these sapling planters.

We have reforestation in Louisiana, as the Senate probably knows. We have had it for a long time. Students from Yale University were studying reforestation in a Louisiana reforestation camp. Students from Yale were making a study down there long before reforestation was ever described in a Government book. Reforestation is a product of Louisiana. In Washington Parish, La., will be found many places where we have raised second-growth timber. We are operating sawmills down there 8 hours a day on timber that has been grown on the same ground where we had already stripped the ground bare one time. We have practical reforestation. We know something about the business.

When the Government came down there with these sapling camps we wished the young men well. They put a bunch of these young men in a big truck and sent them out in the country and said, "Go ahead and plant saplings." It was almost a laughable matter. It was almost beyond laughing about, too. There they were, put out in the woods planting saplings, when everybody knows or ought to know that it is just as difficult a business to plant saplings as it is to plant cotton. It is more difficult to know how to plant a sapling than it is to know how to plant cotton. It is much

more difficult to plant a sapling and make it grow than it is to plant corn or beets or to plant many other things, and make them grow.

When a carload of young men are taken out of the large cities like Boston, New York, and Philadelphia, and put out in the woods to plant saplings, we might as well have taken those men and put them out in a cotton patch on the theory that they could raise cotton the next day. They did not know anything about it at all. By the time one of them learns anything about it, if he has any sense at all he will get away from those camps, because they are not fit for young men. The young men do not know how to fight the germs. They sit up all night long fighting mosquitoes in some little camp out in the open. They are put out in some improvised camp, fighting the mosquitoes, fighting the bugs, fighting the ticks, and then all of a sudden they are picked up and moved somewhere else.

I should like to have Senators compare the reforesting that has been done by the Federal Government in Louisiana with the reforesting that has been done by the Great Southern Lumber Co. in Louisiana. I will guarantee that the Great Southern Lumber Co. did not spend a dime where the Federal Government has spent a hundred dollars. I will guarantee that the Great Southern Lumber Co. has a thousand trees where the Government has one that will come up and stay after it comes up.

We want to get these young men off the top of the box cars. We want to take them off the streets. We want to take them out of the loafers' camps. We want to take them out of such places and improve them and care for them. The suggestion is made merely to put a sapling tree in their hands and let them plant it. If it costs $50 a month to put a sapling in one of these young men's hands to be planted, would it not be better to spend $15 a month to put a book in his hands so he might prepare himself to do something useful hereafter? If he is going to be put out planting saplings, we should see to it that he is a man who has experience to do what he is sent out to do before he is sent out to do it.

I am not proposing to discontinue the work. I am proposing to do more good. I am proposing to limit the matter to where it is now. I am proposing to use $300,000,000 for sapling camps instead of $600,000,000, and then to use $300,000,000 out of the $600,000,000 for the aid of the colleges and universities of the country; to be loaned to the young men and young women who want to attend the universities but whose fathers and mothers are not able to pay their living expenses and the cost of their tuition. At the universities these young men and young women will be loaned money out of the $300,000,000 to be supplied by the Government. That is being done now to a very limited extent.

Mr. WALSH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Massachusetts?

Mr. LONG. I yield.

Mr. WALSH. How much money does the Senator contemplate will be loaned to these students at the universities and colleges—the entire amount of their tuition and board?

Mr. LONG. I can answer the Senator by saying that this is what is done now and I would not advocate a change: The Government advances about $15 a month per student. That is to apply on his living expenses and on such tuition as he has to pay. The universities are meeting that condition by extending credit to the student so that he actually goes to school for the $15 a month and the university carries the balance. For example, Louisiana State University has 450 young men attending there on Government money today. I would assume that in the Senator's State a great many more students are doing that in some of the larger universities and colleges.

Mr. WALSH. There has been pending before this Congress as there was before the previous Congress, a bill to permit loans to colleges and universities through the Reconstruction Finance Corporation. Does not the Senator think it would be more helpful to the young men to have the colleges prevented from going into insolvency by the granting of such loans than by the method he proposes of helping the universities and colleges and students?

Mr. LONG. My proposal would not interfere with the Reconstruction Finance Corporation loaning money to the colleges and universities. I doubt if the bill to which the Senator refers ever passes, because the politicians do not give much money to colleges. They usually give it out in other ways. It does not aid the politicians or do them much good to give money to colleges.

Mr. WALSH. The bill has been recommended favorably by the committee.

Mr. LONG. That may be, but the politicians do not give money to colleges—and I mean by "politicians", of course, men outside of the Senate! [Laughter.]

Mr. WALSH. May I invite the attention of the Senator to the fact that he does not in his amendment set forth the amount of money to be used for the colleges and universities, namely, $300,000,000. His amendment is so drafted, as I read it, that he reduces the amount available for the C. C. C. from $600,000,000 to $300,000,000, but he designates no amount for the universities and colleges.

Mr. LONG. Yes; I designate $300,000,000.

Mr. WALSH. As I read the Senator's amendment, I believe he is mistaken.

Mr. LONG. Then it was left out; it was a misprint.

Mr. GLASS. The numerals "$300,000,000" should be added at the end of the amendment.

Mr. LONG. Yes. I modify my amendment in line 9, before the period and the quotation marks by inserting a comma and the figures "$300,000,000." This is a misprint of my amendment, or else I made a clerical error in copying it from my desk yesterday. What I propose is to provide $300,000,000 for this purpose.

Let me say to the Senator from Massachusetts that it is the hardest thing in the world to get money for colleges. I know that Washington is no exception in that respect. When I tried to get money for Louisiana State University, I was unable even to get the legislature of the State to see the virtue of submitting constitutional amendments that would get it. The only way in which we ever did get it was to have the highway commission buy buildings that the university was able to abandon. In other words, the university had a large number of very useful buildings and a plot of good ground; and as they moved out of the buildings to new buildings, the highway commission bought their old buildings and other things, and thus enabled the university authorities to make the improvements that the school needed.

Let me show you what that means. Right here in the United States today we have had a decrease in college enrollments up to a year ago, if not now, of from 10 to 15 percent. At a time when this depression was going on, college enrollments—which, prior to that time, had been on the increase—suddenly fell from 10 to 15 percent; but during the same period of time when college enrollments elsewhere in the Nation were going down from 10 to 15 percent, the enrollment in Louisiana State University went up 150 percent.

Why was that? The reason was that Louisiana saw the better side of this matter. Louisiana saw that it was better to put schoolbooks in the hands of those young men and train them in college for a 4-year period than it was to put them out in a sapling camp along the banks of some stream doing nothing. Louisiana tried to build up the fiber of its manhood rather than to have it torn down by encouraging uselessness and idleness. That was the difference; and I make the bold assertion that if the Senate will adopt the amendment I am offering today, instead of the colleges and universities ever having to report a decrease in enrollment, we shall find within the next few months' time the greatest increase in the enrollment in colleges and universities that has ever been known in the history of the United States. That will be the difference; and it can be done at a cost that is about one-third the cost of putting a man in a sapling camp.

I am proposing this educational assistance for the young man who today has a sapling in his hand that will never grow, the chances are, after it leaves his hand. The last

time that sapling will ever be green will be just after he waters it and leaves it. That is the last time it will ever have a green straw on it again if it is a pine, or a green leaf if it is something else. Although that young man is planting saplings today, he does not really know how to plant them. Imagine my friend from Boston, Mass., coming down to Winn Parish, La., to plant a pine tree. He would not know the difference between a pine and an oak. He could not tell the difference between a post oak and a sycamore, let alone the difference between a white oak and a post oak and a pin oak. How many men in this body, if they were down there today, could tell me the difference between a live oak and a pin oak and a post oak and a white oak tree? None of them. None of those who were not raised down in that country know anything about it; and yet these young men are being taken out of Boston and out of Bangor, Maine, where they know something about fish, and sent down into the piny woods of Winn Parish, La., to plant pine saplings! How many pine saplings will they plant?

If the same young man in Maine had been left among his people and among his neighbors and among the schoolboys he knew and among the schoolgirls he knew, and a book had been put in his hand, and he had been sent to college, so that he would be prepared to do something when the time comes in America—if it ever does come—when talent and brains and training can be used, we would have made that man far happier and eminently better off for himself and for the country at one-third the expense involved in sending him down to Louisiana to engage in the business of planting trees. I do not mean that we may not want to go into the tree-planting business, but we have spent more money for these trees than we will ever cut wood out of them. I will guarantee that if we sell lumber at the rate of $200 a thousand feet we will never cut as much lumber out of these trees that are being planted at these sapling camps as it costs to plant them. Now, remember what I am saying.

Mr. GLASS (from his seat). Let us vote.

Mr. LONG. My friend from Virginia says, "Let us vote." I am ready to vote; but how about my colleague from Louisiana [Mr. OVERTON] being allowed to vote now? How about my colleague from Arkansas [Mrs. CARAWAY] being allowed to vote?

I am ready to vote on every amendment in this joint resolution without any further debate, so far as I am concerned, provided the rule that always has been observed here as a matter of courtesy in practice is not abrogated as to my colleagues from Arkansas and Louisiana. I am ready to vote, but I am not going to let you vote on your physical endurance and not let my colleague vote on his. We all get sick sometimes. All of us necessarily have colds and chills and fever and headaches and backaches. All of us, through no fault of our own, occasionally have indispositions of these kinds.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. LONG. I yield.

Mr. GLASS. Is the Senate to understand from what the Senator from Louisiana has just said that he is not going to permit a vote on any of the amendments to the joint resolution until and unless his colleagues are able to secure pairs?

Mr. LONG. No; the Senator from Virginia knows I have not taken that position yet.

Mr. GLASS. I so construed what the Senator said.

Mr. LONG. We have already voted on a number of amendments.

Mr. GLASS. The Senator was so impressive in his advocacy of his amendment that I supposed he would be willing to let us vote.

Mr. LONG. I am glad the Senator from Virginia has asked me the question, because I desire to ask him a question. Is he willing to help us get votes for the Senators from Arkansas and Louisiana on the usual pair arrangement that has always prevailed here?

Mr. GLASS. I will say to the Senator that it is not my business to arrange pairs. I have my own pair with a distinguished Senator on the other side of the Chamber who is in favor of the McCarran amendment. I voted against the McCarran amendment. It is not my business to arrange pairs.

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

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

Mr. CUTTING. I expect to be present to vote for the McCarran amendment; so, if the Senator from Virginia desires to pair with some other Senator, of course I shall be glad to release him from the pair.

Mr. GLASS. I do not desire to pair with any other Senator. I expect to be here and kill the vote of the Senator from New Mexico on the McCarran amendment.

Mr. LONG. I was hoping that if the Senator from New Mexico would be here that might open up a way to get one of the pairs.

Mr. GLASS. I shall be here, and I am going to be here right along, too. If the Senator from Louisiana threatens us with a physical demonstration, he will find that I shall be right along with him.

Mr. LONG. I am not threatening the Senator with a physical demonstration.

Mr. GLASS. Do not have the misapprehension, because I, myself, have been ill, that I am not prepared to go through with the consideration of this joint resolution at day sessions and night sessions. I want that understood.

Mr. LONG. Has not the Senator from Virginia been paired sometimes when he was sick?

Mr. GLASS. I have been paired ever since I have been in the United States Senate.

Mr. LONG. That is right.

Mr. GLASS. I have been discreet enough to assert my privileges in that respect, and to be paired; and it is not my business to get other Senators paired.

Mr. LONG. That is just what I am asking. The Senator from Virginia and I are not going to argue over the matter. I am his friend, and I am in agreement with him. Quite often has my friend from Virginia been in the same condition that my colleague from Arkansas is in now; and the Senator from Virginia was always given a pair. He himself says so. Now, the lady Senator from Arkansas is in the condition that the Senator from Virginia was in a few months ago. She desires to be paired. That is the size of the matter.

I am not appealing to the prejudices of Senators. I am not making threats against Senators. I am appealing for equality, for courtesy, for the observation of precedents that have always been observed here. I am urging that you shall not now take advantage of the absence of some Senators when in the past they have accorded you the protection they are now entitled to be accorded for themselves. The Senator from Arkansas was always ready to lend you a pair, the Senator from Louisiana was always ready to give you a pair.

Mr. GLASS. Neither of them ever gave me a pair. I always arrange my own pair. I do not look after the pairs of other Senators. And let me say to the Senator that it frequently has happened in my case, as I have no doubt it has frequently happened in the case of every other Senator, that when my session pair and I were going to vote alike on a proposition, I have tried to get a pair with some other Senator who was going to vote on the opposite side, and have failed utterly to do so. That is a matter of frequent occurrence.

Mr. LONG. I only know, as the Senator has said, that we have always been able to arrange for pairs in this body, and in this particular instance we have two distinguished colleagues who want to vote on an important measure, and we know that there is a difference of only 1 or 2 votes on the carrying or on the defeat of this amendment. We know that. Let us be as frank and as honest with one another as we would expect if we were in the condition of my colleague today. It is not practical, if he can possibly help it, for my colleague to come here and vote. He is a Member of the United States Senate. It is not possible for the junior Sen-

ator from Arkansas [Mrs. CARAWAY] to come here and vote, and she is a Member of the United States Senate.

Are you going to win here by 1 vote, when you know that if it were not for the disability of these two Senators you would lose by 1 vote? Would you take that kind of a victory against the workingman in this country today, in that kind of way?

Mr. President, that is the question that comes to us. Would you win from the hand of the fallen laborer the right to have his representation here by reason of the disability of a Senator? That is the point. That is what we have to decide.

Here is your laboring brother, your man in the ranks of toil. Here is your man who is prostrate today. Here he is, even when employed, receiving a wage that we call the prevailing wage, which is only one-half of a living wage. Would you strike from that disabled man the right to have a vote cast in this body along lines that have always been accorded to the other side and to his side up to now?

Members of the Senate will not do that. They will seek a better time, if this precedent is to be broken, to change it. They will seek an occasion when it is not adjudicating the issue of the fallen, the suffering, the starving, the needful citizen of this land who has surrendered to the powers of might and privilege until today even when employed he receives less than the wage upon which he can live in decency.

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

Mr. LONG. I yield to my friend the Senator from Nevada.

Mr. McCARRAN. My knowledge of and my intimate association with the Chairman of the Committee on Appropriations of the Senate, the Senator from Virginia [Mr. GLASS], my regard and my respect for him, will not permit me to hold for even a moment the thought that he would take any advantage whatever. I gained that knowledge by reading of him and about him long before I had the privilege of being a Member of the body of which he is such an ornament. But 2 years of association have given me an even more pronounced and intimate knowledge of his nature, so that I know that he will not force this body into the position of taking a vote without an opportunity for every Member of the body to have a proper pair and a chance to have his vote protected.

Mr. GLASS. Mr. President, the Senator may be assured that I do not want to take advantage of anybody on any of the amendments to the pending measure. The Senator from Nevada knows, as the Senator from Louisiana knows, that we have not now before the Senate the bitterly controverted proposition which they have in mind, and both Senators, I take it, know that we are not to have it before the Senate today. We have before us now a very plain amendment, proposed by the Senator from Louisiana, and I suggest, if the Senator from Louisiana is confident that his amendment may be adopted and that the difference between the affirmative and negative votes will not be just 2 votes, that he let us vote on it.

Mr. President, I am not pressing for the immediate consideration of the so-called "McCarran amendment." I imagine it will lead to prolonged discussion; so that the two ill Senators may either get well, or cross over the river, before we end the discussion.

Mr. LONG. Mr. President, I wish to join with my friend the Senator from Nevada in what he says. What he states is my belief. I know that the Senator from Virginia is one of those characters who, when you ask him anything, will reply in such a way no one will feel for a moment that anything is being insinuated against him. I am one of the persons so new in the practice of diplomacy that I do not know how to approach the Senator from Virginia about such a matter. The fact of the case is that most of the time I really believe the Senator from Virginia might receive my logic if I could disguise my voice and appearance in trying to transmit it from the floor of this body.

Mr. GLASS. Mr. President, I like the Senator's appearance and his voice better than I do his logic.

Mr. LONG. Then the logic must be terribly bad. I know, and I hope, and I pray, and I believe, that I can join the Senator from Nevada in saying that the McCarran amendment is not going to find our two colleagues without the right of expression. I hope they will be here, as the Senator from Virginia says, but I say to the Senator from Virginia that if they are here and anybody on the other side of the question is not here, I will give him my pair in order to see that his vote may be registered on the amendment. In other words, I want to show how honorable we will be about it. If the junior Senator from Louisiana and the junior Senator from Arkansas return to the Senate, and the Senator from Virginia or any of his colleagues on the other side of the fence are not able to be here, I assure them that they will have pairs, and that if it is necessary, I will give them my own, in order that their votes may be properly cast in this body. I will not take advantage, nor would I see the existing rule violated and the usual courtesy disrupted, because, regardless of what effect it might have on the vote on the McCarran amendment, it would do more harm in the future than it would do good for the immediate purposes of the pending joint resolution.

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

Mr. LONG. I yield.

Mr. STEIWER. If the Senator does not mind an interruption at this point, I merely wish to ask him the basis for providing $300,000,000 for the purposes of the amendment which he is now presenting to the amendment of the committee?

Mr. LONG. I propose to take $300,000,000 from the C. C. C. camps.

Mr. STEIWER. I understand that; but why $300,000,000, rather than some other figure?

Mr. LONG. I have consulted with some of the learned instructors in the large universities of this country, and they assure me that this sum of money would be probably less than a third of what might easily be expended in this direction. The meager $20,000,000 now being provided, I understand, the administration is calculating to discontinue. The institutions have been notified that this sum will not be forthcoming in the future. I was so informed by presidents of State universities.

Mr. STEIWER. If the Senator will permit me, let me say that I have been sympathetic toward the idea of providing some money for worthy, needy young people in order that they might continue their college work, and I regard with approval the program carried forward until recently by which a number of young people were provided with opportunities for pursuing college courses. It occurs to me, however, that it would be easier to secure agreement to the Senator's proposal if the amount were less.

The maximum amount permitted under the committee amendment for the Civilian Conservation Corps is $600,000,000. If $300,000,000 is taken away, as I understand the Senator's proposal, that reduces the maximum to $300,000,000 for the Civilian Conservation Corps.

It may be regarded by some as too small an amount for that Corps, and as more than is absolutely necessary in order to take care of the more worthy cases of young people who ought to be sent to the colleges of the country.

I had hoped that at some time before the vote the Senator might give consideration to the idea of reducing the amount proposed by the Senator in his amendment and increasing correspondingly the amount that might be permitted for the use of the Civilian Conservation Corps.

Mr. LONG. Mr. President, that is what I do propose. I propose to reduce the amount that may be allotted to the Civilian Conservation Corps from $600,000,000 to $300,000,000.

Mr. STEIWER. The Senator does not understand me, I think. What I am suggesting is that the Senator consider reducing the amount to be provided for education from $300,000,000 to some smaller sum.

Mr. LONG. How much?

Mr. STEIWER. I do not have sufficient information to make a good calculation as to that.

Mr. LONG. I can state to the Senator that it is just a question of how much we want to give for education. Education can use every dime of it, and the educational authorities have asked for $600,000,000 at the least. They have asked for that.

Mr. STEIWER. But inasmuch as nothing in the joint resolution is mandatory, the administrative agency would not be required to expend the money for education, even if the Senator's amendment were agreed to.

Mr. LONG. That is right.

Mr. STEIWER. Has it occurred to the Senator that we might be able to secure agreement to his amendment if it were in the figure of $100,000,000 or $200,000,000 and if the Civilian Conservation Corps provision were increased accordingly?

Mr. LONG. That is probably true.

Mr. STEIWER. I shall not insist upon the suggestion, I will say to the Senator, but it occurs to me that it is worthy of consideration.

Mr. LONG. I will say to the Senator that all I want to do is to get all the money I can for this worthy and less expensive purpose.

Mr. STEIWER. It is a worthy purpose.

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

Mr. LONG. I yield.

Mr. GLASS. I am glad to have impressed at least one Senator, meaning the Senator from Oregon [Mr. STEIWER], with the point I have insisted on over and over again, that we are just wasting time in the discussion of these matters. This provision of the joint resolution is purely suggestive except as to its limitation that none of these amounts may be exceeded. The provision is purely suggestive. Under the terms of the joint resolution the President is not obliged to spend a dollar for any of these purposes, and under its terms he may spend $1,000,000,000 for the education of the youth of the country. So we are just wasting time.

Mr. LONG. Mr. President, that is true of the whole measure. We can strike out the good-roads provision, according to what the Senator from Virginia has said. What is the use of having in the joint resolution $800,000,000 for good roads? Just as the Senator from Virginia has said, the President might spend a billion dollars for good roads without good roads being specifically mentioned in the joint resolution. What is the use of having community projects of $900,000,000 referred to in the joint resolution?

Mr. GLASS. The only use seems to have been to protract the discussion here.

Mr. LONG. That may be the purpose; but inasmuch as we are putting in these less essential things, why not put in some of the more essential ones?

I am not the author of this measure. I desire to say to my friend from Virginia that had I been writing the measure I should have written it differently; and I have no doubt in my mind that if the Senator from Virginia or some of his associates on the committee had done so we would have had a measure which I would have preferred to the one we now have.

I am not the maker of the joint resolution, however. It comes here constructed in this unusual form. It is a different form of legislation than that to which we are accustomed. I could not get by with this kind of legislation in my State. However, this is the only form we can get. I want to get votes for a worthy purpose. I want to get votes for something that will do some good.

I desire to state that this administration has never been harmed as a result of accepting any amendment that I tried to get it to accept. For many, many months I tried to get the administration to incorporate State banks in the bank law. I had a hard time getting the administration to do it, but the administration finally did it. Had it incorporated them in the law the first time I asked the administration to do so, it would have saved itself much trouble.

I was one of the few who tried to get this administration to guarantee bank deposits, and when the Senator from Michigan [Mr. VANDENBERG] finally drafted an amendment which the administration finally accepted, it brought to the administration much of the credit for what little good was done by all its policies, and undid much harm already done. Had the administration accepted that request of mine and that request of the Senator from Michigan on the 15th day of March, instead of away along in the summertime, 95 percent of all the bank trouble in this country never would have happened.

Let me state another little case in point. We could not get the administration to see the Frazier-Lemke law. When I first stood here with the Senator from North Dakota [Mr. FRAZIER] I came in and read the bill, and I heard the speech of the Senator from North Dakota, and I had no more than heard his speech than I knew he was right. I stood here with him day after day when he got only 16 votes the first time, and I stood with him when he finally got about 85 votes. The enactment of that bill has proved to be the best thing the Roosevelt administration has ever done, and the only substantial thing that has been done by this administration to relieve the better class of farmers.

Sometimes we have to be fed through the nose. Quite often patients are fed through the arteries and through the veins and through the nose, but that does not keep them from being nourished. I have been fed that way myself at times. I know it is very hard to percolate into the recesses of reasoning of an administration which has been petted along on the course it wants to follow. It hands out a mud patty pie, and it must be baked just like it is rolled to start with. They will not let you slice it out a little bit so that the heat can affect it better.

Here is a reasonable proposal. If I could get off and talk to the Senator from Virginia about this matter, and he were convinced that he had to take one or the other of these alternatives, there is not any doubt in my mind but that upon proper reflection the Senator from Virginia would say that if we are going to spend this money it would be better to spend $15 a month in universities than $50 a month in a sapling camp. I have not any doubt about that—none at all; not the slightest doubt. I may be far afield, but how would anyone here say differently?

I should like to make this one provision mandatory, as a matter of fact. I started to add something to this language that would have made it semimandatory, but I was afraid it might meet with some objection, so I followed the exact form and manner that had been provided for these other specifications.

Now we have a chance to do some good. It is the only good I see in the joint resolution. I am going to be frank with Senators. It is the only good I see here. I said publicly that I did not see how a Senator could vote for this measure when it first came in here; but if the Senate should adopt the McCarran amendment—and I think it will—if it should adopt that amendment and adopt my amendment, there is a chance of some good being done by this measure—some good; perhaps not much, but some; perhaps not enough to overcome the harm, but perhaps so, and perhaps not.

Here is a chance to do some good. Here is an opportunity to give to about 300,000 young men and young women who want to go to college a chance to go to college. Here is a chance to take them off the streets, to take them out of the ranks of the unemployed. Do not spend $50 when you can do better and do more good for $15. Do not throw money away to build bungalows, to move the men out of the bungalows, and then to tear down the bungalows and offer the lumber for sale. Do not do that kind of wasteful thing. Let us give these young folks a chance to go to school. That is what I want done.

I wish this matter could be presented to the President. I wish the President might hear of it. I wish he might hear of what I am trying to do here today. I wish he could know of this amendment. I cannot believe that it would not appeal to him. I cannot believe that he would not want it.

Mr. President, I will take what I can get. I want to be fair. I have not anything to lose. If it is not desired to give me $300,000,000 for the school boys and girls who want

to go to universities and colleges, I will take $200,000,000. If I cannot get $200,000,000 for them, I will take $150,000,000. I might even chisel that a little bit, if I could get no more. [Laughter.] That is all I want—just what I can get. I should be willing to accept that kind of a modification; and, if it were proposed by the Senator from Virginia and assured of adoption, I would be for it too quick to talk any further about it.

It is a good thing, one good, virtuous thing the Senator from Virginia could do for himself. I should hate to be in the place of my friend the Senator from Virginia. I do not know him as well as I know myself or as well as he knows himself, but there are some times in my life when I turn the looking glass toward the wall when I have gone home at night. In other words, I know my physical make-up. I have had to stand in some lawsuits sometimes when witness after witness would be brought in against me and I was nearly beaten to death, and yet I could not turn and run. It is a terrible feeling. It is one of the worst feelings a man can undergo when suddenly he is involved and enveloped in that way and is about to be punched to death and yet cannot get away.

I sympathize with my friend from Virginia, who has contended for a balanced Budget and who has contended for national security. I sympathize with him in the position he has taken in the past. I sympathize with the position in which he has been placed when he proposed $4,880,000,000 without any revenue whatever to meet it. In all my extravagances in my State——

Mr. GLASS rose.

Mr. LONG. Does the Senator wish me to yield?

Mr. GLASS. I wish the Senator to understand I did not propose it. I reported it by direction of the Appropriations Committee of the Senate.

Mr. LONG. That is the trouble. I understood the Senator did not propose it. I understood the Senator did report it at the suggestion and vote of the Appropriations Committee. That is one great trouble here. That is one great fault here.

In my wildest days of State financing, when I was Governor of my State—and no one ever had more criticism than I had—I never proposed an expenditure without a corresponding revenue. I never went before the legislature of my State in my life and proposed to spend $100 or $1,000,000 unless I had a revenue there to pay the $100 or the $1,000,000 in case they authorized me to spend it. Not only that, but when I started to sell $100,000,000 worth of bonds I had the revenue with which to meet them when they became due. My predecessor had voted $41,000,000 of bonds and had no revenue to pay them. Before I would offer those $41,000,000 of bonds I had a tax voted to bring in the revenue to retire the $41,000,000 of bonds sold by my predecessor.

This is the most peculiar kind of legislation we are now discussing. What is it? We are asked to mortgage the unborn and uneducated generations. We are borrowing from the earnings of the young men and young women of the country. We are not borrowing out of our own earnings. No; we are not taxing ourselves any more, but we are borrowing from the earnings of the young men and young women of the country who have got to pay back this money we are going to spend. That is why I insist on putting a little of it out for them. It is proposed to make these boys and girls grow up and pay off this $5,000,000,000 that is going to be spent. Otherwise there would be a revenue bill here to provide the necessary revenue. Let us give these boys and girls a chance. Do not put the load on the generations that have got to meet the indebtedness we are heaping upon them, at least without preparing them to assume the load.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. Certainly.

Mr. TYDINGS. One reason why I am not going to vote for the joint resolution, may I say to the Senator from Louisiana, is just the reason he has stated, that we are spending money when we do not even have a law laying the taxes necessary to pay the bill. I am opposed to that kind of government.

Mr. LONG. The Senator is absolutely sound. The Senator is absolutely right about that matter. It is a farcical thing not to have the courage to have a revenue bill here to pay what we are going to spend. It is absolutely unsound. This kind of legislation never would meet a responsible financial test anywhere if it did not have the United States Government behind it forcing the banks to take bonds which cannot be sold to the public.

Mr. GLASS. Mr. President, does not the Senator know the Wagner-Costigan antilynching bill has not as yet passed?

Mr. LONG. What has that to do with this matter?

Mr. GLASS. The Senator knows very well that if the Senate were to impose now the taxes necessary to meet the current indebtedness of the United States, all of us would be lynched before we would get back home. [Laughter.]

Mr. LONG. I would not go back home. They would not lynch me. [Laughter.] They would not get a chance to do it.

Mr. President, if what the Senator from Virginia says is so, how much worse is the joint resolution now before us? How much worse is it because the debt next year will be the amount carried in this measure plus 3 or 4 percent, and the following year it will be that much more. How are we going to stop this business? It is proposed to add $5,000,000,000 this year to the $3,000,000,000 appropriated last year. How are we going to stop it next year? How are we going to keep from reaching into the Treasury to get $5,000,000,000 more? How can we keep from reaching right back in there to get $5,000,000,000 more the next year and pile it on top of the debt we are now creating?

I do not even agree with the Senator from Maryland. I think he is wrong about four times out of five. [Laughter.] That has been my way of gaging him. In my opinion, the only man in this body who has been wrong more regularly than has he is the junior Senator from Virginia [Mr. BYRD].

Mr. TYDINGS. Mr. President, I think the Senator's estimate of my voting is very high commendation. [Laughter.]

Mr. LONG. I expect that is so. That is probably so. When I come into this Chamber and hear the junior Senator from Virginia holler "aye", I holler "no." [Laughter.] I never ask another question. I was surprised when I heard the Senator from Maryland [Mr. TYDINGS]. I was wondering if anybody was going to say such a thing on the floor of the Senate.

There has been some talk about Louisiana bonds. A few days ago I heard somebody criticizing Louisiana bonds. I said, "Why are you criticizing them?" He said, "I think you have too many bonds outstanding." I said, "We have no bonds outstanding where we have not the revenue coming in that will take care of the amortization of the bonds and the interest and leave a big surplus. We have not nearly as much of that condition now as we had before we voted the bonds." I said, "Compare Louisiana bonds with United States Government bonds."

The only difference between Louisiana and the Government is that we cannot say to a bank, "Take my bonds, or we will close you up or make conditions so bad you will go out of business." Louisiana bonds are solvent. They have the revenue behind them. Buy a road bond issued by Louisiana and it will be found that as against that road bond we have $2 in revenue coming in for every dollar they have to pay out. Buy a bond on the State capitol of Louisiana and it will be found that we have $5 coming in where we have a dollar to pay out, or thereabouts. Buy any other kind of a Louisiana bond and it will be found that we have more money coming in to pay that bond than we have money going out.

But buy a bond of the United States Government, and what have you back of it? If you did not have back of it the right to sandbag and blackmail the banks of the United States—and I say that charitably—you could not sell a Government bond tomorrow to save your life.

How close are we to ruin? I will tell you what the President of the United States says, and that is good authority. He says that if the McCarran amendment should be adopted,

which would cost, according to their estimate, about another billion dollars, it would break the credit of the United States. According to President Roosevelt, we are only $1,000,000,000 away from national bankruptcy and collapse. He says so. He says that if we adopt the McCarran amendment it will cost another billion dollars, and he says that will absolutely break-down the credit of the United States. Those are his words. They are not mine. That is what he says.

If the President is telling the truth—and I believe he thinks he is—if he is stating the facts about the matter, we are only $1,000,000,000 away from national collapse. That is where we are. Well, gentlemen of the Senate, if that is where we are, we had better pause a minute, because, if I were President of the United States, I should stop a little bit this side of bankruptcy. I should not go that far; and if the money is going to be paid back, who is going to pay it back?

As a result of questions that were asked me, I got into a field of discussion that I really did not intend to cover. I have wanted to say this, and I really have not had the courage to say it. I have really wanted to make these statements, and I do not believe I should have had the courage to make them if it had not just accidentally come about as a matter of circumstances and events; but, now that I have gone as far as I have gone, I desire to complete what I started to say along that line.

Who is going to pay this national debt? Who is going to pay it? I want to know.

Mr. TYDINGS. Mr. President, I shall be glad to try to answer the Senator and give him my opinion, if he thinks it is worth while.

Mr. LONG. I think it is.

Mr. TYDINGS. I think the people of the United States are going to pay all this debt with sweat and toil throughout the years to come; and I desire to point out to the Senator that the charge for interest per year on the national debt today figures about $35 per family. That is just for interest. That does not provide for a sinking fund. That does not provide for the normal activities of the Government, nor for the emergent activities of the Government, which will be with us, in my humble opinion, for many, many years to come.

If the Senator from Louisiana will bear with me a minute further, I do not believe we are going to get out of the depression by continuing the anomalous situation of being at once an exporting and a creditor Nation. Water will not run up hill; and until we adjust our political economy to take care of our new situation resulting from the war we shall have unemployment forever and ever, and we shall have to tax those who have in order to support those who have not.

Mr. LONG. Mr. President, I go a little further than the Senator does. I figure that the debt is a whole lot worse than he figures it. As you have encouraged the Government to go into debt, you have encouraged private industry to go further into debt.

Mr. TYDINGS. I know the Senator does not refer to me individually, because I have not encouraged the Government to go into debt.

Mr. LONG. Oh, no!

Mr. TYDINGS. In fact, I have incurred a great deal of enmity by trying to keep the Government from going into debt.

Mr. LONG. I meant that I go a little further than the Senator does on the line that where you encourage your Government to go into debt a dollar, you correspondingly throw on private circles a debt structure of many times that amount.

As an example, let me show what that has meant.

The Government debt structure is up to around $30,000,000,000, but the municipal debt structure outside of Government bonds is up to somewhere near $20,000,000,000 more. That makes $50,000,000,000 of debts of the Government and the municipalities. Then there is a private debt structure on top of that of around $200,000,000,000. That has been growing with the Government. This Government debt structure has merely been what we used to have in a cotton gin, a mere shaft that turns around a wheel about 10 times its own size; and today the public debt structure is up so high that correspondingly the private debt structure has gone up $200,000,000,000 more. Were not those the figures the Senator from Oklahoma [Mr. THOMAS] read here—something like $200,000,000,000?

Mr. THOMAS of Oklahoma. Mr. President, the best figures I can secure as to the total massed debts that all the people have to pay today are in excess of $250,000,000,000. I might suggest, further, that the best figures I can ascertain are to the effect that all units of Government are today spending $15,000,000,000 a year in taxes. That includes something like $5,000,000,000 to run the United States Government; it includes something like $7,000,000,000 to run the States, counties, and cities; and the balance of the $15,000,000,000 is for expenses that are not raised each year by taxation, the money being raised by bond issues. So there is $15,000,000,000 that the States and the counties and the cities and the school districts and the Federal Government are spending each year in taxes.

Then, further, it is costing the people about $10,000,000,000 a year to pay the interest on their obligations. If that is figured on the basis of 30 years, the youngsters whom the Senator has in mind, whom he is trying to educate or to give a chance to educate themselves, if they live for 30 years, must pay their part of a total overhead fixed charge that now totals $1,000,000,000,000.

That is figured in this way: The total tax charge of $15,000,000,000 a year for 30 years makes $450,000,000,000. The total interest charge of $10,000,000,000 a year for 30 years makes $300,000,000,000. Then in 30 years the debts themselves must be paid. If taxes do not increase, if interest does not increase, and if the debts do not increase, these youngsters in 30 years' time must earn and save their portion of a trillion dollars to meet the fixed charges that we older people have saddled upon them.

Mr. ADAMS. Mr. President——

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

Mr. ADAMS. I desire to suggest what I think is not exactly an error, but a misplacement of emphasis.

I do not believe it is sound to include the private debts in the way in which apparently the Senator from Louisiana would include them. I think he has understated the national debt. I think the national obligation is considerably larger than he has stated; but the private debt is debt owed back and forth from one citizen to another. In other words, while there is the burden of debt, it is offset in part, because we might include, for instance, the deposits in the banks. They are debts owed to the depositors.

Mr. LONG. No, no; they are not debts. They are not included in those figures.

Mr. ADAMS. But even at that, let me say to the Senator from Louisiana, if we have an indebtedness secured by mortgage upon real estate, one man owns the credit, and another man owes the indebtedness, so that in a measure they offset each other so far as national assets are concerned. On the other hand, the national indebtedness is a burden coming down upon all the people, both those holding the private debts and those owing the private debts. I am afraid if we think simply in terms of total private indebtedness we overdraw the picture, and I think it is always a mistake to overdraw a picture.

Mr. LONG. Mr. President, I desire to analyze for a minute what my friends from Colorado and Oklahoma have said.

There is already $15,000,000,000 a year of taxes to be paid. That does not include paying this debt. According to the Senator from Oklahoma, there is $10,000,000,000 a year of interest to be paid. That is $25,000,000,000 a year of taxes and interest to be paid for 25,000,000 families. That is $1,000 a year for every family in taxes and interest alone, without counting the money that has to be raised to pay for such debts as we have never yet even provided for.

Mr. GLASS. Mr. President, if the Senator will yield to me to present a unanimous-consent agreement, I shall be obliged to him.

Mr. LONG. I yield to the Senator.

Mr. GLASS. If the Senator is willing that we should vote on this particular amendment of his at not later than half past 12 o'clock tomorrow, which would give him half an hour more to impress his views upon the Senate, I should like to move a recess in a few minutes.

Mr. LONG. I have no objection to that.

Mr. GLASS. I ask unanimous consent that at half past 12 o'clock tomorrow the Senate vote on the amendment proposed by the Senator from Louisiana.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and the agreement is entered into.

Mr. LA FOLLETTE. Mr. President, on yesterday the senior Senator from New York [Mr. COPELAND] made a statement to the effect, as I understood him, that he was opposed to the pending joint resolution because he felt that it would not provide any substantial employment to those who are referred to as the clerical or professional group. In this connection I should like to point out to the Senate that from the experience which has been obtained under the operation of C. W. A. and also under the operation of the work-relief projects which have been constructed by the F. E. R. A. it is shown that a very substantial amount of employment has been afforded to the very group which the Senator indicated he was apprehensive would not receive any benefits under this proposed legislation.

I therefore ask unanimous consent to have incorporated in the RECORD as a part of my remarks on the subject, and in order not to detain the Senate longer, a brief statement showing the number of persons of the professional and clerical groups who were given employment under the C. W. A. program, and those who have been given employment under the work-relief programs conducted by the F. E. R. A., as well as an estimate of the number of persons in those groups who could be employed under the pending measure if the amount in the tentative break-down of $300,000,000 were expended for this purpose.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

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

MEMORANDUM ON PROFESSIONAL AND CLERICAL WORKERS

The practicability of employing large numbers of professional and clerical persons of the "white-collar" type on a works program has been demonstrated by experience under the civil works program during the winter of 1933–34 and the work program of the Federal Emergency Relief Administration since April 1, 1934. Under the civil-works program a total of 370,000 persons were employed on public health and welfare, education, research, planning, and similar projects in January 1934. Under the work program of the Federal Emergency Relief Administration, under which the number of projects which could be operated has been limited by the amount of funds available, 225,000 persons were employed on similar projects in December 1934. The number now employed is substantially the same, even though detailed reports for February are not yet available.

The types of work which these people have done include public-welfare work; nursing, nutritional, and other public-health programs; supervision of public recreational activities; traffic surveys; assistance to State and regional planning boards or commissions; development of detailed regional or local plans; various specialized fields of education, such as adult education, literacy classes, and nursery schools; musical and dramatic activities; public works of art; research projects; surveys of the employability and occupational characteristics of the relief population, etc.

The proposed works bill would make available $300,000,000 for projects for professional and clerical persons. With this fund it would be possible to expand the number of persons now working on projects of this type to more than 350,000.

If it is found that in New York City or other centers this will not adequately take care of the professional and clerical group on the relief rolls, there will be the possibility of increasing this total under the provision making possible increases in allocations.

Mr. BYRNES. Mr. President, following the statement of the Senator from Wisconsin [Mr. LA FOLLETTE], I ask to have printed in the RECORD a statement showing the number of professional persons employed on relief in New York City, and a list of the professional persons employed in New York City and New York State through the F. E. R. A.

