By Mr. PETERSON of Florida: Joint resolution (H. J. Res. 292) to clarify the definition of total permanent disability for purpose of automatic insurance; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AYERS: A bill (H. R. 8080) to authorize the issuance of a patent in fee to Erle E. Howe, Crowe allottee no. 1555; to the Committee on Indian Affairs.

By Mr. DORSEY: A bill (H. R. 8081) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Diemer Bathurst; to the Committee on Claims.

Also, a bill (H. R. 8082) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Nancy Patterson; to the Committee on Claims.

Also, a bill (H. R. 8083) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Deatlef C. Mills; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 8084) for the relief of John Hoffman; to the Committee on Claims.

Also, a bill (H. R. 8085) for the relief of John Morris; to the Committee on Claims.

By Mr. GRAY of Pennsylvania: A bill (H. R. 8086) granting a pension to Margaret Mary Montgomery; to the Committee on Invalid Pensions.

By Mr. GREEN: A bill (H. R. 8087) granting a pension to Mary J. Harvey; to the Committee on Pensions.

By Mr. GWYNNE: A bill (H. R. 8088) for the relief of Mrs. Nahwista Carr; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H. R. 8089) for the relief of Joseph J. Baylin; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 8090) granting a pension to Catherine Thomas; to the Committee on Pensions.

By Mr. MARTIN of Colorado: A bill (H. R. 8091) for the relief of Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur & Allen, and as assignees of Edward F. Rizer and A. B. Hoffman; also for the relief of the Colorado Culvert & Flume Co., a corporation; to the Committee on Claims.

By Mr. MORITZ: A bill (H. R. 8092) to refund to Mary Wilkins Ogden income tax erroneously and illegally collected for the calendar year 1928; to the Committee on Claims.

By Mr. NELSON: A bill (H. R. 8093) granting a pension to Margaret Wallace; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 8094) for the relief of Dr. J. C. Blalock; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 8095) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; to the Committee on Claims.

By Mr. SCOTT: A bill (H. R. 8096) granting a pension to Margaret Teed; to the Committee on Pensions.

By Mr. SHORT: A bill (H. R. 8097) granting an increase of pension to Susan C. Nobles; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8473. By Mr. BOYLAN: Letter from the Central Trades and Labor Council of Greater New York, New York City, approving the Mead shorter work-week bill (H. R. 6990) providing for a shorter work week in the Postal Service; to the Committee on the Post Offices and Post Roads.

8474. Also, resolution memorializing the Congress of the United States to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

8475. By Mr. DEROUEN: Petition of the Legislature of the State of Louisiana, urging the enactment of the Frazier-Lemke bill without further delay; to the Committee on Agriculture.

8476. By Mr. GOODWIN: Petition of board of trustees, Pulaski, N. Y., memorializing Congress to adopt October 11 as General Pulaski's Memorial Day; to the Committee on the Judiciary.

8477. By Mr. KENNEY: Resolution adopted by the people of Cresskill, N. J., and citizens from neighboring communities in mass meeting assembled at Cresskill, N. J., April 25, 1935, favoring the adoption of a plan perfected by Maj. L. Alfred Jenny for linking northeastern New Jersey with New York by rapid transit; to the Committee on Interstate and Foreign Commerce.

8478. By Mr. O'CONNELL: Joint resolution of the City Council of the City of Providence, petitioning the President and the Congress of the United States to repeal the processing tax on cotton and to enact legislation to protect the cotton-textile industry against importations of goods manufactured by cheap labor abroad; to the Committee on Ways and Means.

8479. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and vicinity concerning the Mead shorter work-week bill (H. R. 6990); to the Committee on Labor.

8480. By Mr. PLUMLEY: Petition of Samuel B. Pierce and some 37 other residents of Bellows Falls, Vt., urging favorable action on Senate bill 1629, to regulate trucking in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8481. By Mr. RUDD: Petition of National Organization Masters, Mates, and Pilots of America, New York City, concerning the Crosser House Joint Resolution 219, Emergency Railroad Transportation Act extension; to the Committee on Interstate and Foreign Commerce.

8482. Also, petition of Common Council of the City of Pulaski and the State of New York, favoring the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

8483. By Mr. SMITH of West Virginia: Petition of citizens of Cedar Grove, W. Va., asking that Congress allow the Federal gasoline tax to expire at the end of the present fiscal year; to the Committee on Ways and Means.

8484. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to enact into law the Nye-Sweeney bill (H. R. 6382); to the Committee on Banking and Currency.

8485. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, relative to taking the profits out of war; to the Committee on Military Affairs.

8486. By the SPEAKER: Petition of the central executive body of district no. 22, U. M. W. A., of the Utah division; to the Committee on Labor.

8487. Also, petition of a mass meeting of various trade and labor unions, Canal and Claiborne Streets, New Orleans, La.; to the Committee on Labor.

SENATE

THURSDAY, MAY 16, 1935

(Legislative day of Monday, May 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, May 15, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House

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had passed the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 4448. An act 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;

H. R. 4901. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions;

H. R. 6504. An act 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";

H. R. 6673. An act 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 the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee;

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges;

H. R. 7909. An act to amend the act creating a United States Court for China and prescribing the title thereof, as amended;

H. J. Res. 182. Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and request a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] and the Senator from South Carolina [Mr. SMITH] are unavoidably detained; that the Senator from Georgia [Mr. RUSSELL] is absent in attendance on the funeral of former Senator Cohen, of Georgia, and that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from Wyoming [Mr. CAREY] and the Senator from South Dakota [Mr. NORBECK] are necessarily detained from the Senate.

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

LEAVE OF ABSENCE TO HOMESTEAD SETTLERS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1776) granting a leave of absence to settlers of homestead lands during the year 1935, which were, on page 1, line 7, to strike out "or"; and on page 2, line 14, after "except", to insert "upon proof satisfactory to the Secretary of the Interior that the entryman is acting in good faith and is financially unable to make the payments due, and".

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ADDITIONAL HOME-MORTGAGE RELIEF—CONFERENCE REPORT

Mr. BULKLEY submitted a report, which was read and ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

"That subdivision (6) of section 2 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word 'three' and inserting in lieu thereof the word 'four.'

"SEC. 2. Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"'(k) All stock of any Federal Home Loan Bank shall share in dividend distributions without preference.'

"SEC. 3. (a) Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to comprise four subsections to read as follows:

"'(a) The management of each Federal Home Loan bank shall be vested in a board of twelve directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

"'(b) Four of such directors shall be appointed by the Board and shall hold office for terms of four years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the terms of office of the first two such directors hereafter appointed shall expire at the end of the calendar years 1938 and 1939, respectively.

"'(c) Six of such directors, two of whom shall be known as class A directors, two of whom shall be known as class B directors, and two of whom shall be known as class C directors, shall be elected as provided in subsection (e), and shall hold office for terms of two years; except that the terms of office of the directors heretofore elected or appointed shall expire at the end of the terms for which they were elected or appointed.

"'(d) Two of such directors shall be elected by the members of the Federal Home Loan bank without regard to classes under rules and regulations to be prescribed by the Board, and shall hold office for terms of two years; except that the term of office of one of the directors first elected under this subsection shall expire at the end of the calendar year 1936.'

"(b) Section 7 of the Federal Home Loan Bank Act, as amended, is further amended, effective January 1, 1936, by relettering subsections (d), (e), (f), (g), (h), and (i) as (e), (f), (g), (h), (i), and (j), respectively.

"SEC. 4. The Federal Home Loan Bank Act, as amended, is amended by adding after section 8 a new section to read as follows:

"'FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

"'SEC. 8a. There is hereby created a Federal Savings and Loan Advisory Council, which shall consist of one member for each Federal Home Loan bank district to be elected annually by the board of directors of the Federal Home Loan bank in such district and six members to be appointed annually by the Board. Each such elected member shall be a resident of the district for which he is elected. All members of the Council shall serve without compensation, but shall be entitled to reimbursement from the Board for traveling expenses incurred in attendance at meetings of such Council. The Council shall meet at Washington, District of Columbia, at least twice a year and oftener if requested by the Board. The Council may select its chairman, vice chairman, and secretary, and adopt methods of procedure, and shall have power—

"'(1) To confer with the Board and board of trustees of the Federal Savings and Loan Insurance Corporation on general busi-

ness conditions, and on special conditions affecting the Federal Home Loan Banks and their members and such Corporation.

"'(2) To request information, and to make recommendations, with respect to matters within the jurisdiction of the Board and the board of trustees of such Corporation.'

"SEC. 5. Subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"'(a) Each Federal Home Loan bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"'(1) If secured by a mortgage insured under the provisions of title II of the National Housing Act, the advance may be for an amount not in excess of 90 per centum of the unpaid principal of the mortgage loan.

"'(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

"'(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

"'(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations.'

"SEC. 6. Clauses numbered (1) and (2) of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows: '(1) the home mortgage loan secured by it has more than twenty years to run to maturity, or (2) the home mortgage exceeds $20,000, or'.

"SEC. 7. The Federal Home Loan Bank Act, as amended, is amended by adding after section 10a the following new section:

"'SEC. 10b. Each Federal Home Loan Bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 per centum of the unpaid principal of the mortgage loan given as security.'

"SEC. 8. The first sentence of section 13 of the Federal Home Loan Bank Act, as amended, is amended to read as follows: 'Any and all notes, debentures, bonds, and other such obligations issued by any bank, and consolidated Federal Home Loan Bank bonds and debentures, shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.'

"SEC. 9. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new sentence: 'The receipts of the Board derived from assessments upon the Federal Home Loan Banks and from other sources (except receipts from the sale of consolidated Federal Home Loan Bank bonds and debentures issued under section 11) shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom to defray the expenses of the Board, and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith.'

"SEC. 10. Sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended, are amended by striking out 'upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding $20,000' and inserting in lieu thereof 'upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home or held by him as his homestead, and which has a value of not to exceed $20,000'.