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

Professional[1] *persons on relief in New York State (week ending Dec. 20, 1934)*

Planning projects	3,747
Public welfare:	
Nursing	1,303
Nutritional	1,333
Other public-health campaigns	68
Public recreation, instruction, etc	1,966
Safety campaigns and traffic controls	526
Other	285
	5,481
Public education, arts, and research:	
Education	3,968
Research and special surveys	4,451
Public works of art	371
Records and clerical work	8,018
Music	1,157
Dramatic activities	858
Library and museum	1,239
Other	
	20,062
Total	29,290
Professional[1] persons employed on manual projects (estimated at 10 percent of workers on such projects)	11,422
Grand total	40,712
Planning—	
State	3,355
City	3,018
Public welfare, health, and recreation—	
State	4,854
City	3,605
Education, art, and research—	
State	18,486
City	13,954
Administrative—	
State	3,088
City	482
Total—	
State	29,783
City	21,059
Professional[1] persons employed on manual projects (estimated at 10 percent of workers on such projects):	
State	7,770
City	4,600
Grand total:	
State	37,553
City	25,659

NOTE.—Figures from weekly preliminary report of Project Division, New York State T. E. R. A. These data are taken from the weekly pay roll records and consequently understate the number of persons employed during any given month by possibly 30 percent. This is caused by staggering employment from week to week.

PREVAILING WAGE RATE LAWS—SUPPLEMENT TO SENATE DOCUMENT NO. 27

Mr. McCARRAN. Mr. President, some days ago I had printed, after conference with the leader of the majority and others, a document now known as "Senate Document No. 27", bearing on the subject of the prevailing wage rates as affecting employment on public works.

Today the Department of Labor submitted to me a supplement to Senate Document No. 27. The supplement contains nearly as much material as did the original, but I find on examining it that it refers to recent legislation which, in all probability, the Department did not have access to at the time it prepared the former data. I should have liked to have offered this and to have had it printed with the other material, but I think it is so illuminating to the Senate, and so much worth while, that it might be worthy of being printed as a supplemental Senate document. It comes to me from the Department of Labor, and I may say that I have conferred with the Department today with reference to it. I ask that it be printed as a supplement to Senate Document No. 27.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the request is granted.

[1] "Professional" includes technical, clerical, and other nonmanual persons.

STATE, JUSTICE, ETC., DEPARTMENTS APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 26, 34, 35, 48, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 32, 36, 38, 39, 41, 46, and 50, and agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,000.00"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$25,000.00"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " : *Provided further*, That this limitation shall not operate to reduce the compensation of any stenographer now employed nor shall the salary of any stenographer drawing more than $2,500 per annum hereafter be increased."; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "the Air Commerce Act of 1926 as amended"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$758,000.00"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$671,500.00"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,802,500"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Shellfish investigation: To provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, including purchase of equipment and supplies, including boats and floating equipment and the maintenance and operation thereof; hire and charter of vessels and boats; pay of officers and crews and other personal services, including temporary employees (not exceeding $4,000 in the District of Columbia), as may be necessary; printing and binding; and all other necessary expenses connected therewith; $100,000, of which $50,000 shall be immediately available"; and the Senate agree to the same.

KENNETH MCKELLAR,
RICHARD B. RUSSELL, Jr.,
KEY PITTMAN,
FREDERICK HALE,
GERALD P. NYE,
Managers on the part of the Senate.

W. B. OLIVER,
THOS. S. MCMILLAN,
ROBERT L. BACON,
Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the conference report. The differences were very few, and the report is unanimous, signed by all the members of the conference, both Democratic and Republican. I hope the report may be agreed to.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. McKELLAR. I move that the report be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

EXECUTIVE SESSION

Mr. GLASS. 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 MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

Mr. GUFFEY, from the Committee on Finance, reported favorably the nomination of Walter J. Rothensies of Red Lion, Pa., to be collector of internal revenue for the first district of Pennsylvania, to fill an existing vacancy.

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

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

JUDICIARY

The legislative clerk read the nomination of Loomis E. Cranor to be United States marshal, western district of Kentucky.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John J. Barc to be United States marshal, eastern district of Michigan.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotions in the Navy.

Mr. ROBINSON. I ask that the naval nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. ROBINSON. I ask that the Marine Corps nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 8 minutes p. m.) the Senate in legislative session took a recess until tomorrow, Thursday, March 14, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 13, 1935

RECONSTRUCTION FINANCE CORPORATION

Hubert D. Stephens, of Mississippi, to be a member of the Board of Directors of the Reconstruction Finance Cor-

poration for the unexpired portion of the term of 2 years from January 22, 1934, vice Harvey C. Couch, resigned.

Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired portion of the term of 2 years from January 22, 1934, vice John J. Blaine, deceased.

UNITED STATES CIRCUIT JUDGE

Clifton Mathews, of Arizona, to be United States circuit judge, ninth circuit, to succeed William H. Sawtelle, deceased.

SUPERINTENDENT OF THE MINT

Edwin H. Dressel, of Philadelphia, Pa., to be superintendent of the mint of the United States at Philadelphia, Pa., in place of A. Raymond Raff.

COLLECTOR OF CUSTOMS

A. Raymond Raff, of Philadelphia, Pa., to be collector of customs for customs collection district no. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 13, 1935

RECONSTRUCTION FINANCE CORPORATION

Hubert D. Stephens to be a member of the Board of Directors of the Reconstruction Finance Corporation.

UNITED STATES MARSHALS

Loomis E. Cranor to be United States marshal, western district of Kentucky.

John J. Barc to be United States marshal, eastern district of Michigan.

PROMOTIONS IN THE NAVY

TO BE REAR ADMIRAL

John Downes.

TO BE LIEUTENANT COMMANDERS

Harvey R. Bowes
Paul L. Mather
Arthur W. Peterson
Clarence H. Pike
Harold R. Holcomb
Henry S. Neilson
Earl LeR. Sackett
Warner W. Angerer
Richard S. Morse
George A. Seitz

TO BE LIEUTENANTS

Daniel J. McCallum
Louis Roedel
Robert S. Bertschy
Philip D. Compton
Elmer C. Buerkle
Eugene D. Sullivan
Joe W. Stryker
William C. Latrobe
David A. Hurt
David M. Tyree

TO BE LIEUTENANTS (JUNIOR GRADE)

William J. Sisko
George DeMetropolis

TO BE PASSED ASSISTANT SURGEONS

Carl H. McMillan
John L. Enyart
William E. Carskadon
John P. Wood

TO BE PAYMASTER

Frank Humbeutel

TO BE CHIEF BOATSWAINS

William H. Daly
George E. Cook
Henry K. Wombacher
Raymond F. Purcell

TO BE CHIEF ELECTRICIANS

John T. McNulty
James B. Glackin
Elof W. Hermanson
John R. Lambert
Harry A. Stafford

TO BE CHIEF RADIO ELECTRICIANS

Douglas N. Thomas
James W. Anderson
Peter A. E. Greenwell
Thomas A. Garrett
Mack C. Veltman

TO BE CHIEF MACHINIST

Forrest G. Windsor

TO BE CHIEF PHARMACISTS

Joseph H. Bell
John R. Dakin
Allan D. Spaulding
Harry N. Trotter

MARINE CORPS

Alton A. Gladden to be major.
Richard M. Cutts, Jr. to be captain.
Frank D. Weir to be captain.
Merlin F. Schneider to be captain.
Chester R. Allen to be first lieutenant.
Lloyd H. Reilly to be first lieutenant.

POSTMASTERS

FLORIDA

Minnie H. Vick, Apopka.
George H. Stokes, Callahan.
Matye E. Mills, Cross City.
James L. Crayden, Eustis.
Alexander G. Shand, Fort Lauderdale.
Hugh M. Edwards, Mayo.
Hansel D. Leavengood, Ocala.
John P. Puckett, Perry.
James D. Pearce, St. Petersburg.
Owen L. Godwin, Sebring.

VERMONT

Charles R. Hazen, Chester Depot.
J. Clarence Nolin, Jericho.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 13, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we thank Thee that the gates of refuge stand open day and night. Our Jehovah Father, who keepeth Israel, neither slumbers nor sleeps amid the wildest winds that blow. We are grateful, blessed Father, for Thy marvelous revelation which Thou dost make of Thyself to the children of men. We believe that the future is radiant with wonderful disclosures yet to come. We pray Thee to arm us with choice of purpose and with urge of soul. O move upon our spiritual natures that we may hear Thy voice, feel Thy presence, and go forward in unfaltering footstep. Blessed Lord, may the day soon dawn in all our land when the rich and the poor shall struggle for the right of sharing the present-day burdens, and with clasped hands may they climb toward the heights where dwell contentment and peace. O hearken unto us, for our hopes, our faith, and our prayers are all with Thee. In our Savior's name. 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 a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 12. Concurrent resolution directing the Federal Trade Commission to make an investigation of propaganda regarding Federal legislation on the subject of holding companies.

THE BONUS BILL

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of the speech I made over the radio last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. EAGLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following address on the Soldiers' Bonus, made by me from Washington, D. C., March 12, 1935:

Fellow citizens of the United States, let me first express my appreciation to the National Broadcasting Co. for its courtesy in tendering to me the use of this great Nation-wide facility for 15 minutes to speak on the subject of the bonus.

The precise question before the Congress at this time is whether the World War soldiers' adjusted-service certificates shall be paid

at this time in advance of their maturity date of 1945; and if so, how they shall be paid.

Such adjusted-service certificates are often referred to and designated as the "bonus."

In the proposal for the payment of the bonus there is to be no new debt created. There is no proposal to hand out a bonus or a gratuity. Already 3,550,000 World War veterans have in their possession adjusted-service certificates signed by the Government promising to pay each his certificate in the year 1945, 10 years hence, that are just as binding on the Government as the bonds of the Government now outstanding that the Government also promises to pay in 1945. Hence the payment of that so-called "bonus" at this time would be merely paying 10 years sooner than its legal due date a debt already recognized in writing by the Government according to an act passed by the Congress and signed by the President several years ago.

The first question is, Whether the bonus certificates should be paid now or payment postponed until their maturity date in 1945? My own position is that if the Government can put out, as it has done by act of Congress, billions of dollars as grants, as gratuities, as loans on doubtful security, and as blessings to corporations, to which the Government did not owe either a legal, a financial, or even a moral obligation, why not anticipate the time of payment of a real debt already existing especially when it affects 3,550,000 veterans who went to war and took the sacrifice of that noble adventure; especially when these veterans now need their adjusted pay as much if not more than any railroad or bank or insurance company or building-and-loan association or any other big business enterprise ever needed money, and are far more entitled to it than any such were ever entitled to the grants and loans and gratuities we in the Congress and Government accorded to them during the past 2 years of panic and depression?

Besides, the banking institutions of the country, which the Congress first aided and kept from going broke—when we had no legal or even moral obligation to do so—by first making eligible to rediscount almost all paper in their portfolios so that they could bring to their vaults unlimited quantities of Federal Reserve notes with which to meet all runs upon them, then by buying vast quantities of their long-term paper, then by guaranteeing their bank deposits, then by purchasing their preferred shares—so that the banking institutions thus were helped from a state of impending ruin into a state of security and safety—have not lent and are not lending to business and the public, so as to help restore the country to normal business activity. The plain truth is that in March and April 1933 there were outstanding seven and one-half billions of currency, and now there are outstanding only about five billions of currency of all of the seven forms. When the financial system of the Nation has contracted the currency by two and one-half billions of dollars in the past 2 years, and when the same financial system refuses to aid business recovery by backing business in the country with loans, which as checking accounts would take the place of currency, either the country will probably slip back into disaster and chaos with whatever follows or else the Congress must perform its duty under the Constitution with regard to money. Under the Constitution the duty is placed upon the Congress to determine the proper volume of money needed by the entire country.

Under the Gold Standard Act of March 14, 1900, requiring a 40-percent gold coverage for outstanding currency, the more than $8,000,000,000 of gold now in the Treasury would legally justify a total issuance of more than $20,000,000,000 of currency. As against such twenty billions legally possible to be issued there are outstanding only five billions. If the banks can deflate the currency at will by two and one-half billion dollars—until there is a dearth of actual money among the people, which is retarding recovery—why cannot the Congress, in the performance of its constitutional duty "to coin money and regulate the value thereof", authorize the increase of the currency by two and one-fourth billions of dollars without being accused of inflation by the financial powers and big business, which for so long have dominated the public thought and the business activity and the very destiny of the whole masses of the people?

Under the Patman bonus bill there is no proposal to create any new debt; no proposal to issue any tax-exempt, interest-bearing bonds; no proposal to levy taxes to raise such two and one-fourth billion dollars of money necessary to pay the bonus; and such additional two and one-fourth billions of currency, if and when issued, will be backed more than dollar for dollar with gold actually in the Treasury, although the law requires only 40 percent in gold coverage. There is not a single element of inflation in the proposal. The new money would not be "greenbacks", not "wheelbarrow money", not "flat money", not "printing-press money", not "baloney money."

This reasonable increase in the outstanding volume of circulating medium in the form of Treasury notes, to be paid directly to 3,550,000 veterans, in the aggregate of $2,300,000,000, not only will pay a debt recognized by the Government under authority of the Congress enacted years ago and approved by the then President, but will add a necessary increase of currency diffused uniformly throughout the country and will restore purchasing power and a large measure of prosperity.

There are two bills before the House of Representatives at this time to be considered and acted upon during the course of this present week. The first is called the "Patman bill, H. R. 1," and the second is called the "Vinson bill, H. R. 3896."

The Patman bill has been before the Congress and the whole country for some 6 years and is well understood. It was the only bill before the American Legion at Miami last year when they adopted a resolution by vote of some 5 to 1 in favor of the immediate payment in cash of the bonus. The Vinson bill has been drafted and introduced into the Congress within the last 2 months. There was no Vinson bill during the past 6 years when the veterans and the Congress and the country were considering the question of the payment of the bonus.

The differences between the Patman bill and the Vinson bill are these:

Under the Patman bill there will be immediately issued Treasury notes to the extent of about two and one-fourth billion dollars founded on gold in the Treasury even more than dollar for dollar; and such Treasury notes will be paid directly to the 3,550,000 veterans. That will cancel a debt the Government confesses it owes the veterans. Under the Patman bill there would be no bonds issued by the Government to require added taxation on the public for interest and ultimate redemption; nor would there be any taxes levied for the purpose of raising such two and one-fourth billions of dollars in lieu of a bond issue; but there would be an immediate increase in the outstanding volume of the circulating medium in the form of Treasury notes.

The Vinson bill merely recites a lot of laws and facts and has but one paragraph containing any meat in it whatsoever, and that is paragraph 5, that provides: "There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act." That is to say, under the Vinson bill the veterans would get absolutely nothing. The whole substance of the Vinson bill is that it authorizes that about two and one-fourth billion dollars be appropriated for the purpose of paying such bonus certificates. If the Vinson bill were passed and approved, the veterans would be no better off than they are right now, when they already hold the Government's written obligation to pay them their certificates. It would be the beginning of years and years of struggle to have the Appropriations Committees appropriate two and one-fourth billions of dollars out of the Treasury, and of the Ways and Means Committee to levy taxes to collect in that two and one-fourth billion dollars, or of the Congress enacting that bonds should be sold to obtain such two and one-fourth billions of dollars. In the last instance the interest of such bonds during their normal life would amount to the same two and one-fourth billion dollars that would be secured by the sale of bonds at this time—so that the country would ultimately pay four and one-half billions of dollars instead of the two and one-fourth billions of dollars required for the payment of the bonus under the Patman bill.

It is perfectly obvious to any sincere and thoughtful mind that the Vinson bill does not pay the bonus, does not provide how it shall be paid, does not provide the means or machinery of its payment, but merely authorizes its payment. Then the real fight would be on for the next several years in the Congress and in the country over getting an appropriation to make that payment and over the question of whether it should be paid by the sale of interest-bearing, tax-exempt bonds or by the levy of taxes directly upon the people.

No such doubt and confusion and disappointment and injury could possibly happen if the Patman bill shall pass and become law. It provides the amount and directs the payment, the means of payment, and the method.

Under the Patman bill the veterans will actually get their bonus payments; under the Vinson bill they certainly will not get their payments.

Of course, if a Congressman or Senator votes for the Vinson bill he can then say that he voted for a bonus bill, because it is labeled "bonus bill"; and even if he does not want the veterans to be paid, he would be safe to vote for the Vinson bill, because under it the veterans certainly will not be paid.

But, if men believe as I do, that this debt due in 1945 by the Government to the veterans may more justly be anticipated by payment now than the billions and billions the Congress have poured out for the benefit of the big business institutions of the land in the last 2 years, and that it is safe to issue this additional two and one-fourth billions in Treasury notes backed at par by gold direct to the veterans in payment of that debt, and that the plan of the Patman bill is sound in saving the issuance of interest-bearing, tax-exempt bonds and in avoiding the levying of additional taxes, and that such new currency based on gold in hand would be a blessing to the whole country as well as to the veterans, and that under the Vinson bill the veterans will not be paid, there will be very little doubt that the Patman bill will pass the Congress in preference to the Vinson bill.

I can think of no other class of American citizens more worthy to be treated, not with generosity but with simple justice and due consideration than that splendid group of 3,550,000 World War veterans, many of them now in dire distress, who in the heyday of their glorious youth gave their all unstintedly to the service of their country on the fields of war.

As a Member of the Congress in 1917 I voted that those young fellows enter the World War. My heart swelled with pride at their heroism and deeds of valor. They reflected new glory upon our country. They are foremost now in maintaining the best traditions of American citizenship. They are a pillar of strength in the confusion and amidst the strident voices of un-American doctrine too often heard in the land. And it will be an inspiring event when this delayed measure of appreciation and justice shall be done to as noble a band of patriots as ever carried the American banner.

Good night.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that after the regular order of business on Friday I may be permitted to address the House for 5 minutes.

The SPEAKER. In view of the statement the Chair made the other day, he asks the gentleman to defer that request until tomorrow.

Mr. KNUTE HILL. Very well.

INTERSTATE COMMERCE COMMITTEE—LEAVE TO SIT DURING SESSIONS OF THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit during the sessions of the House for the next 3 weeks.

The SPEAKER. Is there objection?

There was no objection.

HOLDING COMPANY LEGISLATION PROPAGANDA

Mr. RAYBURN. Mr. Speaker, the Membership of the House has been flooded with letters of various sorts with reference to the so-called "holding companies bill." The vast majority of these letters have been denounced as propaganda in certain high places. I think it is a fair statement to say that in the vast majority of instances it is propaganda. Various letters that come to us have the same beginning, and with others there is a certain sameness about them. I hold in my hand here 23 suggested letters that one company has asked its employees to send out to their Senators and Representatives, and I ask unanimous consent at this time to insert in the RECORD the first paragraph of each one of these letters, so that Members may understand when getting letters which start with these same paragraphs where the suggestion comes from.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. SNELL. If the gentleman is going to put in part of a letter, why not put in the whole letter?

Mr. RAYBURN. I thought it would take up too much of the RECORD.

Mr. SNELL. Let us have the whole argument instead of part of it. I do not care what it is, but I do not think the gentleman should select one sentence out of somebody's argument which, standing by itself, might carry a false impression.

Mr. RAYBURN. The first sentence of these letters is not argument.

Mr. SNELL. What is the first sentence?

Mr. RAYBURN. I have received many letters containing the statement, "I have read considerable about Senate so-and-so and House so-and-so," and another one, "I have read carefully Senate so-and-so," or, "I have just written the two Senators from my State and now I am writing you."

Mr. SNELL. What is the reason for putting that in the RECORD?

Mr. RAYBURN. I simply want the Membership of the House to know and the country to know that these "canned" letters we are getting have their origin in the offices of these superholding companies.

Mr. SNELL. Then the gentleman takes the position that a man has no right to petition Congress or to write to his Senator or Representative about a matter in which he is interested?

Mr. RAYBURN. I do not.

Mr. SNELL. Why should they not do that?

Mr. RAYBURN. I am not saying they should not. I simply want to show where this "canned" propaganda comes from.

Mr. SNELL. Have they put out any more propaganda than was put out by the President in his message of yesterday, notwithstanding the fact that 2 weeks ago he said he was not going to make public utterance respecting legislation before Congress?

Mr. RAYBURN. And who told the gentleman that?

Mr. SNELL. I saw it in the newspaper.

Mr. RAYBURN. I am not responsible for that. It has always been the habit of Presidents to communicate their views to Congress upon the state of the Union and upon other matters.

Mr. SNELL. If the gentleman puts in the whole letter, I shall not object.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. If I have the time.

Mr. BLANTON. If every Member who is getting these propaganda letters will just send a copy of the President's message of yesterday back to the writers of the letters I think it will enlighten a great many of them. If the gentleman from New York forces the whole instead of just a short excerpt from all of these 23 letters to be printed, then the minority leader will be responsible for this extra cost of printing.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. RAYBURN. Does the gentleman from New York object?

Mr. SNELL. I object unless the gentleman puts in the whole letter. I object to a part of it being put in.

Mr. RAYBURN. Then, Mr. Speaker, I ask unanimous consent to insert all of these 23 suggestions.

The SPEAKER. Is there objection?

Mr. SNELL. I am not going to object if the gentleman will put in the whole letter.

The SPEAKER. Is there objection?

There was no objection.

EXPLANATION OF VOTE

Mr. O'CONNOR. Mr. Speaker, yesterday I omitted to announce that my colleague from New York [Mr. BUCKLEY] had been suddenly taken ill. If he had been here, he would have voted for the Home Owners' Loan Corporation bill.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the gentleman from New York give us the program for tomorrow? Can the gentleman tell us whether we are going through as was expected and have the bonus bill before us?

Mr. O'CONNOR. As to the bonus bill, I may say that the Rules Committee held a hearing for 2 hours this morning and came to no conclusion as to what form of rule, if any, the committee would report out. The committee planned to meet again this afternoon, but we now find the Committee on Ways and Means has not yet reported the bill from the committee. That being the situation, of course, we cannot bring out a rule until the bill is reported. So the meeting which was scheduled for this afternoon will be postponed and the committee will meet tomorrow morning in executive session to further consider what form of rule, if any, will be brought out to consider the bonus bill. The bonus bill cannot be taken up tomorrow.

Mr. SNELL. May we take it for granted from the statement just made by the Chairman of the Rules Committee that the probabilities are that the bonus bill will not come before Congress before next week?

Mr. O'CONNOR. I think that is a fair estimate of what will happen.

Mr. TAYLOR of Colorado. And in that event we will take up the Agriculture Department appropriation bill tomorrow.

Mr. SNELL. We will start that tomorrow morning?

Mr. TAYLOR of Colorado. Yes, sir; I expect to.

Mr. SNELL. And the probabilities are we will adjourn over Saturday?

Mr. TAYLOR of Colorado. I hope we may adjourn over Saturday. However, I am very anxious to set a day for the consideration of the Private Calendar. We have over 200 bills on that calendar now, and I expected to take the first opportunity to give a day to that calendar.

Mr. SNELL. I think the gentleman should give us notice of at least a day or two before taking up the Private Calendar. As far as we are concerned, we are willing to cooperate and take it up at most any time.

Mr. TAYLOR of Colorado. I hope we can adjourn over Saturday, but if possible I want to take a day next week on the Private Calendar.

Mr. SNELL. I think that is a good idea.

Mr. O'CONNOR. Well, I hope the gentleman does not take up the Private Calendar until we have a chance to take up the proposed rule for a different method of consideration.

Mr. TAYLOR of Colorado. Oh, certainly.

Mr. SNELL. Well, when will the gentleman bring in his proposed rule?

Mr. O'CONNOR. We have been waiting to hear from the Members as to how they like it.

Mr. SNELL. I did not know the gentleman always considered the Members.

Mr. O'CONNOR. Oh, yes. [Laughter.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from New York [Mr. SNELL], with reference to the President's message on yesterday, that message was sent here, submitting a report from the Power Policies Commission.

Now, as to the charge that that message is propaganda, I submit that on every report that has been sent here by the President there has been a message come with it, but if the gentleman from New York [Mr. SNELL] thinks that that message is propaganda he ought to read the mail that comes to my desk and the desks of other Members every morning.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COOPER of Ohio. This bill has been before the Committee on Interstate and Foreign Commerce for 3 weeks, and we were discussing it.

Mr. RANKIN. The bill was being discussed in committee?

Mr. COOPER of Ohio. Yes. And it was unusual for the President to send in a message like that when the committee was carefully taking up the measure for consideration.

Mr. RANKIN. I hope they bring it out and let us pass it without delay. The gentleman from Ohio knows that his own President, Mr. Harding, went before the Senate on a bill after it had passed the House at one time. There is certainly nothing unusual in the President sending in a message on so vital an issue, even if it is being considered by a committee.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

FIRST DEFICIENCY APPROPRIATION BILL, 1935

Mr. BUCHANAN. 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. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 6644, the first deficiency appropriation bill, with Mr. COLE, of Maryland, in the chair.

The Clerk read the title of the bill.

Mr. BUCHANAN. Mr. Chairman, I yield 5 minutes to my colleague from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, it is very evident to every posted Member of this House that there is no chance to get out of the Committee on Immigration and Naturalization any bona fide measure to restrict immigration or to stop it. So, if we expect to get a bill passed in this Congress to stop immigration and save American jobs for Americans, it must be done by the House itself and we must take that proposal away from the committee.

The Chairman of the Committee on Immigration and Naturalization has demonstrated that he is not in favor of such a plan. He admitted on the floor the other day that he had put in what he called his "deadhouse" in the last Congress all such measures. He admitted that by his vote he killed the Dies bill. He cast the deciding vote in his committee against the Dies bill, which sought to restrict immigration to 60 percent of present quotas. This is clearly shown by the colloquys I will quote from the speech of the Chairman of the Immigration Committee [Mr. DICKSTEIN] from the RECORD of February 19, 1935, page 2232, to wit:

Mr. DIES. That was on a bill introduced by myself, which provided for a reduction in quota to 60 percent and undertook to do what the gentleman from New York always said he wanted to do.

Mr. BLANTON. And his vote killed it?

Mr. DIES. That is true.

Mr. DICKSTEIN. May I say that there was a bill introduced by the gentleman from Indiana [Mr. SCHULTE]. There was also a bill introduced by the gentleman from Texas [Mr. DIES]. These two bills were considered together. They were H. R. 4114 and H. R. 8222.

* * * * * * *

The two bills were beaten by one vote in committee, and I was simply carrying out a message from the American people.

And that one vote that killed those two bills was the vote of the chairman of the committee [Mr. DICKSTEIN], who cast the deciding vote in his committee that killed this restrictive legislation proposed for so many years in said committee.

But let me quote further from Chairman DICKSTEIN's speech of February 19, 1935:

Mr. DIES. I think the gentleman will agree that there are a number of aliens in this country illegally who ought to be out of the country.

Mr. DICKSTEIN. I agree with the gentleman.

Mr. DIES. I think our committee has found that to be a fact time and time again.

Mr. DICKSTEIN. There is no question about the gentleman's statement.

Here is another:

Mr. DIES. Is the gentleman in favor of excluding all new seed immigration if we reunite families?

Mr. DICKSTEIN. I am in favor of reuniting families.

Chairman DICKSTEIN admitted in his said speech that he caused my bill to stop all immigration for 10 years, and all the other numerous bills to restrict immigration, to be put in his "deadhouse." He said:

There were a number of bills before the committee and we unanimously agreed to put all the other bills in "the deadhouse", if that is the proper term, and take up House bill 4114, which was the Dies bill, dealing with all the questions.

Notwithstanding that Chairman DICKSTEIN represents a New York district with many foreigners in it, he admitted "that there is not a family in his district that has a relative on the other side." He shows just how liberal he has been in allowing foreigners to come into his district. He certainly has been reuniting families. Let me quote his admission from pages 2233–2234 of the RECORD:

Mr. DIES. Except I do not think the gentleman is bona fide in favor of restriction, and I do not blame him; he represents a district where 80 percent are opposed to it. We might as well be frank about it.

Mr. DICKSTEIN. Suppose I told the gentleman that there is not a family in my district that has a relative on the other side.

To which the gentleman from Texas [Mr. DIES] replied:

Mr. DIES. The gentleman always votes against anything in favor of restriction.

My colleague from Texas [Mr. DIES] served on this committee for several years, and is one of the best-posted men on the committee relative to aliens in this country, and the attitude of the committee chairman, and this is what he then said to Chairman DICKSTEIN:

Mr. DIES. Yes; there are 3,500,000 illegally in the country, but the gentleman is not offering to exclude them; he is not in favor of that; he is in favor of their becoming American citizens regardless of how they came into the country.

And just as Bruno Hauptmann did, these 3,500,000 aliens now in the United States unlawfully, violated our laws when they came across our borders, and are continuing to violate our laws by staying here unlawfully, for they are here illegally, and every one of them either has a job, taken away from some American, or else is on the relief rolls, taking relief that should go to the hungry wives and little children of American citizens.

And in addition to the 3,500,000 aliens here illegally—and in fact there are many more than that number here—there are about 6,500,000 aliens in the United States who came here lawfully but who have not thought enough of the

United States to take out their citizenship papers. And all of them either hold jobs, taken away from Americans, or else they are on our relief rolls being fed and warmed and housed and clothed by this Government, when there is not another country in the world that will do such things for aliens or allow them such privileges.

We must take steps at once to require all aliens to register, and we should immediately deport every alien here unlawfully, and we should deport all aliens who have been lawfully in the United States as long as 3 years who have not become naturalized citizens. If they are not willing to fight for our flag they should not be allowed to stay here.

This is America, not Russia. This is America, not Greece. This is America, not Italy. This is America, not Germany. This is America, not Hungary. This is America, not Czechoslovakia. This is America, not Poland. This is America, not Mexico. Yet you would not think so if you visited certain parts of our big cities, where aliens from these foreign countries speak here in their native tongues, read daily newspapers published in their native languages, maintain the customs and cook their foods as they did in their home countries.

CLEVELAND, OHIO, HAS 53 PUBLICATIONS PUBLISHED IN FOREIGN LANGUAGES

On one page of Cleveland's evening newspaper is a space edited by one of its reporters, Mr. Theodore Andrica, headed "Around the World in Cleveland", each numbered consecutively, and from its "No. 43" I quote the following:

CLEVELAND SECOND IN UNITED STATES IN NUMBER OF ITS FOREIGN-LANGUAGE PUBLICATIONS—53 MONTHLIES, WEEKLIES, AND DAILIES REPRESENT 13 NATIONALITIES

In no other American city except New York are there more foreign-language publications printed and edited than in Cleveland.

To be exact, 53 foreign publications have their editorial and printing offices in Cleveland. Of these, 12 are dailies, 23 are weeklies, and 18 are monthlies.

Thirteen language groups are represented by these publications, namely: Czech, German, Hebrew, Hungarian, Italian, Lithuanian, Polish, Rumanian, Russian, Saxon, Serbian, Slovak, and Slovene.

Seven nationality groups have dailies here—the Bohemians, Germans, Hebrews, Hungarians, Italians, Poles, and Slovenes.

REACH ABOUT 150,000 DAILY

According to the publishers' sworn statements to the United States Post Office the total circulation of all the foreign-language dailies printed in Cleveland is between 100,000 and 150,000 daily.

The average size of a foreign language paper is 6 pages. On special occasions the edition contains as high as 40 pages. In most cases the publications are official organs of fraternal or religious organizations.

Of the 18 monthlies, 10 are of religious character. Of the 23 weeklies, 4 are religious and two-thirds of the others are organs of some fraternal groups.

The dailies print, besides current world news, much news of old country affairs or of world events with special bearing on their particular nationality.

Most of the dailies take a definite stand on old-country politics.

The Socialists have 1 weekly, the Communists have 1 daily and 1 weekly, and the I. W. W. Party has 1 weekly and 1 monthly.

Is it not ridiculous to talk about deporting Communists when we allow Communists to publish daily Communist newspapers?

If aliens want to read here their daily newspaper published in foreign languages, they ought to go back to their own country and not steal jobs from Americans.

Now, I have a bill pending to stop all immigration for 10 years. That will give us a chance to assimilate the lawful aliens we already have in this country, millions of them, before we take on new ones. Are you in favor of that? If you are not in favor of it, of course, you will let things rock along, and if you are in favor of it, you will go up to the desk and sign a petition which I have placed there to take this bill away from the Committee on Immigration and Naturalization and take it up on the floor of this House and pass it. [Applause.]

We will not ever pass it in any other way. Chairman DICKSTEIN would not let us. He put my bill in his "deadhouse" in the last Congress, and he has tried to do it again in this Congress.

As soon as he learned that I was going to file a petition to discharge his committee as to my bill he hurriedly called his committee together, and with a bare quorum present, he had my bill tabled, thinking that would prevent my filing the discharge petition. But he was mistaken. That did not stop it. And I did file the petition.

If we can ever get it here on the floor of the House, we can pass this bill by a three-fourths vote. All we need is to get it on the floor and get it to a vote. All we need is to get it out of that committee. We must get it out of Chairman DICKSTEIN's "deadhouse." There is just one way on earth to get it out, and that is for 217 of you Members to sign the petition I have at the Clerk's desk.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. Certainly; is the minority leader in favor of stopping immigration?

Mr. SNELL. I asked the gentleman if he would yield to me for a question.

Mr. BLANTON. I want to ask the gentleman a question first.

Mr. SNELL. The gentleman from Texas can ask me one afterward if he wants to.

Mr. BLANTON. I want to ask my question first; then I will yield to the gentleman.

Mr. SNELL. Then the gentleman need not yield if he does not want to yield. Afterward I will answer the gentleman's question.

Mr. BLANTON. I do not want to yield to the gentleman from New York unless he answers my question first.

Mr. SNELL. I will not answer.

Mr. BLANTON. Then I will not yield.

Mr. SNELL. I asked the gentleman a respectful question, if he would yield.

Mr. BLANTON. And I answered the gentleman in a respectful manner by asking him if the minority leader of this House was in favor of restricting immigration?

Mr. SNELL. I am not on the witness stand. If the gentleman does not want to yield to me, he does not have to.

Mr. BLANTON. Then I do not yield. Mr. Chairman, I do not yield to any man who is not willing to declare his position on such a vital question as this, a question that vitally affects the best interests of every family in the United States.

Mr. MAY. Mr. Chairman, will the gentleman yield to me?

Mr. BLANTON. In just a moment I will yield to my good friend from Kentucky. There is not a country of any size, except our own, on the face of the entire earth that will permit aliens to be employed when their nationals are out of employment. The United States of America is the only country that permits aliens to come here and take jobs away from our own Americans, and take the bread and meat out of the mouths of the wives and children of American workers and give it to foreigners.

Mr. Chairman, now I yield to my good friend the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Has the gentleman read the bill I introduced in the House last week?

Mr. BLANTON. No; I regret I have not; but I know it is a good one. I am not talking about any bill except my own right at this moment, for it will stop all immigration. If the gentleman is in favor of stopping immigration, I have a petition on the Speaker's desk to discharge Chairman DICKSTEIN's committee, and will bring such a bill up and pass it. It will take it out of Chairman DICKSTEIN's "deadhouse." If you Members do not sign it, do not go home and tell your constituents that it is not your fault that immigration continues. When you go home this summer and they ask you why you did not stop immigration, do not tell them it is not your fault; tell them that you had a chance to sign a petition to discharge the committee so as to bring up a bill that would stop immigration for 10 years in this country, but that you sat in your seat and did not sign it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes; I yield to my friend from Mississippi.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas [Mr. BLANTON].

Mr. RANKIN. The gentleman will remember that when we were passing the bill to reapportion Congress I tried to

get a provision included to exclude aliens from the count. That was defeated. Then we tried to have aliens who are unlawfully in the United States registered. Is there a provision in the gentleman's bill to require the registration of those aliens who are in the United States unlawfully? If not, the bill should be amended in this respect.

Mr. BLANTON. It ought to be so amended. It ought to require every alien in the United States to be registered; and it ought to require every alien who has been here 3 years without becoming naturalized to be deported to his home country. Then millions of aliens would be taken off the pay roll of this country and these jobs given to American heads of families. I had those provisions in another bill. I am centering my efforts just now to pass a bill that will stop all immigration for 10 years.

Mr. STACK. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. STACK. Does the gentleman from Texas consider the Irish as aliens?

Mr. BLANTON. I consider an alien any foreigner who is not a naturalized American. I consider every person who has come to this country and enjoyed its privileges and benefits but who has not thought enough of our flag to take out citizenship, an alien. You cannot make him fight to protect that flag; you cannot make him fight to protect America; and unless he can be made to share the responsibilities of citizenship he ought not to be allowed to take bread and meat away from real American citizens.

Mr. STACK. Now——

Mr. BLANTON. Is the gentleman heckling or is he trying to help?

Mr. STACK. No; the gentleman is not heckling.

Mr. BLANTON. All right, then.

Mr. STACK. On next Sunday we celebrate the 17th of March.

Mr. BLANTON. Is the gentleman in favor of restricting immigration? If he is, he should go up and sign that petition; if he is not, I ask him not to bother me.

Mr. STACK. I am not in favor of keeping out of the country people who have done good to the country.

Mr. BLANTON. Then if the gentleman is not in favor of restricting immigration, I cannot allow him to exhaust my time.

I believe that the people of the United States are in favor of preserving American jobs for Americans. If they are, they should let their wishes be known to the Members of this House who represent them, and if they would petition our Speaker, Hon. JOE BYRNS, of Tennessee, to do so, I feel sure he would permit this bill to stop immigration to be called up under suspension of the rules. That is one way to pass it.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I have asked for this time in order that I might recommend to the Membership the necessity of this legislation, and particularly to favor the items in the bill for the Postal Service.

There is included in this deficiency appropriation bill $3,000,000 for the operation of the Post Office Department. The Members of the House will recall that when the Post Office-Treasury appropriation bill was under consideration I recommended and the House approved three amendments totaling approximately $3,000,000 additional for the conduct of the Post Office Department. The Post Office Department now comes before the Appropriations Committee and requests an additional $2,500,000 for the operation of the Department for the balance of the present fiscal year.

This is necessary because of the increased volume of postal business and also because of the fact that no item was contained in the bill last year to cover the expenses incident to the added cost of the night-differential pay. The point I want to make at this time is that the increased volume of business in the Postal Service necessitates the increased postal appropriation.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact that the additional amount carried in this bill is not due to the increased business in the Postal Service. It is due entirely to the fact that in the estimates that were submitted for the 1935 appropriation bill the matter of money for the night differential was entirely overlooked, and the items carried in this bill are to cover that oversight in the 1935 bill. So far as the 1936 bill that we just had before us a few days ago is concerned, we could not carry that money to pay for the night differential in the 1935 bill without making it immediately available, and that was not done.

Mr. MEAD. The specific reason for this request is due to the omission of the night-differential item in the last appropriation bill; but the gentleman knows that the Post Office Department has paid the night differential from the beginning of the present fiscal year up to now, and that this appropriation for $2,500,000 for clerical hire and $500,000 for the carrier hire will not be necessary for the remaining months of this fiscal year for the night differential alone. He also knows that the Post Office Department has the right to transfer funds from one item to another up to approximately 12 percent. However, the gentleman probably does not know that the real reason for this deficiency appropriation is because of the exhaustion of funds for auxiliary hire, due to an increase in postal volume, and that this money will be used to a large extent in defraying the expenses resulting from the increased postal volume. This appropriation is vitally necessary for the conduct of the Post Office Department for the remainder of the fiscal year. It is regrettable that this item was overlooked a year ago and that an appropriation for approximately $2,500,000 was not contained in the bill. If that had happened, I may say to the gentleman, an order which was issued by the Post Office Department governing all post offices throughout the United States for the last quarter of a year would not have been issued. This order restricts postmasters in the use of appropriations for auxiliary hire, and it has resulted, and will result unless this appropriation is passed by the House and Senate, in a drastic curtailment of the service and the impoverishment of substitutes in the Service. I may say to the gentleman further that the Acting Director of the Budget, in his letter to the President, makes the following statement:

> In preparing the estimates for the above two appropriations for the fiscal year 1935, the Post Office Department states that through inadvertence no amounts were included to cover the item of 10 percent additional pay authorized by law for night work, and that such omissions were not detected until recently. Also the volume of postal business for this fiscal year has greatly exceeded that anticipated at the time the Budget for 1935 was submitted, which necessitated additional expenditures for auxiliary service. The amounts requested are necessary to provide additional funds to meet the requirements of the Postal Service under these heads for the current fiscal year.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Illinois.