"SEC. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"'(c) In order to provide for applications heretofore filed, for applications filed within thirty days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed $4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952.'

"SEC. 12. Subsection (d) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof the following new paragraph:

"'For the purposes of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general-tax levies are treated. The Board shall determine the reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of the total levies upon the loanable value of such property, but no deduction shall be made from the loanable value of any property for levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property.'

"SEC. 13. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective 90 days after the date of enactment of this act, by adding at the end thereof the following new sentence: 'No person shall be appointed or retained as an officer, employee, agent, or attorney, at a fixed salary, in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate; nor shall any person be appointed or retained as an officer, employee, agent, or attorney in any State or district office of the Corporation, who has not been a bona fide resident of the State served by such office for a period of at least 1 year immediately preceding the date of his appointment.'

"SEC. 14. Subsection (l) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: 'or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation.'

"SEC. 15. Subsection (h) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided*, That no person shall be allowed to act as appraiser if he is in the employ of any company holding a loan on the property, or if he is interested in the subject matter of the loan.'

"SEC. 16. Subsection (m) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out '$300,000,000' and inserting in lieu thereof '$400,000,000.'

"Sec. 17. (a) Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"'(n) The Corporation is authorized to purchase Federal Home Loan bank bonds, debentures, or notes, or consolidated Federal Home Loan Bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal Savings and Loan Associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal Home Loan Bank, or (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation $300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of Federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection.'

"(b) Section 9 of the Act entitled 'An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes', approved April 27, 1934, is hereby repealed.

"Sec. 18. Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*And provided further*, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.'

"Sec. 19. Section 6 of the Home Owners' Loan Act of 1933, as amended, is amended (1) by striking out '$500,000' and inserting in lieu thereof '$700,000' and (2) by adding at the end of the section the following new sentence: 'The sums appropriated and made available pursuant to this section shall be used impartially in the promotion and development of local thrift and home-financing institutions, whether State or federally chartered.'

"SEC. 20. Subsection (d) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"'(d) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 82, 83, 88, 91, 202, 203, and 207), insofar as applicable, are extended to apply to the Home Owners' Loan Corporation, its contracts or agreements, and an association under this Act which, for the purposes herein shall be held to include advances, loans, discounts, and purchase or repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.'

"SEC. 21. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"'(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge, or receive, or attempt to solicit, contract for, charge, or receive, from any person applying to the Corporation for a loan, (1) any fee, charge, or other consideration, whether bond or cash, except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services, or (2) any moneys, check, note, or other form of obligation, representing payment of any difference which may exist between the market value and the par value of the bonds of the Home Owners' Loan Corporation. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than $5,000, or imprisoned not more than two years, or both.'

"SEC. 22. Paragraph (5) of subsection (c) of section 402 of the National Housing Act is amended by adding the following sentence at the end thereof: 'The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this Act and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.'

"SEC. 23. Subsection (b) of section 403 of the National Housing Act is amended (1) by striking out the words 'ten years' and inserting in lieu thereof the words 'twenty years', and (2) by striking out the period at the end of the subsection and inserting in lieu thereof a colon and the following: '*Provided*, That for any year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation.'

"SEC. 24. Subsection (d) of section 403 of the National Housing Act is amended to read as follows:

"'(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution.'

"SEC. 25. (a) Subsections (a) and (b) of section 404 of the National Housing Act are amended by striking out 'one-fourth' and inserting in lieu thereof 'one-eighth'.

"(b) Section 404 of the National Housing Act is further amended by adding at the end thereof the following new subsection:

"'(c) Each insured institution which has paid a premium charge in excess of one-eighth of 1 per centum of the total amount of the accounts of its insured members and its creditor obligations shall be credited on its future premiums with an amount equal to the total amount of such excess.'

"SEC. 26. The last sentence of section 406 (b) of the National Housing Act is amended to read as follows: 'The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association.'

"SEC. 27. Section 406 of the National Housing Act is further amended by adding at the end thereof a new subsection to read as follows:

"'(f) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal operation as an insured institution, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured institution or an insured institution in default; but no contribution shall be made to any such institution in an amount in excess of that which the Corporation finds to be reasonably necessary to save the expense of liquidating such institution.'

"SEC. 28. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out 'January' and inserting in lieu thereof 'April', and (2) by inserting before the period at the end thereof a comma and the following: 'including the installation of equipment and machinery'.

"(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: 'No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of $2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, hotels, office, business or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of $50,000.'

"SEC. 29. (a) Subsection (c) of section 203 of the National Housing Act is amended by adding at the end thereof the following new sentence: 'In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date specified in the mortgage, the Administrator is further authorized in his discretion to require the payment by the mortgagor of a premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this section until such maturity date.'

"(b) The first sentence of subsection (f) of section 205 of the National Housing Act is amended by striking out the words 'premium charge' and inserting in lieu thereof the words 'annual premium charge'.

"(c) The last sentence of subsection (a) of section 204 of the National Housing Act is amended to read as follows: 'For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the principal of the mortgage which is unpaid on the date of such delivery, (1) interest on such unpaid principal from the date foreclosure proceedings were instituted or the property was otherwise acquired as provided in this subsection to the date of such delivery at the rate provided for in the debentures issued to the mortgagee, less any amount received on account of interest accruing on such unpaid principal between such dates, and (2) the amount of all payments which have been made by the mortgagee for taxes and insurance on the property mortgaged.'

"SEC. 30. Subsection (d) of section 301 of the National Housing Act is amended to read as follows:

"'(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than $2,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities at their par value.'

"SEC. 31. Section 302 of the National Housing Act is amended to read as follows:

"'SEC. 302. Each national mortgage association is authorized to issue and have outstanding at any time notes, bonds, debentures, or other such obligations in an aggregate amount not to exceed (1) twelve times the aggregate par value of its outstanding capital stock, and in no event to exceed (2) the current face value of mortgages held by it and insured under the provisions of title II of this Act, plus the amount of its cash on hand and on deposit and the amount of its investments in bonds or obligations of, or guaranteed as to principal and interest by, the United States. No national mortgage association shall borrow money except through the issuance of such notes, bonds, debentures, or other obligations, except with the approval of the Administrator and under such rules and regulations as he shall prescribe.'

"SEC. 32. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., title 12, sec. 1016), is further amended by inserting after the second sentence thereof the following new sentence: 'For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan.'"

And the Senate agree to the same.

ROBERT J. BULKLEY,
ROBERT F. WAGNER,
ALBEN W. BARKLEY,
W. G. MCADOO,
JOHN G. TOWNSEND, JR.,
FREDERICK STEIWER,
Managers on the part of the Senate.

HENRY B. STEAGALL,
ALAN T. GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

CLAIM OF THOMAS F. GARDINER

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Thomas F. Gardiner against the United States, which, with the accompanying paper, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Banking and Currency:

Resolution memorializing the Congress of the United States to enact into law the Nye-Sweeney bill, Senate File 2162, House Roll 6382

Whereas the Constitution of the United States provides that "the Congress shall have the power to coin money (and) regulate the value thereof and of foreign coin"; and

Whereas this power has been transferred to the large banking interests, thereby enabling them to control the amount of money in circulation through the issuance of banker's credit and currency; and

Whereas this control is unsafe, unsound, and dishonest in that it disappears when needed most; and

Whereas the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, provides for the replacement of this power in the hands of Congress, where it can be used most effectively to establish and maintain the purchasing power of money at a fixed and equitable level, to increase the prices of agricultural products to a point where they will yield the cost of production plus a fair profit to the farmer; to provide a living and just wage which will enable every citizen willing to work and capable of working to maintain an educate his family on an increasing level or standard of living, to repay debts with dollars of equal value, and to lift in part the burden of taxation: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled:

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to enact into law the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, providing for the replacement in the hands of Congress of the power to coin all money and regulate the value thereof.

2. That the chief clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the United States Senators representing the State of Nebraska and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to exercise all power and diligence at their command to the end that the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, be enacted into law at the present session of the Congress.

The VICE PRESIDENT also laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Finance:

Resolutions memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price

Whereas the imposition of a Federal tax at the same rate on 10-cent cigarettes is imposed on cigarettes selling at 15 and 20 cents strengthens the power of the Tobacco Trust, known as "the big four", tends toward monopoly, and threatens to eliminate from the market the lower-priced product used by the great majority of consumers, and which is union made under clean and healthful conditions, established by collective bargaining in line with the new deal, so called, and comprising 90 percent of the workers in the industry; and

Whereas the fate of the 10-cent cigarette and of a majority of the workers on, and of small manufacturers of, cigarettes hangs in the balance until this issue is settled: Therefore be it

Resolved, That the Congress of the United States is hereby requested to repeal the present unfair and discriminatory tax burden and to impose in lieu of the present tax, levied according to volume, of $3 per thousand cigarettes, or 6 cents per package of 20, regardless of the selling price of the same, a tax of $2.70 per thousand on 10-cent cigarettes, of $3 per thousand on 15-cent cigarettes, and of $3.30 per thousand on higher-priced cigarettes, as provided in pending Federal legislation, the Secretary of the Treasury having recommended such change in tax and having stated that it would protect and maintain Federal revenues; and be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, to the Secretary of the Treasury of the United States, to the presiding officer of each branch of Congress, and to the Senators and Representatives in Congress from Massachusetts.

The VICE PRESIDENT also laid before the Senate the petition of the National Highway Users Conference, on behalf of numerous national and other organizations, praying that the law providing for Federal excise taxes on gasoline, automobiles, parts, tires, oils, and other products used in motor transportation be not reenacted, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the St. Rose de Lima branch of the Holy Name Society, New Orleans, La., protesting against alleged religious intolerance and persecutions in the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by Hamilton Council, No. 35, Sons and Daughters of Liberty, Brooklyn, N. Y., protesting against the enactment of legislation weakening the present alien-deportation law, and favoring the prompt passage of House bill 5921, to strengthen the existing law pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter and telegrams in the nature of petitions from several citizens and veterans' organizations of the United States, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. WALSH presented a resolution adopted by Barbara Frietchie Council, No. 42, Sons and Daughters of Liberty, Cambridge, Mass., protesting against the passage of House bill 6795, the so-called "Kerr bill", relative to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a petition of sundry citizens of Greenfield and vicinity, in the State of Massachusetts, praying for a rehearing before the Supreme Court of the United States of the case involving the so-called "Railroad Retirement Act", which was ordered to lie on the table.

Mr. COOLIDGE presented a resolution adopted by the Building Trades Council of Boston, Mass., and vicinity, favoring the adoption of labor regulations in connection with work-relief projects so as to include an equal opportunity for employment to so-called "self-sustaining labor", which was referred to the Committee on Education and Labor.

He also presented a resolution of Aerie No. 448, Fraternal Order of Eagles, of Fitchburg, Mass., favoring the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also presented a petition, numerously signed, of sundry citizens, being railroad employees, in the State of Massachusetts, praying for the enactment of legislation extending the effective period of the Emergency Railroad Transportation Act for 1 year, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution adopted by officers and directors of the Baltimore (Md.) Association of Credit Men, protesting against the enactment of banking legislation that would materially change the control and operation of the Federal Reserve System, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Poultry Association of Talbot County, Md., favoring the enactment of House bill 5802, providing increased tariff duties on imported egg products, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Ferndale, Md., praying for the enactment of the bill (H. R. 2827) to provide for establishment of unemployment, old age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Fourteen Holy Martyrs Section of the Holy Name Society, of Baltimore, Md., protesting against alleged religious persecutions in the Republic of Mexico and favoring the recall of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by Independent Council, No. 22, of Mount Washington; Riverdale Council, No. 29, and Pride of Parkville Council, No. 39, all of the Sons and Daughters of Liberty, in the State of Maryland, and Mary-Bell Council, No. 33, Sons and Daughters of Liberty, of Delmar, Del., favoring the enactment of House bill 5921, to strengthen the existing law pertaining to the deportation

of aliens, which were referred to the Committee on Immigration.

He also presented the petition of Premier Council, No. 23, Junior Order United American Mechanics, of Baltimore, Md., praying for the enactment of legislation to strengthen the existing immigration laws, which was referred to the Committee on Immigration.

He also presented a petition, signed by officers, members, and friends of Liberty Council, No. 16, Junior Order United American Mechanics, of Baltimore, Md., praying for the passage of the bill (S. 22) to provide for the deportation of aliens convicted of certain crimes, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Kiwanis Club, of Baltimore, Md., favoring the enactment of pending legislation providing for the return of the frigate *Constellation* to her original station at Fort McHenry, Md., as a naval museum, which was referred to the Committee on Naval Affairs.

He also presented a memorial of sundry citizens of Carroll County, Md., remonstrating against an increase in armaments, and also against the holding of naval maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

EXCISE TAXES ON OILS, GASOLINE, ETC.

Mr. GORE presented the petition of the National Highway Users Conference, on behalf of numerous national and other organizations, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

A PETITION TO THE PRESIDENT OF THE UNITED STATES AND THE MEMBERS OF THE CONGRESS

The undersigned respectfully present for your consideration the following reasons why it is firmly believed that laws providing for Federal excise taxes on gasoline, automobiles, parts, tires, oils, and other products used in motor transportation should not be reenacted:

1. Motorists of the United States are now subjected to special class taxation (in addition to their general taxes) amounting to approximately one and one-quarter billions of dollars per year.

2. Since each State and the District of Columbia levy special taxes on motorists, special Federal taxation on the same tax-burdened class of citizens clearly constitutes unfair double taxation, and it is an invasion of a field which admittedly should be left to the taxing agencies of the States. This latter point is of grave importance because of the fact that many States have pledged their gasoline-tax revenues to the payment of bond issues.

3. These additional burdens of class taxation on motor transportation are a handicap which is not suffered by any competing forms of transport; and they detract materially from the economy and efficiency which motor transportation has brought to the shipping and consuming public.

4. In the case of the tax on gasoline particularly, the measure of a citizen's contribution to general Federal governmental purposes under this tax is the distance which he is obliged to travel or to transport his products by motor. In the case of the farmer, the measure of his contribution under this tax is the distance he lives from market. Such yardsticks for measuring the amount of an individual's contribution to governmental expenses are so obviously absurd as to need no further comment.

5. Both the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives have expressed themselves in opposition to the continuance of these unfair taxes.

6. The oft-repeated statement that special Federal taxes on motorists are justified as a means of furnishing funds for Federal aid in highway construction is entirely erroneous and unwarranted for the reason that—

a. Federal aid in road building is amply justified as a measure necessary for the national defense of all citizens—not merely the motorists.

b. Federal aid is also necessary to facilitate the distribution of the mails for the benefit of all citizens—not merely the motorists.

c. When the principle of Federal aid was inaugurated it was not the thought of Congress that it should ever be contingent on the imposition of special Federal taxes on highway transportation.

7. The motor industry and allied industries are now successfully leading the way to national recovery. The placing of unjust burdens of taxation directly or indirectly on motorists and the industries purveying the products used in motor transportation is therefore extremely unwise from a standpoint of national recovery.

8. That the unfairness and injustice of these taxes is generally recognized is evidenced by the fact that legislatures of 21 States have memorialized Congress asking that the Federal gasoline tax be allowed to lapse on the expiration date, June 30, 1935; and more than 200 organizations are on record as opposing these taxes. The names of these States and organizations are given in exhibits A and B, respectively, attached hereto.

For these reasons the signatories hereto urge that, in common justice and in the interest of national recovery, no legislation be enacted by the Congress to continue these unfair taxes.

Respectfully submitted.

Thos. P. Henry, president American Automobile Association; Chester H. Gray, Washington representative American Farm Bureau Federation; F. E. Mollin, secretary American National Live Stock Association; Fred Brenckman, Washington representative National Grange; E. H. Everson, national president Farmers' Union; R. J. O'Hare, chairman transportation committee International Association of Milk Dealers; A. M. Loomis, secretary National Dairy Union; Thomas J. Keefe, general manager American Motorists Association; Geo. W. Vaughn, president American Trucking Association, Inc.; F. W. A. Vesper, president National Automobile Dealers Association; J. E. Pennybacker, managing director The Asphalt Institute; R. H. MacCleary, director American Petroleum Industries Committee; Albert H. Byles, president American Petroleum Institute; Rowland Jones, Jr., Washington representative National Association of Retail Druggists; H. A. Jensen, secretary-manager American Association of Creamery Butter Manufacturers; Ben F. Gordon, chairman highway users committee, National Food Distributors Association; Arthur M. Hill, president National Association of Motor Bus Operators; A. H. Elcuroe, general manager Motor and Equipment Manufacturers Association, 250 West Fifty-seventh Street, New York, N. Y.; R. B. Brown, general counsel Independent Petroleum Association of America; A. L. Viles, president Rubber Manufacturers Association; Alfred Reeves, vice president Automobile Manufacturers Association; Herbert P. Sheets, managing director National Retail Hardware Association.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. CAPPER. Mr. President, I have received a telegram from the Kansas State commander of the Veterans of Foreign Wars, which I desire to place in the RECORD. Before doing so I wish to reiterate my stand in favor of passage of the so-called "Patman bill" providing for immediate cash payment of the veterans' adjusted-service certificates. The measure is a fair measure, a just measure, and I was glad to note in the press that such eminent gentlemen as Marriner S. Eccles, Governor of the Federal Reserve Board, and Jesse Jones, Chairman of the Reconstruction Finance Corporation, are in agreement with the majority of the Senate, and I believe of the country, that the enactment into law of this measure will not harm the credit of the Government of the United States. May I also express the hope that the President will see the wisdom and good judgment of approving the measure?

I send the telegram to the desk and ask that it be printed in the RECORD and lie on the table.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

KANSAS CITY, KANS., *May 14, 1935.*

Senator ARTHUR CAPPER,
United States Senate:

Business men, professional, 60,000 certificate holders, and Kansans over entire State are definitely for Patman bill. Please read on Senate floor.

C. R. BARNES,
State Commander Veterans Foreign Wars.

Mr. RADCLIFFE. Mr. President, I send to the desk and ask to have printed in the RECORD and lie on the table a telegram addressed to me by James J. McGuirk, commander of the Department of Maryland of the Veterans of Foreign Wars, with reference to the payment of the adjusted-service certificates.

The VICE PRESIDENT. Without objection, the telegram will lie on the table and be printed in the RECORD.

The telegram is as follows:

BALTIMORE, MD., *May 14, 1935.*

Senator GEORGE L. RADCLIFFE:

Every member of the Department of Maryland Veterans of Foreign Wars, numbering 8,000, request that you do everything in your power to have Patman bill adopted. Please read this telegram on Senate Chamber floor Tuesday afternoon, May 14.

JAMES J. MCGUIRK,
Department Commander.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 6143) to extend the time during which domestic animals which have crossed the

boundary line into foreign countries may be returned duty free, reported it without amendment and submitted a report (No. 625) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels, reported it with amendments and submitted a report (No. 626) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, reported it with an amendment and submitted a report (No. 627) 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. TYDINGS:

A bill (S. 2837) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Washington Parker, a former employee of the United States Naval Academy dairy farm, Gambrills, Md.; to the Committee on Claims.

(By request.) A bill (S. 2838) to establish an assessed valuation real property tax in the Virgin Islands of the United States; and

(By request.) A bill (S. 2839) to amend the act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934; to the Committee on Territories and Insular Affairs.

By Mr. STEIWER:

A bill (S. 2840) for the relief of Oscar Gustof Bergstrom; to the Committee on Claims.