Mr. ARNOLD. Of course, the gentleman understands that by the increase in the Postal Service requiring funds that had been appropriated in the 1935 bill, it did not leave sufficient funds that they could make a transfer to pay for this night differential?

Mr. MEAD. Correct.

Mr. ARNOLD. But the money that is carried in this emergency bill is for the purpose of paying that night differential on those two items?

Mr. MEAD. The gentleman is approximately correct. When this money is available the Post Office Department will be able to return that amount which has been used up to the present time in defraying the added expense resulting from the increased night differential to the clerical and carrier funds. This transfer of funds will take care of the auxiliary service until the end of the present fiscal year. The gentleman and I are in agreement, and I merely want to bring out the point that when the appropriation bill was being considered on the floor of the House I asked for

an additional million dollars for auxiliary hire for the carrier service, for an additional million dollars for auxiliary hire in the clerical service, and for $900,000 for payment of the travel allowance which will be due to the employees of the Railway Mail Service.

Mr. Chairman, I want to point out that the auxiliary service is the service that has suffered. No one who is employed after 6 o'clock at night and before 6 o'clock in the morning has suffered, because he has received, up to date, his full night-differential pay; but the substitutes in the carrier and clerical service have suffered, and the postal patrons have suffered. That is what I had in mind when I suggested and the House approved the amendments which I presented to the Committee of the Whole when the postal appropriation bill was under consideration.

Mr. HAMLIN. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Maine.

Mr. HAMLIN. May I ask if under this additional appropriation probably some of it will be employed in the stopping of consolidations of some of the postal rural routes? I am receiving a great number of letters from Maine relative to that matter, and I am today going to the postal authorities in reference to same. Rural routes are being combined with the object in view of saving money and these routes should not be combined. I am in favor of allowing more money for many of these rural routes so that they will not have to be combined.

Mr. MEAD. I may say to the gentleman that unfortunately no part of this money will be used for the purpose mentioned.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MEAD. Mr. Chairman, in conclusion I want to make the point that the postal appropriations contained in this bill are worthy of your consideration and support. They will make possible an extension of the service where curtailment has already taken place in the offices of the first and second class.

They will also provide postal substitutes with an opportunity to earn a living wage between now and the end of this fiscal year, and in this connection I offer as an exhibit with respect to substitute salaries, the salaries being paid at the Dayton, Ohio, office.

DAYTON, OHIO

Twenty-six substitutes, July 1933 to November 1934

Month	Salary, per month	Number of hours
1933		
July	$19.25	36
August	14.60	27
September	23.28	44
October	25.79	48
November	21.42	40
December	77.96	147
1934		
January	19.64	37
February	21.25	40
March	8.92	16
April	7.88	13
May	70.20	118
June	58.10	98
July	51.97	87
August	52.00	86
September	65.25	109
October	57.50	96
November	43.50	74
Total average salary	37.56	1,116

NOTE.—The above figures are averages per man.

In July 1933 the average pay of a substitute was $19.25. In January 1934 it was $19.64.

Since the curtailment order was sent out, the salaries have dropped to but a few dollars a week, and in November of 1934, before the curtailment order went out, they were only averaging $43.50 a month.

This is a fair example of the pay received by substitutes in every section of the country.

The Department's order makes it compulsory on the part of the postmaster to eliminate nearly all auxiliary hire until this money is available. Therefore, for the expansion of the service and for proper pay for postal substitutes, I hope that both of these items meet with your approval.

UNDERMANNED POSTAL SERVICE

Early in February the Post Office Department instructed postmasters that in order to stay within the appropriations available it was necessary to appeal again to all postmasters to reduce expenditures for auxiliary and overtime for the remainder of the fiscal year and to confine the estimates for auxiliary and overtime for the June quarter to the very minimum without curtailing the service. Postmasters were also informed that no expenditures "over the amount allowed could be made without authority from the Department under the penalty of the postmaster being held personally responsible for the excess expenditure."

In November 1934 the Department announced the appointment of a considerable number of additional employees to fill existing vacancies, and it was anticipated at that time that the Department would very shortly give consideration to appointing additional employees wherever it was shown that an 8-hour-day route or tenure of duty was in operation. This has not been done, as in the latter part of December the Department suddenly discontinued the filling of all vacancies on the ground that their appropriation had been almost exhausted. As a result of this policy and the letter of the early part of February already referred to, many postmasters immediately began to inaugurate a curtailed service in their cities by cutting down, and in many cases, eliminating entirely the work of the substitute. There are a large number of cases throughout the country where substitute carriers have been working on an auxiliary 8-hour route for a long time, and these men, because of lack of funds, have been prevented from securing a justified promotion to a regular position. In some cases where postmasters have requested the appointment of additional carriers, the cases were referred to post-office inspectors for investigation, who made a full and complete investigation of the conditions existing in these cities, and who before leaving informed the postmasters that they were going to concur in his recommendation for additional employees, and in some cases postmasters were told that the inspector intended to recommend additional employees above those recommended by the postmaster.

Mr. Ambrose O'Connell, executive assistant to the Postmaster General, in a radio address of March 1, stated that postal receipts had shown a decided increase during the current fiscal year and were still on the way up. Mr. O'Connell stated:

> For the first 7 months of this fiscal year ending January 21, 1935, the Post Office Department has collected $22,000,000 in excess of the collection for the same period last year. This is a notable increase, and the steady expansion indicates the need of additional employees to care for this increase in business.

With respect to the message from the Bureau of the Budget—House Document No. 131—requesting a deficiency appropriation of $2,500,000 for clerk and $500,000 for carrier hire, this relates directly to my presentation of conditions on the floor of the House on February 1, at which time we secured an increase in appropriations of $1,000,000 each for clerk and carrier hire during 1935.

The Post Office Department is withholding some 995 vacancies in many of which substitutes are employed for a full 8 hours per day.

This is an evasion of the salary laws in that the Department is securing work for $1,400 for which it should pay at the rate of $2,100 per year.

The Department, in its testimony before the House Appropriations Committee, stated that the substitutes generally were "doing quite well, indeed."

Almost coincident with this testimony bitter complaints appeared from throughout the entire country as to drastic curtailments of substitute employment.

The Department's statement in response to these complaints was that the auxiliary funds had been exhausted or

dangerously depleted in many offices and that in order to stay within the Budget for the year 1935 no extra allowances could be given postmasters. It was stated, however, that these economies must be effected without curtailment of the service.

With the regular forces depleted by failure to fill vacancies, as evidenced by the Department's own testimony, such reductions in auxiliary employment of substitutes could not occur without detriment to the Service. That this did occur is amply demonstrated by the reports coming in from all section of the United States.

Responses from 1,513 substitutes disclosed their average period of service as 6 years and 6 months. A number of these reports state that regular clerks are being worked overtime while substitutes are remaining idle. The regular clerk of the $2,100 grade, and practically all of them are now in that grade, gets 86 cents an hour for overtime. If he works between the hours of 6 p. m. and 6 a. m. he gets 8 cents additional, or 94 cents an hour. A substitute gets 61.75 cents an hour under the 5-percent pay reduction now in effect.

It was in response to complaints such as those above stated that the request for a deficiency appropriation undoubtedly had its origin.

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, at this place I ask unanimous consent to insert in the RECORD a bill introduced by myself (H. R. 6455) proposing the creation of a permanent Department of Soil Erosion.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The bill is as follows:

A bill to provide for the control of flood waters in the United States by creating a permanent Soil Erosion Service

Be it enacted, etc., That for the purpose of controlling floods in navigable waters, and of protecting agricultural lands in the United States, the Soil Erosion Service established in the Department of the Interior under the authority of title II of the National Industrial Recovery Act is hereby made a permanent agency in that Department.

SEC. 2. Out of any moneys appropriated and subject to allotment for such purposes, an amount not less than $50,000,000 shall be allotted to the Soil Erosion Service for the fiscal year ending June 30, 1936, for the purposes of this act.

SEC. 3. The Soil Erosion Service is authorized to coordinate all activities relating to the prevention of soil erosion carried on by any agency of the Government; to secure, from any agency of the Government, such information and services as may be necessary to carry out the provisions of this act; and to secure the consent of any such agency to carry on erosion-prevention work on lands under the jurisdiction of such agency.

SEC. 4. It shall be the duty of the Soil Erosion Service—

(a) To complete the erosion-prevention projects already undertaken by it and to establish other projects in areas suffering from wind and water erosion so situated as to provide, in as many such areas as possible, demonstrations of the methods of erosion prevention;

(b) To disseminate information, by printed matter and otherwise, concerning the methods of erosion prevention;

(c) To include, in the activities herein authorized, adequate provision for the prevention of wind erosion, as well as erosion by water; and

(d) To conduct research pertaining to the prevention of erosion.

SEC. 5. In connection with any erosion-prevention work on private lands, the Secretary of the Interior may enter into such agreements with farmers and other persons as he may deem necessary to carry out the purposes of this act. Such agreements may include provisions for contributions to the erosion-prevention work by the Soil Erosion Service and by any other party to the agreement in the form of labor, equipment, materials, seed, fertilizer, and otherwise, and may impose permanent or temporary limitations on the use of the land.

SEC. 6. For the purposes of this act, the Secretary of the Interior, through the Soil Erosion Service, may—

(a) Prescribe such regulations as he may deem necessary.

(b) Without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, and may enter into arrangements with any educational or research institution for the employment and compensation of any person of specialized knowledge or experience jointly by the Soil Erosion Service and such institution.

Mr. FERGUSON. Mr. Chairman, not very many days ago I called the attention of this House to the destructive effect of winds in the western part of the United States. This whole problem of soil erosion has faced almost every nation in history. The problem of maintaining the soil at a degree of productivity is one that is so closely aligned with the political and economic future of the country that unless a nation gives it grave consideration and takes steps to take care of its soil, that nation will not exist very long. To speak of a nation that most of us are familiar with, you will find in the Old Testament of the Bible many references made to trees and groves and pastures as landmarks and part of the social well being of those people. By the time the New Testament was written there are practically no references made to certain trees that were mentioned just a few generations before, because those people had not taken stock and had not cared for their land and after they were invaded by foreign enemies the productivity of their land, as well as their civilization, was practically ruined. We find the same thing happened in Egypt, one of the great nations of the world which was destroyed because foreign conquerors came in and destroyed the works that made it possible for that nation to exist.

At last this country has taken a definite step in attacking the problem of soil erosion. Last year out of P. W. A. funds, $14,000,000 was appropriated for the establishment of a permanent Soil Erosion Service under the Department of the Interior. This Department, in an experimental way, has accomplished a great deal. It has established some 54 camps over the United States. You can see from this map that they are widely distributed and in various types of soil.

I have introduced a bill, which I have had placed in the RECORD, which provides that this Soil Erosion Service shall be made a permanent department of the Government.

When the Government engineers consider any projects they always work out the economic justification for them. When you figure that the annual loss to the farmers of this country from soil erosion can be conservatively estimated at $400,000,000, you will realize that any program undertaken would be economically justified.

When we figure that a good portion of the legislation enacted in the last 2 years has been financed by bonds that must be paid by wealth produced from the soil, we certainly must take the attitude that nothing must stand in the way of preserving the productivity of this soil for future generations.

If we have established the fact that it is justified and something must be done, we always meet the question of what can be accomplished. We hear a great many people say that the wind has always existed, the water has always washed the soil away, what can we do to stop it. No single mechanical means will stop it. Terracing is a contributing factor when it is scientifically done, but it must be a long-term, educational program, and the beautiful thing about the work undertaken by the Soil Erosion Service is they did not have to put out propaganda to sell the farmers. They did not have to make a great effort to sell them on the idea. They have gone to these communities where an area is to be affected by a soil-conservation project and 90 percent of the farmers have signed up voluntarily to go into a program that will show them how they can save their soil for future generations.

I have in my district not less than half a dozen areas affecting from 20,000 to 120,000 acres, where as many as 3,000 farmers have signed a petition to have the Government come in and help them solve this problem. They know if it is not solved they cannot earn a livelihood on these farms. It is a beautiful thing, in this time of having to sell ideas, to have one program that the farmers and the people who are interested are asking for whole-heartedly, and they are willing to accept obligations to have it carried out.

The district I represent is composed of 12 counties; all 12 counties have petitioned the Soil Erosion Service to aid them in combating the problems of soil erosion.

I have before me a letter from Dr. N. E. Winters, regional director of the Soil Erosion Service at Stillwater. He said the following men were in his office on February 14 discussing the possibility of starting a watershed on the Chikaskia River. I read the names to show you that the men interested

are not only farmers but professional and business men of that community that realize the importance of this program to save the soil: Mr. Roy S. Johnson, chairman of the committee; Mr. L. F. Carroll, farmer, of Newkirk, Okla.; Mr. J. S. Clark, county engineer, Newkirk; Mr. W. R. Hutchinson, county agent, Newkirk; Mr. R. N. Wall, vocational agriculture instructor, Ponca City, Okla.; Mr. W. C. Baum, farmer and county commissioner, Kaw City, Okla.; Mr. E. L. Waldo, Governor Marland's chairman for Kay County; Mr. V. O. Hayes, Blackwell, Okla.; and Mr. Sam Hendershot, farmer, of Eddy.

In connection with this, I also have before me a petition, signed by Mr. Chester C. Smith, county commissioner of Garfield County, Okla., and signed by 67 farmers of the Covington community, making application to establish a Soil Erosion Service there.

Letters come in daily from Cimarron, Beaver, Texas, Woodward, Woods, Alfalfa, Nobel, Kay, Major, Grant, and Harper Counties asking my aid to secure this much-needed work for their particular areas.

Under the program conducted by the Soil Erosion Service they go to a farmer and ask his cooperation. Then a trained man goes to the farmer, after mapping out the farm, makes suggestions as to what part of his farm is eroded beyond further use and what crops will keep his farm from further erosion. He plans a scientific method and an approach that includes even the running of an embankment on this pasture land to keep the water from running off more than it otherwise would.

The farmers have gone into a cooperative agreement with the Soil Erosion Service to help them in starting this work and keeping it up even after the Soil Erosion Service is through.

I had the pleasure of spending 3 days at the Stillwater project, and the spirit of that community and the men carrying on this work is like that of the crusaders. They know that the future welfare of the country depends on the preservation of the soil for future generations. You say it is a slow process, one that has been going on for years, but in many instances we have lost as much as 5 inches of new topsoil in the West during one season of sandstorms—material that nature required 5,000 years to build.

I have before me some figures gathered by Dr. N. E. Winters. He says:

> Seventy-five percent of our cultivated fields are sloping enough to suffer serious soil losses from uncontrolled run-off rain water. Over 2,000,000 acres in the United States are annually planted to clean-cultivated crops such as corn, cotton, and tobacco, and a large percentage of this is left bare without surface vegetation cover to protect the surface soil from erosion. Most of the top soil has been washed away from 125,000,000 acres of our cultivated fields. That top soil of 12 to 18 inches in depth, which required for its development several thousand years, that part which contains the organic matter and most of the soluble plant food for crop production, is now gone from 125,000,000 acres, down our creeks and rivers, and some of it clear into the ocean.

Do you remember a few days ago when we had that severe duststorm here in Washington, Mr. Bennett reported it to be the dirt caused by the storms that originated in Oklahoma and Kansas?

Another practice that is helping to ruin lands is the annual burning of pastures. On this the Soil Erosion Experiment Station has made an experiment along that line, and the results give vividly the effect of this custom on the annual losses of soil and water. Following is a chart resulting from these experiments:

Effect of burning pastures and woods on soil and water losses annually

	5 run-off	Tons per acre soil loss
Virgin woods	0.13	0.017
Woods burned once each year	4.96	.222

Burning the woods and pastures each year multiplies the loss of run-off water by 38 and the loss of soil by 13.

Are we going to continue to accept this problem of soil erosion as something minor? Are we going to let the wind and water destroy the future prosperity of this Nation? Or are we going to tackle this problem and give the Soil Erosion Service the necessary funds to carry on this work in order that the future of this country will be insured.

The Soil Erosion Service has planned a long-time program. It is only through a long-time program that we can combat this evil. I will take this opportunity to read you a letter from Dr. Bennett, of the Soil Erosion Service, that deals with the problem of a national plan of saving the soil and the problems that confront Oklahoma.

DEPARTMENT OF THE INTERIOR,
SOIL EROSION SERVICE,
Washington, March 4, 1935.

Hon. PHIL FERGUSON,
House of Representatives, Washington, D. C.

MY DEAR MR. FERGUSON: By special messenger I am sending you a map showing the distribution of our major erosion projects along with a statement giving the number of acres involved in each and the allotments to each of these projects, together with funds used for administrative expenses and other studies and cooperative arrangements with other Government agencies.

You will note that in the western grazing regions very large areas are involved. This does not mean that we will work over the entire area, but that we will work on the critical parts of these areas such as are involved with their stabilization in the interest of the irrigation civilization dependent on these areas and the very life of the Navajo Indians.

This map shows also the location of the present 51 E. C. W. camps which have been allotted to us by Mr. Fechner, of Emergency Conservation Work. We are using these camps pretty largely for gully-control work, the construction of terrace outlets, and in some localities for the mining of limestone needed for correcting the acidity of the land so that it will produce soil-holding legumes. We could use many more E. C. W. camps to supplement our erosion projects. I think there are in the neighborhood of 200 E. C. W. camps working on erosion problems involved with agricultural lands, but most of these have been assigned to the Forest Service.

With reference to the possibilities of expansion of our program, I can only say that the possibilities are enormous. Of course, no program should be extended faster than adequate technical personnel can be trained to look after the projects, but the Soil Erosion Service is in a position to train very rapidly large numbers of men. As a matter of fact, we have something like a thousand trainees now on our rolls, and among them there will be many competent men. These trainees learn the whole erosion program by working from the very bottom (in the bottom of gullies) on up to the more intricate matter of the installation of the various protective devices employed in controlling erosion in fields and also in assisting with the making of necessary maps of farms.

It is my feeling that we should have many more demonstrational areas comprising smaller acreages and that these should be so distributed as to be within reasonable distance of the farmers of the surrounding localities. There will be need also for additional large watershed projects, and I should think from these centers, where we have demonstrated to the farmers that it is practical enormously to reduce the evils of erosion to spread out to all lands needing treatment through cooperative arrangements with the Extension Service, the colleges of agriculture, and other pertinent organizations.

We cannot develop immediately the location of all these projects. It will take serious study and a good deal of time. However, we are working on them and will soon have much additional information.

I trust this will be helpful to you in connection with your plans.

Very truly yours,

H. H. BENNETT, *Director.*

Soil erosion control projects

Project no.	Name of project	Regional director	Office location	Approximate acres	Appropriations
1	Coon Creek	R. H. Davis	La Crosse, Wis.	93,000	$360,000
2	West Tarkio River Big Creek	R. E. Uhland	Bethany, Mo.	106,000 186,000	800,000
3	Sangamon River	F. A. Fisher	Urbana, Ill.	133,000	500,000
4	Elm Creek	H. V. Geib	Temple, Tex.	207,000	350,000
5	South Tyger River	T. S. Buie	Spartanburg, S. C.	111,000	575,000
6	Wildhorse Creek South Palouse River.	W. A. Rockie	Pullman, Wash.	32,000 98,000	420,000
7	Arroyo Las Posas Arroyo Grande	H. E. Reddick.	Santa Paula, Calif.	45,000 7,000	325,000
9	Stillwater Creek	N. E. Winters	Stillwater, Okla.	177,000	410,000
10	Navajo	H. G. Calkins	Albuquerque, N. Mex.	16,000,000	1,600,000
11	Limestone Creek	F. L. Duley	Mankato, Kans.	114,000	375,000
12	Deep River Brown Creek	J. H. Stallings	High Point, N. C.	139,000 60,000	750,000
13	Reedy Creek	J. S. Cutler, acting.	Spencer, W. Va.	87,000	385,000
14	Salt Creek	J. S. Cutler	Zanesville, Ohio.	93,000	449,000
15	Cooley Creek Cypress Creek	H. M. Mims, acting.	Minden, La.	55,000 45,000	500,000

Soil erosion control projects—Continued

Project no.	Name of project	Regional director	Office location	Approximate acres	Appropriations
16	Plum Creek	H. L. von Trebra.	Albion, Nebr.	70,000	295,000
17	East Cadron Creek	Fred C. Newport.	Conway, Ark.	116,000	320,000
18	Buck and Sandy Creeks.	R. Y. Bailey	Dadeville, Ala.	116,000	325,000
19	Sandy Creek	Loy E. Rast	Athens, Ga.	107,000	400,000
20	Duck Creek	L. P. Merrill	Lindale, Tex.	25,000	175,000
21	Okatibbee River	C. B. Anders	Meridian, Miss.	144,000	420,000
22	Banister River Sandy River, Va.	P. F. Keil	Chatham, Va.	146,000 29,000	550,000
23	Soil-erosion survey	A. L. Patrick	State College, Pa.		58,200
24	do	F. B. Howe	Ithaca, N. Y.		90,000
25	Gila River	B. P. Fleming	Safford, Ariz.	12,000,000	505,000
26	Root River, Minn.	R. H. Davis	La Crosse, Wis.	190,000	288,000
27	Dalhart area	H. H. Finnell	Dalhart, Tex.	126,000	85,000
28	Reedy Fork	J. H. Stallings	Greensboro, N. C.	48,000	150,000
29	Crooked Creek	A. L. Patrick	Indiana, Pa.	135,000	191,800
30	Fishing Creek	T. S. Buie	Rock Hill, S. C.	52,000	150,000
31	Corralitos	H. E. Reddick	Watsonville, Calif.	68,000	200,000
32	Raritan River	L. L. Lee	New Brunswick, N. J.	37,000	200,000
33	Shue Creek Wolsey area	H. J. Clemmer	Huron, S. Dak.	142,000 38,000	125,000
34	Rio Grande	H. G. Calkins	Albuquerque, N. Mex.	11,500,000	200,000
35	Crowleys Ridge	F. C. Newport	Forrest City, Ark.	32,000	125,000
36	Cohocton River	F. B. Howe	Bath, N. Y.	150,000	135,000
37	Muckalee Creek	Loy E. Rast	Americus, Ga.	25,000	150,000
38	Pecan Creek	N. E. Winters	Muskogee, Okla.	37,000	150,000
39	Black Squirrel Creek. Smoky Hill River	A. E. McClymonds.	Colorado Springs, Colo.	159,000 169,000	125,000

DEPARTMENT OF THE INTERIOR,
SOIL EROSION SERVICE,
Washington, February 27, 1935.

Hon. PHIL FERGUSON,
House of Representatives, Washington, D. C.

DEAR MR. FERGUSON: In reply to your personal request of yesterday I am submitting herewith a general statement entitled "The Problem of Water and Soil Conservation", which briefly covers the national problem of erosion, the program of the Soil Erosion Service (beginning on p. 10) and a résumé of some of the more important accomplishments on the crop lands (beginning on p. 16), but not covering accomplishments on the large projects of the western grazing areas. Here is also a more comprehensive paper on wind erosion under the title, "Prevention and Control of Wind Erosion of High Plain Soils in the Panhandle Country", by Mr. H. H. Finnell; and a brief statement with respect to erosion in Oklahoma.

You understand, of course, that we are working with $14,000,000 allotted to the Service by the Public Works Administration. This has been apportioned to the 40 projects distributed throughout the country, 2 of which are in Oklahoma.

As in the instance of many other States, we have received applications for additional projects for various parts of Oklahoma. One came in recently for a project in Grady County in the Little Washita Basin, endorsed by the names of 3,200 farmers and landowners; another from Custer and Washita Counties for a project on the watershed of Turkey Creek, endorsed by approximately 1,000 people; and still another from Custer and Caddo Counties for a project on the watershed of Little Deer Creek with a similar heavy endorsement. These requests mean, as I construe them, that the people have been convinced of the efficacy of the program now being carried on in Oklahoma under the Soil Erosion Service and that they have been awakened to the need for extending the work to other areas. This same situation applies to other erosive lands in numerous parts of the country, that is to say, the people concerned are continuously and urgently requesting expansion of the program. Unquestionably this situation would not exist if these people did not earnestly desire this work in their localities, believing it to be the only way out of a problem which involves the saving of their indispensable agricultural lands.

Very truly yours,

H. H. BENNETT, *Director.*

EROSION PROBLEM OF OKLAHOMA BRIEFLY STATED

Oklahoma is one of the States where erosion constitutes the major economic problem confronting the people. It is estimated, on the basis of erosion surveys and measurements of the rates of soil removed by erosion, that in the neighborhood of 440,000,000 tons of soil are washed or blown out of the fields and pastures of the State every year. This is the equivalent of 1,300 farms of 160 acres each, having a depth of 12 inches of predominately rich soil material. A recently completed erosion survey of the State shows that approximately 28,000,000 acres of land of all classes are suffering seriously from wind and water erosion. Of this, about 13,000,000 acres have reached the stage of serious gullying. Something over 2,000,000 acres have been essentially destroyed. No State, community, or business could long withstand any such losses.

The Soil Erosion Service of the Department of the Interior is now carrying on two large demonstrations of practical erosion control in Oklahoma, one in the watershed of Stillwater Creek, near Stillwater, comprising 150,000 acres, and the other in the watershed of Pecan Creek, near Muskogee, comprising 40,000 acres. As rapidly as possible all erosive land within these watersheds will be treated, in accordance with the specific needs and adaptabilities of the different kinds of land, with proven practical measures of control. Already much progress has been made on the Stillwater Creek project, enough to convince those who have studied the program that this is the only practical plan by which permanent erosion control can be effected.

Obviously two demonstrations are not enough to solve the problem for a large State like Oklahoma, so seriously affected as it is. At present nothing is being done in connection with wind-erosion control in the State, although the survey referred to shows that something over 4,000,000 acres of land have already been severely damaged by wind, and that the evil is spreading to other productive areas. The physical facts involved show that there should be additional water-erosion demonstrations of the type now being carried on near Stillwater, and wind-erosion demonstrations of the type being carried on in the vicinity of Dalhart, Tex., in sufficient number to serve the various definite regions of the State, such as are determined by soil character, type of agriculture, and climatic conditions.

In connection with the problem of erosion by water, the fact should not be lost sight of that it will never be possible to bring about anything approximating permanent effective flood control until erosion is taken care of from the very crests of watersheds down to the stream channels. Erosion is the product of accelerated run-off of water, following removal of the stabilizing cover of vegetation, as trees, grass, and shrubs, and cultivation or overgrazing of ranges and pastures. Erosion control means reduction of the run-off and that, of course, means the reduction of the hazard of floods and, incidentally, the reduction of the hazard of the silting of stream channels and the covering of valuable bottom lands and lower slopes with infertile material washed down from higher lands.

In conclusion may I call attention that in order for this program to be successful it must be carried out over a period of years—not 5, 10, but 20 years. We have been letting our soils go to ruination for the past 50 years; surely we could not expect to restore our eroded lands to normal in a period of 12 months.

It must be remembered that we first must work on the soils that are still producing. Saving these soils first, then treating the lands that have eroded beyond immediate productivity by letting them heal themselves. Nature will cure her soil by just helping her along a little. By this I mean building baffles, reseeding, and keeping out livestock on this land that is so completely eroded.

I sincerely hope that the Soil Erosion Service will be allowed enough camps to carry on this work. These camps are manned by a staff of technically trained men that really accomplish their goal. It is really a pleasure to see them in action. The Government can well be proud of their soil-erosion camps.

WIND EROSION

As to the practical prevention of wind erosion, according to the program of the Soil Erosion Service, I note the following:

The intense dust storms that recently have been sweeping across the Midwest is a grim object lesson of the destructive power of wind erosion and a graphic illustration of the imperative need for its control. Continued storms of this sort can be expected until adequate steps to prevent their recurrence are taken by farmers in the Great Plains region, where improper farming methods and cultivation of certain exceptionally vulnerable soils make soil blowing a constant menace.

The significance of these recent dust storms is appalling. They mean that our conquest of America has been achieved at reckless cost in land resources. We have dealt heedlessly with our land, and have done virtually nothing to control wind erosion. Now we are threatened with a situation comparable to the "dark sea" off the north coast of Africa, where at frequent intervals sirocco dust storms originating in the Sahara have blotted out the sun and scattered desert-derived soil material over large parts of Europe.

In the dim ages of the past, vast areas of loessial soils were built up over northwestern China, composed of dust borne by wind from the Gobi Desert. Similarly, before the dawn of history, loessial soils of large content were formed

along the lower Mississippi River, in the valley of the Missouri, in the Palouse Belt of Washington, Idaho, and Oregon, and in other parts of the United States. Nothing is known of the precise conditions that caused the deposition of these great areas of wind-blown soils; their origin is rooted in the remote past.

But we do know the cause of these recent dust storms in the United States. We know definitely that they are taking place because of land misuse and failure to provide adequate protection of cultivated areas in the country west of the Mississippi. About 15 to 30 years of cultivation were required to make the soil of this region susceptible to rapid blowing into the high passageways of wind. Depletion of the soil-binding humus resulting from oxidation that goes with cultivation and the gradual blowing that follows the breaking up of ground cover of native grass have finally left the soil in a powdery condition favoring easy movement by wind. In some fields as much as 16 inches of soil and subsoil have blown away during the past 18 months. Once started, wind erosion proceeds even faster than water erosion.

Approximately 60,000,000 acres of land in the subhumid and semiarid regions of the United States have suffered severe damage from wind erosion, according to a recent survey by the Soil Erosion Service. About 5,000,000 acres have been essentially destroyed for any possible cropping purposes by the loss of topsoil or by the deposition of wind-blown sand on fertile areas.

Results of a Nation-wide reconnaissance survey of erosion conditions show that in Oklahoma more than 4,000,000 acres of once fertile country have been severely damaged by wind erosion. In South Dakota about 4,000,000 acres are in a serious condition. Eight million acres in Texas, largely in the Panhandle, have been seriously injured and in some cases essentially ruined for cultivation. In Montana about 3,000,000 acres are in a serious condition. In Colorado 9,000,000 acres have suffered severe damage. Six million acres have been affected to a serious degree in Kansas, with nearly 800,000 acres completely destroyed. In all of these States much greater areas have been moderately affected or are being threatened with danger.

Dust storms can be averted to a large extent by the maintenance of an adequate cover of vegetation on the ground and by scientific and practical methods of cultivation.

In the vicinity of Dalhart, Tex., in the Panhandle region where wind erosion has been so serious, the Soil Erosion Service is now conducting a demonstration of the most effective measures of wind-erosion control. Similar projects are getting under way in eastern Colorado and central South Dakota.

Among the measures of control being applied by the Soil Erosion Service in its wind-erosion control areas are:

Restocking the more erosive areas with some adaptable type of vegetation and treating other areas with strips of tall, wind-resistant crops, such as sorghum; planting shrubs and trees in critical positions; plowing the land in furrows more or less at right angles to the direction of prevailing wind; plowing up of clay subsoil and leaving bare land in a cloddy condition; building embankments or a specialized type of terrace along the contours of the land to intercept and hold rain water; strip cropping with grass; and leaving on the land as much stubble vegetation as possible.

At this point I wish to insert a letter from Mr. H. H. Finnell, of the Dalhart, Tex., station.

DALHART, TEX., *February 25, 1935.*

Mr. G. A. BARNES,
Soil Erosion Service, Twelfth and Constitution,
Washington, D. C.

DEAR MR. BARNES: I made a thorough inspection of our project area this morning to observe the results of the severe 3-day storm of February 22 to 24, inclusive. I am happy to report that none of our field work was damaged where it had been completed and that very little damage is apparent on incomplete jobs. Where overgrazing has been prevented in wheat fields and moisture conservation accomplished there was little damage to wheat, but a considerable area of wheat on high and sloping lands was blown out, as a result of insufficient moisture to produce an effective ground covering. Where crop residues had been conserved according to our plan there is no erosion injury whatever.

On the other hand, on much land which was abandoned last year and on which no effort has been made to recondition in preparation for the spring winds and crop planting the hummocks are piled higher than ever. It is this neglected area which gives rise to the big dust clouds traveling great distances across the country. However, I may say that the formation of high dust clouds are not always coincidental with the most severe wind erosion. It is a particular meteorological condition involving rising air currents which cause the formation of the far-traveling dust clouds. For example, the day the dust cloud reached Dalhart the average wind velocity was only 12.3 miles per hour, but it increased to 23.1 miles per hour for the 24 hours ending this morning at 7 a. m. After the passing of the storm front a straight low-sweeping wind developed and this did most of the damage experienced at this point. No dust was carried high into the air but the drifting of soil from exposed areas was very acute, blocking railways, highways, blowing away fences, and building new drifts wherever tumble weeds found lodgment.

Yours very truly,

H. H. FINNELL.

Since the Soil Erosion Service estimates 34,000,000 acres are being seriously affected in 6 western States by wind erosion, this problem does not lend itself to the program undertaken by the Soil Erosion Service drainage basins, and so forth.

This is a huge emergency program in a country where many of the farmers are facing their third and fourth crop failure. If all the contracted wheat land that is suffering from erosion as well as wheat land that has been "blown out" for this year's crop could be prepared in a manner recommended by the Soil Erosion Service and planted to the proper erosion-resisting crops, it would go a long way toward solving the problem.

These farmers must have money advanced for seed and fuel; they in turn should agree to keep such land out of productivity for a long enough time to give the ground a chance to be healed by nature. Such a program would cost millions, but it would allow farmers work at home instead of on relief, and pay dividends a hundred fold by maintaining the future productivity of the land and preventing the fields from blowing out and ruining the adjacent land.

Every service of the Government, the county agents, the extension division, the agricultural college, and so forth, should be called in to aid in this big fight. A fight to preserve the very existence of what was once the greatest wheat-producing area in the world.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, using the vehicle of everyone's desire to protect the small investor from loss, to curb greed, and prevent the unfair accumulation of vast wealth by improper means, our President yesterday sent to the Congress a message which deserves the deepest consideration of every Member of the House.

Writing yesterday, as so frequently, in the interest of those who have been wronged, those interested in public-utility holding companies were taken sharply to task for their efforts to influence Members of Congress through propaganda coming from the home folks.

Always an admirer of the great Roosevelt, whose uncompromising fight for the things he believed to be right and for the interests of his countrymen earned for him not only popular acclaim but the deepest love and affection, many of us recall the great and incomparable Teddy, whose words, if not actions, the present occupant of the White House sometimes follows and hoped that his statements of policy might, as were Teddy's, be followed by action giving them effect.

Another Roosevelt has come to power, swept to the highest office in the gift of our people by an overwhelming popular demonstration. So great was the faith of the people in his infallibility that for 2 long years everything he suggested or proposed was accepted and the faintest breath of criticism was regarded as treason. So yesterday when in his message he told the Congress that—

We should take the control and the benefits of the essentially local operating utility industry out of a few financial centers and give back that control and those benefits to the localities which produce the business and create the wealth—

Our hearts were with him and our minds acknowledged the soundness of the proposition.

When he further stated that—

It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few, who, by devices such as holding companies, have taken for themselves unwarranted economic power—

Those of us who had begun to despair at the disappearance of popular government, at the ruthlessness with which Congress has been stripped of its legislative functions, lifted our heads and began to wonder whether once more we were to be given our constitutional right to at least assist in the making of laws for the government of our land.

When this message informed us that the President was—

Against private socialism of concentrated private power as thoroughly as I am against government socialism—

We were carried away by the thought that this perhaps was a new declaration of independence, the birth of a new freedom, the beginning again of that era where the Government might again become a government by and for the people.

A night's sober reflection brings other thoughts. Remembering the declarations so plainly, freely, and emphatically made in the campaign of 1932, the idea then reborn that the "forgotten man" was once more to be brought to the forefront, no doubt of the President's sincerity arose, but speculation as to how far his advisers might obscure his real purpose could not be downed.

Knowing his high purpose, his heart-felt sympathy for the downtrodden, the underprivileged, we thanked God for a man with his expressed views, and then, remembering that woman of New York who desired to work in her home that she might earn sufficient to keep her family with her, but who was prevented by the operation of one of the codes fostered by the President, and who, when the President was on that vacation across the Pacific, so justly earned and richly deserved, was reached by her cabled message asking permission to continue her labor, was informed, probably not by the President, but by some under secretary, that the code was sacred, could not be violated, we realize that even the high resolves of Presidents, their broad statements of policy, give way to practical political considerations, to the creation of jobs for the faithful, as is evidenced by the work of the Postmaster General, Democratic national committeeman, and the manipulation, even down in Texas, of the Home Owners' Loan Corporation's agents, the results of which so deeply grieve the gentleman from Texas, who complains, but who answers the crack of the party whip.

The optimism, the rejoicing, and the faith in the immediate and ultimate progress of our country, inspired by this message of yesterday, with its broad principles of justice, to which we can all subscribe, is somewhat dampened by our recollection of the President's 100-percent adoption of the Democratic platform, a sound, conservative, yet progressive, statement of general principles, so speedily repudiated, although not forgotten; by the repudiation of the statement of the Democratic candidate for the Presidency, made in October of 1932, that governmental expenses should, and would, be reduced, that the Budget would be balanced, and our present knowledge that, like soldiers marching as to war, the Democratic majority, under the present leadership, has, with banners flying, successfully raided the national resources, so far as is at present discernible, solely for the benefit of the Democratic organization.

Yes; as the message of yesterday told us:

It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few.

It is time, Mr. Chairman, to decentralize that power which has been placed over at the other end of the Avenue, the law-making, the judicial power, all tied up in one neat, little package and handed to the executive department, under the guise of the N. R. A. and other similar legislation.

The greatest holding company in the world is that officered by the "brain trusters", and no group of highbinders ever exploited the members of operating companies more thoroughly and with more disastrous results to the individual than have these gentlemen exploited the taxpayers.

Let us abolish these Delaware holding corporations, whose directors are Cabinet officers or their agents and whose business is the destruction of the enterprises of the individuals of our country, who, by their acts, come in direct competition with those who would remain independent, self-supporting, and the givers of employment to those out of jobs.

Contrary to the President's proclamation on his way through Wisconsin, when he said, "We must not rob Peter to pay Paul", they have robbed both Peter and Paul to pay the political officeholders and manipulators who endeavored, without success, to carry on the many experiments now acknowledged to be failures.

True, those in charge of the present holding companies which the President seeks to abolish are guilty of many abuses which should, and will, be corrected, and they should be deposed from their positions of power, from those positions which enable them to oppress so many. They operate for gain. That the Government holding companies operate for political gain does not lessen the evil. The "brain trusters", extending to them all charity, are exploiting America, American citizens, American industries, for the benefit of the world at large. They have more interest in Europe, Asia, Africa, and the islands of the sea than they have in American homes and American families, and, let us, while we are getting rid of the vicious holding companies, while protecting the stockholders of operating companies, wreck and throw on the scrap heap these governmental agencies which have no excuse for existence except the creation of jobs for the faithful Democrats and the laboratory for the trying out of the experiments of political quacks, many of whom would starve to death if thrown upon their own resources.

We are told that charity begins at home. Let the President start this house cleaning by the dissolution of those great holding companies, the greatest in the history of the world, organized under the laws of the State of Delaware, by Cabinet officers or those in sympathy with them, and which are throttling American business, continuing, if not creating, unemployment, putting the little fellow out of business, and hampering, if not preventing, the return of prosperity.

Take care of the holding companies created by government; we will, by legislation, take care of the others.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to my colleague [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I come from a great agricultural district in Texas, the Nineteenth Congressional District, composed of 25 west Texas counties. I note that this deficiency bill carries an appropriation of $60,000,000 for emergency crop loans. I am quite familiar with the circumstances as they exist in that vast drought-stricken area. I know that in my portion of Texas, and I suspect in all portions of the Union, there is a great need for the immediate passage of this bill. I, therefore, rise to urge upon this House the immediate passage of the deficiency measure insofar as this $60,000,000 item is concerned. I feel that we ought to urge our Senators to see to it that it goes through the Senate immediately in order that the emergency crop loan may be available in time to serve the purpose for which the loan was originally authorized.