A bill (S. 2841) granting an increase of pension to Mary A. Ballard; and

A bill (S. 2842) granting an increase of pension to June MacMillan Ordway; to the Committee on Pensions.

By Mr. VANDENBERG:

A bill (S. 2843) to amend the act entitled "An act to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army"; and

A bill (S. 2844) to provide for the appointment of Gerard Farmer (demobilized Army field clerk, United States Army, July 1, 1921) to the grade of warrant officer, unassigned, United States Army, and immediate retirement from the service; to the Committee on Military Affairs.

By Mr. TRAMMELL:

A bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy; and

A bill (S. 2846) authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. O'MAHONEY and Mr. BURKE:

A bill (S. 2847) to provide for the creation of a series of national parks to be known as the "Western Trails National Parks", and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BONE:

A bill (S. 2848) to provide for the establishment of the Whitman National Monument in the State of Washington; to the Committee on Public Lands and Surveys.

A bill (S. 2849) to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; to the Committee on Indian Affairs.

By Mr. CONNALLY and Mr. SHEPPARD:

A joint resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on the Library.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; to the Committee on Agriculture and Forestry.

H. R. 4448. An act 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;

H. R. 4901. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions;

H. R. 6504. An act 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";

H. R. 6673. An act 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 the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee;

H. R. 7909. An act to amend the act creating a United States Court for China and prescribing the title thereof, as amended; and

H. J. Res. 182. Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof; to the Committee on Foreign Relations.

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935; to the calendar.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. STEIWER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

SOCIAL SECURITY—AMENDMENTS

Mr. TYDINGS submitted sundry amendments intended to be proposed by him to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a social-security board; to raise revenue; and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

DISPOSITION OF LIGHTHOUSE RESERVATIONS

Mr. COPELAND. Mr. President, yesterday in my absence, while in attendance at a committee meeting, the Senate passed the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes. I regret this action because the Com-

mittee on Commerce had instructed me to offer an amendment. I understand the bill has not as yet gone to the other body. Accordingly, I ask unanimous consent to have the amendment considered and acted upon by the Senate.

Mr. ROBINSON. Mr. President, the Senator would first have to ask reconsideration of the votes by which the amendments were ordered to be engrossed and the bill read a third time and passed.

Mr. BLACK. Mr. President, I should like to have the bill read. I am not familiar with it.

Mr. ROBINSON. Mr. President, I happen to be familiar with the bill. It merely authorizes the disposition of certain properties which are no longer needed or required for use in connection with the Lighthouse Service. The Senator from Ohio [Mr. DONAHEY] is particularly interested in the measure. I see no objection to reconsidering the vote by which the bill was passed in order that the amendment referred to by the Senator from New York may be considered.

Mr. BLACK. I shall not object to reconsideration.

Mr. WALSH. Mr. President, the Senator from Ohio is not present.

Mr. COPELAND. I am sure the Senator from Ohio would not object.

Mr. ROBINSON. It is my thought that, the committee having instructed the Senator from New York to offer the amendment, the Senator from Ohio would not be interested in opposing the amendment, and therefore I do not suggest the absence of a quorum.

Mr. COPELAND. I ask unanimous consent that the votes by which the amendments were ordered to be engrossed and the bill to be read a third time and passed may be reconsidered.

The VICE PRESIDENT. Without objection, the votes are reconsidered. The bill is before the Senate. The clerk will state the amendment of the Senator from New York.

The LEGISLATIVE CLERK. On page 18, line 5, before the word "shall", it is proposed to strike out "and 28" and insert "28, and 37."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 18, after line 20, it is proposed to insert a new section, as follows:

SEC. 37. The Secretary of Commerce is authorized to convey to the city of Evanston, Ill., for public-park purposes the Grosse Point Lighthouse Reservation, comprising an area of about 100 feet by 535 feet and appurtenant structures thereon with the exception of the brick light tower and the plot of land surrounding same about 45 feet by 65 feet, together with the rights of ingress and egress, for the purpose of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred, and the conditions imposed by section 36 of this act.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment the question is, Shall the amendments be engrossed and the bill be read a third time?

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.

SOUTH AMERICAN LOANS

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD a statement from the American Council of Foreign Bond Holders, Inc., on the subject of South American loans.

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

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
New York City, May 11, 1935.

SOUTH AMERICAN LOANS—POSITION AND PROSPECTS

Eight of the ten South American Republics have dollar loans outstanding in the American market, and all eight are in default, in whole or in part. The total outstanding at the beginning of the year, represented by governmental, provincial, and municipal obligations, as well as by bond issues guaranteed by governments or political subdivisions, aggregated $1,365,013,935 out of the original amount of $1,565,419,235, thus indicating that $200,405,000 has been repaid or refunded. Of the amount involved, $535,517,900, or 39.23 percent, of the total outstanding is in complete default; $514,849,800, or 37.72 percent, is in partial default; while $314,646,235 is being serviced in full.

	Federal Government	Provinces	Municipalities	Total
ARGENTINA				
Amount issued	$293,095,000	$102,601,500	$27,017,000	$422,713,500
Amount outstanding	249,695,000	87,345,500	24,154,500	361,195,000
Amount receiving full interest	249,695,000	5,500,000	13,825,000	269,020,000
Amount receiving partial interest		81,845,500	8,577,500	90,020,000
Amount in complete default			1,752,000	1,752,000
BOLIVIA				
Amount issued	68,400,000			68,400,000
Amount outstanding	59,422,000			59,422,000
Amount in complete default	59,422,000			59,422,000
BRAZIL				
Amount issued	198,289,735	171,610,000	71,920,000	441,819,735
Amount outstanding	156,462,235	148,368,300	63,031,500	366,862,035
Amount receiving full interest	21,789,735	23,836,500		45,626,235
Amount receiving partial interest	134,672,500	122,551,800	63,031,500	320,255,800
Amount in complete default		1,980,000		1,980,000
CHILE [1]				
Amount issued	184,912,000	[2] 90,000,000	21,200,000	286,112,000
Amount outstanding	175,404,000	[3] 68,756,000	20,459,500	264,619,500
Amount in complete default	175,404,000	[3] 68,756,000	20,459,500	264,619,500
COLOMBIA [3]				
Amount issued	[4] 76,000,000	67,350,000	26,085,000	169,435,000
Amount outstanding	[5] 62,001,000	59,989,000	22,149,900	144,139,900
Amount receiving partial interest	51,223,500			51,223,500
Amount in complete default	10,777,500	59,989,000	22,149,900	92,916,400
ECUADOR				
Amount issued	14,682,000			14,682,000
Amount outstanding	13,122,000			13,122,000
Amount in complete default	13,122,000			13,122,000
PERU				
Amount issued	90,000,000	1,500,000	3,000,000	94,500,000
Amount outstanding	87,210,000	1,189,000	2,887,000	91,286,000
Amount in complete default	87,210,000	1,189,000	2,887,000	91,286,000
URUGUAY				
Amount issued	56,586,000		11,171,000	67,757,000
Amount outstanding	52,947,500		10,420,000	63,367,500
Amount receiving partial interest	52,947,500			52,947,500
Amount in complete default			10,420,000	10,420,000
TOTAL, SOUTH AMERICA				
Amount issued	981,964,735	423,061,500	160,393,000	1,565,419,235
Amount outstanding	856,263,735	365,647,800	143,102,400	1,365,013,935
Amount receiving full interest	271,484,735	29,336,500	13,825,000	314,646,235
Percent of total	31.71	8.01	9.67	23.05
Amount receiving partial interest	238,843,500	204,397,300	71,609,000	514,849,800
Percent of total	27.90	55.84	50.08	37.72
Amount in complete default	345,935,500	131,914,000	57,668,400	535,517,900
Percent of total	40.39	36.15	40.25	39.23

[1] Amounts are exclusive of $48,500,000 par value of corporate bonds also in complete default.
[2] Represents bonds of mortgage banks guaranteed by the Government.
[3] Amounts are exclusive of $13,653,500 par value of private mortgage bank bonds in complete default.
[4] Includes $16,000,000 par value of mortgage bank bonds guaranteed by the Government.
[5] Includes $10,777,500 par value of mortgage bank bonds guaranteed by the Government.

What are the prospects for American investors, institutions, and individuals who have staked well over one and one-third billions in the bonds of their southern neighbors? Will those of the South American debtors who have maintained their service continue to do so, and will those who have been in complete default, because of inability or unwillingness, continue to disregard the rights and privileges of their creditors? To what extent will irregularities and abuses which characterized certain of the South American issues influence the borrowers in question in their plans regarding possible adjustments of their outstanding engagements? These are questions to which holders of the various South American issues or prospective buyers must find an answer before they decide upon the retention of bonds already held or the fresh acquisition of obligations.

At the outset it must be stated that it is erroneous as well as dangerous to generalize about South American loans. There are all types and categories, varying from bonds of investment caliber to those which are highly speculative. In the former group belong the issues of the Argentine Government and those of the city of Buenos Aires, which, while not guaranteed by the Federal Government, enjoy to some extent Government protection.

For more than a generation the service on these bonds has been met promptly and faithfully. In 1932 Argentina almost succumbed, but despite economic as well as political difficulties which confronted the nation, she refused to emulate the example set by

her neighbors. The situation in the country has improved appreciably. Trade is heavily in favor. Exchange conditions are decidedly better and further gains are confidently expected as a result of the recently created Central Bank. Argentina's attitude toward bondholders has been adequately rewarded. She was recently enabled to effect some rather important conversion operations which should result in material savings. About a quarter billion dollars are still outstanding in the United States. Most of this debt bears interest at the rate of 6 percent per annum. A conversion into a lower coupon bond appears quite within the realm of probability. The principal impediment to such step is the decidedly unsatisfactory record of most of the country's political subdivisions: Of provincial issues outstanding at eighty-seven and one-half millions, only five and one-half millions is being serviced in full, while of more than twenty-four millions of municipal debts, $13,825,000 is interest and sinking funds. If Argentina is anxious to contract new bonds in the American market, either for refunding purposes or for revenue-producing projects, an adjustment of the provincial or municipal debt, which is either completely or partially in default, appears essential.

Although speculative in character, Brazilian loans, especially those outstanding on behalf of the Federal Government, are distinctly promising at prevailing levels. The country's fiscal record is rather unusual. Brazil has never been guilty of complete cessation of payments. When in difficulties she pays in new bonds. Since 1898 there have been three so-called "funding operations" at intervals of about 17 years. The third took place in 1931. Early last year an arrangement was submitted by the Brazilian Government which an American group (presumably speaking for bondholders) was ready to accept, although the terms were most inequitable and unfair. How easy it is to make sacrifices for the other party! The 1934 debt adjustment provided for the suspension of sinking-fund payments and the reduction in the rate of interest to 35 percent of the amount stipulated for 1935 and 1936, to 40 percent for 1937, and to 50 percent for 1938, when the Government is scheduled to review the situation with a view to making a new and presumably a more equitable arrangment. The outlook is encouraging. Brazil, which has heretofore been a one-product country, the welfare of the Republic depending almost exclusively on coffee, is gradually becoming one of the leading cotton-growing and cotton-exporting countries. While United States planters are being handsomely rewarded for not growing cotton, Brazil is doing all she can to increase the output of what promises to play an increasingly important role in the country's economy.

Bolivian bonds are selling for hardly more than what one might term "souvenir values." The entire debt of nearly fifty-nine and one-half millions is in complete default and threatens to remain in default for some time to come. The pronounced rise in the price of tin, Bolivia's principal standby, has not benefited the nation's creditors, who, by a curious coincidence, are all Americans. Virtually all the income is being consumed by a most senseless war with Paraguay over the so-called "Chaco Boreal", a swampy tract of land said to contain valuable oil fields. Neither Bolivia nor Paraguay is desirous to cease hostilities, but prefer instead to slaughter each other's sons and ruin themselves for decades. How bankers could permit a country like Bolivia to accumulate a debt of sixty millions, which even in normal times appears far beyond the nation's capacity, is difficult to comprehend. American bondholders are now paying the penalty for the mistakes of those who were charged with the guidance of the fiscal destinies of the American people.

Ten years ago an American financial commission left for Chile. An orgy of borrowing or rather lending followed. Within a short time the dollar debt of the Republic trebled. In 1931 Chile's fiscal structure collapsed completely. Nothing has been done on the country's foreign debt since. The other day, or almost exactly 10 years after we went to Chile, presumably to convince her of the desirability of borrowing from us to the limit, the Chileans paid us a return visit. They came to tell us that Chile is prepared to settle her dollar debt on a basis which is equivalent to virtual repudiation. The negotiations are likely to be held with the banking houses which are identified with the origination and distribution of Chilean loans, but which do not own any bonds themselves. Once again sacrifices are expected to be made for or on behalf of bondholders. The indifference of the investor is indeed extraordinary and his patience is that of a saint. Although the situation in Chile still leaves a good deal to be desired, the progress registered in the country is sufficiently marked to warrant the assertion that a more favorable proposal than has been submitted is fully warranted.

Anyone familiar with the past fiscal record of Colombia and the attitude which the Republic has adopted toward its foreign creditors in general and American creditors in particular will agree that obligations of our southern neighbor are not entitled to serious consideration by conservative and discriminating investors. From the speculative point of view, however, Colombian issues may be regarded with reasonable interest, but there would be no justification for acquiring issues of this type unless the yield appears favorable with the return on other foreign issues of at least equal quality.

Despite the fact that the United States absorbs almost 90 percent of Colombia's shipments of coffee abroad, resulting in a very substantial balance of trade in favor of Colombia, all departmental and municipal obligations floated in the United States are in complete default, while interest on Colombian Government issues is payable in 4-percent funding bonds.

Whether the proposed treaty between the United States and Colombia will result, as did a similar treaty with Cuba, in conferring valuable privileges upon our southern neighbor, without receiving consideration in return for such favors, is something that cannot be determined at this moment. However, if American bondholders will enjoy the dubious benefit of that kind of representation which has characterized similar arrangements in the past, one cannot look forward to a revision for the better of Colombia's present debt plan.

To investors in the United States, Ecuador is little more than a name. No bonds sold by its Government are listed on the New York Stock Exchange or Curb, and few brokers now trading "over the counter" have handled "Salt", "Condores", or Guayaquil & Quito Railroad bonds. Yet, stange to say, Ecuador's entire foreign debt, contracted prior to 1927, originated from endorsement by the Government of the obligations of an American corporation. Although all securities issued have their market in London, they are dollar bonds, with the exception of a small loan totaling £76,000.

Outstanding foreign funded debt dates from 1897, when Archer Harman, representative of an American syndicate, contracted to finance and build a railroad from Guayaquil to Quito. The concern was incorporated in the United States of America and sold in London $12,282,000 6-percent bonds, guaranteed by the Ecuadoran Government.

The line was duly built and constitutes a most spectacular feat of engineering, but the railroad company has had a checkered life and has not been able to pay the service on its bonds. This duty has therefore fallen to the lot of the Government, which has not always been equipped to meet the obligation. In order to remove this distressing disability, largely due to an unaccountable disinclination on the part of foreign traders to accept the sucre at its par value in payment for imported goods, the Government resolved to consult the great American wizard economist, who had unloosened streams of American dollars to Colombia, Bolivia, and Chile.

By an interesting and instructive coincidence Professor Kemmerer's prescription of a specific for Ecuador's infirmities was the creation of a bank. This institution was financed by an issue of 10,000,000 sucres ($2,000,000) 8-percent bonds at 88, the service on which was to be paid by Ivar Krueger in exchange for a match monopoly. In 1931 the monopoly was canceled and service of the debt accepted as a Government obligation which is, however, temporarily in default.

Peru's total foreign debt, held almost entirely by American investors, is in complete default. The outlook for an early adjustment is anything but promising. Even if Peru's principal products—cotton, silver, copper, oil, and vanadium—were to advance very materially in price, and even if the advance could be maintained, the service on the nation's engagements is not likely to be resumed in accordance with the terms of original loan agreements. That the investment of capital grew at too rapid a pace is evident from the fact that America's stake in Peru approximated $224,500,000, or almost 6½ times the pre-war figures.

One point in favor of Peru is the fact that the Republic has always endeavored to treat her creditors fairly and even after the disastrous war of the eighties when Chile seized the Department of Tarapaca and with it more than a billion dollars' worth of minerals, the Government readily offered its entire supply of minerals and guano deposits to the bondholders rather than to plead poverty as an excuse for debt repudiation. It was doubtless this commendable sense of responsibility which prompted the Peruvian Government to engage from time to time the service of North American celebrities who might be expected to enjoy friendly relations with bankers in New York from whence emanated such ample supplies of gold credits to the neighboring republics in the course of the twenties.

Political disturbances in Uruguay will doubtless adversely affect quotations of existing Uruguayan loans, notably those outstanding in the American market. Such influence, however, is likely to prove only of a transitory nature, since the Republic is confidently expected to continue the service on dollar debts at least in accordance with the terms at present in force; that is, 3½ percent per annum, regardless of the face amount of coupons. If bonds react to between 30 and 35, they should be regarded as interesting commitments.

Although Uruguay has, on more than one occasion in the past, defaulted in one form or another on its contractual obligations, direct and guaranteed, her credit was held in high esteem for a number of years. This was especially true in the United States, as illustrated by the relative ease with which she obtained financial accommodations in the American market. However, those who were inquisitive enough to study the nation's past fiscal record doubtless discovered that its past performance did not entirely warrant the credit standing it enjoyed. Uruguay's first contact with foreign bankers occurred about 70 years ago. In 1864 an external loan of £1,000,000 was offered at 60, to be used for the conversion of internal obligations.

It is rather curious to find that Uruguay's first loan in the American market synchronized with her default in regard to sinking-fund payments, which apparently did not deter American bankers from calling upon our investing public to take up Uruguayan issues and which may, to some extent, account for the indifference on the part of Uruguay toward her foreign, including American, creditors.

On the 26th of this month the representatives of 21 American Republics will assemble at Buenos Aires in connection with the Pan American Commercial Conference. The economic and commercial relations between the United States and her sister republics are expected to be discussed at length, especially in the light of the recently arranged reciprocal treatments with some of the Latin American Republics and the prospects of similar treaties with the other countries. Whether the fate of the bondholders

will be taken into consideration at the session and whether anything concrete will be achieved at the conference cannot be said with any degree of definiteness at this moment. On the basis of precedent, however, it would seem reasonably safe to assume that very little, if anything, that is genuinely concrete will be accomplished. Thus far those guiding Pan American conventions have rarely gone beyond two tangible achievements.

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
MAX WINKLER, *President*.

FARMERS' MEETING IN WASHINGTON

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by W. H. Robertson, of Loachapoka, Ala., as chairman of the recent farmers' meeting held at Constitution Hall, in Washington.

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

Recognizing that this is an unprecedented occasion and that there are undoubtedly many who are wondering who we are and why we are in Washington, it seems proper first of all to say that we are farmers from the Cotton Belt and the Tobacco Belt and from the Wheat Belt and from the Corn Belt, and that this trip is of our own planning. We left the plow handles to come here, and are paying our own way, and are not the pawns of high-powered lobbyists. We have come to Washington because we have the right to come and speak for ourselves and for the great industry we represent, which right we observe is so freely exercised by other groups. Moreover, we came because we felt that we would be welcomed especially by those who are championing the cause of a square deal for the farmer as that cause is represented in the Agricultural Adjustment program. We have come here to approve and to commend that program.