I am not in favor of the passage of legislation without sufficient deliberation, but our duty in this matter is plain. The people have already waited a long time for this loan. This is now the 13th day of March, and it is crop-planting time in some sections of the Nation, and shortly it will be cotton-planting time in my district. I know that this loan must be made immediately available to the people in my section if they are to make a crop. The terrible drought has brought on a critical condition. The sandstorms are racing across the areas of west Texas. The people are discouraged. The Congress cannot do a more meritorious thing than to immediately pass this measure and make these loans available to the people.

These emergency crop loans are not an experiment. They are not a gift under the guise of a loan. We have tried them

before and we have found them practicable and helpful. The farmer has proved to be a worthy risk. He has paid back these loans, in many counties almost 100 percent, even though faced with trying conditions. The integrity of our farmers has not been shaken. This appropriation will make it possible for many a farmer to produce a crop in 1935 and feed his family and retain his confidence and self-respect. In many instances it will mean the difference between expensive relief rolls and profitable employment. It is trite to say so, but it is nevertheless true that the welfare of the farmer is the most important factor in national prosperity.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. TABER. How does the condition of the farmers in Texas compare with what it was a year ago?

Mr. MAHON. The condition of the farmers in the 25 counties in my district is much worse today than it was a year ago, because they had at that time gone through one drought; since that time they have gone through a second one, and plenty of them in these 25 counties made nothing during 1934. It is a grave situation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. RICH. Does the gentleman believe that we ought to continue to restrict the farmers of the country from planting certain crops which would increase production?

Mr. MAHON. That is a very debatable question, but at any rate I feel that we must proceed temporarily along the lines we are now proceeding.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, I was very much interested in and pleased with the remarks of the gentleman from Texas [Mr. MAHON] with reference to seed loans provided in this bill. In the State of Iowa we are faced with the same problem of having to secure an ample supply of seed for crop development and continuation next year. It is of paramount importance that this appropriation bill not only pass but pass in the immediate future, because the planting season in the Middle West is near at hand, and we must get ready for action. Our farmers are due to start field work now at any time the weather permits. It is often possible to prepare the ground in March. Unless that seed reaches us this month, it is going to be useless to the farmers who are destitute. Many people sow legumes in February, but it is entirely feasible to put them in later in the spring with small grain. With that thought in mind, I commend the proposal incorporated in this measure to the Congress most sincerely.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. CHRISTIANSON. As a matter of fact, is it not almost too late now to get the money into the hands of the farmers for some kinds of seed?

Mr. WEARIN. In certain territories that might be true, but generally speaking no; I think the legume crops can be taken care of nicely at the present time if there is no further delay and we can get action within the next 2 weeks. I hope the Department of Agriculture and relief agencies will cooperate in rushing the work.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, we recently extended the Reconstruction Finance Corporation, and one of the pleas advocating the extension was that it would aid the small business man, the independent merchant and industrial concerns who could not get a commercial loan through the normal banking channels. It was certainly a worthy motive and an essential one, if we are going into the business of aiding business. The essence of recovery is the reviving of small business. The Reconstruction Finance Corporation was intended to supplement our normal banking structure, to take up the slack where banks were not in a position to do so; and yet if you can qualify for a loan under the present administration of the Reconstruction Finance Corporation you do not need a loan. You have to be in such a financial condition to successfully apply for a loan that you could loan money yourself. The Reconstruction Finance Corporation has fallen under the domination of chain banks and the Federal Reserve System. Its purpose and intent is being defeated. Its benefits are being denied to the very group for whose benefit we extended the life of the Corporation. The small business man, when he applies today for a loan from the Reconstruction Finance Corporation, is usually told to go back to his own bank and try again. He is delayed thereby, and when he comes back again to the Reconstruction Finance Corporation some time later he is delayed some more by the long-drawn-out tactics of an audit and with unreasonable time taken to report on those audits. Then the business man is called in and told how to run his business, told that everything he is doing is wrong, and told if he will do it all over a different way, which they stipulate, that they will give his application further consideration, so that it has gotten to a point where the Reconstruction Finance Corporation is of no benefit to small independent business at all. It is worse than no benefit. It holds out false hope to the small business man and misleads him. If he knew that he could not get the loan definitely, he might make some other arrangement or possibly peacefully go out of business.

That has been the greatest trouble with the present administration of the R. F. C. This is only typical of it. If we want to revive business in this day, let us give business and industry a chance to find themselves and get on their feet. If they could only know from day to day what the regulations were going to be tomorrow they could plan accordingly. If they could only know under what conditions they were going to have to operate they could proceed accordingly, but they cannot know from hour to hour as things are now. I think sometimes if we washed out the whole proposition of attempting to assist business—although I do not necessarily advocate it at the present time—it might be better. Business men could at least have some basis on which to estimate from time to time what the conditions would be in the near future, if they had to deal with only natural forces.

Mr. FORD of California. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. FORD of California. From 1930 to 1933 there were no restrictions. How successful were they then?

Mr. MAAS. The restrictions were in the operation. Originally the R. F. C. was designed for the large railroads in order to save the insurance companies. Its extension was requested as part of the new deal to aid the small business man.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. CHRISTIANSON. Has the gentleman ascertained how many loans have been made to small business in the city of St. Paul?

Mr. MAAS. Very few of them, if any. I have not been able to find any, and I know it has been reported that out of $350,000,000 set aside for loans to small business, there has been about $7,000,000 of it up to date loaned to small business concerns.

Mr. CHRISTIANSON. I will say to my colleague that the loans in Minneapolis have been very few and very small.

Mr. MAAS. I agree with the gentleman. I have not been able to find any in St. Paul.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. WOODRUFF. The gentleman is making a real contribution to the subject he is discussing. I want to ask the gentleman this question: Is not something further demanded than loans to business, although that is the primary necessity at the present time; but must not legitimate business men of this country be given the knowledge that they can begin to operate their plants and employ our people without the fear always in their hearts that some morning

they will wake up and find a Government owned and operated business just across the street, manufacturing the same thing and competing with them?

Mr. MAAS. I think the gentleman is absolutely correct. The thing that is holding back business today is fear in the hearts of the business men. They do not dare invest their money. They do not dare put their money into expansion now because of the fear of Government competition and unreasonable Government regulation.

Mr. LUDLOW. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. LUDLOW. The other day we adopted a new formula for making these loans. Has the gentleman any hope there will be more liberalization on the part of the Reconstruction Finance Corporation in the future? I agree in the main with what the gentleman has stated as to past events, but I am prayerfully hoping that under this new formula there will be a more liberalized policy.

Mr. MAAS. No, I do not, because there is a bunch of bureaucrats running the Reconstruction Finance Corporation, many of whom were failures in business, failures in private banking, and so we set them up in the Reconstruction Finance Corporation. [Applause.]

As an illustration, in Minneapolis the R. F. C. was housed in the Federal Reserve Bank. Very few loans have been granted. Now the R. F. C. is housed in elaborate and luxurious private offices in one of the leading office buildings in Minneapolis. I think that the overhead is about equal to the loans that office is making. All this at the taxpayers expense, and when every dollar is so sorely needed for relief of very real distress and actual want on the part of millions of our citizens.

How long do you expect our people to go hungry when they see the Government throw money away in this fashion?

The hard-pressed business man who can help the unemployment situation by continuing in business and perhaps expanding, if given a little helping hand now when he needs it, is treated like a ragged applicant for charity by these high and mighty bureaucrats in the safe security of their luxurious offices—at our expense. The same bureaucrats are assuming the domineering attitude that brought bankers into disrepute. They are certainly doing the same for the Government, whom they misrepresent, or maybe they do correctly represent the Government.

The purpose of the R. F. C. now is supposed to be the aid of small and independent business. It is not doing it. In fact, its only help has been given to the great powerful groups, frequently to the very detriment of the mass of average business men. Frequently the very R. F. C. loans are employed by the powerful borrowers to drive their independent competitors to the wall.

There should immediately be a complete review of the whole administration of the Reconstruction Finance Corporation. Let us see to it either that its funds are used to help business or let us abolish it if it is merely to be an arrogant bureaucracy.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MAAS] has expired.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, on Monday of this week I had the privilege of presenting to the Committee for Reciprocity Information my views relative to the existing tariff rates on three major commodities of the State of Oregon and the Pacific coast, which are involved in the proposed trade agreement with Italy.

I want to tell you something about the procedure in connection with the making of these agreements under the Foreign Trade Agreement Act of 1934; the act under which the Congress of the United States surrendered all of its effective tariff-making authority to the President of the United States. And then I want to tell you something about what the treaty makers are contemplating doing under this act to three or four of the basic agricultural commodities of the Pacific coast.

There is a prevalent opinion, not only in the country but in Congress as well, that the Congress in passing the so-called "reciprocal trade agreement law" did not give up its entire power in the field of tariff making. There is an impression even in this body that it is only under certain conditions that the President can take the tariff into his own hands and reduce the rates of duty without the consent of Congress. This impression has been fostered by propaganda put out by the State Department and by the sort of propaganda contained in the speech of the Chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON], which he delivered here on March 6, and the speech of the gentleman from Ohio [Mr. HARLAN] delivered on March 1.

In these speeches and others made recently on the floor of the House by Members of the majority party, the statement was made not only that the President had limited tariff-making jurisdiction under the Foreign Trade Agreement Act but also that all interested parties, including Members of Congress, were afforded full opportunity for a complete and open hearing before the committees or commissions which negotiated the foreign trade agreement. It was the contention of these gentlemen, therefore, that no worthy industry had anything to fear on the score of tariff reductions by reason of the fact that Congress had abdicated in favor of the President in the field of tariff legislation.

Now I think it is high time that gentlemen disabuse their minds of any idea that they have any power or authority whatever over tariff legislation. The Congress of the United States has no more effective authority over tariffs than has a State legislature, and it has not had any such authority since the passage of the Foreign Trade Agreement Act. The reason for this is that under that act the President, without the consent of or ratification of Congress, may enter into a trade agreement with any foreign country whenever he pleases, or may reduce any duty by 50 percent. Such a reduction if made will, of course, effectively destroy any existing tariff duty.

Let me now make clear another fact. You Members of Congress and the people you represent not only have nothing whatever to do with making these treaties, but you do not even have the opportunity of presenting your views to anyone who has anything to do with the making of the treaties. The gentleman from North Carolina [Mr. DOUGHTON], in his argument on the tariff, quoted a former Member of the House, Mr. Beedy of Maine, who had criticized the arbitrary way in which the Ways and Means Committee functioned while the Republican Party was in control of the House.

The gentleman quoted Mr. Beedy as having said that we had come to a point where the relation between the Ways and Means Committee and the House of Representatives was analogous to the relation between a king and his subjects. I was not here when the Republican Party controlled the Ways and Means Committee, and the statement of Mr. Beedy may have been true. But I say to you now that the relationship that exists between the people who make the foreign-trade agreements under the 1934 act and the people of the United States who are most vitally interested in those agreements is a more distant relationship than that existing between a king and his subjects. It has been said that even a cat may look at a king. But I challenge any Member of Congress or any constituent of any Member of Congress to say that he has ever looked at the committee for foreign-trade agreements, which is the committee which finds the facts and makes the recommendations to the President in connection with these trade agreements. I challenge the Chairman of the Ways and Means Committee or any other member to say that he has ever been given an opportunity to appear before this committee. I challenge him even to name the members of that committee, which to date has been an absolutely secret committee.

And so I say that the relationship between the Committee on Foreign Trade Agreements and the Congress or the people is more distant than that between king and subject.

It is more akin to that between the Deity and the common mortal. We can only pray to the members of that committee that they might not injure an industry in which the people we represent are interested, by destroying its tariff, but so far as having any contact whatever with any of them is concerned, we have none, either under the law itself or under any regulation made under the law. I repeat that I want to disabuse your minds of the idea, if you entertain it now, that you did not entirely and unconditionally surrender all of the effective tariff-making power of Congress to the Chief Executive when you passed the Foreign Trade Agreement Act at the last session. I say when you passed it, because I am addressing myself particularly to the members of the majority party. The act did not pass with my vote nor with the vote of a single Republican Member of Congress.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Maine.

Mr. BREWSTER. I would inquire whether or not the gentleman was able to learn anything as to the committees which actually negotiated these agreements.

Mr. MOTT. That information is entirely secret; it is not given out. The fact finding and recommending committee is the Committee for Foreign Trade Agreements, but the personnel of that committee is to date a secret. It is not known, or, at least, it has never been announced to the public.

Mr. BREWSTER. And I would inquire further whether or not the committee before which we are permitted to appear and file briefs and make presentations has anything to do with those negotiations.

Mr. MOTT. Nothing whatever. The only committee before which we are permitted to appear is the Committee for Reciprocity Information. They are not allowed to make any recommendations; they do not even make any suggestions to the Committee for Foreign-Trade Agreements; their only function is to receive such information as an interested party may desire to give to them. That was the direct and emphatic announcement made by the chairman of the Committee for Reciprocity Information on Monday of this week upon the so-called hearing on the Italian trade agreement.

Another thing is this, and I suggest my colleagues bear it in mind, nobody has any direct right to appear even before the Committee for Reciprocity Information. If you desire to appear before that committee and state your views you may make an application in writing to the chairman of the committee for that purpose. He examines your application, and if he desires you to appear he sends you written notice that you may appear, and he also sends you a copy of the public notice, which states very definitely that the presentation of views before the Committee for Reciprocity Information is not a hearing at all and that it is not to be construed as a hearing. I repeat, therefore, that neither Members of Congress nor their constituents have any rights whatever under this act in the way of presenting their views, testimony, or arguments to anybody having jurisdiction to act upon them. They have no authorized contact, and it is absolutely impossible for them to get any authorized contact, with anybody in the executive department of this Government who has anything whatever to do with the making of these trade agreements.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is there any mandatory provision which forces this committee before which the gentleman appeared to pass the information which the gentleman or his constituents give to them along to the trade committee.

Mr. MOTT. None whatever, either by virtue of the statute or the regulations. The statement was made by the Chairman of the Committee for Reciprocity Information that it was not a fact-finding committee, and that it was not a recommending committee. The procedure, as I understand it, is this: When views or oral statements are presented to the Committee for Reciprocity Information they take these views and these statements and make a digest of them. This digest is passed on to the Committee for Foreign Trade Agreements, but not the briefs nor the oral arguments, unless these should be asked for. This committee has no contact whatever with the Committee for Foreign Trade Agreements. Let me repeat that up to this time the personnel of the committee which does the negotiating, which does the studying, and which does the recommending is a secret. Nobody to this day knows who they are. The only person whose name has ever been divulged to the public is Mr. Grady, representing the State Department. He is the Chairman of this Committee for Foreign Trade Agreements.

Now it was also stated by the gentleman from North Carolina [Mr. DOUGHTON], and likewise, I believe, by the gentleman from Ohio [Mr. HARLAN], that it was not the purpose of the executive department under the Foreign Trade Agreement Act to make agreements with foreign countries which would reduce the tariff to the injury of industries which were of any importance. This certainly is not the fact. To date these foreign-trade agreements have involved tariffs on industries, both agricultural and manufacturing, of major importance to several States of the Union, and more are to follow as rapidly as they can negotiate them.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Does the gentleman know of any large industry that has been injured since the reciprocal tariff has been in effect?

Mr. MOTT. Yes. I did not want to discuss that phase of the matter because I would like to devote what time I have remaining to my own industries which are involved in the proposed trade agreement with Italy, but I can mention several industries off-hand which have already been injured by these agreements. They are the sugar industry, the manganese industry, the copper industry, the potato industry, the winter-vegetable industry, and several other industries, both agricultural and manufacturing. I have a complete list of commodities already involved, if the gentleman would like to examine them.

Let me tell you now a little about this proposed trade agreement with Italy. In this proposed agreement the tariffs on three major products of the Pacific Northwest and of the State of Oregon are involved. So far as my own State is concerned, the principal ones we are concerned with are the tariffs on cherries, on filberts, and on walnuts.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Michigan.

Mr. ENGEL. Has the gentleman any information as to whether or not anyone is contemplating lowering the tariff on cherries and those articles?

Mr. MOTT. Unfortunately that information is absolutely secret and there is no way in the world that a Member of Congress can obtain it. That is one of the fundamental objections I have to the Foreign Trade Agreement Act.

Mr. ENGEL. At that hearing there were people representing farmers from Michigan to California making a presentation of facts regarding a product which they did not know and could not even find out a change was contemplated.

Mr. MOTT. That is true. We must shoot entirely in the dark. On direct inquiry from the Tariff Commission I was told that it would be impossible for the Commission to give out any information as to the proposed reduction of a tariff on any particular commodity until after all the studies, which are entirely secret, have been completed. I was informed that it would not be known what tariffs would be reduced until Italy comes in and says what tariffs they would like to have reduced. Then I asked directly if it would be possible to get information as to the procedure and intention of the Committee for Foreign Trade Agreements after Italy disclosed her desires in this regard, and I was told it was not. So the fact is that outside of the privilege that is given an interested party to appear before the Committee on Reciprocity Information, which committee has no jurisdiction whatever in the making of the treaty, no interested party and no Representa-

tive or Senator in Congress has any contact whatever at any stage of the proceedings with any treaty-making body, and the entire negotiations are absolutely secret.

Mr. CITRON. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Connecticut.

Mr. CITRON. May I ask the gentleman if he thinks that is any worse than what happened a few years ago when a gentleman from my State representing the Manufacturers' Association came into a committee and there secretly tried to connive certain things for certain manufacturers? Does the gentleman think that is a better system?

Mr. MOTT. If that was done, of course I do not condone it, but on the contrary, condemn it. Here is the difference, however. Under the system which prevailed when the Congress of the United States had jurisdiction over tariff making, anyone could appear before the Ways and Means Committee of the House at any stage of the proceeding and present his case. And he presented that case to the committee that actually framed the tariff law. Not only that, but when the Ways and Means Committee finally submitted a bill to the House, then the representatives in Congress of the people themselves had an opportunity to vote upon that tariff bill. They could accept it or amend it or reject it. Under the system which prevails now we have nothing to do with the matter. The whole thing is in the hands of men who were not elected by the people, who are not responsible to the people, and whose identity to date is not even known to the people.

Mr. BREWSTER. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Maine.

Mr. BREWSTER. May I ask the gentleman whether or not the Congress of Brazil is now debating whether they will ratify the reductions made in our tariff duties?

Mr. MOTT. I understand that is correct. The Brizilian Congress never went so far as to abdicate its entire tariff-making power to the executive department of that country, as did the American Congress.

Mr. BREWSTER. And may I ask the gentleman whether or not the Belgium Parliament has terminated the power to negotiate agreements, which compelled the announcement in reference to the Belgium treaty at the time it was announced?

Mr. MOTT. That also I understand to be the fact, but just what authority the trade negotiators now have under the laws of Belgium I do not know, but under the laws of the United States these trade negotiators have all the power. No one else in the United States has anything to do with it.

Now, Mr. Chairman, the remainder of the time allotted me is short, and in order that you may have an opportunity of examining the situation in regard to our tariff rates on cherries, filberts, and walnuts, which are involved in this proposed trade agreement with Italy, I am going to put in the RECORD a transcript of the full statement I made on this subject before the Committee for Reciprocity Information on Monday.

Perhaps the facts which we presented to this committee will do some good. Perhaps they will be passed along to someone who has something to do with negotiating the Italian trade agreement. Perhaps that somebody will consider the facts and will not reduce these necessary existing rates on these important commodities. But the fact remains that under the Foreign Trade Agreements Act we can only hope. That is all we can do about it, because Congress by that law has surrendered its jurisdiction over the subject.

I contend, therefore, that Congress ought to recapture its jurisdiction by repealing the law, and that in this Democrats, as well as Republicans, should join. For, after all, there is no real difference in tariff theory between the Republicans and Democrats, so far as individual opinion is concerned. The only difference is an announced official policy which is put into party platforms largely for historical and traditional reasons.

I know it is true in Republican territory that when a Democrat is elected to Congress the people simply do not pay any attention to what the Democratic platform declarations may be in regard to a tariff policy, because heretofore they have known if the Democratic Party got into power it would not pay attention to that declaration of tariff policy anyway. I may say that up to this time, so far as I know, and I have tried to follow the history of the thing very closely, no Democratic Congress has ever put into effect a Democratic platform declaration on a tariff policy until the present administration. The reason has been that Democrats, individually, do not believe in free trade any more than Republicans do. Neither, as individuals, do they believe in these reciprocity trade agreements, which are nothing more than thinly disguised free-trade treaties. When you voted for that you did not vote for it because you believed in it, because none of you do. You voted for it simply because it was demanded by a popular President. I venture to say there are not 50 members of the majority party in this House who, if a secret ballot were taken, would vote now in favor of this law, any more than you would vote again for the Economy Act. You did not believe in that, and you have already repudiated it. You should do the same thing with the Foreign Trade Agreement Act.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. MOTT. Mr. Chairman, I wish now to have inserted at this point my statement before the Committee for Reciprocity Information:

STATEMENT OF MR. MOTT BEFORE COMMITTEE FOR RECIPROCITY INFORMATION

Cherries

Mr. Chairman and gentlemen of the committee, the proposed trade agreement with Italy involves the rates of duty upon three horticultural products of major importance to the State of Oregon. These are cherries, filberts, and walnuts. Written briefs on behalf of the industries growing and marketing of these products have been filed with the Committee for Reciprocity Information; the brief on cherries by the Northwest Cherry Growers and Allied Industries Committee, on filberts by the Northwest Pacific Nut Growers Corporation, and on walnuts by the California Walnut Growers Association.

This oral statement or argument will be supplemental to the written statements contained in these briefs. Although filberts and walnuts are grown extensively in all the Pacific Coast States, and cherries in all of these States with Idaho and Utah included, I intend to direct my remarks largely to the industry in Oregon because it is in that State that I am most familiar with it.

It will be my purpose here to try to show the committee three things:

(1) That the business of growing, processing, and marketing cherries, filberts, and walnuts is a major industry of the State of Oregon and that its continuance and prosperity is essential to the welfare of the people of that State;

(2) That the industry was developed to its present proportions through the aid and protection afforded it by the tariff, and that its present existence is due largely to the imposition of the duties provided in the Tariff Act of 1930;

(3) That if these duties are reduced so as to again permit importations of them from Italy at a profit to growers in that country, the industry in the United States will suffer irreparable loss and damage to the permanent detriment of all the people of the State of Oregon.

If I am able to show to the committee by facts that these things are true, then I take it I shall have given a complete and a sufficient reason why, in the making of this proposed trade agreement with Italy, the existing duties on cherries, filberts, and walnuts should not be disturbed.

In the Pacific Coast States and in Idaho and Utah there are growing at the present time more than 4,000,000 cherry trees, a little less than 3,000,000 of which are of bearing age, and a little more than 1,000,000 are of nonbearing age. These cherries are grown upon 62,000 farms, more than 12,000 of which are devoted to the production of cherries on a commercial basis. One-quarter of a million people live on these farms, of which 50,000 are engaged in the growing of cherries on a commercial basis.

The investment involved in the cherry industry is $36,000,000. The average annual cash turnover is $14,000,000. The average annual pay roll is $5,000,000. The industry gives continuous yearly employment to 13,433 people, and the annual number of man-days labor provided by this industry is 2,790,000 man-days at $2 per day.

The State of Oregon produces about one-fifth of the cherries grown west of the Rocky Mountains. There are nearly 1,000,000 cherry trees now growing in Oregon, a number approximately equal to the population of that State.

In view of what I have just said as to the acreage, the investment, the cash turn-over, the value of the product and the pay roll, all of which facts and figures are established and elaborated in the written brief, I am assuming it is sufficiently clear to the committee that the production and marketing of cherries is a

major industry of the State of Oregon and that its profitable continuance is essential to the welfare of the people of that State.

I come now to my second proposition, that this industry was largely developed to its present proportions through the protection of the tariff, and that the industry was saved by the Tariff Act of 1930.

Up to and including the year 1929 production of cherries on the Pacific coast was almost entirely absorbed by the canning industry. In that year, due partly to competition of cheaper canned fruits, such as peaches, apricots, pineapples, etc., but due chiefly to the lack of purchasing power of the people, all canners curtailed their cherry pack, and since that year the annual pack of canned cherries, which is necessarily one of the most expensive methods of processing that product, has greatly decreased. By 1931 the demand for cherries for canning had almost disappeared and in many localities the 1931 crop was not even harvested.

Had it not been for the tariff on cherries which went into effect following approval of the Tariff Act of 1930 the cherry industry would have become virtually a ruined industry in that year. Up until 1930 Italy had been exporting to the United States an increasingly large amount of cherries in brine annually. The average annual importations from Italy for the years 1927, 1928, and 1929 was 17,500,000 pounds, while the average production of cherries in brine in the United States for the same years was 4,037,000 pounds.

The imposition of a tariff of 5½ cents per pound on unpitted cherries in brine and 9½ cents on pitted cherries under the act of 1930 enabled the American grower, who, on account of the reasons stated, had lost the major part of his canned-cherry market, to barrel his cherries in brine and sell them here in competition with the Italian product. Except for the tariff the American grower could not have done this and his market, which was and still is confined to the United States, would have been permanently lost. His $36,000,000 investment would have been sunk and the industry itself ruined.

From that time on, and solely by reason of the imposition of duty rates which made importation of brined cherries from Italy increasingly difficult, the American grower has gradually captured the American market for cherries in brine, as will be seen by the following:

In 1929 the importations of cherries from Italy, which incidentally is the only country which has competed in the United States with the domestic product, amounted to 22,289,000 pounds, practically all of which were brined cherries. By 1933 these importations had dropped to 686,000 pounds. During the same period the production and sale in this country of American cherries in brine increased from 4,037,000 pounds in 1929 to 18,750,000 pounds in 1933. This latter figure is about 1,000,000 pounds greater than the combined total average annual consumption of brined cherries in the United States for the 5 years prior to 1933.

From this it will be seen that there is no shortage of brined cherries. American growers now produce in every normal year more cherries than are consumed in this country. Once in a long while we have a short crop of cherries on the Pacific coast. We had one in 1934. Had it not been for that short crop there would now be a large surplus carried over in 1935.

The cherry crop from now on will increase rapidly on account of the new plantings made from 1923 to 1928, and these are just now coming into bearing. In the entire West nearly one-half of the total number of cherry trees are still of nonbearing age while in Oregon there are about three-fourths as many trees of nonbearing age as there are of bearing trees.

This surplus which will become increasingly huge, must find its outlet, if it finds one at all, through the brined product, which is by far the cheapest method of processing and the one, therefore, through which this product must be made increasingly available to the people of the United States.

If I have made clear to you thus far the facts themselves, which since they are facts of record cannot, I imagine, be subject to dispute, then I may assume that the truth of the first two propositions advanced at the beginning of this statement, namely, that the production of cherries is a major industry of the State of Oregon and that its profitable continuance is essential to the welfare of the people of that State, and second that it owes its present existence to the existing tariff on cherries has been established. I wish to undertake now to show that without this tariff the industry cannot continue as a profitable industry, which means, of course, that without the tariff it will not continue at all.

The Tariff Act of 1922 imposed a duty of 2 cents a pound on cherries in their natural state, sulphured or in brine, and on maraschino cherries and cherries prepared and preserved in any manner, 40 percent ad valorem. Cherries in their natural state, with the exception of a few varieties, are seldom shipped to any great distance. The tariff of 2 cents a pound on cherries, sulphured or in brine, was entirely ineffective so far as preserving the American market for the American producer of this product. The Presidential proclamation, under the flexible tariff provision, which increased the duties on sulphured and brined cherries to 3 cents, was likewise utterly ineffective. Due to the low cost of production in Italy, the Italians were able to grow and process these cherries, ship them to the United States in subsidized Italian bottoms, pay the tariff, and sell them here at a profit. Products of any kind, agricultural or otherwise, can and are shipped to a foreign country and sold there only when they can be sold at a profit. Where, by reason of an increase in the tariff, or otherwise, they can no longer be sold at a profit, the importations automatically stop.

The fact that the Italians did from 1922 to 1930, while previous tariff rates were in effect, export to and sell in the United States an average annual tonnage of cherries in brine approximately equal to the total consumption of the brined product in this country, is proof in itself that no duties prior to those imposed in the 1930 act were high enough to prevent the Italian product from being imported into the United States and sold at a profit. During the last year prior to the 1930 act, the year 1929, the Italians exported to and sold in the United States the largest tonnage of brined cherries they had ever shipped to this country, namely, 23,910,000 pounds. The Tariff Act of 1930 increased the rates to a point where importation of cherries from Italy became unprofitable and, therefore, the importations ceased. The rates imposed by the 1930 act were 5½ cents per pound for sulphured cherries in brine with pits, and 9½ cents per pound with pits removed. In the year immediately following the approval of the 1930 act the importations dropped to less than one-third of what they had been the year before, and by 1933 the importations had practically ceased.

All that it is necessary now to do in order to turn over again the entire brined cherry market of the United States to the Italians is to reduce the tariff to a point where Italian cherries may again be profitably sold in the United States and Italy will immediately export 23,000,000 pounds of brined cherries a year to the United States or whatever amount may be necessary in any year to supply the American market.

It is wholly impossible, even if it were desirable, to compete with Italy in the production of cherries. We cannot compete with Italy and still maintain our standards of living and of wages any more than we can compete with the Japanese or Chinese. In that portion of Italy where cherries are grown commercially, according to the figures furnished to me by the Department of Commerce, the present wages paid to agricultural labor ranges from 8.3 cents per hour for men to 4.6 cents per hour for women and 4.4 cents per hour for boys. The agricultural worker in Italy lives in an almost primitive manner. His diet is restricted to the simplest and cheapest foods. Such items as coffee, sugar, etc., are almost entirely out of his reach. He wears clothing produced in Italy at wages and under conditions which would not be tolerated in this country. His housing costs are practically nothing. No great amount of heat is required, especially in the southern districts, and his fuel item is negligible. No American farm family either could or would live upon the same standards as the Italian farm family and the same is true as to agricultural hired labor in the two countries.

This, however, is not all. Most of the farms in Italy are so small and the average family so large that in many cases it is not necessary for the farmer to employ agricultural help at all in order to harvest and market his cherry crop and the producer, therefore, is relieved for the most part of the necessity of paying even the wages I have cited, wages, which, in this country, would be considered as starvation wages and which are not available to any American cherry grower or operator in any branch of the cherry industry in connection with the growing, processing, or marketing of his crop.

To compete with Italians in the production of cherries would obviously mean a reduction of our standards of living and of wages to a level with theirs. No one, I think, wants to do that. The point I am making here is that it is not possible. It cannot be done in the United States.

Like the producer of most other farm commodities in this country the American cherry grower is now and for several years has been selling his product at a loss. At the present time the selling price of cherries is about one-half the cost of production. Complete statistics on this subject are contained in the brief and I shall not argue them here. The reason for this is, of course, the economic depression from which we are all suffering, whether we are engaged in agriculture or in some other industry, and which, we hope, is temporary. If we thought it was going to be permanent, we would not stay in the cherry-growing business any more than we would remain in any other branch of the farming industry. The cherry producers have sustained this loss because they had to, because they cannot abandon their industry and their investment nor surrender their market which the 1930 Tariff Act enabled them to capture, pending the return of normal conditions in this country. Any reduction whatever in the tariff will simply further reduce the price at which they must sell their product and to that extent increase their losses.

Now, I want to be perfectly frank and say to you that the only kind of a tariff that will do the cherry grower any good whatever is a tariff which is high enough to make it impossible for the Italians, who are their only foreign competitors, to ship cherries into this country and sell them at a profit. On the other hand, the only kind of a reduction in tariff rates that will do the Italian grower any good is a reduction low enough to enable the Italian grower again to ship his product here, pay the tariff, and still sell at a profit. Any other kind of a reduction would be of no value whatever to Italy, and Italy therefore would have no reason for asking for it.

It is obvious, therefore, that whatever tariff rate on cherries Italy may ask for or accept in negotiating the proposed trade agreement will, of necessity, be a rate that will enable her to produce her cherries in Italy, ship them to this country, pay that tariff rate, and still sell them in the American market at a profit. Italy could have no other conceivable reason for asking a reduction in the duty on cherries. And since, as I have shown, Americans cannot compete in price with Italians in the production of cherries, that means that the Italians would recapture the American market

for brined cherries. That the loss of that market would ruin the industry in America has already been shown. I venture to state it, therefore, as a reasonably demonstrated fact that the granting to Italy of any reduction in cherry duties which she would either ask for or to accept would mean the inevitable destruction of the commercial cherry industry, with its consequent irreparable loss and injury to the people of my own State and to the entire Pacific coast.

Filberts

What I have said of the cherry industry is applicable generally to the filbert industry. There are several features connected with the growing and marketing of filberts, however, which distinguish that industry not only from the cherry industry but from every other agricultural or horticultural industry, so far as the people I represent are concerned.

The production of filberts is peculiarly an Oregon industry. It is confined almost entirely to the States of Oregon and Washington, the 2 States producing 98 percent of the entire crop of the United States. The State of Oregon alone contained 83 percent of all the growing filbert trees listed in the 1930 census, and that percentage has increased considerably during the last 5 years.

Furthermore, filbert growing is confined only to certain portions of these two States; in Oregon to the Willamette Valley and in Washington to the southwestern counties between the Columbia River and Puget Sound. The reason for this is that the soil and climate of this restricted area is the only portion of the United States where filberts can be grown commercially. In fact it is one of the few areas in the world where this highly distinctive and valuable nut thrives. The other filbert-growing areas of commercial importance are southern Italy, Spain, Turkey, and other Mediterranian countries, which up until the time the present tariff rates on filberts were imposed, supplied most of the American market with this product.

Although the filbert-growing industry on a commercial basis in Oregon is only about 15 years old we already have more than five and a half million dollars invested in it. It is the fastest growing agricultural industry in the Pacific Northwest. In this comparatively small area we have 4,400 acres of bearing trees, 4,300 acres of trees which will reach bearing age in from 1 to 4 years, and 1,250 trees which were planted this year.

The present acreage, of course, represents but a fraction of the total acreage in this favored area which is capable of producing filberts commercially. With the entire United States as a potential market for a product which in its highly developed and improved form is not equaled by the product of any foreign country, the possibilities for the future of this industry are almost limitless.

With proper tariff protection which will allow us to develop this industry and its market to the point where it is capable of being developed and where it ought to be developed, the prosperity of the farmer in western Oregon and Washington will be assured, because he will become increasingly engaged in an agricultural specialty in which there is no competition in this country, and at the same time he will be taking out of production land on which surplus crops are now grown—crops which at present come into competition with farmers in every State in the Union.

The development of the domestic market for filberts has not been coincident with the increase in its tariff protection to the same extent as obtains in the cherry market. There are several reasons for this, one being that filberts have never been given an adequate tariff protection, as have cherries since the passage of the 1930 act. The present rates of 5 cents on unshelled nuts and 10 cents on shelled are entirely inadequate to keep out the foreign product, which, on account of the low cost of production in Italy, can be sold here at a profit after paying that rate of duty. The tariff has, however, inadequate as it is, served to keep the price of the product higher than it would be without it, and it has been responsible to some extent for reducing the importations since it went into effect, thereby enlarging the American market for the American producer to the extent of the decrease in importations.

Prior to the Tariff Act of 1930, the rate on filberts was 2½ cents per pound for unshelled nuts and 5 cents per pound for shelled. Like any other ridiculously low rate on any product, this duty had no effect whatever on foreign importations. I may say in passing that the difference in cost of production of filberts here and in Italy is even greater than that of cherries. The filberts of Italy are grown with little, if any, cultivation, and with practically no standardization or grading. All the Italian does to harvest his crop of filberts is to pick them off the ground when they fall at the proper season, and take them to his own home, where he and his family crack them by hand under no supervision, sanitary or otherwise. They are not washed, dried, graded, or processed in any way, as is required under American methods or American standards. No American farmer can compete with those methods or with those standards of living.

Americans cannot grow or harvest crops in that way, whether they be filberts, cherries, or any other farm product. In the first place the Oregon farmer has an actual average investment of $666 in every acre of bearing trees, as will be seen by reference to exhibit D in the brief, and it costs him 13.7 cents per pound to produce his crop. The break-down for this will be found in exhibit B. The Italian can produce his crop for a mere fraction of this amount, probably for a cost of not to exceed 3 cents. The price to the American grower last year was from 8 to 9 cents, which on account of the low tariff is, of course, a competitive price, the American buyer having the opportunity of purchasing either the American or the Italian product. The Italian grower last year produced and sold his filberts at a cost which permitted the Italian buyer in Italy to take that product, pay the freight on it to New York, pay a tariff of 5 cents per pound, and sell it here at a profit in a market where the price was from 8 to 9 cents. If the Italian grower made a profit his total cost of production per pound could not have exceeded the actual farm labor cost of producing a pound of filberts in Oregon, and it would have been less than one-half the item of interest alone chargeable per pound of nuts to interest on his bearing-orchard investment.

I have no desire to elaborate further upon this point. As I stated in my remarks on the cherry industry, Americans cannot compete with Italians in the production of a competitive agricultural commodity to be sold in this country any more than they can compete with Japs or Chinamen, and if you are going to give Italians competitive access to American horticultural markets the American horticultural industry in those competitive products will have to cease.

The small tariff on filberts, while not sufficient to prevent the filbert grower from operating at a loss, has at least given him a chance to dispose of his steadily increasing production and to hold the market for it. He had hoped at this session of the Congress for an increase in filbert tariffs sufficient to enable him to hold that increasing market at a profit instead of a loss, and he would have received that increase had not the Congress, under the 1934 tariff act, transferred its effective tariff-making authority to the Chief Executive. Please do not construe this statement as political. I am simply stating a fact that is quite familiar to everyone in Congress. I know of no Member of that body, whether Democrat or Republican, who would have objected to this necessary increase on the filbert tariff.

I say the 1930 tariff of 5 cents per pound on unshelled and 10 cents per pond on shelled filberts enabled the American grower, by sustaining what he had every reason to believe was a temporary loss, to capture and hold the market for the increasing supply of his product, a supply which will increase rapidly from year to year as the 4,500 acres of nonbearing trees come into bearing. The nonbearing trees now exceed the bearing trees and new plantings are now being put out at the rate of about 1,000 acres a year. That it would have been impossible for him to hold this market at the 1922 rate, I think will be admitted by everyone who knows anything about the subject, because under the old rate the Italian product could have been sold here last year at 5 cents per pound, which is about 40 percent of the cost of production in the United States. Under the 1930 rate the Italians sold their product here at about 70 percent of the cost of production in America.

Prior to the time the 1930 tariff rates went into effect practically the whole American filbert market was supplied from importation from foreign countries, including Italy. Importations increased with the demand, until in 1929, the last year prior to the imposition of the new rates, there were imported into the United States 21,000,000 pounds of filberts at an average price so low no American grower could compete with them. Fortunately the supply of the American product up until that time had not been large. The year after the 1930 rates were imposed, importations dropped to 15,000,600 pounds, with an increase in the sale of American filberts. The next year importations dropped to 12,600,000 pounds and the American grower absorbed a little more of the American market. In 1933 importations had gone down to 8,100,000 and last year the importations were 7,800,000 pounds. These figures are based on importations of both shelled and unshelled nuts by a mathematical calculation which gives the equivalent of unshelled nuts.

The figures I have given include total importations from all filbert-producing countries. The Italian imports in 1929 were 5,459,000 pounds. After the 1930 rates went into effect Italian importations decreased at about the same rate as the imports from other countries, diminishing to 1,881,000 pounds in 1933.

During the same years the increase in the sale of American filberts in the United States was as follows: In 1929, 200,000 pounds; in 1931, 700,000 pounds; in 1932, 800,000 pounds; in 1933, 2,000,000 pounds; and in 1934, 2,261,000 pounds.

As our domestic production increases we desire to dispose of it and to dispose of it at a profit. Whether we dispose of that product at a profit or a loss depends upon whether we receive adequate tariff protection or not. In the case of cherries I stated that an adequate tariff was one that was high enough to keep the foreign product out of this country altogether. The reason for that, as I explained, was that the American cherry grower already was producing enough of his product to completely supply the American market. Therefore any tariff low enough to permit importation of cherries at a profit to the Italian grower is obviously an inadequate tariff.