The records show that there is not a community in the Cotton Belt that is not represented in this body. The same holds good for many of the other major crop and livestock producing regions of our country. Every type of producer from tenant to extensive plantation owner is here. Owners of average-sized farms and farmers of average production are in the majority. Those of us who are not paying our way out of our own pockets are having our expenses paid by our fellow farmers whom we personally represent.

This is undoubtedly the first occasion of this kind in history. It probably is the first time in history when a group has visited this city merely for the sake of thanking a great President and his administration for their helpfulness. Particularly do we wish to commend those Congressmen and Senators who have stood so loyally by the program.

As we read the papers and as we canvass history it appears that almost without exception when groups come to Washington they either come to plead for especial privilege or to condemn and denounce, or for all these purposes. We have not a word of denunciation, nor are we seeking special privilege. As indicated, we have come to say "thank you" to the administration in our own name and in our own way. We are here to say that the Agricultural Adjustment program which has done so much to restore economic conditions on the farms of the Nation, to set business going again, and which for the first time in history has actually brought to the farmer something of equality with industry and labor and finance, must be continued. We have come to say that the processing tax and the manner in which it is now used to carry out the various adjustment programs must not be disturbed. The principle underlying the processing tax is exactly the same as that underlying the tariff to which the Nation has been committed for so many generations, and which has exacted tribute in untold millions from agriculture. The processing tax represents the application of the same principle to agriculture that has provided the guaranties that surround labor and capital and that long has been accepted as national policy.

We should like to make plain that we are no more interested in temporary expedients than industry or labor or finance would be. And we resent any suggestion or device that would put agriculture on the relief rolls. Our problem is not a temporary problem nor is it a relief problem. In the past we have had no idea one year what would happen the next. We can't go on like that. We must have a safer and a saner way.

We want a long-time policy. We want it based upon the principle of equality for all and special privilege for none. The present agricultural adjustment program is based upon that principle and for the first time in history, as indicated already, has brought to the farmer, perhaps not all that he is entitled to, but something at least of that to which he in simple justice has a right.

We believe that the security of agriculture is the security of the Nation and that there can be no sustained progress or sustained prosperity that does not have its foundation in a prosperous agricultural people. The system of ruthless exploitation that has ground agriculture down for the past century had to take a turn for better or worse sooner or later, or plunge the Nation into utter chaos. It almost did that by 1932. In the present agricultural program the turn things have taken is the only turn that would lead to the peaceful and constructive rebuilding of the Nation's lost morale and its prostrate economic structure.

At the close of 1932 this Nation had sunk to a level that threatened its very existence. Under the plan for agriculture that was adopted the next year we have seen unprecedented recovery not only in agriculture but generally. Unable to reconcile the violent attacks of the critics with the facts or to judge the possible effect, we are here to gratefully acknowledge the gains that have been made and the tremendous benefits that have come to us all and to say that the gains that have been made must be consolidated and made secure. To that end we pledge our unqualified support. We are here to voice the very emphatic conviction that the instrumentalities that have served us so well must not only be continued unhampered, but must be strengthened and made more effective. Specifically, it is necessary to continue the processing tax; it is necessary that the amendments to the Agricultural Adjustment Act now pending before Congress be written into law, and as a cotton producer speaking for cotton, we must have the continuance of the Bankhead Cotton Control Act or again face the disasters of overproduction. We think it is also important to say that we are here today to represent American agriculture as a whole, and that we are viewing our problems as a whole. We want each division of American agriculture to receive the consideration to which it is entitled. This is not only in the interests of fairness to all groups alike, but is very definitely in the interest of the national well-being. In this connection and as a final word, I want to say that, first of all, and above all, we are American citizens and believe that the national well-being transcends all things else in importance and that national well-being should be our first concern and is our first concern.

CHAMBER'S BACKERS ON SECRET LIST—EDITORIAL FROM LABOR

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able editorial from Labor for May 14, 1935, entitled "Chamber's Backers on Secret List."

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

CHAMBER'S BACKERS ON SECRET LIST—BIG NATIONAL PROPAGANDA AGENCY REFUSES TO MAKE PUBLIC NAMES OF THOSE WHO SUPPLY BULK OF ITS FUNDS

Who are the backers of the United States Chamber of Commerce? This organization claims to speak for millions of American business men. It owns and occupies an immense marble palace facing the White House. It spends vast sums on propaganda. It has just publicly challenged every liberal feature of the new-deal program.

In the circumstances, Labor submits, the people have a right to know the individuals and corporations that supply the chamber with the sinews of war. This week a representative of Labor endeavored to secure this information. He didn't succeed, but he did uncover the following extremely interesting facts:

Names of the contributors to the United States Chamber of Commerce are not made public. A list was given out some years ago, but the reaction was so unfavorable that the practice has been abandoned.

The annual report of the chamber's board of directors shows that during the last calendar year the chamber collected $2,108,127 and expended $1,978,141.

Who put up this money? The report says that $89,476 came from organization members, $144,023 from individual members, and $786,617 from associate members. This is a total of $1,020,117 from members.

Another $1,000,000 came from subscriptions and advertising in the chamber's magazine, Nation's Business. Advertising was the big item, and it was furnished by the concerns whose economic policies the chamber champions.

The "organization" members are the local and State chambers of commerce and other business organizations which the United States Chamber is supposed to represent. The "individual" and "associate" members are those whose names and contributions are kept secret. They are described as "persons, firms, and corporations elected by the board of directors of the United States Chamber."

From this secret list the chamber draws more than 90 cents of every dollar of revenue it receives from its members. There is an old adage that "he who pays the fiddler calls the tune."

Of course, those "persons, firms, and corporations" that are on the secret list, and which paid nine-tenths of the membership dues, dictate the policy of the United States Chamber of Commerce.

When the representative of labor suggested that he would like to see the secret list of membership contributors, an official of the chamber replied:

"That is as unreasonable as if we were to ask to be permitted to examine the books of labor."

Of course, the answer is that labor will gladly open its books to the United States Chamber of Commerce or anyone else who desires to examine them. Labor has been in existence for 15 years. During all that time it has never received a dollar which it is ashamed to acknowledge. Labor's supporters are the railroad workers of the United States and Canada. Their names are on our mailing lists. They are not ashamed of labor, and labor is not ashamed of them.

Evidently the United States Chamber of Commerce is ashamed of its principal supporters. If not, why does it refuse to make public their names and the amounts of their contributions?

TAXATION—ADDRESS BY SENATOR LA FOLLETTE

Mr. NYE. Mr. President, on Sunday, April 28, 1935, the senior Senator from Wisconsin [Mr. LA FOLLETTE] delivered over the Columbia Broadcasting System an address on the subject of Taxation, which I ask unanimous consent to have printed in the RECORD.

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

Before this session of Congress adjourns, the vital question of taxation will have to receive consideration. Graduated income, estate, and inheritance taxation is based upon the sound principle that taxes should be levied in accordance with the ability of the taxpayer to carry the burden. Ever since the constitutional amendment was adopted, there has been a sharp conflict in Congress at each session, when a tax bill has been under consideration. On one side have been those who have endeavored to prevent the levying of higher rates of taxation upon large fortunes and big incomes. On the other side have been those who have contended consistently that more and more of the burdens of government should be imposed upon those who are best able to pay.

Opponents of higher income taxes argue that lower rates of taxation produce greater aggregate revenue than the higher rates would yield. They also contend that with the large amount of tax-exempt securities outstanding in this country today, that higher income-tax rates will cause large holders of industrial and other securities to invest in tax-exempt issues.

There are no figures available to prove the contention that high rates of income taxes would produce less aggregate revenue. The figures which opponents use are based upon the experience during the three past Republican administrations when income taxes were decreased. These figures, however, do not take into consideration the much higher level of economic activity prevailing in the boom period. It is interesting to note that if Congress had maintained the rates contained in the 1921 tax bill throughout the period preceding the economic crisis, sufficient revenue would have been raised to have entirely extinguished the public debt.

Insofar as the tax-exempt argument is concerned, I am perfectly willing to admit that until the income derived from these securities is made subject to taxation we shall not have a satisfactory tax system in this country. Nevertheless, I am convinced that the argument concerning tax-exempt securities and their relation to tax yield have been grossly exaggerated. The most recent information that we have on this subject is to be obtained from the report of the Federal Trade Commission in 1924, following the relatively high rates of the war and the immediate postwar period. This report shows that only 3.16 percent of the income of all persons receiving $10,000 a year, or more, was derived from tax-exempt securities.

It is now generally recognized that one of the principal causes of this economic crisis was the failure of mass purchasing power to keep abreast of our increased capacity to produce both agricultural and manufactured products. It is obvious that we cannot employ mass production in industry and scientific methods of agriculture on the farm unless there is an equitable distribution of purchasing power among the people. In 1932 the Taylor Society published a study of purchases by income groups in the year of 1929. This study shows that individuals with incomes of $5,000 or less, purchased approximately 80 percent of all the goods sold in that year, and that those with incomes of $5,000 or more, purchased approximately only 20 percent of all the goods sold.

Until we restore the buying power of that group which in 1929 purchased approximately 80 percent of the goods sold, it is clear that we shall continue to find ourselves in the same or a worse economic situation.

The concentration of wealth in the hands of a relatively small number of people is the inevitable consequence of a maldistribution of our national income. This process has gone on in this country for many generations. The war speeded up the concentration of wealth and it went forward rapidly during the period preceding the economic crisis.

Recognized studies of this problem have been made. Based upon these studies, a simple illustration serves graphically to present the problem with which we must deal. Let us assume that $100 represents the entire vast wealth of this Nation and its people. Let us assume that 100 people represent our entire population. If we divide this $100, representing our total wealth, among these 100 people, representing our total population, as wealth is actually distributed in this country today, we get the following results: 1 person would have $59 out of the hundred; 1 would have $9; 22 people would have $1.22 each, and 76 or all the rest, would have less than 7 cents apiece out of the $100, representing our total wealth.

The tragic suffering and losses of the people during the last few years must teach us that a society such as ours has now become, based upon scientific methods of production on the farm and mass production methods in industry cannot exist very long with the wealth and purchasing power of this country concentrated, as it is today, in the hands of a relatively small proportion of our population.

In order to meet the immediate emergencies of this crisis, it has been necessary for the Federal Government to come to the aid of its citizens, to relieve distress and want and to prevent, in part, human suffering and malnutrition. It has been necessary, likewise, for the Federal Government to provide employment for some of those who are out of work and who cannot find employment in normal business activities. In this session of Congress, an appropriation of $4,880,000,000 has been made to provide work and relief. The announced objectives of this program are to provide employment for those who are employable and who are now upon the relief rolls.

This program does not go far enough because I believe that we can remedy the immediate problems of the crisis only by providing work for all those who cannot secure it in private employment. Nevertheless, it will be conceded, I believe, that the vast expenditures made necessary by the economic crisis cannot be continued unless we are willing to tax more heavily than we have done in the past.

It is clear from the experience of other countries that we cannot carry on these huge expenditures, which are absolutely essential, without taxing to the limit, unless we are willing to embrace the other alternative, which is uncontrolled inflation.

Much has been made of the fact that Great Britain has announced a balanced budget. Reactionaries contend that this example should be followed by the Government of the United States. They fail to emphasize, however, the fact that Great Britain is the only large industrial country in the world which has had the courage to impose drastic income and inheritance taxes to meet the extraordinary expenditures made necessary to relieve human suffering.

It is difficult to make estimates as to the amount of money which would be raised in this country if the British system of taxation were employed in the United States, but one estimate, which I regard as exceedingly conservative, indicates that if we had the courage and the will to impose taxes similar to those that are now in force in Great Britain, we would secure approximately $4,130,000,000 in addition to the revenue which we are now collecting.

If these estimates are correct—and I believe that they are substantially so—it is clear that if we had taxed as heavily in this country as they have done in Great Britain, we would have had a balanced Budget both in 1933 and 1934.

Those who are most anxious to balance our Budget, are often those who protest vociferously against any attempt to increase taxes upon wealth and income, in accordance with ability to pay. The reactionaries, who are arguing that this Government should follow the example of Great Britain and attempt to balance its budget, are in a completely inconsistent position until they are ready to accept the tax burden necessary to accomplish that end.

We are now in possession of information which indicates a substantial increase in profits even during the years of depression. Although pay rolls in December 1934 were only about 60 percent of the total in 1926, dividends and interest were 150 percent of their total in 1926. The Federal Reserve Bank of New York reported the total net profits of 290 industrial and mercantile concerns were $430,500,000 in the first 9 months of 1934, compared with $202,800,000, in the same period in 1933; an increase of 137 percent. The Treasury Department reports that in 1933, the net income of corporations reporting net income was $2,506,000,000, compared with $1,851,000,000 in 1932; an increase of 35.3 percent.

The Government would be fully justified in increasing the taxes upon incomes, estates, and inheritances, because the large expenditures being made by the Government have contributed to the increases in incomes, profits, and dividends. Those who are indirect beneficiaries of the huge expenditures, made necessary by this economic crisis, should be required to carry their full and fair share of the burdens entailed. Only in this way can we carry on these expenditures and avoid uncontrolled inflation. In this way we can secure a more equitable distribution of national income. In this way we can increase the production of wealth, provide employment, and restore morale.

The administration of President Roosevelt has thus far failed to meet the issue of taxation. In the last session they were willing to advocate only legislation designed to plug up the loopholes in the income-tax law which had been revealed by the Senate Committee on Banking and Currency. When efforts were made to amend the bill to increase the rates upon incomes, the Treasury refused to take a position. But in the Senate we faced the open opposition of the administration's spokesmen. The attitude of the administration toward taxation at this session has not been revealed. It is to be hoped that it will take a courageous position for heavily increased taxation in accordance with ability to pay. If it fails to meet this issue, it will thereby undermine and ultimately thwart the achievement of its announced objectives. Regardless of the action, or inaction, of the administration, Progressives in Congress will make the best fight of which they are capable to meet the emergency by drastic increases in taxes levied upon wealth and income.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the committee.

Mr. McNARY. Mr. President, I inquire if consent was granted first to consider committee amendments?

The VICE PRESIDENT. There was a unanimous-consent agreement entered yesterday that the committee amendments should first be considered; and the first committee amendment inserting in line 3, page 1, the words "Findings and" in the caption was stated. The question is on agreeing to that amendment.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will continue the statement of the committee amendments.

The next amendment of the Committee on Education and Labor was, on page 1, after line 3, to strike out:

SECTION 1. Equality of bargaining power between employers and employees is not attained when the organization of employers in the corporate and other forms of ownership association is not balanced by the free exercise by employees of the right to bargain collectively through representatives of their own choosing. Experience has proved that in the absence of such equality the resultant failure to maintain equilibrium between the rate of wages and the rate of industrial expansion impairs economic stability and aggravates recurrent depressions, with consequent detriment to the general welfare and to the free flow of commerce. Denials of the right to bargain collectively lead also to strikes and other manifestations of economic strife, which create further obstacles to the free flow of commerce.

And in lieu thereof to insert:

SECTION 1. The inequality of bargaining power between employer and individual employees which arises out of the organization of employers in corporate forms of ownership and out of numerous other modern industrial conditions impairs and affects commerce by creating variations and instability in wage rates and working conditions within and between industries and by depressing the purchasing power of wage earners in industry, thus increasing the disparity between production and consumption, reducing the amount of commerce, and tending to produce and aggravate recurrent business depressions. The protection of the right of employees to organize and bargain collectively tends to restore equality of bargaining power and thereby fosters, protects, and promotes commerce among the several States.

The denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining leads to strikes and other forms of industrial unrest which burden and affect commerce. Protection by law of the right to organize and bargain collectively removes this source of industrial unrest and encourages practices fundamental to the friendly adjustment of industrial strife.

The amendment was agreed to.

The next amendment was, under the subhead "Definitions", on page 4, line 2, after the word "organization", to insert "(other than when acting as employer)", so as to read:

SEC. 2. When used in this act—

(1) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(2) The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

The amendment was agreed to.

The next amendment was, on page 4, line 23, before the word "hours", to strike out "or", and in the same line, after the word "employment", to insert a comma and "or conditions of work", so as to read:

(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

The amendment was agreed to.

The next amendment was, on page 5, line 1, after the word "trade" and the comma, to insert "traffic", so as to read:

(6) The term "commerce" means trade, traffic, or commerce, or any transportation or communication relating thereto, among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

The amendment was agreed to.

The next amendment was, on page 6, line 5, after the words "Executive Order", to insert "No. 6763", so as to read:

(11) The term "old Board" means the National Labor Relations Board established by Executive Order No. 6763 of the President on June 29, 1934, pursuant to Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183).

The amendment was agreed to.

The next amendment was, on page 7, after line 3, to insert:

(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "appoint", to strike out "such employees, and"; in line 15, after the word "laws", to strike out "or" and insert "but subject to"; in line 16, after the word "amended" and the comma, to strike out "appoint and fix the compensation of"; in line 17, after the words "executive secretary", to strike out "assistant executive secretaries,"; in line 18, after the word "attorneys" and the comma, to strike out "special experts,"; in line 19, after the word "directors" and the comma, to insert "and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States,", and on page 8, line 2, after the word "needed" and the period, to insert "attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor."

So as to read:

SEC. 4. (a) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, and such attorneys, examiners, and regional directors, and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor.

The amendment was agreed to.

The next amendment was, on page 8, line 20, after the word "Board", to strike out "at their present grades and salaries" and insert "with salaries under the Classification Act of 1923, as amended", so as to read:

(b) Upon the appointment of the three original members of the Board and the designation of its chairman, the old Board shall cease to exist; and all pending investigations and proceedings of the old Board, and all proceedings in the courts pursuant to Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), to which the old Board is a party, shall be continued by the Board in its discretion. All orders made by the old Board pursuant to said Public Resolution No. 44 shall continue in effect unless modified, superseded, or revoked by the Board after due notice and hearing. All employees of the old Board shall be transferred to and become employees of the Board, with salaries under the Classification Act of 1933, as amended, without acquiring by such transfer a permanent or civil-service status. All records, papers, and property of the old Board shall become records, papers, and property of the Board, and all unexpended funds and appropriations for the use and maintenance of the old Board shall became funds and appropriations available to be expended by the Board in the exercise of the powers, authority, and duties conferred on it by this act.

The amendment was agreed to.

The next amendment was, on page 9, after line 23, to strike out:

(b) The Board shall have authority and is directed to study the activities of such boards and agencies as have been or may be hereafter established by agreement, code, or law to deal with labor disputes, and to receive from such boards reports of their activities.

The amendment was agreed to.

The next amendment was, under the heading "Rights of Employees", on page 11, line 9, after the words "representatives of the", to strike out "majority of the"; and in line 9, after the word "employees", to insert "as provided in section 9 (a)", so as to read:

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

SEC. 8. It shall be an unfair labor practice for an employer—

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6 (a), an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay.

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this act, or in the National Industrial Recovery Act (U. S. C., title 15, secs. 701–712), as amended from time to time, or in any code or agreement approved or prescribed thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 9 (a), in the appropriate collective-bargaining unit covered by such agreement when made.

The amendment was agreed to.

The next amendment was, on page 11, after line 15, to insert:

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

The amendment was agreed to.

Mr. TYDINGS. Mr. President, at this point I desire to ask the Senator in charge of the bill a question. I ask the question of the Senator from New York [Mr. WAGNER] because I know he is familiar with it and I want to get his philosophy on the matter.