An adequate tariff on filberts is, in my opinion, arrived at by a slightly different method, although its practical results are the same so far as the American grower is concerned. We do not produce enough filberts at the present time to supply the demand. The total American consumption last year was about 10,000,000 pounds of which the American grower supplied a little more than 2,500,000. Our production is increasing so rapidly, however, that within a very short time our production will be equal to the total consumption for last year, and from then on it will surpass it by an increasing amount each year. It should be remembered that in the last 4 years, from 1929 to 1934, our production increased from 200,000 pounds to more than two and a half million pounds, and that in 1935 there are more trees of nonbearing age than of bearing age, with new plantings averaging 1,000 acres a year.

Until our production reaches an amount equivalent to total consumption of foreign and domestic filberts, an adequate tariff is one which will assist the American producer to sell his product

in America at a profit. Such a tariff will until that time be a competitive tariff. It will not shut out the Italian for it will enable him to increase his price also while supplying that part of the market which we cannot yet supply.

Let me make this clear, however: The moment our production of filberts equals consumption, then the method by which an adequate filbert tariff should be determined changes to that proposed in my statement on the cherry tariff, for when we are able to supply the entire domestic market without importations, then the tariff should be fixed at a point below which neither the Italian nor any other foreign grower can sell his product here at a profit. In other words, the tariff then should be sufficient to shut out the foreign product altogether, and leave the entire market to the American producer. The price then will be regulated by supply and demand.

There is no reason why the American market should not in time absorb a filbert production of 50,000,000 pounds per year. Consumption of this product, which is and for some years to come will be an expensive one, is at its low stage. This is due principally to the lack of purchasing power on the part of the people, and that lack of purchasing power has affected every agricultural and horticultural product. But, as in the case of cherries, we hope and we believe, this will not always last. During the 5 years preceding the depression the average yearly consumption of filberts in the United States was about 23,000,000 pounds, practically all of which were imported.

If normal times return there will again be that consumption immediately, and if we have proper tariff protection that consumption will be supplied entirely by American growers. The annual consumption of the 5-year predepression period, however, is much less than what could be consumed or what will be consumed every year when the whole people become familiar with this product. A comparatively small portion of our population have even discovered the filbert as yet. It is a new product, particularly in its present improved form. The filbert of today is a 100 percent better product than it was in the predepression period. In the regions where it is grown it is perhaps the most popular of all nuts at the present time. As soon as the people of the country get to the place where again they can buy the things they want the consumption of filberts in the United States will not only return to its predepression high point, but it will go steadily on from there indefinitely. All the filbert industry needs now is to give it the tariff protection it is entitled to and its future will be assured.

Walnuts

I had intended at this time to cover briefly the subject of walnuts, but on account of the time already consumed, and because of the fact that two very able men from our sister State of California are here to present their arguments in behalf of that product, I will content myself by stating generally that so far as Oregon is concerned, the case of the walnut industry insofar as production markets and the tariff are involved is almost parallel with that of the cherry industry. It has the same history, it was developed in the same way, by tariff protection, it has reached a similar position with regard to supply and demand. It has the same problem in regard to foreign competition, from which it should be relieved entirely by an adequate tariff. It occupies the same position in my State as the cherry industry does, and the prosperity of that State is just as much dependent upon the profitable continuance of that industry as it is of the cherry industry.

Like cherries and filberts we are holding our walnut market by sustaining for the time being a loss, until general purchasing power is revived, and we want no reduction in our meager tariff of 5 cents per pound for the unshelled and 15 cents per pound for the shelled product, which would again permit the importation of 59,000,000 pounds of walnuts into this country every year, which was the figure for the year immediately preceding the imposition of the increased rates under the act of 1930. From the time that tariff was imposed it had the same effect upon the walnut industry as the 1930 rates had upon the cherry industry. Imports decreased from 59,000,000 pounds in 1929 to 17,000,000 pounds in 1934, and as these imports diminished the sale of the American product increased. We have now captured our own market for our own walnuts. To turn this market back to the foreign producers, who live and produce their commodity on a scale of living which we would not even tolerate, would be nothing short of criminal, and I for one refuse to believe that anyone in the executive branch of my Government is going to do that, even though by virtue of the 1934 Tariff Act they may have that power.

Gentlemen of the committee, we do not have to ruin American industry, we do not have to rob the farmers of the West coast who have put their life savings into cherry and filbert and walnut farms, we do not have to blight the agricultural future of my State and kill its hope for prosperity in order to carry on legitimate trade with Italy or with any foreign country. Italy grows and makes many products we do not produce and which we have no desire or opportunity of producing. We welcome the importation of those products. We are glad to have them and to pay fair prices for them, prices far beyond what the producer can receive in his own country.

We in turn produce many things which Italy cannot produce, or at least does not produce. We are glad to send these things to Italy and sell them there in fair competition with the producers of other nations. This is natural trade with Italy. It is the kind of trade which hurts neither of us, but which benefits both of us. Make a trade agreement with Italy in regard to these products if you must make an agreement, although in my own opinion no agreement as to these noncompetitive products is necessary either with Italy or any other country. We will carry on trade with Italy in those products whether any agreement is made or not.

But as to competitive products which are raised in both countries, products which on account of the difference in the cost of production Italians can profitably ship to the United States but which the United States cannot ship to Italy—products like cherries, filberts, and walnuts—on such products I say there is no reason upon any ground for making a trade agreement at all even if it were possible to make a fair agreement. But when such a trade agreement is proposed to be negotiated through the lowering of necessary tariff rates on such products, so as to rob the American producer of his own market, and to oblige him either to abandon his industry altogether or to reduce his standard of living to a level of that of the foreign producer, then I say the proposal is wrong, it is uneconomic, it is unpatriotic, and I repeat again that I cannot believe that any executive officer of this Government will do it.

So much, then, for the proposed trade agreement with Italy. Now, I have just been notified that the State Department has published notice that it intends to enter into a trade agreement with Canada. In that our protective tariff on lumber and on shingles will be involved. In normal times more than half of the entire pay roll of my State comes from lumber and its allied industries. My constituents, Democrats and Republicans alike, are writing me and wiring me to do everything I can to save their lumber tariff, just as they have implored me to try to save the tariff on cherries and filberts and walnuts.

Many of you have already received similar appeals from your people, and before this Congress adjourns you will all receive them, whether you be Democrats or Republicans. If Congress again had jurisdiction over the tariff, you and I know we could save our industries. You and I would have something to say about it, and we both know what we would say and how we would vote. Therefore I appeal to you, regardless of party, to join in repealing the 1934 act.

[Here the gavel fell.]

Mr. MOTT. If I may have one-half minute more, I just want to remind the House of the fact that the gentleman from Nevada [Mr. SCRUGHAM], who has introduced a bill to repeal the Foreign Trade Agreements Act, is a Democrat, a good one and real one, and I hope this bill may have the support of everybody on both sides of the House. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield myself 15 minutes.

I wish to give the House an outline of the bill with respect to the items appearing in it for deficiencies and for supplemental purposes, and as concisely as possible, why they are necessary.

We will first take the Veterans' Administration. There is an item of $94,650,000 for pensions and compensation which is caused by several acts of Congress in liberalizing payments to veterans, including Spanish War veterans, their widows, and so forth. This was caused primarily by an amendment to the Independent Offices Appropriation Act at the last session of Congress at which time the necessary appropriation was not provided. This money is granted to cover the period from April 1 to June 30 next.

The National Archives was established by a new act last session and $50,000 has been appropriated for the fiscal year 1935. We are providing them with an operating administrative fund of $475,000, of which $75,000 is for 1935 and $400,000 for 1936. The estimate was $550,000, but we reduced the estimate $75,000.

For the exposition in California, which was authorized by a recent act, $350,000 is carried. It is necessary if the departments are to prepare, transport, and install their exhibits out there, to appropriate the entire amount which includes $125,000 for a Government building.

Next is the high commissioner to the Philippine Islands authorized by the Philippine Independence Act. There was submitted an estimate of $225,000 and we appropriated $165,000, believing this would be sufficient as the estimate was based upon a full fiscal-year basis and they will not be ready for a commonwealth status until about the first of next January. They have to draft a constitution, which has been done, they have to send it over here for the

President's approval, and it is on its way, and then it has to go back and be submitted to the people at a general election. There are many intermediate actions before the commonwealth is in existence and it probably will be the first of January before they are ready.

There is a peculiar angle about the Philippine situation. I thought that we were going to start immediately in making reductions in our appropriations with respect to our ownership of the Philippines. As a matter of fact, for the next 10 years we will be subject to an increased cost in maintaining the Philippines. We will keep whatever part of our Army and Navy we have had over there at a cost of about $13,000,000 or $14,000,000, and in addition to that, we have to maintain this High Commissioner for the next 10 years at a cost of about $175,000 a year. It is true we cease paying the Resident Commissioners from the Philippine Islands, including their clerk hire and mileage, but as a matter of fact, as a result of all the legislation on the Philippine Islands we are subjected to about $140,000 a year more expenses for the next 10 years than we have had in the past. In addition there is already agitation for the erection of a building there to accommodate the offices of the High Commissioner and his staff and also possibly as a residence for the High Commissioner with the view that after the 10 years are up it may be used for the diplomatic, consular, and whatever other representation we may have there. Perhaps, in the long run Philippine independence may be a good thing, perhaps not—who knows?

For the Forest Service there is $2,348,000 for fighting forest fires, which is the ordinary deficiency. In other words, we never appropriate in advance for the Forest Service to fight fires the amount we think they ought to have. We provide a nominal amount of $100,000 in the regular appropriation bill to carry the language govering this expenditure and the law authorizes the Forest Service in fighting fires to incur a deficit, so every year we appropriate to cover this deficit. Unfortunately, we have had an unusually large number of fires this year on account of the drought. We have had over 10,000 fires in the national forests and this is unusual. The average number is 7,000. About 600,000 acres in forest area were burned. This appropriation will leave $166,000 for emergency work during the remainder of the fiscal year, together with the $100,000 to be provided in the 1936 agricultural appropriation bill.

For the War Department there is appropriated $6,683,000 for deficiencies. Why? When we passed the War Department appropriation bill at the last session it was figured on an average cost per ration of 31.5 cents. The average price of the ration for the first 7 months of this fiscal year was 41.6 cents.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. DICKSTEIN. There has been an awful lot of complaint all over the country about the price of food going up. I am surprised that the price of rations did not go up more in comparison with the increase in price among the civilians. Can the gentleman explain the cause of this? Has the gentleman's committee gone into the question of why the price has jumped from 31.5 cents to 41.6 cents?

Mr. BUCHANAN. We have not gone into the economic causes for rise in the price of food. We know it has risen, we know the price of paper has risen, we know the price of many commodities has risen.

Mr. DICKSTEIN. The gentleman cannot give an opinion as to why the price of foodstuffs for the Army and the Navy has gone up to such an amount—almost 14 or 15 percent?

Mr. BUCHANAN. Can the gentleman from New York?

Mr. DICKSTEIN. I am trying to find out—I would like to find out.

Mr. WOODRUM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WOODRUM. The gentleman knows that it was the deliberate purpose of the Department of Agriculture to raise the price of foodstuffs. I see the gentleman from Kansas on his feet, perhaps he can tell us. That is one deliberate purpose of the Agriculture Department.

Mr. BUCHANAN. Not only the deliberate purpose of the Agriculture Department, but it was the deliberate purpose of the administration to restore the price levels of 1926. Of course, the restrictive legislation here and there on production has had the effect of increasing prices.

Mr. COLDEN. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. COLDEN. Is it not true that the Army has contracts for supplies and so is not affected by this rise of the prices of food at the present time?

Mr. BUCHANAN. That is not entirely true.

Mr. WOODRUM. The gentleman will realize that these appropriations are for contracts in the future, for 1936. What the gentleman says is entirely true as to contracts for 1935. These appropriations are to take effect next July.

Mr. BUCHANAN. The additional amount for subsistence of the Army is $3,465,000. This is the largest deficiency of the War Department. There are other amounts growing out of acts of Congress, principally the reduction in overseas duty from 3 to 2 years, and on account of increases in the price of forage and fuel.

Now, take the Post Office Department, which the gentleman from New York [Mr. MEAD], spoke about a few minutes ago; that requires $3,049,000. That was the estimate, and we allowed it. The sum of $2,500,000 of that is for the 10 percent additional for night work for clerks in the first- and second-class offices. That is authorized by law.

There is also included $500,000 for the City Delivery Service, of which $300,000 is for necessary expenditures because of the increased business during the Christmas holidays and $200,000 is for the 10 percent additional for night work. Then $49,000 is for the increase in the price of stationery. These three items make up the $3,049,000. They are all legitimate items that ought to be allowed.

Next the Treasury Department: The estimates sent to us were $1,429,504 and we allowed all except $52,000. The sum of $97,000 is to provide for the increased cost of stationery supplies. That is a necessary and legitimate item. We gave $1,332,504 for the Coast Guard. When we passed the appropriation bill last year it was based upon the theory that when we repealed the prohibition amendment, smuggling operations would decrease. Anticipating their decrease, we decreased the appropriation for the Coast Guard.

As a matter of fact that anticipation was not realized. Smuggling, instead of decreasing, probably increased and here is the cause of it. Pure grain alcohol has been smuggled into this country in enormous quantities. They smuggle it in in cases, 3 gallons to each tin container and 2 containers in a case. The amount of internal-revenue tax and customs duties which would be due the United States upon entry of one of those cases would be $80. They have been smuggling this pure alcohol, which, of course, is concentrated, into the United States in vast quantities, and it has been estimated that if all the existing tax had been paid upon the quantities smuggled into the United States it would have amounted to about $50,000,000 in revenue.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. LUDLOW. Supplementary to what my chairman says, the testimony was developed before our subcommittee, and expressed in a form of graphs, that in certain sectors of the Atlantic coast, smuggling has largely increased since the repeal of prohibition.

Mr. BUCHANAN. That is true. The situation became so acute that through consultation of the Secretary of the Treasury, the Director of the Budget, and others, the apportionment of the appropriation was waived and the Coast Guard, to prevent this smuggling, was permitted to increase its activities and its expenses. The appropriation we allow here will do nothing more than permit them to carry on the same operation they now have to the end of this fiscal year and it will be the same personnel that is provided under

the appropriation we have passed in the regular Treasury Department appropriation bill for the next fiscal year.

As a whole, the estimates that come to our committee for deficiencies and supplementary direct appropriations amount to $112,422,801.04. Your committee reduced specific items of that appropriation by about $190,500. However, we added about $38,500 on account of items for the legislative branch, and that left a net reduction of $152,000 under the estimates for this bill. It is gratifying that when we allow all these amounts, even those caused by new acts of Congress, we are still under the Budget. [Applause.]

In this bill is included $60,000,000 for crop-production loans, under a new act of Congress not anticipated when the Budget for 1936 was sent to Congress. In fact, it was anticipated by the administration that it would not be passed, but we passed and sent it to the President and he has approved it. On what ground? On the ground that it involves a relief measure and must come out of the work-relief funds, the $4,880,000,000 relief bill that we passed in the House, and which they are now considering over in the Senate. The President sent an estimate to Congress providing that the $60,000,000 should come out of the $4,880,000,000 relief fund.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SHORT. The Senate bill really called for an appropriation of $100,000,000 for the purchase of seed, did it not?

Mr. BUCHANAN. Yes; but I am discussing the crop-production loan-authorization bill after it passed both Houses and was agreed upon in conference.

Mr. SHORT. The $60,000,000 is a very conservative estimate when we consider the seriousness of the drought.

Mr. BUCHANAN. Now, the problem presented to the committee was this: If this money was to be allocated from the appropriation in that joint resolution (H. J. Res. 117), now pending in the Senate, it would be entirely too late for seed loans in many sections of the United States. There is no telling when that resolution may finally pass. So the problem was to provide the money in such a way that it would be charged to the funds in that resolution when it finally did pass. Therefore, we appropriated $60,000,000 from the unexpended balance in the $525,000,000 drought-relief appropriation of last session, which happened to be a little over $60,000,000. That unexpended balance in the drought-relief fund has been reserved by the President and its expenditure prevented, in order that it might be available to help make up the $4,880,000,000 in the work-relief resolution. So that we have carried out the President's estimate as he sent it to this House, through the means of selecting an unexpended balance that is a part of the $4,880,000,000 fund and reappropriating it in this bill, without any increase in the estimated Budget expenditures.

I thank you and I yield back the balance of my time. [Applause.]

Mr. MOTT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein a statement which I made before the Committee for Reciprocity Information on Monday of this week relative to the tariff on cherries, walnuts, and filberts.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I wish that time permitted a very exhaustive discussion of the matter that was just alluded to by the distinguished Chairman of the Committee on Appropriations with respect to the smuggling of alcohol. The fact is that every time 2½ gallons of proof alcohol comes into this country, smuggled from some outside source, it represents the smuggling into our country of 1 bushel of corn. Since I live in the Corn Belt, obviously I am deeply interested in corn that comes in, because it is the equivalent of defeating the 25-cent tariff that is imposed upon all corn imported into this country.

That is only a prelude after all, to what I want to say, with respect to some of the inconsistencies in the operation and administration of the Agricultural Adjustment Act. On the 25th of February there was landed in the port of Baltimore, which is only 40 miles away from the United States Capital, 3,000,000 bushels of corn which came from the Argentine. On the 6th of March 1935 there was landed in the port of New York 6,000 tons of corn from the Argentine. As you skim the daily bulletins and gradually unearth these little bits of fact, we find that rye has come from Poland and Latvia and landed in New York; it goes to Albany, it goes to Duluth, and it goes to Chicago. Oats are coming in from the Argentine. This will be of particular interest to the gentleman from Iowa. The oats are shipped by water and are being processed into oatmeal in the State of Iowa today. Think of it! Argentine oats processed into oatmeal in the State of Iowa. Two million pounds of pork, chilled and frozen, have come in from Canada, paying a duty of 2½ and 3¼ percent under the 1930 Tariff Act.

Let me submit to the Members of this House that we passed the Agricultural Adjustment Act, and pursuant thereto we took 6,200,000 little pigs off the market. Then we took 200,000 brood sows. Then we contracted and took out of cultivation 12,600,000 acres of corn land in the Corn Belt of the country—over twelve and one-half million acres. We said to the farmers, "You reduce your acreage by 20 percent and we will give you 30 cents a bushel upon the average that was not grown." We also asked them to reduce the farrowings of hogs by 25 percent, and then we paid them $5 a head on the hogs that were not produced.

Let me say that I supported the Agricultural Adjustment Act. If I had it to do over again I would do precisely the same thing, but what I want to point out is this inconsistency, that we kill our own pork and make fertilizer out of it; that we take out 36,000,000 contract acres altogether and then we permit corn and oats to come from the Argentine; we permit rye to come from Poland and Latvia, and we permit barley malt to come in and we permit pork to come in from Canada. Now, there is no way of keeping it out at the present time unless we embargo these shipments. But does it make sense? Is it consistency, when we pay out $195,000,000 to the farmers for reducing corn acreage and reducing the farrowings of hogs and then permit pork to come in from Canada?

Someone will say there is a compensating tax in the act. So there is. The compensating tax is equal to the processing tax that is imposed at the time it comes into this country. That would be 2½ cents, added to the duty, which is 5 cents altogether. With pork chops selling for 35 cents a pound how are you going to keep that pork out of this country and preserve our markets and our prices for our own farmers? With an aggregate of 5 cents for processing and compensating tax and so-called "duty", and no hog-reduction program in Canada, it will never keep that pork out. Consequently, you will find that ultimately the benefits we have sought to bestow upon the farmers of this country are going glimmering.

Mr. MOTT. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MOTT. The gentleman would like to keep out those products he has just mentioned?

Mr. DIRKSEN. Indeed.

Mr. MOTT. Does the gentleman know that the President at the present time has authority to embargo all those products and that he has never exercised that authority up to date?

Mr. DIRKSEN. I think that is true.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MOTT. Does the gentleman know also that in addition to all these products that are coming in over the tariff wall, paying the tariff and still underselling our own farmers, that the President has taken off entirely the tariff on hay and straw from Canada and that these products come into the United States at the present time duty free?

Mr. DIRKSEN. Let us look at the complete development of this program and ascertain just why it was devised and

enacted into law. On May 12, 1933, the Agricultural Adjustment Act became law. It was an emergency measure, extending to wheat, corn, hogs, rice, tobacco, and milk products, for the purpose of raising prices, increasing the purchasing power of farmers, and effecting a parity between the prices they must pay for the things they purchase and the price they receive for their own commodities. I supported that measure.

The mechanics of the measure was quite simple. It authorized a processing tax to be imposed upon processed commodities, and this tax was to be used to reimburse farmers for curtailing production. In substance, it asked farmers to cooperate in reducing acreage and hog production, in return for which they were to receive a benefit and rental payment, which was collected from the consumers of the Nation.

Under this A. A. A. program the farmers of the Corn Belt "contracted" with Uncle Sam to take over 12,000,000 acres of corn land out of production in the 1934 crop year. The corn farmers also reduced their hog production. For this sacrifice of production the A. A. A. paid $195,641,229 to the corn-hog farmers. Of this amount, more than twenty-four and one-half million dollars went to the farmers of Illinois. Our Illinois farmers also received a little less than $4,000,000 for reducing wheat acreage.

Now, it occurs to me that a program which seeks to remedy a condition resulting from an alleged surplus by reducing the production of corn, hogs, wheat, and other commodities and paying for that reduction with public funds which were raised by a tax which is paid by every man, woman, and child in this country who can be considered as part of the consuming public, that everything possible would be done to maintain a consistent policy by preventing the importation of commodities in direct competition with those which we produce. It seems to me the very height of inconsistency to pay cash for reducing the number of hogs farrowed and then permit pork to come in from other countries. It seems to be the very acme of inconsistency to have purchased 6,200,000 little pigs and 220,000 brood sows in order to get them off of the market and then permit pork to enter from other countries. It seems to be the very essence of inconsistency to ask farmers to reduce their corn acreage by 20 percent and pay them 30 cents per bushel for the corn they might have raised and then permit corn to come in from other countries. It seems wholly inconsistent to ask our farmers to reduce their corn acreage and pay them for so doing and then permit products which can be used to displace corn to come in from other nations. It seems not only inconsistent but also unfair to our farmers and our consumers.

To be specific, a full shipload, consisting of 3,000,000 bushels of corn from the Argentine landed at Baltimore on February 25, just 40 miles from the Nation's Capital. On March 6 the steamship *Marcella* arrived in New York from the Argentine bearing 6,000 tons of corn. Recently several million pounds of pork have been shipped to us from Canada, and you can believe it or not, but it was reported to me on March 9 that a shipment of Argentine corn is expected to arrive in Peoria, Ill., soon, in the very heart of the Corn Belt. Similarly, rye from Poland and Latvia, wheat from Canada, and oats from the Argentine have been brought into the United States. As these shipments of grain and pork tend to increase, they will offset and negative the benefits of the A. A. A. to the farmer, who in good faith cooperated to reduce the so-called "surplus" in the hope of stimulating prices.

I assumed also that if we asked the farmer to reduce production, something would be done to preserve his industrial market. It seems to be an act of sheerest folly to say to the farmer, "We are asking you to reduce your corn acreage because we have too much corn. By reducing your corn production, supply and demand will balance each other and the price will go up. But we will leave the back door open so that such commodities as tapioca starch and blackstrap molasses, which displace corn in industry, can continue to enter." What nonsense is this? Hundreds of millions of pounds of tapioca flour, which is used in the manufacture of adhesives, sizing for textiles, and so forth, came in last year duty free and robbed our farmers of a large portion of their industrial market. Blackstrap molasses, which comes from Cuba, Puerto Rico, and other offshore islands under a duty of only three one-hundredths of 1 cent per pound of sugar content, continues to enter at the rate of hundreds of millions of gallons annually and displaces corn in the manufacture of alcohol. In fact, of the 142,000,000 gallons of industrial alcohol produced in 1932, less than 5 percent was made from corn. Yet we place a tax on the consumers and ask the farmer to curtail his acreage because we produce too much.

It may be of interest to recite what the prevailing duties are on imported agricultural products. The rates are as follows: Corn, 25 cents per bushel; barley, 20 cents per bushel; barley malt, 40 cents per 100 pounds; oats, 16 cents per bushel; rye, 15 cents per bushel; wheat, 42 cents per bushel. Live cattle, 2½ to 3 cents per pound; frozen and chilled beef and veal, 6 cents per pound; live hogs, 2 cents per pound; fresh, chilled, or frozen pork, 2½ cents per pound; bacon, hams, and shoulders, 3¼ cents per pound; lard, 3 cents per pound; eggs, 10 cents per dozen. How are you going to prevent pork, corn, oats, and other competitive products from entering this country and destroying the benefits to farmers as a result of curtailment of production with such duties?

The Argentine had 42,000,000 bushels of corn available for export which it could send to this country because of a favorable price. In addition to that a new crop of Argentine corn will be available in April, and if the price remains favorable, it is to be expected that further imports of corn will enter this country and serve to put a capstone on the prices that the farmer will receive.

It has been said that these imports are necessary to take care of our feed requirements. That contention cannot be true of blackstrap molasses imported from plantations in Cuba controlled by certain sugar interests in New York; it cannot be true of tapioca flour and tapioca starch; it cannot be true of pork products. It could be true only of corn and feed wheat. With respect to pork products, it seems strange that there occurs on the floor of this House at least several speeches per week lamenting the loss of our agricultural export markets. What have the lamenters to say about the fact that the greatest corn- and hog-producing nation in the world, the one domain in which we are and have been supreme, is now importing corn and pork. But how can we justify the importation of corn even for feeding purposes? To admit that there is a feed shortage means that the farmers have failed to raise a feed crop which would be the same as money to them. It offers even more reason why they must be fully protected on the little they did raise, and to permit imports of corn and pork to enter and depress prices is at complete variance with the whole A. A. A. scheme for effecting parity prices for our farmers.

If you refer to the Corn-Hog Adjustment Handbook prepared by Mr. A. G. Black, Chief of the Corn-Hog Section of the A. A. A., note that on page 5 he states, "livestock feed requirements in 1935 would certainly be considerably below average", and that "the total number of hogs to be fed for slaughter during the 1934–35 marketing season beginning on October 1 would be at least 30 percent below the 2-year average." Mr. Black also ventures the observation that "corn prices were relatively high because of a moderate reduction in corn supplies", and then on page 58 states that "in fact, many of the emergency crops planted were more drought resistant than corn and produced more feed than corn would have produced."

If in Mr. Black's own words there is a "moderate" reduction of corn supplies and a considerably lower requirement of livestock feed, it seems difficult to justify these importations of corn unless there seems to be a desire to favor some geographical section of the country at the expense of the Corn Belt farmers.

We are up against a few stark and disagreeable facts. Drought, together with reduction and curtailment programs, have sent prices sky-high. The consumer is beginning to complain bitterly, particularly so since wages have not gone

up and the cost of necessities is out of proportion to the size of the pay check. The result is consumer resistance against high prices, which in turn is reflected in diminished sales. This causes the packer to complain. Importations of pork and other products will have a tendency to check or even lower farm prices for these commodities, giving the farmer a just cause for complaint, because he has already made his sacrifices for the benefits that he now hopes to enjoy and which were abundantly promised to him. Moreover, while gross farm income has risen, the farmer has been compelled to pay higher prices for what he buys by virtue of the effect of N. R. A., and once more we get into the vicious circle of seeking a balance and not knowing precisely where to begin. Considering that many of our farmers harvested only a half or a third of a crop of corn, prices for corn could well be higher than they are at the present time before the farmer can develop any real purchasing power.

This is equally true in the case of wheat. From July 1933 until March 1934 the North Pacific Emergency Export Association exported more than 16,000,000 bushels of wheat which it purchased at domestic prices and sold at world prices. The difference was 26 cents per bushel, and this difference was made up by the Government of the United States. Consider this fact of using Government money in order to get this wheat out of the country with the fact that we imported about 34,000,000 bushels of wheat in 1934 and that at this very moment there is stored in bond, on which no duty has yet been paid, approximately 21,000,000 bushels of imported wheat.

Grain production for 1934 plus the stocks we had on hand appear sufficient for our needs; and to permit importations of grain and pork at the expense of the American farmer, instead of effecting a proper distribution of the grain we now have from areas that have more than enough to areas that do not have enough, is short-sighted, inconsistent, and unfair to the American farmer and the American consumer alike.

If we really wish to serve the farmer and the consumer, let us quit lamenting the loss of an export market and preserve the market that is right at our door.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I wish the distinguished young gentleman from Illinois could have had more time, because he might then have pointed out that corn is not only being imported from Argentina but that it is coming to us also from China, Belgium, Rumania, and Kwantung, Mexico, Jugoslavia, Cuba, the Dominican Republic, and South Africa. It has been flowing with ease over our 25 cents a bushel tariff walls; and now there reaches this country about 1,000,000 bushels per week, according to press reports. Of course, this reflects in the markets which the farmers have at their disposal.

But I rise for a moment to talk about the seed-loan provisions of this bill. I am glad to know that crop-production loans are being taken care of. I hold in my hand a letter from one of the county agents in my district showing how necessary it is for them to have these seed loans; and I ask unanimous consent to revise and extend my remarks and to include therein portions of this letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. The letter referred to is dated March 7, 1935, and is from Mr. Paul A. Johnson, county agricultural agent in Crawford County, Iowa, and is in part as follows:

> * * * our county with its rather high land values and large quantity of livestock has been hard hit by 2 years of drought, and both producers and landlords are hard up. We have over 400 in the county on relief work who have registered as farm laborers or farmers.
>
> In regard to feed and seed loans: We have received at our office some 180 applications for emergency feed loans. About 65 have gone through already. These are lifesavers to our farmers who are out of feed and credit. We expect to have between 500 and 600 applications for seed loans. Farmers have requested here some 31,000 bushels of Government seed oats. Ninety percent will have to be settled for by seed loans.
>
> We have had reported to us some livestock starving to death where feed loans were not completed in time. We are going to have a tight squeeze on many farms to get through to grass. I cannot see why they are holding up the seed loans. Every day brings us nearer spring. Farmers should be getting their seed now and know their plans. We are going to have one grand scramble and pile-up here in making these loans and getting seed distributed. We surely appreciate your efforts for us * * *.

Mr. Chairman, there is no time to lose. These loans must be forthcoming at once. The statements made in the foregoing letter have been confirmed by Mr. Ernest Ullerick, chairman of the Farm Bureau out there, who tells me that the farmers in his county must have these loans in order to farm their land this spring.

I want the committee to know that Iowa seldom has a devasting drought, but last year there was an unprecedented lack of rainfall along the western fringe of Iowa and in the southwest part of the State. That drought was so intense that many of the farmers for the first time in history must now have some relief for seed and feed loans, and some of us have interested ourselves in this bill to see that they will be able to get them.

The county referred to is very productive and fruitful and produces and feeds a great number of livestock and cattle. Even last year Crawford County feeders shipped 69 carloads of prize cattle to the Chicago International Livestock Show. The 4-H clubs there have won many prizes at this great exposition. I am sure that these people will be able to repay to the Government the loans which we are about to make to them. We will lose nothing from this locality, and the whole country will derive great benefit from this particular section of the bill. [Applause.]

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am in accord with most of the provisions of this bill, but I wish to speak for a few minutes on the question of the farm-seed loans.

The fact is that these farm-seed loans are generally made available to the distressed farmers after the seeding time is past. This is particularly the true situation in the Northwest, with which I am familiar. In the making of these loans there are altogether too many restrictions and requirements never intended by Congress but made by some pencil pusher in the Farm Credit Administration who has nothing else to do but to lie awake nights to figure out new requirements for the distressed farmers. There is altogether too much passing of the buck and making of investigations, so that in many cases, when the bureaucrats get through investigating the farmer's financial standing, his politics, his religion, and his marital relations, the time for seeding is past.

The farmers, however, in a vain attempt to provide for absolute necessities, and in desperation, take this seed and plant it, although it is too late, and everyone feels that the chances for a crop are gone. That is why these farmers come back each year asking for more seed, and that is why many farmers have not paid back these seed loans, because they got them too late and did not get a crop, and for that reason could not pay. In many cases, when the crops are planted too late, the farmer does not get back even the seed that he puts in the ground, and if it were not for his desperation his better judgment would tell him not to plant it.

It is for this reason that I shall offer an amendment to this bill when it is read that, on page 4, line 19, after the figures "1935", the following words shall be added:

> Such loans to farmers for crop production to be made with expedition, and without the usual redtape and delay, and without unreasonable restrictions and requirements, under unnecessary technical rules and regulations.

This will suggest to the Farm Credit Administration that Congress intends to provide feed and seed in seasonable time for the unfortunate farmers in the drought-stricken areas—and that it "don't mean maybe."

The undisputed fact remains that ever since Congress has provided for feed and seed loans, many distressed farmers throughout the Middle West were unable and did not get

these loans until seeding time was practically over. Then, in the vain hope that they might still get some kind of crop, they obtained these loans, expended their labor, and put the seed in the ground, but the result was that they harvested no crops, even though in some years the rainfall was ample and climatic conditions favorable for a good crop, had the seed been planted in time.

This amendment that I intend to offer is particularly applicable because of the late time at which this bill is being passed—seeding time is upon us, and I sincerely hope that the Chairman of the Appropriations Committee will not object to it. The amendment does not add any expense to the carrying out of the provisions of the bill, but it will cut down the useless restrictions and expenditures of investigations. It simply directs the Farm Credit Administration, charged with the responsibilities of carrying out the provisions of this bill, not to make rules and regulations too difficult or impossible of prompt compliance. For instance, under present regulations, if you are a farmer in North Dakota, and have a mortgage on part of your stock, or on your crop, you cannot get a loan unless you obtain a release from your mortgagee. Again, if you are a tenant, you are required to get a waiver from your landlord. The mortgagee or the landlord may live somewhere in the East, and by the time you correspond back and forth, and get the waiver, it is too late—planting time has passed. I sincerely hope that when this bill is read, the Committee will accept this amendment.

Mr. LUDLOW. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Indiana.

Mr. LUDLOW. I appreciate the gentleman's solicitude for his people out in North Dakota, but may I ask if he is of the opinion that he can abolish redtape by statute? I have had a lot of contact with Government redtape during the last 40 years, and he has got to show me.

Mr. LEMKE. Yes; I am fully aware of the fact that it is a pretty hard thing to abolish redtape in the bureaucracy that we have established here in Washington. But I still feel that if we will impress the fact upon some of these men in charge of the various departments that when Congress passes a law it intends to have its provisions administered in such a manner as to carry out its intention, that we may get some prompt results. I realize that the men making these rules and regulations act in good faith, and know no better. Some of these have never been west of the Mississippi River, and do not realize the situation that exists in the drought-stricken areas. Let us give them a mandate that they eliminate all redtape, which I am sure will do some good.

May I state to you that we had the same delay and redtape in connection with feeding the starving cattle this winter? Out in my State we have had abundant rain and snow lately, which is very encouraging, but if any Member of this House will go to North Dakota, I will guarantee that he will see hay and straw stacked mountain high at many railway stations, and yet it is an indisputable fact that thousands of head of cattle have starved to death this winter because, under the existing redtape, the farmers could not get this hay or straw to feed their stock. We imported it from Canada and paid high prices, and then because of redtape the farmers could not get it, and their horses and cattle starved to death.

I have already seen a letter from the State Federal Emergency Relief Administrator of North Dakota stating that there undoubtedly would be some of this hay and straw left on their hands when the need for it is over, and the cattle, horses, and other livestock have starved to death. He is already building up an alibi by stating that if they had had a severe winter they would have had a shortage of hay and straw. There was, and there is, no excuse for having imported this feed at the expense of the taxpayers of this Nation for the purpose of assisting the drought-stricken farmers and then permitting their livestock to starve to death.

I may also state for the information of the Members of the House that the Agricultural Rehabilitation Corporation is now making arrangements to sell livestock, such as horses, cattle, hogs, and poultry, to these distressed farmers, in place of that which, because of the redtape practiced by the bureaucracy, starved to death; and this, again, at the expense of the taxpayers of this Nation. If we had instructed them heretofore how this money was to be expended, without redtape, if we had used a little of the "hell-and-maria" language of Charles G. Dawes, we perhaps could have saved this shameful situation. First, we import hay and straw at high prices from Canada, then we deliberately permitted the livestock to starve and the hay and straw to rot, and then we replace the starved livestock by making new loans to these unfortunate farmers, exacting new mortgages from them.

Mr. Chairman, I sincerely hope the Members realize the situation. I feel the least we can do is to give these men, charged with the responsibility of carrying out the provisions of this appropriation, to understand that we want this money used for the purpose for which it is appropriated at once. At present, when we go up to the Farm Credit Administration and complain of the redtape, delays, restrictions, and requirements, they tell us: "Why, you men in Congress pass these laws, and we have to do these things in order to protect the money, and be sure it is all paid back." You want these matters handled along sound and businesslike lines, when every Member knows that when we make these appropriations, we do not expect that all of it will be paid back, and that we do not desire all this redtape and restrictive rules and regulations.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I want to speak to the committee for a few minutes on two or three matters in this bill, and on one matter outside the bill. I will take up one or two general matters first.

There has grown up on the part of the Budget a habit of sending down here consolidated appropriations where they take the items for salaries, for operating expenses, and supplies and throw them together, so that they are able to manipulate the thing around and get along without turning any money back to the Treasury, if there is any to turn back. This habit has been growing and growing. With the independent offices and the new establishments that we have been creating in the last couple of years it has become a habit.

Mr. Chairman, I am very much opposed to this consolidation of appropriations, especially where salaries, operating expenses, and supplies are grouped, because it tends to destroy the Budget system and to create extravagance. That habit is especially strong with our new organizations. In one of the items in this bill it shows up where a new organization is starting in just that way. I refer to the archives outfit. There are a tremendous number of these independent establishments of the Government that are not budgeted so that we can properly control their operations through Congress. We have had the question raised by the operation of the Budget in submitting estimates this year, and we are in shape so that we can go down the line and get ready for it. I am serving notice now that next year, unless the Budget submits these things in proper shape so that the Congress can control the operations and appropriations for these departments, I am going to offer an amendment to every single page of every bill where that consolidation is apparent. I want that practice stopped, and I want to see the Congress get away from that sort of thing.

The reappropriations, the supplemental appropriations, and the deficiency appropriations involved in this bill run to approximately $175,000,000. It is my opinion, based on rumors I have been receiving, that of the ordinary expenditures of this Government we are going to have deficiencies, supplemental appropriations, and reappropriations of a half billion dollars in connection with the ordinary establishments of the Government before this Congress adjourns for the fiscal year 1935, and a much larger amount for the fiscal year 1936. It is a tremendous amount. It shows that the economy program of the administration, if there ever was one, has broken down completely.

The Post Office Department is calling for a deficiency of $3,000,000 for 1935. This $3,000,000 will add to the deficit which the Postmaster General estimated for the fiscal year 1935. The deficit in that Department, if you take everything into consideration, is going to be $35,000,000 or $40,000,000 for the year 1935.

Mr. Chairman, I want to take up for a minute or two the Archives Establishment. We are carrying for that Department in this bill approximately $500,000. They have set up a tremendous establishment. That establishment was set up and the outfit created for the purpose of preserving old and valuable documents belonging to the Government and providing a place where scholars may have access to those documents. The outfit they have set up, I believe, is entirely too large. I believe that they could get along with 75 percent of what they have set up, and I believe, after they have made an inventory of the things they want to take over, they could cut it a great deal more. On top of that they are reaching out.

May I call the attention of the committee to a couple of bills that have been introduced which relate to this organization. In the first place, there is H. R. 5703, introduced by the gentleman from Illinois [Mr. KELLER], which provides that the Superintendent of Documents shall furnish without cost copies of such past publications as may be required for official use by the National Archives establishment. This provision is so broad that they could go to almost any limit without appropriation by Congress. I want to avoid seeing this outfit set up into an organization for the distribution of pamphlets.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. ARNOLD. The bill which the gentleman has just referred to has not been enacted into law?

Mr. TABER. No; but I am calling attention to it now so that Members may be on their guard against that sort of thing.

Mr. ARNOLD. I understand the gentleman.

Mr. TABER. That is my object. I do not want to see this Department built up to the point where it is going to be a menace instead of an asset, and I think the gentleman is of the same frame of mind.

Mr. Chairman, I want to see the old documents of the Government properly preserved, but I do not want to see this outfit turned into a pamphlet-distributing proposition. We have already set up in the Government Printing Office a Superintendent of Documents who is trained for this purpose and who has a staff that is trained in this work. He is able to efficiently handle that sort of thing. We should not set up a duplicating outfit, providing them with free pamphlets, and put them in the situation where they will not have to come before the Appropriations Committee and ask for the funds with which they are to operate. I do not like to see these automatic and permanent appropriations which run into a lot of money and which costs the country a lot of money. This should never be allowed.

Mr. MICHENER. To which bill does the gentleman refer?

Mr. TABER. I am referring to the Keller bill now. I am going to refer to the Celler bill in a moment.

Mr. MICHENER. The gentleman is not referring to the Celler bill now?

Mr. TABER. I was not, but I am going to refer to it.

Mr. MICHENER. I hope the gentleman will know more about it.

Mr. TABER. I know something about both of them. I have read both of them.

The Celler bill provides that this outfit shall have charge of gathering together and distributing the regulations and the laws with reference to the alphabetical organizations in the country.

This is a good thing and it ought to be done, but it ought not to be done by this organization, because this is an organization not for the distribution of pamphlets, and not primarily equipped with the tools and the personnel to gather together such things. The job ought to be done under the Department of Justice and the distribution of these pamphlets ought to be under the Superintendent of Documents in the Government Printing Office, without duplication and without the extra expense to which we would otherwise have to go.

Mr. KELLER. What is the number of the Celler bill?

Mr. TABER. H. R. 6323. I am not quarreling about the work that is provided for in the Celler bill being done, because it is something that should be done, but, in my opinion, this outfit is not the one to do the work.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself the balance of the time.

I now want to talk about one other thing that has not any relationship to the bill and which, to my mind, is a matter of a great deal of importance.

There is agitation going on in foreign circles designed to bring about a loan to China of $100,000,000. I am one of those Americans who has come to believe that we should not lend any more money to foreign countries. [Applause.]

In last Saturday's Herald Tribune of the 9th there was a long article telling of the lay-out; and prior to that, on the 7th, Mr. Phillips, the Under Secretary of State, was asked about it and he advised that this proposition is under consideration.

I realize that China's economic condition is in a deplorable state, due to the operations of our Treasury Department here in purchasing silver; but I cannot see any legitimate reason why we should be a party to lending all or any part of $100,000,000 to China, so that we can be involved per force in that web which is coming as a result of the oriental conflict which is almost irrepressible. We should keep out of foreign entanglements and we should not be sticking our nose in and becoming a party to lending all or a part of $100,000,000 to China and get ourselves involved in something that is not any of our business. [Applause.]

I am saying this because I hope that some such statement on the part of some of our citizenship will prevent the State Department from getting involved in this kind of situation. I hope it may be effective.

Mr. DUNN of Pennsylvania. Would the gentleman be opposed to lending China $100,000,000 if it were to feed the hungry people over there?

Mr. TABER. I would want to know what was going on and how the thing was going to work, and I would not fix it so that some other power would get the money.

Mr. SHORT. Have we not plenty of hungry people over here to feed?

Mr. TABER. Well, they are not important in the eyes of the new deal. All we need to do is to get them on relief. We only have 22,000,000 on relief now.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 15 minutes to my colleague the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, the distinguished gentleman from New York [Mr. TABER], speaking of the method in which Budget items are submitted, complained about the habit which he says has recently grown up of submitting lump-sum estimates.

The gentleman has been on the Appropriations Committee longer than I, but if my recollection serves me correctly, and I think I am accurate, I do not think there is any different system now in submitting items in the Budget than there has been all the time.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. TABER. There has been a marked increase along that line so far as my observation goes.

Mr. WOODRUM. It may be that in the inauguration of new activities where it is impossible to specify every item in a particular appropriation that it has been necessary to submit it in a lump sum. But we have had lump-sum appropriations right along all the time.

Mr. TABER. But here in the Treasury Department bill and in the Post Office bill we had a very large number of items or estimates submitted by the Budget for which there was no justification at all.

Mr. WOODRUM. I am somewhat in accord with the gentleman, but the gentleman must remember that when these appropriations carry lump sums, such as those for archives for 1936, there has been submitted by the Bureau of the Budget to the Appropriations Committee the most detailed specific estimates as to what every penny of that money is to be used for. It has been submitted to the Budget; the position of every clerk, his salary, the length of time, every item of supplies to be purchased, and every other specific detail. Those items have been submitted to the Budget and to the Appropriations Committee, and have come under the scrutiny of the members of the Appropriations Committee, and you will find them in the hearings.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Gladly.

Mr. SNELL. Can the gentleman give us the whole cost of the Archives Department?

Mr. WOODRUM. Does the gentleman mean annual?

Mr. SNELL. Yes.

Mr. WOODRUM. I am going to give that in a moment. My friend must recognize the fact that this being a deficiency-appropriation bill—and he seems to express some apprehension and concern about a large deficit that we are going to have—I want to make this statement, subject to correction if there can be a correction, that there is not a single penny in this bill which increases the expenditure for the next fiscal year beyond the expenditures set up in the Budget which has been submitted to Congress.

THE NATIONAL ARCHIVES

Now, my friend, the gentleman from New York, made particular mention of the National Archives. I want to take a moment or two of my time to say something about that, not only for our own information, but for the information of those people who may be sufficiently interested in it to read the CONGRESSIONAL RECORD.

The establishment of the National Archives in 1934 brought into operation an activity and an agency of government which had been under careful consideration for 124 years and which had been the effort or ambition of every administration since 1878. When you examine the record, it is amazing.

It is generally assumed that the movement for a national archives establishment was started in 1878 with a recommendation made by the Secretary of War for the erection of a hall of records for the preservation of Government archives. However, that official interest in our national archives and concern for their preservation dates back to the earliest days of the Republic is shown by a study of the early records of Congress. As early as 1810 under the leadership of Josiah Quincy of Massachusetts a committee of the House of which Quincy was chairman was appointed to inquire into the state of the ancient records and archives of the United States, and what measures are necessary for the more safe and orderly preservation thereof. This committee after careful examination of the Government archives reported that "they find all the public records and papers, belonging to the period antecedent to the adoption of the present Constitution of the United States in a state of great disorder and exposure; and in a situation neither safe nor honorable to the Nation." The committee therefore recommended that provisions should be made without delay for the preservation and orderly arrangement of the national archives.

Accordingly a bill was introduced (H. R. 125, 11th Cong., 2d sess.) to carry out the recommendation of the committee. In the debate on this bill Quincy said that "he was desirous to pass the bill upon the ground that the public records of the country, of the War, Navy, and State offices, were in such a situation as was disgraceful to the House and to the Nation. Not only were they in disorder, and in a state of gradual decay; but all the records of the Revolutionary War lie under the eaves of this building in a condition extremely unsafe, and daily exposed to destruction by fire." The bill authorized the President to erect or purchase one additional Government building into which certain agencies should be removed from "the public building west of the President's house"; and that this last-mentioned building should be reserved for the State, War, and Navy Departments, and that the President should have caused to be built therein "as many fireproof rooms as shall be sufficient for the convenient deposit of all the public papers and records of the United States, belonging to, or in the custody of the State, War, or Navy Departments." For this purpose an appropriation of $20,000 was authorized. The bill passed both Houses, and received the approval of the President on April 28, 1810.

After this early evidence of congressional interest in the national archives, though the subject was frequently discussed, it does not appear to have received much further consideration by Congress until 1878.

I have in my hand, which I refer to, Senate Document 297 of the Sixty-second Congress, second session, presented by Senator Poindexter, which gives a history of the movement after that year. It sets out that before 1878 the construction of a National Archives Building was frequently proposed, "but not until that year was it formally brought to the attention of Congress." The Quartermaster General of the Army, in his annual report for 1878 called attention to the need for a "hall of records for preservation of the records of the executive departments not required for daily reference."

His suggestion was endorsed by the Secretary of War, and President Hayes, in his annual messages of 1878 and 1879, recommended to Congress favorable action on the Secretary's proposal "that provision be made for the erection of a fireproof building for the preservation of certain valuable records, now constantly exposed to destruction by fire."

That this danger of the destruction of valuable Government records was not a figment of the imagination is shown by a report of the fire marshal of the District of Columbia, printed in the CONGRESSIONAL RECORD (vol. 53, pt. 14, p. 1113, ff., 64th Cong., 1st sess.), which lists from 1873 to 1915, inclusive, more than 250 fires on Government property within the District.

From 1878 down to the present, practically every session of Congress, every succeeding administration, and almost every succeeding Cabinet officer considered the subject of establishing in Washington some central depository where the archives of the Government of important national interest could be deposited and preserved.

In reviewing the number of bills introduced in Congress to provide for a National Archives Building, it would seem that few other public-building projects have aroused a greater degree of congressional interest and activity. From 1880 to date there have been 69 such bills introduced, of which 41 were Senate bills and 28 were House bills. These bills were sponsored by 40 different Senators and Representatives. A number of resolutions and amendments also were introduced, and a large number of reports upon the subject were made and published as official documents by both Houses of Congress. The proposal also received strong endorsements from the several Presidents since 1878.

In 1903, as a result of this long agitation covering a quarter of a century, Congress authorized the purchase of a site for a "hall of records" and appropriated for the purpose $400,000. It directed the Secretary of the Treasury to have preliminary plans prepared for an Archives Building. The site was purchased in 1904 and tentative plans for the Archives Building were submitted to Congress in that year. In 1912 President Taft, in a message to Congress, said:

> I cannot close this message without inviting the attention of Congress again to the necessity for the erection of a building to contain the public archives. The unsatisfactory distribution records, the lack of any proper index or guide to their contents, is well known to those familiar with the needs of the Government in this Capital. The land has been purchased and nothing remains now but the erection of a proper building.

As a result of this rapidly growing interest, Congress passed the Public Buildings Act of 1913, which provided a general public-buildings program; but the outbreak of the World War and perhaps other reasons delayed its execution. After the World War interest was revived, and in 1924 Senator Smoot, Chairman of the recently created Public

Buildings Commission, in a report to Congress, urged the need for a National Archives Building. Two years later the Public Buildings Act of 1926 was passed, which provided for a well-coordinated public-buildings program. Of this program Hon. Richard N. Elliott, Chairman of the House Committee on Public Buildings and Grounds, said:

The passage of this act marked an epoch in the history of the public buildings of our country, for the reason that it was the beginning of the first comprehensive building program adopted by our Government.

In carrying out the provisions of this act, President Coolidge requested the Commission of Fine Arts to submit a report to the Director of the Budget on the need of a National Archives Building. Accordingly the Deficiency Appropriation Act, of July 1926, authorized an appropriation of $6,900,000 for an Archives Building. This amount was increased by the Appropriation Act of 1928 to $8,750,000. The building was now assured, plans were prepared, and ground was broken September 9, 1931. On February 19, 1932, the cornerstone was laid by President Hoover, who had taken a great interest in the project.

I say to my good friend from New York [Mr. TABER] that it was during the administration of his party that definite steps for the establishment of this great agency of government finally took shape, as in the arrangement of the buildings for the development of the Triangle they provided for the construction of the National Archives Building. In laying the cornerstone President Hoover said:

There is an especial significance to this ceremony, coming within 2 days of the celebration of George Washington's Birthday. The soil on which we are standing is part of the original tract acquired by President Washington for the Nation's Capital.

The building which is rising here will house the name and record of every patriot who bore arms for our country in the Revolutionary War, as well as those of all later wars. Further, there will be aggregated here the most sacred documents of our history—the originals of the Declaration of Independence and of the Constitution of the United States.

Here will be preserved all the other records that bind State to State and the hearts of all our people in an indissoluble Union. The romance of our history will have living habitation here in the writings of statesmen, soldiers, and all the others, both men and women, who have builded the great structure of our national life.

This temple of our history will appropriately be one of the most beautiful buildings in America, an expression of the American soul. It will be one of the most durable, an expression of the American character.

Devoutly the Nation will pray that it may endure forever, the depository of records of yet more glorious progress in the life of our beloved country, I now lay the cornerstone of the Archives Building and dedicate it in the name of the people of the United States.

In anticipation of the early completion of the building, the Seventy-third Congress placed the capstone on the work begun 124 years earlier by passing the National Archives Act of 1934 (Public, No. 432, 73d Cong.), approved June 19, 1934, by President Hoover's successor, President Franklin D. Roosevelt. The National Archives Establishment, therefore, is not the work of any political party; members of all parties, interested only in the safeguarding of priceless Government records and the preservation of our glorious history of which they are the evidences, have had a hand in its creation.

The National Archives Act provides for the appointment by the President of an Archivist of the United States and defines his powers and duties; it empowers him to set up an adequate staff and authorizes such appropriations as may be necessary to carry out the purposes of the act. I desire to quote here the Archivist's interpretation of the purposes of the act and his summary of its provisions, as set forth in his Budget justification presented to the House Appropriations Committee. It is as follows:

The act recognizes two fundamental objectives of the National Archives Establishment: (1) The concentration in a central depository of all the inactive archives of the Government of such administrative or historical value that they must be preserved over a long period of years, or permanently; (2) the administration of such archives so as to facilitate their use in the business of the Government and in the service of scholarship.

To enable the National Archives Establishment to attain these objectives the act places "under the charge and superintendence" of the Archivist of the United States "all the archives or records belonging to the Government of the United States (legislative, executive, judicial, and other)" which shall be approved by the National Archives Council for transfer to the National Archives Building (see sec. 3, Archives Act), and requires him to perform the following duties and functions:

(1) To appoint all persons to be employed in the National Archives Establishment, except those with salaries of $5,000 or over, who are to be appointed by the President by and with the advice and consent of the Senate. (See sec. 2, Archives Act.)

(2) To inspect and appraise, personally or by deputy, the archives of any agency of the United States Government whatsoever and wheresoever located. (See sec. 3, Archives Act.)

(3) To requisition for transfer to and to store and preserve in the National Archives Building all archives or records approved for such transfer by the National Archives Council. (See sec. 3, Archives Act.)

(4) To make regulations for the arrangement, custody, use, and withdrawal of materials deposited in the National Archives Building. (See sec. 3, Archives Act.)

(5) To exercise immediate custody over and control of the National Archives Building and such other buildings, grounds, and equipment as may hereafter become a part of the National Archives Establishment (except as otherwise provided by law), and their contents. (See sec. 4, Archives Act.)

(6) To serve as Chairman of the National Historical Publications Commission in making plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication and/or otherwise recording at public expense. (See sec. 5, Archives Act.)

(7) To serve as a member of the National Archives Council, which is charged with the duty of defining what classes of archival material shall be transferred from the several agencies of the Government to the National Archives Building. (See sec. 6, Archives Act.)

(8) To provide for the acceptance, storage, and preservation of motion-picture films and sound recordings pertaining to and illustrative of the history of the United States and to maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study. (See secs. 5 and 7, Archives Act.)

(9) To make recommendations to Congress regarding the disposal of useless papers and other documents among the archives and records of the Government. (See sec. 9, Archives Act.)

(10) To direct the expenditure of all appropriations for the maintenance of the National Archives Building and for the administration of the collections and other expenses of the National Archives Establishment and of the National Historical Publications Commission. (See sec. 10, Archives Act.) * * *

The functions of the National Archives Establishment have been divided into four major activities: Two dealing mainly with internal matters (professional and administrative), and two dealing with external relations (historical publications and general public relations). This grouping is the result of careful studies and researches made in an endeavor to carry out the intent of Congress as expressed in the National Archives Act.

My friend from New York says that they are starting off too elaborately, that the National Archives is a new thing, and that they ought to go more carefully. It is not a new thing. Not an item of legislation that will be passed by this Congress has had more deliberate and careful thought and study than this one.

In 1930, President Hoover appointed a provisional committee for a national archives to make a survey of the archives of the Government to supply the architect with necessary data on which to base an estimate of the size and character of the building required to house them. This committee was composed of the following Government officials:

Department of State, Tyler Dennett, Historical Advisor.

Department of the Treasury, Louis A. Simon, Superintendent Architectural Division, Supervising Architect's Office.

Department of War, Brig. Gen. James F. McKinley, Assistant to The Adjutant General.

Department of the Interior, E. K. Burlew, Administrative Assistant to the Secretary.

Library of Congress, J. Franklin Jameson, Chief, Division of Manuscripts.

General Accounting Office, James L. Baity, Executive Officer.

On the basis of reports from the several executive departments and independent establishments this committee estimated the amount of documents, the number of personnel required for their administration, the cubic feet required to house them, and so on down the line, to the most careful detail.

The following is the committee's summary of the reports received:

Survey of provisional committee for a national archives

[Department or establishment: Master recapitulation; administrative unit: All Government departments and independent establishments]

	Character of material in cubic feet					
	(a) Document	(b) Flat	(c) Pamphlets	(d) Maps	(e) Indexes	(f) Total
1. Records to 1860	38,326.10	57,270.72	4,511.8	6,766.47	1,826.10	108,701.19
2. Records 1861 to 1916	247,283.09	488,872.15	124,204.31	33,576.68	29,318.26	923,254.49
3. Records 1917 to date	201,135.14	2,066,970.82	89,249.21	68,155.04	216,167.72	2,641,677.93
4. Total	486,744.33	2,613,113.69	217,965.32	108,498.19	247,312.08	3,673,633.61
5. Less records not of permanent or historical value	49,513.11	534,091.65	18,093.32	28,207.46	121,462.71	751,368.25
6. Total	437,231.22	2,079,022.04	199,872.00	80,290.73	125,849.37	2,922,265.36
7. Average annual increment for decade 1920–29	6,021.60	112,487.84	6,488.38	4,392.60	15,812.58	[1] 145,203.00
8. Estimated number of employees for records in lines (1) 35,854, (2) 103,781, (3) 417,907; total, 557.542.						
9. Square feet of floor space now occupied by records in this file unit, 818,992.596.						
10. Field records eventually to be transferred to Washington, D. C., 282,721.2 cubic feet.						

[1] Plus 3,000 cubic feet foreign archives per year for the State Department.

Date: Oct. 2, 1930.

As a result of this information, the committee submitted a report upon which the arrangement of the space in the Archives Building was based. That report was filed November 11, 1930. It discusses the type of building desired, the form of organization and personnel that should be set up for the National Archives, and states that there will be a much smaller number of people working in this building than is usual in buildings of corresponding size. It points out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people. This report is such an interesting and illuminating document that it ought to be preserved in permanent form. It is as follows:

ADVISORY COMMITTEE ON THE NATIONAL ARCHIVES BUILDING,
Washington, D. C., November 11, 1930.

PROGRAM PREPARED AS A BASIS FOR PRELIMINARY SKETCHES

The National Archives Building is intended to become the repository for all papers of the Federal Government which are considered worthy of permanent preservation or which for administrative reasons must be retained for a long period of years. The value of the various papers and files thus deposited will vary from such priceless documents as the original laws and original treaties of the United States to vast quantities of papers which in themselves would appear to be relatively unimportant were it not for the relation which they bear to larger questions. The completed building for the National Archives is not designed as a central filing depot for active files but for papers that have ceased to be related to current business.

To this institution will come, not only the various agencies of the Federal Government which desire to verify information or to trace the continuity of policies, but there will also come historical scholars from both the United States and foreign countries. It is probable that at least for the next half century the number of students for whom facilities for work will have to be provided will be relatively small as compared with the number of persons connected with the Federal Government who will come into the building from other Government offices in connection with current governmental work. On the other hand, many scholars are likely to make prolonged visits and should be provided with all reasonable facilities for the prosecution of their searches.

The site which has been designated for the National Archives being in the center of Washington, a building so placed would afford opportunity to make accessible to the general public exhibits of documents illustrating the various phases of the progress and development of the American Nation. The performance of this function of popular education must be so controlled that it will in no way interfere with the normal operation of the building in connection with current Government work nor should the exhibits be so arranged and managed as in any way to increase the hazard of destruction either by fire, theft, or the handling of fragile papers.

In order to maintain the functional divisions of the building, the following major divisions of plan occur: (1) Administration and operation; (2) stacks; (3) public space, and (4) circulation, public and private.

TYPE OF BUILDING

In the table of space requirements given in this program it became necessary to depart somewhat from what would theoretically be the most desirable form of building in order to meet the requirements for the architectural development of the so-called "Triangle."

It is expected that the bulk of archives initially to be deposited in the building will be relatively small, that there will be periodic transfers at intervals of perhaps 5 years, and that there will be additional transfers from time to time of quantities of papers which, while of relatively recent date, are no longer considered important or current. It is estimated that the total bulk of all of the records of the Government worthy of permanent preservation up to January 1, 1917, exceeds slightly 1,000,000 cubic feet, from which it is estimated that a total of 3,500,000 cubic feet of stack space will be sufficient to house all records of the Government prior to that date.

It is further estimated that the files of the Government which accumulated between January 1, 1917, and January 1, 1930, form approximately twice the bulk of all files for the earlier period. When all files of the Government prior to January 1, 1930, shall have been deposited in the building the total stack space required will be between nine and ten million cubic feet, with the possibility that this requirement may be increased by the occasional transfers of other papers of relatively recent date. Furthermore, the anticipated annual accumulation of 200,000 cubic feet per year will create a demand for increases of stack space at the rate of 600,000 cubic feet per year.

As a working basis it has been assumed that the capacity of a building designed to conform to the requirements of the so-called "Triangle" group would be limited to about 10,000,000 cubic feet, although some 60 percent of this is not likely to be required within the next half century.

The purposes which the National Archives Building are to serve are such that the planning thereof is subject to certain basic conditions which are mandatory and call for directness and simplicity of arrangement.

The fact that the ultimate space requirements to accommodate all the archives of the Federal Government far exceed the ultimate capacity of the main Archives Building placed on the site chosen within the Triangle area calls for a building with a very concentrated arrangement of stacks. Such an arrangement is made possible by the desirability of excluding from the stack units all natural light and outside atmosphere and supplying artificial light and conditioned air.

The fact indicated above that less than 50 percent of the building's ultimate capacity will be required for the first 50 years after it is first occupied must be taken into consideration in the conception of the design. The space requirements as given in this program are for the ultimate capacity of the building, and the preliminary sketches are to be governed accordingly. But the sketches must also indicate the means proposed for furnishing a building with from four to five million cubic feet capacity, which will probably remain of that size for 50 years after date of occupancy.

The possibility exists that a portion of what will ultimately be artificially lighted stack space might in the interim be naturally lighted for temporary use other than for stacks.

Insofar as the plan of the building is affected by the personnel to be accommodated, it should be noted that there will be a much smaller number of people working in the building than is usual in buildings of corresponding size. The subject of personnel is discussed below, but it is important here to point out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people, and for the first 50 years a very much smaller number will be required for the efficient operation of the archives.

The personnel will be divided roughly into two groups:

(a) Those who work directly on the files and who should, therefore, be located as closely as possible to the papers upon which they work;

(b) The central administrative force which will be engaged in a variety of tasks enumerated below.

In the interests of efficient administration it is desirable that the relatively small administrative force should be located as closely together as is feasible. It is also desirable that the force which must work directly on the papers in searching, sorting, etc., shall have as favorable conditions as possible with reference to light and air. It is the further consideration that effective control of the stacks for the prevention of fire and for the safeguarding of the papers makes it desirable to exclude from the stack space all but those whose services are indispensable at that point.

With stack units arranged for artificial lighting and the introduction of conditioned air, there will be required relatively small workrooms adjacent to these stacks for the use of small groups of workers, where they may have direct access to the stacks in their charge with the minimum of delay. These centers should be located with reference to a convenient means of circulation to the main administrative unit, which will be located outside the stacks.

PERSONNEL

For the purpose of the preliminary sketches, it may be assumed that the organization of the personnel for the National Archives Building will have as its head an archivist with two principal assistants, one of whom will have general supervision of the archives work and the other of whom will be an executive assistant. The information office, the reference service, the cataloging units, and the search rooms will be operated by a relatively high-grade personnel with something equivalent to library training and experience.

There will be a considerable number of mechanical operations connected with the receiving, sorting, cleaning, repairing, and duplicating sections. These operations will require a more mechanically trained personnel, and their several functions are so similar as to suggest locating them close together, and they may be on a floor separated from the other personnel.

OPERATION

While it will no doubt be possible to arrange a schedule for transfers which will to some extent prevent the congestion incicent to the delivery of very large quantities of papers at any one time, nevertheless, very ample provision should be made for the receiving of papers. The delivery of papers will be accompanied by the delivery of an inventory which will describe the papers at the moment being transferred. Before the inventory can be receipted for, it will be desirable to sort the deliveries, place them in order on the receiving floor in such a way that each item of the inventory can be checked off and receipted for and there should, therefore, be provision on the receiving floor for a large amount of shelving similar in character to that which will go into the stacks. Probably all files will be sorted and given their original and permanent classifications on the receiving floor before they are transferred to their permanent resting place in the stacks.

It is also contemplated that the papers before delivery to the stacks will be passed through a disinfecting and cleaning process which will kill all animal life and also remove to some extent the dirt. These two operations must be performed in space adjacent to the receiving floor.

After the documents have been once assigned to their place in the stacks, the principal calls which will be made for these papers will be broadly of the following characters:

(1) The request to see a single paper or a small group of papers;

(2) A request for information which will be supplied by the members of the archives staff after whatever search of the files by them is found to be necessary.

(3) A request to conduct a search of a quantity of papers by one or more persons either from a Government office or from those representing a private interest.

It will be observed that these various kinds of requests call for two kinds of service:

(1) An operation which can be performed entirely in the stacks or in the adjacent room of a stack supervisor.

(2) An operation which involves the transfer of a group of papers to a general search room where the search can be conducted under the immediate supervision of qualified archives assistants, or to a room specially assigned to a group of searchers. Separate rooms for individual searchers will not be provided.

The subdivisions of the stack space will be generally by heavy removable wire partitions extending from floor to ceiling, except that there shall be fire walls at proper intervals throughout the stack space.

Among the documents deposited in the National Archives Building there will be papers which are not to be made available to the public or to any Government office except by the express permission from the head of the office having prior custody of the papers. Provision must be made in the stacks for segregating this class of documents. The wire partitions mentioned above would serve the purpose.

Aside from the principal calls received for various papers for examination, papers may be removed from the stacks in small quantities for other purposes, viz, repairing, binding, and rebinding. Such papers would be transferred under proper safeguards to the repair room, which should be located on the floor with the other mechanical operations.

Papers also might be transferred to the duplicating room, where photostats or photographs would be made. This, however, is a short operation, involving withdrawals from the shelves for very brief periods. The duplicating rooms should be located so that they can serve their functions with the least possible delay in order that the service required of the archives staff may be performed not only efficiently but with unfailing promptness. This will require facilities for very rapid and efficient duplicating.

In the functioning of the administrative units, the center of operations will be an information unit, which will be located completely outside of the stack space, where requests by telephone or in person will be received. Obviously, this should be conveniently located with reference to the public on the one hand and the stacks on the other. It should also be so designed as to be under close supervision of the archivist and his immediate staff.

To answer requests for information it will usually be necessary to refer to the catalog. The catalog will probably consist of little more than the various items of the inventory carded separately. On these cards will be noted the location in the stacks of the files which will have to be consulted. The requests for information will then be referred to the appropriate stack unit. This unit will have adjacent to the files themselves whatever indexes were originally transferred with the papers or are subsequently made.

If files are to be consulted by someone other than a member of the archives staff they will be brought down to a charge desk and then delivered to a designated desk in a search room.

It is contemplated that there will be for official purposes a general search room and two smaller rooms. There will be another search room for the nonofficial searches. The search rooms should be so planned that additional search-room space can be provided as given in the space data.

Very many of the requests for information can be answered by reference to official publications of the Government. There is therefore provided a library which should be located as close as possible to the information unit. It is, however, not necessary that the library should be on the same floor with the information unit and search rooms. It might conveniently be placed directly above or directly below, in which case there will be required a means of direct communication by an inside stairway and an automatic lift or a small elevator.

The library will be primarily a collection of Government documents with an alcove arrangement of stacks. It should be so designed as to permit easy and rapid access to its shelves. It is not intended for use by the public, but is to be easily accessible to any of the reference staff of the archives administration, with ordinary safeguards employed to prevent the unauthorized withdrawal or misplacement of books.

The map collection of the Government, in charge of the Geographer, is very extensive and, because of the odd shapes of the maps, requires special treatment both as to shelving and as to reference service. Map files must be segregated from other files in the stacks and should be adjacent to the geographic section of the general administration. The geographic section in turn should be close both to the library and to the information office. The space for the Geographer will include provision for large tables and space for wall maps.

A distinction is to be made between the catalog which must be included in the information service and the process of catalog making which calls for cataloging unit. It may be accepted that, while many papers will be received with adequate indexes, there will be a great many papers which require further classification and cataloging. Some of this cataloging can be done under adequate supervision by the section units adjacent to the stacks, but a great deal of it will be handled in a central cataloging unit easily accessible to the stacks. This unit should be located as close as is possible to the information unit and the search rooms, since the catalogers are often in the best position to know the papers which may at any time be desired. If the library and the Geographer's office were to be located directly under the information unit and the search rooms, the cataloging unit might be located directly above the latter, thus providing the closest possible contiguity.

In view of the fact that the service rendered will center so largely in the information unit and the search rooms, it seems desirable for efficient administration that the Archivist and the Assistant Archivist be located on the same floor, possibly at one end of the administration portion of the building. The executive officer might be placed on one of the lower floors.

Very exceptional precautions will be necessary to protect the stacks from the common dangers of destruction, disintegration, and theft. To eliminate as far as possible the danger of damage by rats, mice, and vermin lunch rooms are to be provided, with the expectation that the most stringent regulations will be adopted to forbid the keeping of food of any kind in any other part of the building. The lunch rooms should be so located as to make it feasible to keep them scrupulously clean at all times. No provisions for cooking will be required.

Space requirements

ADMINISTRATION

	Square feet
Archivist:	
Private office	500
Secretary	300
Stenographers	300
Reception room (if possible serving also the Assistant Archivist and executive officer)	1,000
Private toilet, small vault	------
Assistant Archivist:	
Office	500
Private toilet	------
Secretary	300
(NOTE.—Waiting room, if not adjacent to reception room of Archivist.)	
Executive officer:	
Office	500
Private toilet	------
Secretary	300
Information and clerical (this includes space for the catalog and is to be subdivided as required)	2,000
Vault	300

Space requirements—Continued

ADMINISTRATION—continued

	Square feet
Section chiefs:	
10 offices located adjacent to the stacks and on alternate decks, each office 400 square feet	4,000
Adjacent to each office, local catalog, each 400 square feet	4,000
Geographer	600
Accession records	600
Central cataloging unit	4,000
Receiving	25,000
Cleaning and fumigating	600
Repairing	1,200
Binding	1,200
Vault	200
Storage for supplies (near executive officer)	400
Lunch room:	
Men (no kitchen required)	800
Women (no kitchen required)	800
Toilets:	
Men	---
Women	---
Duplicating unit (mimeographing, printing, etc.)	600
Photographic unit	6,000
Mail room	500
Relief station	600
National Archives Council (use conference room of advisory committee).	
Advisory committee:	
Conference room	800
1 office	200
Commission on National Historical Publications (use conference roof of advisory committee, 2 offices, each 200 square feet)	400
Expansion	1,000
OPERATION	
Superintendent of building:	
Office	400
Vault	100
Chief engineer: Office	400
3 assistant chief engineers: Office	300
Captain of the watch:	
Office	300
Guardroom (lockers)	300
Maintenance shops:	
Plumbing and steam fitting	500
Carpenter	500
Cabinet	500
Electrical	500
Painting	500
Foreman of laborers	400
Mechanical equipment: Machinery, etc	12,000
General storage	2,000
OPERATING PERSONNEL	
Day and night male laborers:	
Locker room	500
Toilet	------
Lunch room	400
Day and night female help:	
Locker room	500
Toilet	-----
Lunch room	400
Mechanics:	
Locker room	500
Toilet and showers	-----
Lunch room	400
Waste-paper room	800
Cleaning gear and cuspidor rooms each floor (100 square feet each)	800
PUBLIC SPACE	
1 general search room, official (bookcases on walls)	1,000
2 search rooms for groups of officials, each 500 square feet	1,000
One search room, unofficial	1,000
Search-room expansion	2,000
Library	4,000
Librarian	600
Toilets:	
Men	-----
Women	-----
Exhibition room	1,200
Projection room	2,500
Corridors, elevators, etc., as required.	
Stacks: Solid partitions as required for fire protection, separations otherwise by wire-mesh partitions extending from floor to ceiling.	

Since this report was made, it has been found advisable to modify some of its recommendations and suggestions, but in every material respect it forms the basis of the plans of the Archivist upon which his budget is based.

President Hoover's committee, it will be noted, estimated that there are over 3,000,000 cubic feet of documents, important historical records relating to the activities of this Government from its very founding. They are now scattered about the city in cellars, attics, basements, and many other similar unsuitable places where they are subject to the wear and tear of passing years and other destructive agencies. They must be gone over, they must be surveyed, they must be cleaned and fumigated, and many of them repaired, before they can be filed for permanent preservation in the National Archives Building.

The importance of these archives to the Nation is clearly set forth in a discussion of the National Archives by Mr. Waldo G. Leland (S. Doc. No. 717, 63d Cong., 3d sess.), from which I quote the following paragraph on page 5:

> The archives of the Federal Government are composed of the letters, orders, reports, accounts, and other documents produced in the course of transacting the public business, whether located within the District of Columbia, or wherever the operations of the Government extend. The value of these archives may truly be said to be inestimable. In the transaction of current business those of recent date are in constant use, while those of earlier origin are frequently referred to. They constitute the chief protection of the State against unfounded or ill-founded claims. In international discussions or disputes they are the principal source from which arguments may be drawn to support the contentions of the Government. On them are based the titles to millions of acres of land and to thousands of patent rights. The actual money loss, to say nothing of the inconvenience, that would result to the Government, and to citizens as well, by the destruction of any considerable part of the Federal Archives, can hardly be calculated.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BLANTON. Apropos of the attack made by our good friend from New York [Mr. TABER] on the archives set-up, is there not a law that prevents a parent from questioning the legitimacy of his own offspring?

Mr. TABER. But there is no law that prevents a parent from correcting his offspring.

Mr. WOODRUM. Mr. Chairman, I do not construe the remarks of the gentleman from New York so much as an attack as I do as somewhat of a criticism, and I think it is meant to be constructive, but I think it is not a wise criticism. In my judgment there is no more important thing that we can do than to carry out this great activity, and in this material day, when we are thinking so much of material things, let us not lose altogether our spiritual values and perspective. [Applause.]

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. The gentleman is making a very interesting and scholarly presentation of the historical aspects of the National Archives Establishment, and I am sure all of us are enjoying it; but I should like to ask him to address himself to the suggestion of the gentleman from New York in regard to whether it should be used as a distributing agency.

Mr. WOODRUM. The gentleman is correct, and I am very glad he called my attention to that. My friend from New York quite properly says that he does not want to see the National Archives turned into an agency to distribute pamphlets. That has not been suggested by anyone. The gentleman referred to the Keller bill—H. R. 5703. The Keller bill does not suggest that the National Archives distribute pamphlets. My friend has not read the bill carefully. It provides merely for the distribution of Government publications to the National Archives "for its own use and for international exchange." There is not a word in the Keller bill which, under the wildest stretch of the imagination, could permit the National Archives to distribute pamphlets. If the gentleman can find it, let him read it. The author of the bill is sitting before me. The purpose of the bill is to permit the National Archives to receive Government publications, just as they are received by many other official governmental agencies.

Mr. TABER. That is one proposition, but the other proposition is this, and it is quite broad: The Superintendent of Documents shall furnish without cost copies of such past publications as may be required for official use by the National Archives Establishment.

Mr. WOODRUM. Why, of course.

Now, what is said there about the National Archives distributing pamphlets? They are for the official use of the National Archives in their library. Nobody has ever had any idea of distributing pamphlets. Here is a great Government institution, the official purpose of which is to house the archives of the Government. The great majority of such Government publications, if not all, are themselves archives of the highest importance. If there is any one place in the United States that ought to have a complete set of Government publications it is the National Archives. My friend has just drawn upon his imagination. I can say to him and to the House and to the country that the Archivist has no intention of distributing pamphlets, but he does need a complete set of Government publications in his library for the efficient functioning of the National Archives. Such at least is the experience of the archives establishments of other governments, including not only those of European countries but also those of the various States of this Union which have established such agencies.

Mr. TABER. I am of the opinion that the National Archivist could go a long way in getting into the other business under that language.

Mr. WOODRUM. My friend is unduly apprehensive. He has also referred to the Celler bill, H. R. 6323. I am not perfectly familiar with the detailed provisions of the Celler bill, but I am in sympathy with its general purpose.

Mr. CELLER. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CELLER. I am able to explain the purposes of the bill, which is on the Consent Calendar awaiting the action of the House. The object of that bill is to prepare for the codification of all rules and regulations of all departments. Let me state that, for example, in the National Industrial Recovery Act there are some 11,000 pages of rules and regulations, and hardly anyone knows where all of them are. Some of them take the form of issues on mere tissue paper. Others became regulations as a result of a telegram sent to somebody in some far-distant office. Still others are mimeographed. There is no real codification, for example, of the regulations of that one bureau.

The post-office regulations comprise three volumes that are just literally loaded with obsolete regulations, which have no longer any force or effect. The Veterans' Administration has volumes of regulations. Many of them have been repealed and cross-repealed. Even those in the office of the Veterans' Administration are oftentimes in doubt as to the legal import of literally hundreds of those regulations. We now propose by this bill to have the Archivist be the responsible custodian of all rules and regulations when they shall have been codified by those in the Attorney General's office, properly selected and qualified to do the job.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CELLER. Shall I continue briefly?

Mr. WOODRUM. Yes; briefly.

Mr. CELLER. It covers 2 angles, in this sense: One provides for the codification of all past rules and regulations and the other provides for the codification and issuance of a Federal register for all future rules and regulations, so that anybody interested may lay his hands upon the proper rule or regulation. Provision is made that Members of Congress and the Senate and others, of course, interested in the matter shall receive a copy of the daily register so that they shall know exactly what is happening in the various bureaus and departments.

Mr. MICHENER. Will the gentleman yield?

Mr. WOODRUM. I yield briefly.

Mr. MICHENER. I am a member of the same committee as the gentleman from New York [Mr. CELLER]. There is one inherent defect in that bill, and the same inherent defect was in the bill establishing the archives set-up, that is, it is not under civil service. If there is any place on earth where we should require technical and experienced knowledge it is in that set-up. I hope when the Celler bill is passed that this House will realize that situation and remedy the mistake which it has already made in the set-up as it is down there now, where you appoint someone in a technical position simply because he has sufficient backing to get the appointment, and the appointment has no permanency. I am willing for them all to be Democrats, if they are qualified.

Mr. WOODRUM. I am glad the gentleman suggested that, and I wish to say to the gentleman from Michigan and to the House and to the country that the President has appointed as Archivist Mr. R. D. W. Connor, who for 12 years was a member of the faculty of the University of North Carolina and for the previous 18 years archivist of the State of North Carolina, a distinguished, outstanding gentleman. I know him, and I can assure the gentleman from Michigan that merit, capacity, and capability will be the guiding rules in the selection of the personnel for the archives.

Mr. MICHENER. But right there I believe that to be true, and for that reason he should be under civil service so that men of that character would not be in danger of being removed the moment the administration changed.

Mr. WOODRUM. In answer to that, I will say to the gentleman, that the gentleman knows the Congressional Library is not under civil service, yet it has never been subject to political spoils, and I anticipate the same thing will apply to the National Archives.

Mr. MICHENER. But we can make it sure and know.

Mr. WOODRUM. Perhaps we can.

Mr. HEALEY. Will the gentleman yield briefly?

Mr. WOODRUM. I yield.

Mr. HEALEY. In that connection does not the gentleman feel that the Archivist will have more latitude to select the type of personnel which the gentleman has just mentioned?

Mr. WOODRUM. At an appropriate time I could have quite an interesting discussion with my friend from Michigan as to whether, after all, you do get more efficient people by going to the Civil Service, especially in this type of personnel.

Mr. MICHENER. For certain kinds of work.

Mr. WOODRUM. For almost any kind of work.

Mr. MICHENER. So far as book knowledge is concerned, yes; and that is the archivists.

Mr. WOODRUM. The bill of the gentleman from New York has yet to be enacted into law. It is, so to speak, resting in the discretion of the House. There are no appropriations in this deficiency bill for it. When the Celler bill is taken up for discussion the House can put such provisions in it as it pleases.

[Here the gavel fell.]

Mr. WOODRUM. I ask unanimous consent to revise and extend my remarks, and to make brief quotations from these documents from which I have read relative to the promotion and progress of this movement for a National Archives. [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I want to take just about 2 minutes of the time of the House, no more, to call attention to the fact that if you will read the bill, H. R. 5703, the Keller bill, you will find no necessity for imagination there at all. You will find, I think, no indefiniteness at all; the number of books, pamphlets, and all of the publications of the Government Printing Office are set out in the bill. We are asking for two where it is not otherwise specified, and no more. There is an exception made in the Official Register of the United States; we want six copies of that, and we want one extra copy of the daily CONGRESSIONAL RECORD as we run along, just for use down there; not bound. You will find they want one copy of every bill and resolution of Congress at each stage of its consideration for the purpose of having a full and complete history of how and when changes are made in the formative stages of legislation. It is a very informative process to a man doing research.

I have had experience in this regard myself and often have wandered blindly, and without aid insofar as tracing

the various stages and changes made in the past when legislation was under consideration, in order to know what to do in a current situation. There should be some one place where we could follow the changes step by step. We ask for only one of each document here as it comes from the printing press that it may be kept as part of the great repository of the history of the country.

To illustrate, the legislation in relation to creation of our legal-tender notes, or greenbacks, during the Civil War period, is almost entirely shrouded in mystery for lack of any specific records or debates on that subject, despite the fact that this legislation is among the most important in American history. Much more can be learned from outside sources than from the Government records. The fact that the original $60,000,000 of greenbacks, not containing the exception clause, which later issues contained, maintained its parity with gold throughout its existence is hardly known to the students of that subject for lack of Government records. I made this statement on the floor of this House in the Seventy-second Congress only to be challenged by one of the ablest men and best students of this body, my friend, Dr. Oliver, of Alabama. And only after digging out the historic facts on that subject could I convince him, or this House, of this all-important fact. The document rooms of the Capitol keep the bills only for a current Congress. The general impression is that these bills and resolutions are available in the Library of Congress, but even there there is a gap of about 50 years where these things are not available. Surely this condition should not be permitted to continue. And the National Archives must be the Nation's absolutely safe repository for these invaluable historic documents.

I want to state that so far as I am concerned I am in hearty accord with the proposition that Congress should pass on the necessity of every one of these things. But this authorization must be continuous and permanent, or we will find a period of a week, or perhaps longer even when books, pamphlets, and copies of other documents which should go to this Archives Establishment will not arrive there. We want to avoid the possibility.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield myself the balance of the time.

I may state, Mr. Chairman, that the amount of the appropriation for the Archives Establishment is the result of a very searching investigation on the part of the deficiency subcommittee which consisted of 10 members of the Appropriations Committee. The estimate was $550,000. We reduced this $75,000. We figure this amount is ample for the starting of this activity. Should need for increased funds arise through additional work and they can demonstrate to Congress the necessity of this work to preserve the history of our country and instill those lessons into our posterity, we can pass on giving them the increased amount when the demonstrated necessity arises.

As to whether or not $475,000 is too much or too little, no man can tell at this stage of the game when it is actually a new set-up all around. I have this confidence, however, the Archivist, Dr. Connor, is a very intelligent, a very patriotic man, and one sincerely interested not only in the preservation of the history of our country but in cutting down appropriations as much as possible; and I do not believe he will unnecessarily put on employees and expand his organization unless there is actual necessity for it. I think, therefore, the $475,000 should be allowed.

Mr. Chairman, I ask that the Clerk read the bill for amendment.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

For payment to the widow of Frederick Landis, late a Representative-elect from the State of Indiana, $9,500.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 2, strike out lines 11 and 12.

Mr. BUCHANAN. Mr. Chairman, it was with great hesitation that I offered this amendment. The proposition was subject to a point of order; but I did not desire to make the point of order, because I felt it was a question that concerns personally every Member of this House, and they ought to have a right to pass on it. Secondly, I did not make the point of order because of the two preceding allowances, which are along the same lines but are clearly within the established precedents.

Mr. Chairman, this provision which my amendment eliminates, if adopted, will allow a year's salary to Mr. Landis' widow. It will enlarge the scope of the precedents beyond anything ever done heretofore, including other cases where we have refused to make the appropriations. I am going to state the facts in this case.

In connection with every allowance heretofore made the Member has been on the salary roll or a sitting Member of the House. He has been a qualified Member under the law as it then stood. Sometimes they have not actually taken the oath of office, but their term of office had commenced. They were drawing the salary and discharging their duty in every case heretofore allowed.

In this case, the gentleman was elected on November 6, and, unfortunately, he died on November 15. At the time he died there was a sitting Member of this House representing the same district duly qualified and drawing a salary. If both of them had died at that time you would be called upon to make two appropriations for two Members from one district. You understand that when this man died, having just been elected, his predecessor still held the office, and if the predecessor had died, his wife or dependents would have been entitled to an appropriation. Mr. Landis did not have a certificate of election. I may state that he died on November 15, and the certificates of election from the State of Indiana were not issued by the State authorities until December 1.

Mr. Chairman, those are the facts. If the Members want to enlarge the precedents and include within the scope of the precedents all Members who may or may not have been elected and who die just after election, that is your business. It is not mine. If the Members want to include those individuals who have not received their certificates of election, it is your business, not mine. When this House speaks, as Chairman of the Appropriations Committee I am expected to obey the will of the House, but I am determined that the Appropriations Committee while I am its chairman shall not itself enlarge on these precedents. Personally, I am opposed to this class of appropriations, whether within the precedents or not.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, may I say that I greatly appreciate the very fine attitude of the chairman of the committee, the gentleman from Texas [Mr. BUCHANAN]. I want to thank him and the committee for giving me the opportunity of appearing before a Subcommittee of the Appropriations Committee in order to present this matter in the first instance. I appreciate intensely the action that the chairman has taken in not making a point of order in respect to this particular item.

The Honorable Frederick Landis was elected to this Congress from the second district of the State of Indiana on last November 6. Frederick Landis had been a Member of Congress from the State of Indiana. He had served in the Fifty-eighth and Fifty-ninth Congresses. He had served with credit and honor to himself, to his State, and to the Nation. Possibly it does not have much to do with this particular item; but while he was here his brother, Charles Landis, was also a Member of the Congress from the State of Indiana.

Fred Landis in his lifetime gave much of his time and effort to those things which were of general interest to

the people of the land, and participated in all those activities which were for the encouragement, the enlightenment, and the education of the people of the whole land. But by the same token his activities and his business life were such that he did not accumulate that sort of an estate which many men of his ability are able to accumulate. He went through a strenuous campaign in the primary, then went into the fall campaign and before the election he was taken ill with pneumonia and died a few days after election.

If the Members of the House see fit to allow the item as asked for in this bill presented by the committee, it will not be subject to the criticism that is sometimes made as to these gratuities; that is, that the people to whom they are granted do not need the money.

I say to you that these people need the money. Fred Landis put in his effort and his time and sacrificed his life, if you please, to be elected to this Congress. I for one cannot see very much distinction between the case of a man who is elected and who has not been sworn in and dies before the term begins and a man who is elected, whose term has begun but who is not in reality a Member of Congress because he has not been sworn in. Such a distinction would be a distinction without a difference. In other words, there are precedents heretofore existing under which the dependents of individuals who have been elected were granted the gratuity when the person who was elected died before being sworn in or having taken the oath of office.

Fred Landis has left a family of six children and a widow. May I say that the people of Indiana, without regard to politics, loved Fred Landis. They love his widow and his children. A number of those children are minors, and, Mr. Chairman, I cannot believe that there is a dangerous precedent to be set here by anything that might be done today which will react unfavorably against future Congresses or so extend its precedents as to prejudice seriously the Treasury of the United States.

Why, I believe this is a wonderful custom that has grown up. It is not only afforded to the families of deceased Congressmen. It is extended to the families of those people who are employed in this building and of our people in the Foreign Service.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HALLECK. Mr. Chairman, certainly no serious detriment or dangerous precedent can arise out of the allowance of this item. The time now is short between the date of election and the date that Congressmen take office. There cannot in the future be any considerable number of deaths in that time.

I am saying to you today that if, in your kindness, as a further expression of the generosity with which this Government of ours has treated all of its people in recent years and throughout all of its history, you grant this appropriation, I am confident your action will meet with the approval not only of the people of the State of Indiana but of the country as a whole. I ask you to allow this item to stay in this bill. [Applause.]

Mr. LUDLOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, knowing the facts and circumstances connected with this matter, I feel it my duty to support my colleague, Representative CHARLES A. HALLECK, who is the author of the legislation to pay to the widow of Mr. Fred Landis the equivalent of 1 year's salary of a Member of Congress. In doing so, I wish in a preliminary way to say that no one in this Congress has a higher appreciation than I have of the sound judgment and devotion to duty of the able Chairman of the Appropriations Committee [Mr. BUCHANAN]. I think that in ninety-nine cases out of one hundred I follow his leadership. He gives the most intensive study and application to problems of government with a view always to protecting the interests of those who have to pay the taxes and bear the burdens. He is so modest and self-effacing that few persons know the far-reaching extent of his activities in the public interest; but I know, because I serve on his committee under him, and I want to say in his presence that he is a distinct and valuable asset to the American Nation.

He is one of the most useful Members of Congress I have known in my long career as a newspaper correspondent and as a Member of this legislative body. Also I want to say that I share his concern that these gratuity appropriations shall be held within proper bounds. In that matter he is dead right. By their very nature they need to be carefully safeguarded.

Now let me state the circumstances of this particular case. Nine days after Frederick Landis was elected as Representative in Congress from the Second Indiana District, he died. As far as the earning of this death gratuity is concerned, that is a closed incident. It was earned just as much as my death gratuity was earned, just as much as yours was earned, just as much as the potential death gratuity of any Member of this House was earned. [Applause.] The only difference is that we were fortunate and lived and Fred Landis was unfortunate and died in the brief interim after he was elected and before he was sworn in. It was earned by Fred Landis himself in a hard and grueling campaign in which he spent all he had of physical energy and financial substance, a campaign in which he conducted himself as a gentleman and an honorable warrior, as he always did in every relation of life. In a campaign in which there was no taint of accusation of fraud, he won by a decisive majority of more than 10,000 votes.

To those who remember Fred Landis when he was a Member of Congress several terms many years ago, I need not describe his fine qualities. His political beliefs were utterly at variance with my Democratic philosophy, but like everyone else who knew him, I loved him. He was the kind of man who when he saw a mendicant shivering on a street corner would hand over his overcoat and after that Fred Landis would do the shivering. He was not acquisitive in any sense. A man like that is too generous to amass a fortune. He died leaving a widow and six children, and this allowance would be a veritable godsend to them.

Anyone who studies all the facts connected with this case must conclude that if we say "no" to Mrs. Landis and her children, they will be beaten out of an allowance which her husband earned, and they will be beaten out of it by the merest technicality. Year after year we pay to widows of very rich Members this death gratuity, even though they may be rolling in affluence, and as long as that rule stands I cannot bring myself to deny this worthy necessitous woman and her family of six because of a technicality. I think I hew to the line of economy as closely as anyone in this Chamber. I have voted against most of the large appropriations, and I expect to continue to vote against many, but when we are spending money in great amounts for shelter belts, to buy submarginal lands and plug up soil erosion, and similar projects, I think we would do well to inject this tiny bit of humanity into our appropriations. I trust that no Member on the Republican side will object to this appropriation, and I trust that our Democratic Members will show true sportsmanship and grant this allowance to the widow and children of a foeman who was worthy of our steel. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to my friend, the gentleman from Minnesota.

Mr. KNUTSON. I do not recall a similar case in the 19 years I have been a Member of this House. So I do not think we would be setting a dangerous precedent by allowing this gratuity, and it is my information that Mrs. Landis needs this money and needs it badly, and I hope the good Chairman of the Appropriations Committee, for whom I have the highest regard, will not oppose this item.

Mr. BUCHANAN. I may say to the gentleman that I have offered a motion to strike it out of the bill and I am going to vote for the motion because I do not think it ought to be allowed.

Mr. LUDLOW. If I may comment on the statement made by the gentleman from Minnesota [Mr. KNUTSON] we now have the "lame duck" amendment which bridges very closely the time between a Member's election and the time he takes the oath of office and this reduces very greatly the possibility that this action may become an embarrassing precedent. I venture to say that in 50 years there would not be a couple of cases analagous to this one.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 10 minutes.

Mr. EKWALL. Mr. Chairman, I object to that.

Mr. TABER. I hope the gentleman from Oregon will not object.

Mr. EKWALL. Very well; I withdraw the objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I want to join with the distinguished gentleman from Indiana [Mr. HALLECK] and my friend from Indiana [Mr. LUDLOW] in urging upon my colleagues the retention of this item in this bill.

I was profoundly impressed by the argument made by the gentleman from Indiana [Mr. HALLECK], supplemented by the always able and profund argument of my friend from Indiana [Mr. LUDLOW].

I was also deeply impressed by the position taken by the chairman of the committee, Mr. BUCHANAN. I do not think, if we keep this item in the bill, that the chairman of the committee is going to let one tear drop from his eyes. From the very expression of his face and his actions we can read his mind and see that his position is purely technical, and that if we vote to keep the item in the bill, there will be no disturbed feeling so far as he is concerned.

I think a clear case is made out. I did not know the late Representative-elect, I do not know any member of his family, but I do know there is only a slight technicality between this case entitling the widow and children to this sum and the case of the death of an actual Member.

There is only a thin line of demarcation between this case and the case of a widow of a deceased Member. I think it is a very fine thing on the part of the Subcommittee on Appropriations to place the item in this bill, and I think it was an equally fine thing on the part of the chairman not to raise a point of order in order that the House might pass upon this question. I think we can well draw the inference that, because the chairman permitted it to remain in the bill without raising the point of order, that he is not really opposed to it, that he is not opposed to what everyone would like to see so far as this item is concerned, and that the chairman will be in complete agreement with our action in keeping it in the bill. A case has been clearly made out. Only a technicality exists relating to the time of the untimely death of the Representative-elect from the standpoint of equity. I shall vote to keep this item in the bill. [Applause.]

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. WOODRUM. After all, is it not a distinction without a difference? A man is elected to Congress, and when he is elected actually begins the work of a Congressman.

Mr. McCORMACK. Yes.

Mr. WOODRUM. He is given the franking privilege and, if available, office space is given to him. His constituents treat him as a Congressman and he is recognized in the departments and bureaus as a Congressman. Is it not a distinction without a difference to say if he dies one day his family will be given this consideration, but if he dies another day the same will not be received?

Mr. McCORMACK. The gentleman's contribution is not only correct and constructive but convincing.

Mr. O'NEAL. Mr. Chairman, this is a question of precedent, as I understand it, and precedent only. Right and wrong, justice and other things are not involved from the standpoint of the opposition. Our chairman, I am confident, is as sympathetic as any of the rest of us, but he considers it his duty as chairman of this committee merely to bring up the question of precedent. This is not a legal question. There is a very great distinction, in my opinion, between a legal precedent and an usage precedent. If it were a legal precedent, I do not believe that I could stand here and speak on this subject; but as a usage precedent, it is a very different matter. By a usage precedent, I mean that some other Congress, with no more authority, with no more right, has chosen to make a decision possibly different from what we have now before us. There are no two cases in which the facts are exactly the same. There are no two sets of conditions exactly the same. I say a precedent of that sort should not be considered in the same position as a legal precedent.

Let us see what would qualify, according to former actions of the House, to put a man in the class where his family could receive this gratuity. One thing is that his election had gone to the point where he had actually sat in the House one day. What difference does it make in the eyes of justice whether the man was here one day or died shortly before he had opportunity of being here? That case would plainly have come in under the precedents heretofore set, and we would have had no hesitancy in giving the gratuity to his widow. But we should remember this: That as far as being in Congress is concerned this man started and made his race, just as you and I did, during the 6 months before the election. This man spent his money and his time. He had a right, in thinking of the good of his own family, to consider that the money would come back to him should he be elected, and he was elected; and, as the gentleman from Virginia [Mr. WOODRUM] suggested, he was elected in every particular except the mere form of having that fact certified. He had the franking privilege; he had the right to an office here; he had a right to the emoluments that any other man who was elected to Congress had at that time.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL. Yes.

Mr. MILLARD. And, furthermore, he also served two terms in the Fifty-eighth and Fifty-ninth Congresses. He was a former Member of Congress.

Mr. O'NEAL. I was going to say that another affirmative precedent would have brought him within the rule had he served in the Seventy-third Congress. Then our former precedents would have included his case. What difference does it make whether he served in the Seventy-third or the Seventieth? He was a former Member of this House. From the standpoint of reason, justice demands that we take the same action in this case. [Applause.] But where there is no legal precedent and where there is no exactly analogous case, the fact that this man made a successful race, and except for the hand of fate would have been with us today, I say that no arbitrary rule of this sort should keep the widow and six children from having that to which they are fairly entitled. Of the six children, one, the oldest, who would help to provide for the family, is in a sanitarium. Of the other five, at least four are under age. I certainly hope this amendment, offered here as a matter of duty by our honorable chairman, will be voted down and the bill allowed to pass as it now stands. [Applause.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

FARM CREDIT ADMINISTRATION

Crop production loans: To enable the Governor of the Farm Credit Administration to carry into effect the provisions of the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1935, and for other purposes", approved February 20, 1935, including personal services and rent in the District of Columbia and elsewhere; paper, printing, and binding; supplies and services, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), when the

aggregate amount involved does not exceed $50; and such other expenses as may be necessary; there is hereby reappropriated and made immediately available and to remain available until June 30, 1936, for the foregoing purposes, a total of $60,000,000 from unobligated balances (to be designated by the President) under allocations from the appropriation of $525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act, fiscal year 1935.

Mr. BURDICK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 4, line 15, after the word "of", strike out "$60,000,000" and insert in lieu thereof "$100,000,000."

Mr. BUCHANAN. Mr. Chairman, I make the point of order against the amendment that it is not authorized by law.

Mr. BURDICK. Mr. Chairman, I am convinced that not only the authorization which this Congress has already passed for the expenditure of $60,000,000 will have to be reversed, but the appropriation itself if we let it stand will also have to be reversed. I have abundant proof that we made a mistake when we authorized only $60,000,000, because that is not enough; and it appears to me that while a point of order may be successfully raised on this amendment, we will be saving time by not raising the point of order and make the appropriation $100,000,000, and, if necessary, pass other legislation authorizing further expenditure.

The CHAIRMAN. As the Chair understands, this appropriation is limited to $60,000,000.

Mr. BUCHANAN. That is correct.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: On page 4, line 19, after the figures "1935", add the following: "Such loans to farmers for crop production and harvesting to be made with expedition, and without the usual red tape and delay, and without unreasonable restrictions and requirements, under unnecessary technical rules and regulations, in order to carry out the intent of Congress to provide seed and feed, in seasonable time, for the unfortunate farmers in the drought-stricken areas."

Mr. BUCHANAN. Mr. Chairman, I make the point of order that the amendment is legislation, not proper on an appropriation bill.

The CHAIRMAN. Does the gentleman from North Dakota [Mr. LEMKE] desire to be heard on the point of order?

Mr. LEMKE. Mr. Chairman, I may state that the purpose of this amendment is not new legislation but that it is simply directory. We feel that if the farmers are entitled to this money at all, they should have it before seeding time and not by harvest time. It simply suggests and directs how the appropriation shall be made and used. For instance, if we had said that the $60,000,000 should be paid in two installments, $30,000,000 at one time and $30,000,000 at another, that would not be new legislation. This is simply directory, suggesting to those in charge of this $60,000,000 how and under what circumstances and when it shall be loaned.

Mr. MICHENER. Mr. Chairman, it seems to me that this is a limitation. It seems to me that it retrenches. Of course, I have not read the amendment, and the language is a little indefinite, but it refers to redtape. I do not know just what the legal definition of redtape would be.

Mr. LEMKE. The gentleman should know by this time that rules, regulations, and redtape is all that we find in the various departments of the Government.

Mr. MICHENER. But it at least contemplates there is something being done that should not be done, which costs money. Therefore if the redtape is eliminated, the expense will be eliminated. Therefore it is limiting and retrenching, and it makes the amendment in order. If it does that, if it limits and reduces the expense, then it is in order.

Mr. BACON. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. BACON. Does not the gentleman think that the gentleman from North Dakota [Mr. LEMKE] is an optimist when he proposes to eliminate red tape from the Department of Agriculture?

Mr. MICHENER. Yes; I think that is true. We should eliminate it, however.

The CHAIRMAN (Mr. COLE of Maryland). The Chair is ready to rule. The gentleman from North Dakota [Mr. LEMKE] states to the Chair that the amendment is directory. That in itself is an admission that it is legislation. Therefore the Chair sustains the point of order.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Pensions: For an additional amount for the payment of pensions, gratuities, and allowances, including the same objects specified under this head in the Independent Offices Appropriation Act, 1935, $94,650,000.

DEPARTMENT OF AGRICULTURE

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 6, after line 6, insert: "to enable the Department of Agriculture to cooperate with State game and fish departments in the extermination of crows, blackbirds, and starlings endangering crops by destroying seed grain, $50,000."

Mr. BUCHANAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN (Mr. COLE of Maryland). The Chair sustains the point of order.

The Clerk read as follows:

United States penitentiary, Leavenworth, Kans., buildings: For construction and repair of buildings, including the purchase and installation of machinery and equipment and all expenses incident thereto, to be expended so as to give the maximum amount of employment to inmates of the institution, $65,410, to remain available until June 30, 1936.

Mr. OLIVER. Mr. Chairman, I offer an amendment, which I think is acceptable to the committee.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 9, line 15, after the figures "1936", insert: ": *Provided*, That the use of the annex by the Bureau of Prisons, Department of Justice, is hereby continued until otherwise provided by law."

Mr. BUCHANAN. Mr. Chairman, we accept the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BUCHANAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, 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. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the amendment and the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

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

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

WAYS AND MEANS COMMITTEE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

KEEPING FAITH WITH THE WORLD WAR VETERANS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, on March 4 and 5 the Ways and Means Committee held hearings on H. R. 1 and H. R. 3896 and the seven other similar bills dealing with the payment of the balance due on the adjusted-service certificates.

The hearings were thorough and covered all phases of the subject matter. Congressman PATMAN and friends of his measure presented their arguments the first day and Congressman VINSON and the four representatives of the American Legion presented their bill the second day. Seven Members of Congress, besides the author, together with 11 others, including representatives of other veterans' organizations and economists, appeared in behalf of H. R. 1. Mr. VINSON and the four representatives of the American Legion appeared in behalf of H. R. 3896.

WHAT THE HEARINGS DEVELOPED

The testimony of the representatives of the Legion clearly showed that they were strongly opposed to the Patman bill. They termed it inflationary. Their measure (H. R. 3896) authorizing an appropriation to be made later would require a bond issue or new taxes for payment. The Patman bill provides payment with new currency, with little, if any, additional expense to the Government. Printing of currency costs about 30 cents per $1,000.

WHY THE ANIMUS OF THE LEGION LEADERS?

To understand the personal enmity of the Legion oligarchy toward the Patman bill it is necessary to go back and view the background of the issues here raised and to review the politics of the Legion to understand whether or not their position is sincere at this time.

HISTORY OF ADJUSTED-SERVICE CERTIFICATE LEGISLATION

The records show that the World War veteran never asked for the adjusted-service certificates; it was Congress who recognized the justness of the obligation and originated the legislation back soon after the war. Did the representatives of the American Legion before Congress fight for the same rights for the soldier as was given to all other parties connected with the war? No; the records show that the representatives of the Legion, including the present directing legislative head, John Thomas Taylor, stood by and let the World War veteran take a licking in the form of this "tombstone" bonus payable in 1945 instead of payment in cash in 1919 and 1920 as was paid to the railroads, war contractors, and all others but the soldiers who were connected with the war. So this certificate was not what the soldier wanted or had asked for, but what a rock-ribbed reactionary Republican standpat Congress said they could have.

The soldiers' friends in Congress, recognizing that they had been given a raw deal, have tried ever since the enacting of this I O U law to do the right thing and pay off this indebtedness in cash, as was done all others soon after the close of the war.

PATMAN'S RECORD ON DIFFERENT MEASURES

Congressman PATMAN offered his first bill for payment of this indebtedness on May 28, 1929—H. R. 3493. This measure called for payment by sale of bonds. His second bill was offered on December 8, 1931—H. R. 1. This bill was an authorization bill, the same as H. R. 3896, now supported by the American Legion. On January 14, 1932, Mr. PATMAN offered his third measure, H. R. 7726, which provided payment with Treasury notes in the sum of $1, $2, $5, $10, $20, and so forth. This measure was later amended by former Senator Owens' plan, which provided payment by requiring bonds bearing 3½ percent, to be placed in the Federal Reserve banks, to be sold if necessary to stabilize the commodity price level. The next bill was introduced March 9, 1933, providing payment through issuance of currency and stabilization through withdrawal of bank currency backed by Government securities, if necessary, to stabilize prices. This present measure—H. R. 1—provides for payment through issuance of new currency, same as the bill of last session, and for withdrawal of currencies by Federal Reserve if necessary to maintain proper price level.

PATMAN SOLD THE COUNTRY ON PAYMENT OF THE CERTIFICATES

Congressman PATMAN, as stated above, submitted almost every kind of bill to the country; and out of this laboratory each successive time has made perfecting amendments to this measure at the suggestion of some of the leading economic authorities of the country; also at the suggestions made by friends of the soldier throughout the country.

WHERE WAS THE LEGION ALL THIS TIME?

Have the legislative leaders of the American Legion been working for the cash payment of this debt during this period of time? The rank and file of their organization have been demanding payment, but the leaders who have attended the national conventions have turned a deaf ear.

In 1932 at Portland, Oreg., the national convention of the American Legion passed its first resolution demanding payment of adjusted-compensation certificates by a vote of 1,167 to 109, as follows:

PAYMENT OF ADJUSTED COMPENSATION

Resolved, That the American Legion endorses and urges the full and immediate payment of the adjusted-service certificates, and that the national officers be instructed immediately to proceed before Congress toward enactment of the legislation * * *.

VETERANS' LEGISLATION

Be it further resolved, That any major changes suggested in veterans' legislation resulting from such investigation shall be referred to the next and succeeding conventions of the American Legion with such recommendations as may be appropriate.

The resolution was adopted.

LEGION LEADERS DISREGARD RESOLUTION DEMANDING CASH SETTLEMENT OF CERTIFICATES

In spite of favorable action on payment of these certificates at the convention, as shown by pages 52 and 53 of the summary of the proceedings published for said convention in the official report of the fourteenth annual national convention, not one word is said in said report about the passage of this resolution or the almost unanimous vote cast upon it. On pages 145 and 146 they do give the vote by States of the 1931 vote had at Detroit defeating cash payment. In other words, the "king makers" wanted to "smother" this matter.

The annual report for 1933 of the American Legion, page 183, by way of trying to explain why they had done nothing about carrying out the mandate of the Portland convention of 1932, had this to say:

ADJUSTED COMPENSATION

Due to the financial situation which has confronted the Federal Government during the past year, no definite and concerted action was taken in either Senate or House of Representatives looking toward passage of a measure to provide immediate cash payment of adjusted-service certificates, as advocated at the Portland convention.

During the short session of the Seventy-second Congress an executive meeting of about 60 Members of the House of Representatives who were friendly to cash payment of the certificates was held on January 16 to consider what course of action they should pursue during the session. After reaffirming their belief in the merits of the cash-payment principle, the group decided to defer House action until a decision had been reached on the question of currency inflation, the House group favoring payment of the certificates through the inflation method. Nothing was accomplished during the short session toward this end.

During the special session of the Seventy-third Congress Senator Arthur Robinson, legionnaire from Indiana, secured a Senate vote on an amendment to the inflation bill (H. R. 3835) which, if adopted, would have provided for the cash payment of the adjusted-service certificates. Senator ROBINSON's amendment was

defeated in the Senate, 28 to 60, on April 28, 1933. * * * Following this Senate defeat of the proposal to cash the certificates, no further efforts were made toward this end during the special session.

PATMAN KEEPS ON FIGHTING

Congressman PATMAN offered his third bill, H. R. 7726, on January 14, 1932, and the Owens amendment, December term, 1932, and even though the American Legion had gone on record at their national convention favoring full cash payment, not one member of their national legislative committee appeared before the Ways and Means Committee on behalf of this legislation. Mr. John Thomas Taylor was the paid legislative counsel for the Legion at that time and has been down to date.

During the Seventy-third Congress we who favored immediate payment worked hard to secure signers to the petition to bring this measure before Congress and it took us over a year to secure the necessary 145 signers to force a vote on this measure. We had no help from Mr. Taylor or his Legion committee. He was heard to congratulate certain Members of Congress for voting against the bonus last session when we finally did secure a vote on same. This is the way these convention leaders of the Legion have kept faith with the rank and file. They seem to be more worried about inflation than they are following clear instructions from the rank and file who elected them and who are paying their salaries and expenses.

KING MAKERS PLAY POLITICS

The "king makers" of the Legion make all national conventions and make the slate for the selection of all national officers and bring about the results they want on all business transacted at these conventions as much as possible.

National Commander Belgrano and John Thomas Taylor and through little cliques would have the committee and this Congress believe in their "altruistic motives" in coming here at this late hour favoring a bill they had introduced (3896) January 14, 1935, to pay the balance due on these certificates.

Let us look at the background again.

The same group, very largely, who controlled the Legion in 1932 have controlled it since then. That convention, by a vote of 1,167 to 109, favored the cash-payment bonus, and it was a continuing resolution. PATMAN was there with other Members of Congress fighting for it; the hearings in 1932 covered 841 pages; the fight was hot; where were the Legion leaders? In 1933 at Chicago they did not permit a resolution favoring the bonus, but they did take time to pass resolutions favoring "Studying taxation", Hearst's "Buy American plan", favoring cooperation with the N. R. A., recommending "the elimination of injustices brought about by the exemption of tax-exempt securities", and also a resolution demanding a "sound dollar", as follows:

Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government of the dangers of inflation and that we favor a sound American dollar.

SOUND-DOLLAR DEBATE AT CHICAGO CONVENTION

When the sound-dollar resolution came before the 1933 convention at Chicago, Mr. Barron, of Minnesota, objected to its consideration, as follows:

Mr. BARRON (Minnesota). Mr. Commander, members of the resolutions committee, and comrades, I think we have here a fitting example of the type of legislation that the Legion should shun. [Applause.]

I have during the course of 14 years of Legion service in my department realized the trend, and at times the almost constant trend, toward taking the Legion into the controversial field that is not truly germane to Legion purposes. Sometimes there are those resolutions which we may class as border-line resolutions, where there might be some question as to whether or not they are matters which truly and intimately concern us as an organization, but I have no hesitancy, comrades of this convention, in saying to you that from the bottom of my heart I feel that this resolution has no place on the Legion program.

I am advised that the resolution in its original form received very spirited debate before the committee. I understand that it was bitterly opposed, and that the present resolution is, in effect, a compromise. I think that the time has come when, if we are to concentrate upon the things for which the Legion stands, a rehabilitation program which is preeminent, we have got to hew to the line, and we can't permit ourselves to be drawn into controversies such as this. I therefore move you that this resolution be laid upon the table. [Applause.]

Then the "ringleaders" took charge, and the following debate was had on the adoption of the sound-dollar resolution:

Mr. VINCENT CARROLL (Pennsylvania). I rise to a point of order, Mr. Commander. I consider that the previous speaker was speaking on a motion, and I desire to present the other side of the question to this convention. If the speaker who preceded me insists on his motion to table, I will ask you, Mr. Commander, to make a ruling on it.

Mr. BARRON. I think the gentleman is correct, and I willingly withdraw my motion to allow for discussion.

National Commander JOHNSON. Both sides will be heard on all matters in this convention. The Chair would not have suffered that to go by, even if it had not been challenged.

Mr. CARROLL. I will yield to Past Commander Stevens if he desires to take the floor.

National Commander JOHNSON. Past National Commander Henry Stevens. [Applause.]

Mr. STEVENS. Mr. Chairman, my comrades of this convention, I had the happy privilege this year of serving as a member of the resolutions committee. I now have the honor of defending the conclusions of that committee before this honorable body. May I say to you at the outset that this resolution certainly had full consideration, that its every angle was fully discussed, and finally the committee decided to strike out the "whereas" of the original resolution, and this resolution, as you heard it read, was practically the unanimous opinion of your resolutions committee, composed of one man from each department in the entire Legion.

You all know me, and I certainly came from way back down yonder in the country recesses of North Carolina, an agricultural State, and when farm products don't bring anything for farmers, when agricultural conditions suffer, country lawyers have a hell of a time in North Carolina.

My friends, to my mind this is one of the big questions confronting this convention. We have here facing us an inflationary program sponsored by people yonder in Wall Street who desire to recoup their losses sustained in 1929 by manipulation of the stock market. They are for inflation, they are not for secure American currency.

And then you have heard it noised about, as I have heard it noised about, it bears an insidious influence in propaganda emanating from certain foreign governments that seek to drive the American dollar down perhaps to 10 or 25 cents, pay their war debts to us in a dollar that has no valuation whatsoever.

Back yonder, when you were in the trenches, when you were in the training camps, you sent home or you paid into the Government each month such and such a sum for an insurance policy that was to safeguard your loved ones waiting for you back at home. You paid good American dollars for that protection for your people, and if inflation became the vogue, if the dollar was run down to where it had no value and wall-paper money became the currency of our day, that $10,000 policy that you paid good, hard-earned money for would buy about $4,000 worth of stuff for your wife and your children.

Before the resolutions committee the other day we had a lot of flowery talk, but there was one fellow that spoke on this question that impressed me more than anything I have heard on it.

Our disabled men have already been cut, he said, and for God's sake don't let inflation come about and drive down the value of what little pension we have left.

My friends, I have got to talk fast, but bear this in mind, with the compensation of veterans cut, with the sole revenue for rehabilitation service and the child welfare service coming from the $5,000,000 endowment fund given to us by the people, if you pass an inflationary measure, drive down those bonds to 50 percent of their present value, you cut off your source of revenue to protect and defend these poor, disabled buddies of yours who are looking to your rehabilitation service for that protection.

I plead with you to sustain this resolution, and let's have "guts" enough to lead the fight. [Applause.]

National Commander JOHNSON. Any further discussion? Are you ready for the question?

I recognize Vincent Carroll. I recognize, and the convention will recognize, too, the right of the chairman of the convention committee to speak last.

Mr. CARROLL. Mr. Commander and comrades of the convention, the only reason I take a few minutes of your valuable time in these waning hours of this great convention is because the gentleman from Minnesota, who addressed himself to this situation, started out by saying that the American Legion should shun this. He said further, comrades of this convention, that the American Legion should not engage in any controversial matter. I am here, members of this convention, because I believe the American Legion should, irrespective of whether this is a matter of controversy, national or local, give expression on this subject. Its members, you men and women, represent every cross section of our citizenry, and I believe that a pronouncement on this matter at this time would surely result in a proper final determination of the matter; for disturbing and uncertain as the situation now is (there is, as we know, an adverse effect on business, on industry, and on finance), we heard, members of this convention, our President make a statement within the bounds of this city on Monday morning, and I believe from the statement there made by the President of the United States, our Commander in Chief, that there is a determination in his heart—and I gather it from his own expression—and in his mind as well, to keep the faith of his party with

the American people he now leads. I believe he has a determination with his own conscience—and this comes from a Republican from Pennsylvania—to keep the pledge to the American people of sound money; and, members of this convention, you should give expression on that, if for no other reason than that you received a bid from him.

Ninety dollars a month is the exact amount of compensation that the disabled man received. What would he receive in the shape of $90 per month, I ask you, were we to follow this specious theory of deflation of the American dollar? What would happen to that $90 a month, I ask you men and women legionnaires? Is it not our first obligation, and must we not express ourselves on these controversial matters where we have the interests of the disabled veteran as the first obligation of this organization? I cannot help but think that if we were to follow this specious theory of an unsound dollar we would not be holding up the hands of the Executive of this country who has made a bid for our expression. We would be turning against the man that gets $90 a month, the widow, the orphan, and the disabled man who gets an amount less than that. We would be devaluating that which has been given to him and her and those children, devaluating that; and we know there is not a chance to get that amount increased, no matter what the value of the dollar may be taken to.

Have we not a right to express ourselves on this? Have we not a right, I say, when the effort is being made by foreign governments to make us devalue our dollar so that those debts may be paid off with paper of an amount greatly less than the amount that was advanced at the time those debts were created. [Time was called.]

Mr. KNOWLES (Florida). I move to table the resolution under discussion.

National Commander JOHNSON. The Chair will not close the debate without giving the chairman of this committee the opportunity to speak, and he does not recognize Mr. Knowles, of Florida, until the chairman has spoken. I shall be glad to recognize you then. I announced a while ago the chairman of this committee would be protected and given the right to say the final word.

Mr. JOSEPH EDGAR (New Jersey). After all, this convention is merely a larger committee on resolutions, and there is no reason why you shouldn't react in the same manner as we reacted yesterday after listening to several hours of discussion.

My purpose here on this particular resolution is to give you a history, a short history, of what took place in the resolutions committee. We had all types of feeling on the matter. First we had the side as represented by Henry Stevens, to keep the money sound. Then we had the side as represented by Howell, of Louisiana, who said that the President had the right, under existing legislation, to inflate to a limit of 50 percent. Then we had the man from the Middle West, who said he was a small merchant, and told of the advantages possible of inflation, and could see no harm in inflation. Then we had the man who came from Kansas, who was a member of the American Federation of Labor. He said he thought if you had inflation it might hurt the laboring people. Then we had a banker from Utah, and he said nobody knows what it is all about.

The resolution that was argued in our committee for some 3 or 4 hours was about a page long. All at once everybody saw the light at our committee, and, lo and behold, we arrived at a resolution which, unfortunately, some of you think is for inflation, and I am afraid a lot of you think it is against inflation, but I think, if you will listen to it again, you will be satisfied, as the committee was, in the final result, and here it is:

"*Be it resolved by the American Legion in national convention assembled,* That we favor a careful study by our Government on the dangers of inflation, and we favor a sound American dollar."

I don't know how much the dollar will be, but a sound American dollar. In view of this explanation and what the committee arrived at, I would appreciate very much calling for the question on the adoption of the resolution. [Applause.]

There were calls for the question.

National Commander JOHNSON. I promised the gentleman from Florida that he would be given an opportunity, if he wanted to make, to make the motion to lay on the table, which seems, from the applause of the convention, would but serve to delay the convention. Do you still want to make it?

Mr. KNOWLES (Florida). I do not.

National Commander JOHNSON. The question is on the motion, which is the adoption of the resolution. All in favor will signify by saying "aye"; opposed "no." The Chair rules that the motion is adopted.

SWORN TESTIMONY BEFORE UN-AMERICAN COMMITTEE

Then we turn to the sworn testimony before the Special House Committee Investigating Un-American Activities, and what do we find?

Mr. CHRISTMAS. I think I began to discuss inflation with him (MacGuire) early in 1933. We had many discussions about it. He thought he could spare some time to do some traveling, so my thought was it would be a good idea for him to discuss this question with prominent people in various parts of the country. When I say "prominent", I mean substantial citizens in different localities; and see if we could work up any sentiment for sound currency and against inflation. If I may put it this way, there were three ways this matter could have been handled. Mr. MacGuire could have sat in his office and written letters and made telephone calls and spent very little money and would have gotten nowhere. I told him when he traveled that I expected him to travel in a way which would enable him to meet these substantial people and that he was to entertain lavishly. As I say, I think his travels began sometime in June, at which time I understand he was using his own funds, for which he was entitled to reimbursement from these funds at a later date. As I recall it, he made two or three transcontinental trips * * *.

The CHAIRMAN. Was he at the American Legion convention there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. Were you there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. When did the period of this entertainment end?

Mr. CHRISTMAS. The period ended, I should say, about the latter part of December 1933 * * *.

The CHAIRMAN. So the way you want to leave it is there is $65,000 or $66,000 that Mr. MacGuire received from either you or Mr. Clark, which he spent in the period between June and December of 1933 for traveling and entertainment expenses. * * *

And there are other items. Now, has Mr. MacGuire ever given you an accounting as to how he spent that $65,000 or $66,000, which is unexplained?

Mr. CHRISTMAS. No. I told him he did not need to account to me for that.

The CHAIRMAN. Who else besides Clark was interested in this sound-dollar propaganda campaign?

Mr. MACGUIRE. Mr. Frew, as I say, contributed money.

The CHAIRMAN. Who else was interested?

Mr. MACGUIRE. And Mr. Doyle was interested.

The CHAIRMAN. And who else?

Mr. MACGUIRE. Mr. Henry Stevens, of Warsaw, N. C.; Tom Bird, of North Carolina; and a number of other prominent legionnaires. I can get the names. They are all a matter of record.

The CHAIRMAN. Whom did the committee consist of?

Mr. MACGUIRE. Mr. Carroll, of Philadelphia.

The CHAIRMAN. What Mr. Carroll?

Mr. MACGUIRE. Vincent Carroll. He is the assistant prosecuting attorney in Philadelphia and a prominent legionnaire. Mr. Henry L. Stevens, Jr.; Mr. Doyle; myself; Mr. Esterbrook; Tom Bird, of North Carolina; Charlie Erskin, of—I think he is in Washington or Oregon—John Quinn; Frank Belgrano, the present national commander.

TRAVELING AND ENTERTAINING

Exhibit B.—Detailed schedule of cash disbursements of the committee for a sound dollar and sound currency December 4, 1933, to May 31, 1934, accounting for $31,000 expended:

William H. Doyle	$9,100.00
Henry L. Stevens, Jr	500.00
Dr. William Dunning, Gonzales, Tex	400.00
Tom Bird	1,098.50
Vincent Carroll	3,400.00
Charles Esterbrook	2,773.34
George Norton	626.45
Charles Erskine	300.00
Gerald C. MacGuire	1,992.67

The above amounts show partial distribution of the $31,000 distributed by the Sound Dollar & Currency, Inc., between December 4, 1933, and May 31, 1934, among these legionnaires. Of course, no attempt was made to account for the $66,000 expended by the sound-dollar committee boys before and during the Chicago Legion convention. Gen. Smedley Butler's sworn testimony before this committee may give us some light how some of this $66,000 was distributed to the "king makers" who did speak for the sound-dollar resolution:

General BUTLER. The next time I saw him (MacGuire) was about the 1st of September in a hotel in Newark. I went over to the convention of the Twenty-ninth Division. Sunday morning he walked into my room and he asked me if I was getting ready now to take these men out to Chicago, that the convention was pretty close. I said, "No; I am not going to Chicago." "Why not?" I said, "You people are bluffing. You have not got any money." Whereupon he took out a big wallet out of hip pocket and a great big mass of thousand dollar bills and threw them out on the bed. I said, "What's all this?" He says, "This is for you for expenses. You will need some money to pay them."

"How much money have you got there?"

He said, "$18,000."

"Where did you get those thousand dollar bills?"

"Oh", he said, "last night some contributions were made. I just have not had a chance to deposit them, so I brought them along with me."

The above-quoted testimony was all given under oath before the Special Committee of the House Investigating Un-American Activities. If any of the above-quoted testimony is untrue each and all of these parties so testifying should be prosecuted by the "king makers" of the Legion above mentioned for giving perjured testimony. These hearings have been printed for some time and have had a wide distribution throughout the Nation. We have heard of no

contemplated prosecution by the leaders of the American Legion now advocating "Belgrano's bankers' bonus bill" before Congress.

MONEY TALKS

In other words, it seems from the above-quoted testimony that the "Wall Streeters" had their paid lobbyists—MacGuire, member American Legion distinguished-guest committee—and other prominent legionnaires making transcontinental trips beginning early in 1933, and that they spent $153,665.86, of which about $66,000 was spent before and during the Chicago convention (1933) for "traveling and entertaining" and no accounting ever requested.

Now, my friends, do you believe that these leaders of the Legion who have been thus hooked up with the affairs mentioned are coming here opposing H. R. 1 in good faith, when we all know it is the only bill on the subject before Congress which will pay the debt without "creating any additional" debt, in keeping with the Miami resolution, without additional taxes, without any interest, without bonds, without unbalancing the Budget, and will save the overburdened taxpayers over $1,500,000,000, the amount required, if not paid now, to be set aside by borrowing from the bankers to pay the debt in 1945?

When we know further that if H. R. 3896 passes and becomes a law it will cost the Government over two billion in interest, to say nothing of the interest we will continue to be paying on outstanding bank currency which could and should be retired under the provisions of H. R. 1.

TAX-EXEMPTION RESOLUTION

I wonder why the leaders of the Legion happened to forget the tax-exempt resolution they passed at the Chicago convention following the sound-dollar resolution, as follows:

TAX EXEMPTION

Whereas the issuance of tax-exempt securities by municipalities, counties, States, and the Federal Government has reached an enormous total, thus removing much of our otherwise taxable property from the tax rolls; and

Whereas we of the American Legion are interested in the equitable distribution of the tax burden: Therefore be it

Resolved, That we recommend that an earnest consideration be directed to an *elimination of the injustices brought about by issuance of tax-exempt securities*. (Italics mine.)

For the first time the Legion leaders come before Congress with their own Legion bill calling for the payment of the balance due on the adjusted-service certificates, H. R. 3896; and they are horrified at the inflation feature of the Patman bill, H. R. 1. Their authorization bill would require payment either through bond issue or through additional taxes, and no one has ever raised his voice favoring the levy of additional taxes for the payment of this measure. Then the Legion leaders come here now advocating the payment of the balance due on the adjusted-service certificates by means of a bond issue, which is contrary to the instructions of the Chicago national convention and contrary to the resolution passed at the Miami convention, calling for the payment as follows:

IMMEDIATE PAYMENT

15. This is what we are all waiting for.

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

Whereas the payment of said certificates will not create any additional debt (italics mine) but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end.

WHY NOT KEEP FAITH WITH THE RANK AND FILE?

Why not keep faith with the above-quoted resolution passed by the national convention on the tax-exempt bond racket? Do you suppose money expended for traveling and entertaining expense has anything to do with their position on this legislation now pending before Congress? The Legion should support the Patman bill, under the resolution passed at the Miami convention above quoted.

There is no doubt but what the rank and file at the convention felt that they were voting for payment on their certificates as provided in the Patman bill. When read together, there can be no doubt in the minds of any disinterested person what the last expression of the rank and file is, as expressed on the tax-exemption resolution, when considered together with the Miami resolution calling for the payment of the balance due on the certificates which "will not create any additional debt." A one-eyed Chinaman knows that payment under H. R. 3896 will cost the taxpayers more than $2,000,000,000 in interest.

RANK-AND-FILE SENTIMENT

Mr. Belgrano, in testifying before the committee, said:

The department commanders who are today in charge of their particular departments, the national executive committeemen who represent their departments in the national organizations, are 100 percent behind the Vinson bill.

The State commander for the American Legion for Texas, Mr. Miller Ainesworth, made speeches in my district after leaving Washington last week, and was scheduled to attend the Thirteenth Congressional District Legion convention held at Quanah on March 10. I wired that convention as follows:

MARCH 9, 1935.

Mr. L. W. MORRIS,
Post Commander American Legion, Quanah, Tex.:

Re telegraph, Shall we pass H. R. 1 or 3896? The House Rules Committee will decide Monday whether or not Patman bill may be offered as substitute for Vinson bill. The National Legion executive committee should be forced to call meeting and decide whether or not they will support Miami resolution or bonus. Belgrano and Taylor at heart have never favored payment of certificates. Their dilatory fight here has been to defeat payment and will defeat payment this Congress, no doubt, unless their attitude changes. Belgrano's bank connection and past action in reappointing Taylor legislative representative confirms hostile attitude toward payment of certificates. Vinson's bill only authorizes payment requires appropriation for payment. This Congress will not vote additional taxes to pay legislation; President says will veto either bill. Patman bill complete in itself and provides payment without additional tax burden, without additional interest, without bonds; will not unbalance Budget. Should be paid now for common good of all. Please wire convention's attitude.

W. D. MCFARLANE.

There are 21 American Legion posts in my district and they were in attendance at this convention. On March 11 I received the following wire from them:

Congressman W. D. MCFARLANE,
House of Representatives, Washington, D. C.:

The Thirteenth District Convention of the American Legion Department of Texas, held in Quanah, Tex., today, March 10, passed resolution endorsing H. R. 1, and ask that you give your support to the bill; this district includes 21 posts and authorized this wire.

MILTON GAINES.
H. R. HAYES.
VICTOR NOBLES.

In addition to this, I have received dozens of letters from commanders of the American Legion posts in different parts of the Nation going on record favoring the Patman bill. Banker Belgrano apparently does not know the sentiment of the rank and file of the Legion posts in the Nation.

STAY WITH THE PATMAN BILL

In conclusion, let me say again, in gratitude to Mr. PATMAN, who has made the fight for this legislation, for the benefit of the Government, which will be saved more than $2,000,000,000 through the passage of his bill, and for the good feeling it will create among the rank and file of the ex-service men, for the good it will do for the general welfare of our country, we should enact the Patman bill and pay this long-past-due debt to the soldier.

AMERICAN FEDERATION OF LABOR DEFENDS FREEDOM OF CONSCIENCE, AND CALLS UPON MEXICO TO PRESERVE FUNDAMENTAL RIGHTS

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter I wrote to the president of the American Federation

of Labor together with his reply and an enclosure which he sent me.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENERTY. Mr. Speaker, the city of Philadelphia, in which my constituency is situated, has always been in the forefront of American cities in every movement that has to do with the happiness and rights of the people. Of this interest I need only call to your attention the gigantic mass meeting held there a few weeks ago to protest against the violation of natural rights and freedom of conscience by the present Government of Mexico.

The very fact that this gathering was attended by some thirty-five or forty thousand Philadelphians, with another 15,000 striving in vain to procure admittance, is in itself an impressive illustration of the devotion to human liberty that still exists in the city where American political freedom first found articulate expression. Remembering that it was a Philadelphia laboring group that was in the vanguard of those protesting against the suppression of religion in Mexico in 1926, I considered it my duty as a representative of a district that has a very large percentage of the laboring classes to ascertain on their behalf just what the present attitude of the American Federation of Labor is with regard to the existing Mexican policy of seeking to destroy religion in the hearts of the Christian and Jewish people of that country.

I am glad to inform you that the president of the American Federation of Labor, Mr. William Green, has responded courteously and in accord with the belief of all Americans with respect to freedom of conscience. As we in this House have repeatedly averred, and as my own resolution with regard to the Mexican situation emphasized as early as the first month of this session, so Mr. Green states that there is no desire on our part to interfere in the purely internal affairs of any sovereign people. He then reads a salutary lesson to the communistic group now misgoverning the Mexican Republic by pointing out that it is impossible for men to worship God according to the dictates of their consciences and their religious convictions unless adequate facilities be provided to enable them to exercise these rights. In view of the fact that the Government of Mexico has reduced the number of ministers of religion almost to the vanishing point, this warning comes at an especially opportune time.

Considering that Catholics have been shot and their orphanages and schools and churches wantonly defaced or confiscated, that the Southern Baptist missions have been closed because of the tyrannical laws against religion; recalling, too, that the Protestant Review, Puerto Rico Evangelico, complains that Protestants are forbidden to place crosses upon the tombstones of their dead, and that even the Mormon meeting houses have been closed, although the Mormons were in conformity with the laws on religion, and remembering as well that the lives of Mexican children have been debauched by teachings that are of such an unseemly character that I prefer not to detail them in public, the admonition of Mr. Green that "the right of men to worship in accordance with the dictates of their consciences, unrestricted and unrestrained by any force or power anywhere or in any place" has the tocsin ring of the revered bell that we cherish in Independence Hall in our old city. His concluding warning, stating the traditional American doctrine that civilization cannot endure or democratic institutions be maintained unless economic, religious, and political freedom be guaranteed to the people of all nations clothed with authority to exercise the principle of self-government, has about it the far-seeing sagacity of the Nation's founders.

I, therefore, am glad to read to you the following letters, one from myself to Mr. Green, asking him to state the attitude of the American Federation of Labor with regard to the violation of natural rights in Mexico, and the other, with its enclosure, from Mr. Green in response to my request:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 11, 1935.

Hon. WILLIAM GREEN,
President American Federation of Labor,
Washington, D. C.

DEAR MR. GREEN: Will you kindly let me know what attitude the officers of the American Federation of Labor are taking with regard to the present Mexican situation?

I have a constituency which is largely of the laboring group and of those who are extremely interested in the peaceful and satisfactory outcome of the Mexican question. Like all Americans they look with horror on any violation of the rights which in this country are guaranteed by the Constitution and upheld by the courts. I should appreciate it if you would let me know the attitude of the Federation so that I might quote it in my remarks to my constituents.

Very sincerely yours,

CLARE GERALD FENERTY.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 2, 1935.

Hon. CLARE GERALD FENERTY,
United States House of Representatives,
House Office Building, Washington, D. C.

MY DEAR SIR: Perhaps I can best make reply to your letter dated February 11 by enclosing a copy of a communication addressed to Martin Torres, general secretary of the Mexican Federation of Labor.

I have endeavored to set forth in the letter I sent to Secretary Torres, of the Mexican Federation of Labor, the attitude of the American Federation of Labor in defense of religious freedom and of the exercise of the right of all people to worship in accordance with the dictates of conscience.

Very truly yours,

WM. GREEN,
President American Federation of Labor.

Enclosure.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 2, 1935.

Mr. MARTIN TORRES,
General Secretary, American Federation of Labor,
Allende 24, Mexico, D. F.

DEAR SIR AND BROTHER: Please be assured that the information you transmitted in your letter dated February 1 has been given most thoughtful and careful consideration by the officers of the Pan American Federation of Labor. Furthermore, your letter was brought to the attention of the executive council of the American Federation of Labor.

The officers and members of the Pan American Federation of Labor and the officers and members of the American Federation of Labor are deeply interested in the economic, social, and industrial welfare of all the working people of Mexico. We desire to be helpful in every possible way in the elevation of social and economic standards throughout the Republic of Mexico. The right of self-government, freedom from interference on the part of one nation in the domestic affairs of another, and the preservation of all these elemental rights, such as freedom of the press, freedom of speech, economic freedom, and the exercise of the right of religious freedom, are cardinal principles with the organized labor movement of the United States of America. These principles were clearly and definitely enunciated in the opening address which I made to the Fifth Congress of the Pan American Federation of Labor, which was held in Washington in July 1927. I quote from this address as follows:

"Not only have we in mind economic freedom, the exercise of the right to organize, but we also have in mind the exercise of all other phases of freedom and liberty that are the inherent right of every man and woman in all the countries of the world. Men must be industrially free, intellectually free, and politically free. They must be permitted to give labor and service or withhold labor and service, individually and collectively, at their will or at their decision. In this respect the organized labor movement stands fairly and squarely upon these fundamental principles. There must be freedom of the press. The press in every country must be free, free to publish such articles as are not libelous, such articles as may be educational and helpful, even though they may meet with the stern opposition of special interest, plutocrats, autocrats of every country in the world. There must be freedom of conscience; the right to exercise religious freedom, the right of men to worship in accordance with the dictates of their consciences, unrestricted and unrestrained by any force or power anywhere or in any place. Men must be politically free. They must be accorded the right to participate in the affairs of Government, to exercise their political powers, their political rights, unrestrained and unopposed. Political freedom is the cornerstone of good government."

There has been some feeling of apprehension and misgivings aroused among the working people of the United States over press reports which allege that religious persecution has been directed toward citizens of the Mexican Republic in many cities and towns because they exercise the right to worship in accordance with the dictates of their conscience. Even though this disturbed state of mind does exist in a greater or lesser degree

within the United States, there is no sentiment in favor of any interference whatsoever in the domestic or internal affairs of the Mexican Republic.

The position of the American Federation of Labor upon the question of national sovereignty and self-determination was also set forth in the address which I delivered at the Fifth Congress of the Pan American Federation of Labor in the following terms:

"We believe in self-determination of nations; we believe in self-government; in the right of every nation and the people within each and every nation to work out their own destiny in accordance with their ideals and their desires and their hopes and aspirations, free from molestation by any other nation or any other country."

When working people are admitted to membership in the American Federation of Labor in the United States and Canada, they are assured that the American Federation of Labor stands uncompromisingly for the exercise of religious freedom, for the right of the individual to worship in accordance with the dictates of his conscience, and that the American Federation of Labor will utilize its economic and political power in protecting its members in the exercise of these inherent fundamental rights.

For obvious reasons, men cannot worship in accordance with the dictates of their consciences and their religious convictions unless adequate facilities are provided which will enable them to exercise these rights. I cannot believe that our civilization can endure or that free, democratic institutions can be maintained unless economic, religious, and political freedom are guaranteed to all the people of all nations clothed with authority to exercise the principle of self-government.

Because of our personal and official solicitation for the general welfare of the people of the Republic of Mexico, I express the hope, in behalf of the officers and members of both the Pan American Federation of Labor and the American Federation of Labor, that these cardinal, fundamental principles of human rights which I have enunciated will be defended and preserved by the masses of people within the Republic of Mexico.

I extend to you fraternal greetings and official assurances of cooperation and good will.

Fraternally yours,

WILLIAM GREEN,
President American Federation of Labor,
Chairman Pan American Federation of Labor.

Although, Mr. Speaker, I have already expressed my thanks to the American Federation of Labor and its president for his reply and his readily granted permission to make his letters public, I also take this opportunity to restate my appreciation of his courtesy.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To. Mr. SISSON, for today, on account of illness.

To Mr. LAMNECK, for today, on account of illness.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Thursday, March 14, 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:

266. A letter from the Chairman of the District of Columbia-Virginia Boundary Commission, transmitting a report of the progress of the Commission since it began to function, April 23, 1934; to the Committee on the Judiciary.

267. A letter from the Secretary of War, transmitting draft of a proposed bill to amend the Canal Zone Code, prepared by the Governor of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

268. A letter from the Secretary of the Interior, transmitting request to adjust claims of Sioux Agencies, found meritorious, for loss of personal property; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 4448. A bill to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland; without amendment (Rept. No. 382). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 6504. A bill to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor"; without amendment (Rept. No. 383). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3896. A bill to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing application for benefits under the World War Adjusted Compensation Act, and for other purposes; with amendment (Rept. No. 384). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. MAVERICK: A bill (H. R. 6670) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes; to the Committee on the Public Lands.

By Mr. KELLY: A bill (H. R. 6671) to limit the working hours of all persons working on dredges or tugs on the Great Lakes to 8 hours a day, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KNUTSON: A bill (H. R. 6672) to amend subdivisions (a) and (b) of section 400 of the Revenue Act of 1926, as amended, relating to taxes on cigars and cigarettes; to the Committee on Ways and Means.

By Mr. McREYNOLDS: A bill (H. R. 6673) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in meetings of the International Technical Committee of Aerial Legal Experts and the Commissions established by that Committee; to the Committee on Foreign Affairs.

By Mr. McSWAIN: A bill (H. R. 6674) to create the Reserve Division of the War Department, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 6675) to revise the promotion list of the Army; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 6676) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

Also, a bill (H. R. 6677) requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public building or public work; to the Committee on the Judiciary.

By Mr. MOTT: A bill (H. R. 6678) to add certain lands to the Rogue River National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. RAMSPECK: A bill (H. R. 6679) extending the classified executive civil service of the United States; to the Committee on the Civil Service.

By Mr. BOYLAN: A bill (H. R. 6680) to provide for the bonding of Federal officials and employees; to the Committee on Expenditures in the Executive Departments.

By Mr. CASTELLOW: A bill (H. R. 6681) authorizing the erection of a marker suitably marking the site of the battle fought at Columbus, Ga., April 16, 1865; to the Committee on the Public Lands.

By Mr. DISNEY: A bill (H. R. 6682) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

By Mr. McCORMACK: A bill (H. R. 6683) to permit classification of certain unclassified employees of the United States by noncompetitive examination; to the Committee on the Civil Service.

By Mr. MAAS: A bill (H. R. 6684) to retain the basic status and salary classification of surplused laborers in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. QUINN: A bill (H. R. 6685) to promote the public health and safety by providing for examination and registration of those who desire to engage in the occupation of beauty culture; to the Committee on the District of Columbia.

By Mr. SNYDER: A bill (H. R. 6686) for the improvement of the Youghiogheny River Watershed, Pa.; to provide flood control; and to encourage agriculture, industrial, and economic development; to the Committee on Flood Control.

By Mr. BIERMANN: A bill (H. R. 6687) to establish the Bureau of Peace and Friendship for sociological research in matters connected with war; to the Committee on Labor.

By Mr. HENNINGS: A bill (H. R. 6688) to prohibit the sale, possession, and transportation of cannabis and its derivatives and compounds; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas: A bill (H. R. 6717) to amend section 1 of the act of July 8, 1932; to the Committee on the Post Office and Post Roads.

By Mr. McLEOD: Resolution (H. Res. 160) providing for the consideration of H. R. 2847, to eliminate receiverships of closed banks, increase employment and purchasing power through replacement in circulation of funds now frozen in assets of closed banks, and for other purposes; to the Committee on Rules.

By Mr. MAVERICK: Joint resolution (H. J. Res. 211) to create a commission to study and report on the feasibility of establishing a national monument or monuments in the territory occupied by the Spanish colonial missions in the States of Texas, New Mexico, Arizona, and California; to the Committee on the Public Lands.

By Mr. BULWINKLE: Joint resolution (H. J. Res. 212) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of New Hampshire: Joint resolution (H. J. Res. 213) consenting that certain States may sue the United States and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, 1868, and vesting the right in each State to sue in its own name; to the Committee on the Judiciary.

By Mr. STARNES: Joint resolution (H. J. Res. 214) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

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 Nevada; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nevada; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wyoming; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Michigan; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Commonwealth of Massachusetts; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Montana; to the Committee on the Public Lands.

Also, memorial of the Legislature of the Territory of Puerto Rico; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Indiana; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Commonwealth of Massachusetts; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Texas; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Education.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Kansas; to the Committee on War Claims.

Also, memorial of the Legislature of the State of Iowa; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Nebraska; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of North Carolina; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Commonwealth of Kentucky; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of New Jersey; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AMLIE: A bill (H. R. 6689) for the relief of Thomas Papalian; to the Committee on Military Affairs.

By Mr. ASHBROOK: A bill (H. R. 6690) granting an increase of pension to Susan Rehard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6691) for the relief of Alexandre Barna; to the Committee on Military Affairs.

By Mr. BIERMANN: A bill (H. R. 6692) for the relief of William Cornwell and others; to the Committee on Claims.

By Mr. BRUNNER (by request): A bill (H. R. 6693) for the relief of Charles Levine; to the Committee on Claims.

By Mr. CARPENTER: A bill (H. R. 6694) for the relief of Catherine McLinden; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 6695) for the relief of Daniel N. Farnell; to the Committee on Claims.

Also, a bill (H. R. 6696) for the relief of Bessie B. Hurd, formerly Bessie B. Fowlkes; to the Committee on Claims.

Also, a bill (H. R. 6697) for the relief of W. B. Fountain; to the Committee on Naval Affairs.

Also, a bill (H. R. 6698) for the relief of Mae C. Tibbett, administratrix; to the Committee on Claims.

Also, a bill (H. R. 6699) for the relief of Lottie May Bolin; to the Committee on Claims.

By Mr. FENERTY: A bill (H. R. 6700) for the relief of Edward Aloysius Connor; to the Committee on Naval Affairs.

Also, a bill (H. R. 6701) for the relief of Samuel J. Burger; to the Committee on Naval Affairs.

By Mrs. GREENWAY: A bill (H. R. 6702) for the relief of Annie E. Daniels; to the Committee on Claims.

Also, a bill (H. R. 6703) for the relief of Joanna Forsyth; to the Committee on the Public Lands.

By Mr. JOHNSON of West Virginia: A bill (H. R. 6704) for the relief of James Monroe Caplinger; to the Committee on Claims.

By Mr. FULMER: A bill (H. R. 6705) for the relief of James William Patterson; to the Committee on Naval Affairs.

By Mr. KIMBALL: A bill (H. R. 6706) for the relief of J. H. McLaughlin; to the Committee on Claims.

By Mr. LEWIS of Maryland: A bill (H. R. 6707) for the relief of Frank B. Worden; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 6708) to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H. R. 6709) for the relief of Leslie W. Miller; to the Committee on Naval Affairs.

Also, a bill (H. R. 6710) to provide for the retirement of certain enlisted men of the United States Marine Corps and of the Marine Corps Reserve who served as officers in the Garde d'Haiti; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 6711) authorizing a preliminary examination and survey of Chetco Cove, Oreg.; to the Committee on Rivers and Harbors.

By Mr. ROBSION of Kentucky: A bill (H. R. 6712) granting a pension to Charles Alcorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6713) granting an increase of pension to Charles S. Cooper; to the Committee on Pensions.

By Mr. SCOTT: A bill (H. R. 6714) to authorize the presentation of the Distinguished Service Cross to Walter H. Cobun; to the Committee on Military Affairs.

By Mr. STACK: A bill (H. R. 6715) for the relief of Harry Wainwright Hart; to the Committee on Military Affairs.

By Mr. WILSON of Pennsylvania: A bill (H. R. 6716) granting a pension to Timothy A. Linehan; 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:

3783. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, urging that Congress provide for payment of World War adjusted-compensation certificates; to the Committee on Ways and Means.

3784. By Mr. BEITER: Petition of the Seventy-seventh Division Post, No. 1488, of the Veterans of Foreign Wars of the United States, Buffalo, N. Y., urging the enactment of House bill 1, providing for payment of adjusted-compensation certificates; to the Committee on Ways and Means.

3785. By Mr. BOYLAN: Resolutions adopted at the regular meeting of the Holy Name Society of the Church of St. Matthias, held in the Borough of Queens, city of New York, State of New York, regarding conditions existing in Mexico; to the Committee on Foreign Affairs.

3786. Also, resolution adopted by the World Trade League of the United States, regarding reciprocal trade agreements, etc.; to the Committee on Foreign Affairs.

3787. By Mr. BUCKLER of Minnesota: Petition of Mrs. Carl Lindberg, unit president, in behalf of the members of the Warren (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, of Warren and vicinity in Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3788. Also, petition of Katherine McDonald in behalf of the members of the American Legion Auxiliary Unit, Department of Minnesota, of Hawley and vicinity in Minnesota, asking for passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3789. By Mr. CARPENTER: Memorial of the House of Representatives (the senate concurring) of the State of Kansas, memorializing Congress to pass the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

3790. By Mr. CHAPMAN: Petition of the Legislature of the Commonwealth of Kentucky, urging the immediate passage of Senate bill 212 and House bill 2066; to the Committee on Agriculture.

3791. By Mr. DORSEY: Petition signed by 75 residents of Philadelphia, Pa., registering their determined opposition to the Wagner-Lewis bill, and urging uncompromising support of House bill 2827; to the Committee on Labor.

3792. By Mr. HOEPPEL: Petition of the citizens of Monrovia, Calif., urging enactment of the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

3793. By Mr. KENNEY: Petition in the nature of a resolution of the Slovak League of America, of Pittsburgh, Pa., being in favor of the workers' unemployment and social insurance bill (H. R. 2827); to the Committee on Ways and Means.

3794. By Mr. KVALE: Petition of 686 residents of the counties of Chippewa, Lac qui Parle, Lyon, Murray, and Yellow Medicine, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3795. Also, resolution of the Legislature of the State of Minnesota, memorializing Congress to authorize the States to tax sales and gross income and/or gross receipts arising from transactions in interstate commerce; to the Committee on Interstate and Foreign Commerce.

3796. Also, petition signed by business men and members of Kendall P. Post, No. 237, of the American Legion of Balaton, Minn., urging the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3797. Also, petition of 48 residents of the counties of Lac qui Parle and Big Stone, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3798. Also, resolution of the Legislature of the State of Minnesota, memorializing the Congress of the United States to enact a Federal antilynching law; to the Committee on the Judiciary.

3799. Also, petition of 974 residents of the counties of Chippewa, Lac qui Parle, Lyon, Nobles, and Renville, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3800. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress and the President of the United States to enact a Federal antilynch law; to the Committee on the Judiciary.

3801. Also, memorial of the House of Representatives of the State of Nebraska, memorializing the Congress and the President of the United States relative to the bushel-for-bushel seed-loan plan, and to urge overdue benefit payments of wheat and corn-hog contracts for 1934; to the Committee on Agriculture.

3802. By Mr. LUNDEEN: Petition of the Central Cooperative Association, South St. Paul, Minn., urging that interest rates on land-bank loans be reduced from 4½ to 3½ percent; to the Committee on Banking and Currency.

3803. Also, petition of the Minnesota Brewers Association of St. Paul, Minn., urging the enactment of legislation reducing the tax on beer; to the Committee on Ways and Means.

3804. Also, petition of the Common Council of the City of Rochester, Minn., urging the passage of the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

3805. By Mr. PFEIFER: Petition of the Independent Pharmacists Products, Inc., Brooklyn, N. Y., urging consideration of the Mapes bill (H. R. 5062), the Wheeler Federal Trade Commission bills (S. 944, S. 1933); to the Committee on the Judiciary.

3806. Also, petition of Meyer Sambur, Ph.G., Brooklyn, N. Y., urging support of Senate bills 944 and 1933 and House bill 5062; to the Committee on the Judiciary.

3807. Also, petition of Mabel P. Schmidt, New York City, concerning the Ramspeck anti-Communist bill (H. R. 2897), and similar measures; to the Committee on the Judiciary.

3808. Also, petition of the Holy Name Society of St. Matthias Roman Catholic Church, Ridgewood, Brooklyn, N. Y., protesting against the Mexican situation; to the Committee on Foreign Affairs.

3809. By Mr. ROGERS of Oklahoma: Petition of Ernest Caha and 192 other citizen residents of Mayes County, urging enactment of House bill 2856, introduced by Congressman WILL ROGERS, embracing a national system of old-age pensions to citizens of the United States past the age of 55 and not in the field of competitive earning; to the Committee on Ways and Means.

3810. Also, petition of Rollin E. Adair and 18 other citizens and residents of Mayes County in Oklahoma, urging immediate action of Congress on House bill 2856, by Congressman WILL ROGERS, embracing a national system of old-age pensions to citizens of the United States over the age of 55 and not engaged in the field of competitive earning; to the Committee on Ways and Means.

3811. By Mr. RUDD: Petition of Henry F. W. VonSellen, 164 Himrod Street, and 18 other citizens of Brooklyn, N. Y., concerning old-age pensions, only to citizens of the United States who have been citizens for past 10 years or more; to the Committee on Labor.

3812. Also, petition of the Holy Name Society of St. Matthias Roman Catholic Church, 1861 Catalpa Avenue, Ridgewood, Brooklyn, N. Y., concerning conditions in Mexico; to the Committee on Foreign Affairs.

3813. Also, petition of Philip H. Cooper, corresponding secretary, subcommittee, Local No. 251, and 23 other citizens of Brooklyn, N. Y., favoring the passage of House bill 5445; to the Committee on the Post Office and Post Roads.

3814. Also, petition of John J. Dougherty, 104–76 One Hundred and Twelfth Street, and nine other citizens of Richmond Hill, Long Island, N. Y., concerning the Rayburn-Wheeler public-utility holding companies bills (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

3815. By Mr. SHANLEY: Petition of Polish National Alliance of the United States of North America, Group No. 513, 15 Prince Street, Wallingford, Conn.; to the Committee on the Judiciary.

3816. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress and the President of the United States relative to the bushel-for-bushel seed-loan plan, and to urge overdue benefit payments wheat and corn-hog contracts for 1934; to the Committee on Agriculture.

3817. Also, resolution of the Nebraska House of Representatives, memorializing the Congress and the President of the United States to enact a Federal antilynch law; to the Committee on the Judiciary.

3818. By Mr. SUTPHIN: Petition of the Pioneer Grange No. 1, Dayton, N. J.; to the Committee on Ways and Means.

3819. Also, petition of the New Jersey State Department of Agriculture, Trenton, N. J., urging regulation and control on the importation of milk; to the Committee on Agriculture.

3820. By Mr. TINKHAM: Petition of residents of Boston, Mass., favoring the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

3821. Also, resolutions of the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

3822. By Mr. TRUAX: Petition of Fairmount Post, No. 416, American Legion, Cleveland, Ohio, by their secretary, Carl Angelo, urging support of the Vinson bill to pay the adjusted-service certificates immediately; to the Committee on Ways and Means.

3823. Also, petition of the Amita Club, Bedford, Ohio, by their secretary, Anthony J. Laui, demanding, for the sake of their security, that all members of the Labor Committee vote favorably on the workers' bill (H. R. 2827), introduced by Congressman LUNDEEN; to the Committee on Labor.

3824. Also, petition of the Farm Bureau officials of Ohio, by their president, Perry L. Green, opposing legislation which shall attempt to fix a definite wage scale for those employed on public-works relief projects, which wage scale may tend to keep the unemployed from seeking permanent employment from those who sustain such employment from incomes derived from productive effort, and urging that no interpretation be placed on the above resolution which shall indicate that the Ohio Farm Bureau Federation is in any way opposed to a high wage scale obtaining for industrial or agricultural employment; to the Committee on Labor.

3825. Also, petition of the Farm Bureau legislative chairmen, presidents, and managers of county farm bureaus and cooperative associations from 80 counties of Ohio, by their president, Perry L. Green, going on record as favoring the adoption of the Wheeler amendment providing for the reduction of interest rates from 4½ to 3½ percent and opposing any effort to substitute for purposes of parliamentary evasion other bills which do not include the provisions of the Wheeler amendment; to the Committee on Ways and Means.

3826. Also, petition of Jetta Bradford and 40 other citizens of Oakland, Calif., believing that new inventions, and not relief legislation, will lift America out of the prevailing depression, and petitioning the Congress of the Unted States to immediately pass legislation establishing an inventors' loan fund, as there has been a heavy accumulation of inventions that have not been given to the world because their creators have not been financially able to have them patented; to the Committee on Patents.

3827. Also, petition of T. P. Johnston Post, No. 329, American Legion, Mount Gilead, Ohio, by their post commander, Dr. R. W. C. Francis, urging support of the Vinson bill (H. R. 3896) providing for the immediate cash payment of the adjusted-service certificates to veterans of the World War and the cancelation of past and future interest charges on loans received on these certificates; to the Committee on Ways and Means.

3828. By the SPEAKER: Petition of the city of Benld, Ill.; to the Committee on Ways and Means.

3829. Also, petition of the city of Ocean Beach, Calif.; to the Committee on Ways and Means.

3830. Also, petition of the city of Rochelle, Ill.; to the Committee on the Judiciary.

3831. Also, petition of the borough of Fairview, N. J.; to the Committee on the Judiciary.

3832. Also, petition of the city of Madison, S. Dak.; to the Committee on the Judiciary.

3833. Also, petition of the city of Fall River, Mass.; to the Committee on the Judiciary.

3834. Also, petition of the city of Ely, Minn.; to the Committee on the Judiciary.

3835. Also, petition of the city of Attica, Ind.; to the Committee on the Judiciary.

3836. Also, petition of the city of Salem, Mass.; to the Committee on the Judiciary.

3837. Also, petition of the city of Phoenix, Ariz.; to the Committee on the Judiciary.

3838. Also, petition of the county of Allegheny, Pittsburgh, Pa.; to the Committee on the Judiciary.

3839. Also, petition of the city of Moline, Ill.; to the Committee on the Judiciary.

3840. Also, petition of the city of Greenville, Tex.; to the Committee on the Judiciary.

3841. Also, petition of the borough of Cliffside Park, Bergen County, N. J.; to the Committee on the Judiciary.

3842. Also, petition of the city of Indianapolis, Ind.; to the Committee on the Judiciary.

3843. Also, petition of the city of Michigan City, Ind.; to the Committee on the Judiciary.

3844. Also, petition of the city of Ottawa, Ill.; to the Committee on the Judiciary.

3845. Also, petition of the town of East Hartford, Conn.; to the Committee on the Judiciary.

3846. Also, petition of the city of Oswego, N. Y.; to the Committee on the Judiciary.

3847. Also, petition of the city of Maplewood, Mo.; to the Committee on the Judiciary.

3848. Also, petition of the city of Lorain, Ohio; to the the Committee on the Judiciary.

3849. Also, petition of B. C. Beetham and others; to the Committee on the Judiciary.

3850. Also, petition of the city of Rahway, N. J.; to the Committee on the Judiciary.

3851. Also, petition of the city of Cicero, Ill.; to the Committee on the Judiciary.

3852. Also, petition of the city of Terre Haute, Ind.; to the Committee on the Judiciary.

3853. Also, petition of the borough of Somerville, N. J.; to the Committee on the Judiciary.

3854. Also, petition of the Nashville Wholesale Association; to the Committee on Ways and Means.

3855. Also, petition of the city of Lebanon, Tenn.; to the Committee on the Judiciary.

3856. Also, petition of the city of Wilkes-Barre, Pa; to the Committee on the Judiciary.

3857. Also, petition of the city of Frankfort, Ind.; to the Committee on the Judiciary.

3858. Also, petition of the city of Toledo, Ohio; to the Committee on the Judiciary.

3859. Also, petition of the city of Mitchell, S. Dak.; to the Committee on the Judiciary.

3860. Also, petition of the city of North Chicago, Ill.; to the Committee on the Judiciary.

3861. Also, petition of the city of Northampton, Mass.; to the Committee on the Judiciary.

3862. Also, petition of the city of Kenosha, Wis.; to the Committee on the Judiciary.

3863. Also, petition of the city of South Bend, Ind.; to the Committee on the Judiciary.

3864. Also, petition of the city of Klamath Falls, Oreg.; to the Committee on the Judiciary.

3865. Also, petition of Calumet City, Ill.; to the Committee on the Judiciary.

3866. Also, petition of the Walter J. Hatfield Post, No. 356, American Legion; to the Committee on Ways and Means.

3867. Also, petition of the Colored Men's Progressive Association of Sweetwater County, Wyo.; to the Committee on the Judiciary.

3868. Also, petition of the D. of C. Society of the Sons of the American Revolution; to the Committee on the Judiciary.

3869. Also, petition of the D. of C. Society of the Sons of the American Revolution; to the Committee on the Library.

3870. Also, petition of the Farmers' Holiday Association of New Mexico; to the Committee on Agriculture.

3871. Also, petition of McFarland Post, No. 9, of the American Legion; to the Committee on Ways and Means.

3872. Also, petition of the city of Camden, N. J.; to the Committee on Ways and Means.

3873. Also, petition of the Yuba-Sutter Bar Association; to the Committee on the Judiciary.

3874. Also, petition of the Nine County Democratic League of Southwestern Washington; to the Committee on Agriculture.

3875. Also, petition of the National Association of Tobacco Distributors; to the Committee on Ways and Means.

3876. Also, petition of the Westmoreland County Council of the Veterans of Foreign Wars; to the Committee on Ways and Means.

3877. Also, petition of the Clio Club, Denver, Colo.; to the Committee on Ways and Means.

3878. Also, petition of Group No. 2519 of the Polish National Alliance; to the Committee on the Judiciary.

3879. Also, petition of the Polish National Alliance, Group No. 2654; to the Committee on the Judiciary.

3880. Also, petition of the Group No. 96 of the Polish National Alliance; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 14, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 13, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Maryland [Mr. RADCLIFFE], the Senator from Ohio [Mr. DONAHEY], and the Senator from Iowa [Mr. MURPHY] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is detained from the Senate on official business. I ask that this announcement stand for the day.

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

REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the Thirty-seventh Annual Report of the National Society of the Daughters of the American Revolution for the year ended March 31, 1934, which, with the accompanying report, was referred to the Committee on Printing.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman and Secretary of the Reconstruction Finance Corporation, submitting, pursuant to law, a report covering the operations of the Corporation for the fourth quarter of 1934, and from the period of its organization on February 2, 1932, to December 31, 1934, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.