On page 11, I ask if he individually would have any objection to an amendment being inserted between lines 15 and 16 to read as follows:

4. It shall be an unfair labor practice for any person (a) to coerce employees in the exercise of the rights guaranteed in section 7; (b) to interfere with, restrain, or coerce employees in their rights to work and to join or not to join any labor organization.

That amendment is proposed to be inserted on page 11, as a new provision, between lines 15 and 16.

Mr. WAGNER. Mr. President, I should seriously object to it. An amendment like that was considered by the committee. At this moment, while we are considering only committee amendments, I should seriously object to the inclusion of any such amendment as that proposed by the Senator from Maryland.

Mr. TYDINGS. Mr. President, I desire to state that the amendment I have just read springs from this sort of situation. There are in one plant alone in Maryland about 12,000 men who belong to a company union. Their representatives have been to see me several times. They purport to speak for at least the overwhelming majority of the men working in that plant. They have no objection to the establishment of the principle of collective bargaining, but they say that if they have their own organization and it is satisfactory to them, they should be allowed to keep it and that it should not be legislated out of existence. My amendment seeks to give them the right to have the kind of organization they want and not be coerced into having the kind of organization they do not want.

Mr. BORAH. Mr. President, if there is anything in the bill which has the effect of which the Senator from Maryland now speaks, I have not been able to discover it.

Mr. TYDINGS. If I understood the remarks of the Senator from New York [Mr. WAGNER] yesterday, though I do not know just where they apply in the bill, he spoke about outlawing, in effect, the company unions.

Mr. WAGNER. No; a company-dominated union.

Mr. BORAH. There is nothing in the bill to prevent a company union if the working men want a company union.

Mr. WAGNER. That is exactly what I said in several places in my address yesterday.

Mr. TYDINGS. May I read my amendment to the Senator from Idaho? I cannot see why there should be any objection to the amendment, which reads as follows:

It shall be an unfair labor practice for any person (a) to coerce employees in the exercise of the rights guaranteed in section 7—

Mr. BORAH. I am not clear, hearing it read in the first instance, that there is any objection to it, but I certainly should not want it offered on the theory which has been suggested, that there is anything in the bill which makes it necessary. We are here dealing with the relation between employer and employee. If we take up the matter of legislating between employees as perhaps we should, then we shall have to make far more machinery than the amendments provide. That is the only objection I see to placing it in this bill. It introduces a wholly new field of legislation.

Mr. TYDINGS. I want to make my position clear. I have no objection at all to the principle of collective bargaining, but I take the position that men ought not to be coerced to join any organization which they do not want to join.

Mr. BORAH. Certainly not.

Mr. TYDINGS. It is just as important to save their rights to them as it is to give others the right of collective bargaining. What the amendment would do would be to make illegal the coercion of any group of men who were satisfied with their present condition.

Mr. BORAH. It has been stated over and over again by the critics of the bill that the bill prohibits the company union. There is nothing in the bill which prohibits a group of men coming together and organizing a company union if they themselves, the workers, desire a company union. The intention is to prevent companies from dominating and controlling a union in making the organization. I want to see the workingman free to join a union or to remain out of a union. I want working men free to form any kind of a union if it is freely formed; that is, formed of the free will of the employees. This bill does not do what so many seem to think.

Mr. TYDINGS. That is not the subject to which I am addressing myself. I am assuming as accurate the information which has been conveyed to me, that these men have a fear that they will be coerced into joining a union which they might not want to join. Whether it is right for them to join that union or not right for them to join that union, I am not discussing. My whole interest is to preserve for them the right to belong to the kind of union they want. If it is a company union all well and good. If it is not a company union, and is some other kind of a union, all well and good. I am not arguing whether one union or another is better for them. I am interested in preserving for them their American rights to join whatever union they think is best suited to their needs.

Mr. BORAH. If the bill does not do that then the bill ought not to be considered at all.

Mr. TYDINGS. Then there ought not to be any objection to my amendment, because it simply provides that they shall not be coerced into joining any kind of union that they themselves do not want to join.

Mr. BORAH. As I understand the matter, the bill is designed to give absolute freedom to American workingmen——

Mr. TYDINGS. That is what I want.

Mr. BORAH. The right to have a union or not to have a union, to be out of a union or in a union, to be in an organized labor union or in a company union, as the workingmen themselves shall determine. The only point is to prevent someone else from dominating and controlling them at all.

Mr. TYDINGS. I am just as anxious that the employees shall not dominate and control as is the Senator from New York [Mr. WAGNER]. I am just as interested that nobody else shall coerce or dominate or control them against their will as is anyone else.

Mr. WALSH. Mr. President, let us proceed with the committee amendments.

Mr. McNARY. Mr. President, I inquire if the Senator from Maryland has formally offered his amendment?

Mr. TYDINGS. I intended to propose it, but in view of the fact that committee amendments are now being considered I shall not detain the Senate further at this time. We were on the question at the moment, and I merely wanted to get the view of the Senator from New York.

The VICE PRESIDENT. The next amendment will be stated.

The next amendment of the Committee on Labor and Education was, under the heading, "Representatives and elections", on page 12, line 3, after the word "employer", to strike out "through representatives of their own choosing", so as to read:

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer.

The amendment was agreed to.

The next amendment was, on page 12, line 19, after the numerals "10", to strike out "(d)" and insert "(c)"; at the beginning of line 25, after the numerals "10", to strike out "(f)" and insert "(e)", and in the same line, after "or 10", to strike out "(g)" and insert "(f)", so as to read:

(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under subsections 10 (e) of 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

The amendment was agreed to.

The next amendment was, under the heading "Prevention of unfair labor practices", on page 13, line 12, after the word "otherwise", to strike out the comma and "except as provided in section 11", so as to read:

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

The amendment was agreed to.

The next amendment was, on page 13, after line 12, to strike out:

(b) The Board may, in its discretion, defer its exercise of jurisdiction over any such unfair practice in any case where there is another means of prevention provided for by agreement, code, law, or otherwise, which has not been utilized. But in any case where the Board has so deferred, the Board may at any time thereafter institute proceedings under this act in order to assure the effectuation of the policy of this act and the development of a uniform body of administrative interpretation and practice with respect to unfair labor practices as defined herein.

The amendment was agreed to.

The next amendment was, on page 13, after line 23, to strike out "(c) Whenever there is a charge or the Board shall have reason to believe" and insert "(b) Whenever it is charged"; on page 14, line 6, before the word "days", to strike out "three" and insert "five"; in line 12, after the word "answer", to insert "to the original or amended complaint"; and in the same line, after the word "complaint", to strike out the comma and "and to invoke the compulsory process of the Board in summoning witnesses in its behalf", so as to read:

(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing, or the Board, any other person may be allowed to appear in the said proceeding to present testimony. In any such proceeding the rules of evidence prevailing in courts of law or equity shall not be controlling.

The amendment was agreed to.

The next amendment was, on page 14, line 21, before the word "The", to strike out "(d)" and insert "(c)"; in line 23, after the word "Board", to insert "upon notice"; on page 15, line 6, after the word "including", to strike out "restitution" and insert "reinstatement of employees with or without back pay", and in line 15, after the words "order", to strike out "dissolving" and insert "dismissing", so as to read:

(c) The testimony taken by such member, agent or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon all the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including reinstatement of employees with or without back pay, as will effectuate the policies of this act. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon all the testimony taken the Board shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.

The amendment was agreed to.

The next amendment was, on page 15, after line 20, to strike out: "(f) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States within any circuit wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, or the Court of Appeals of the District of Columbia", and insert: "(e) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business", and on page 17, line 21, after the word "review", to insert "by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and", so as to read:

(e) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and shall make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its mem-

ber, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its member, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive, and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

The amendment was agreed to.

The next amendment was, on page 18, at the beginning of line 3, before the word "Any", to strike out "(g)" and insert "(f)"; in the same line, after the word "by", to strike out "an" and insert "a final"; and in line 19, after the word "subsection", to strike out "(f)" and insert "(e)", so as to read:

(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same exclusive jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and shall in like manner make and enter a decree enforcing, modifying, or setting aside, in whole or in part, the order of the Board; and the findings of the Board as to the facts, if supported by evidence, shall in like manner be conclusive.

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 1, before the word "The", to strike out "(h)" and insert "(g)"; and in line 2, after the word "section" where it occurs the first time, to strike out "(f) or (g)" and insert "(e) or (f)", so as to read:

(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 5, before the word "When", to strike out "(i)" and insert "(h)"; and in line 6, before the word "restraining", to insert the article "a", so as to read:

(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, or setting aside, in whole or in part, an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes" (U. S. C., title 29, secs. 101–115).

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 13, before the word "petitions", to strike out "(j)" and insert "(i)", so as to read:

(i) Petitions filed under this act shall be heard expeditiously, and if possible within 10 days after they have been docketed.

The amendment was agreed to.

The next amendment was, on page 19, after line 15, to strike out:

SEC. 11. The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain any unfair labor practice affecting commerce; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, but solely at the request of the National Labor Relations Board, to institute proceedings in equity to prevent and restrain any such unfair labor practice, in the judicial district wherein such unfair labor practice occurred or wherein the person complained of resides or transacts business. Such proceedings may be by way of petition setting forth the case and praying that such violation be enjoined and that such affirmative action, including restitution, be required as will effectuate the policies of this act. When such person shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearings and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

The amendment was agreed to.

The next amendment was, on page 20, after line 10, to strike out:

ARBITRATION

SEC. 12. (a) The Board shall have power to act and to appoint any person, agent, or agency to act as arbitrator in labor disputes, when parties agree to submit the whole or any part of a labor dispute to the arbitration of the Board or its appointees. A provision in a written contract or a written agreement to submit to the arbitration of the Board or its appointees, when accepted by the Board after the dispute has arisen, shall be valid and irrevocable as to the parties to the agreement, save upon such grounds as exist at law or in equity for the revocation of any contract. If any party fails, neglects, or refuses to perform under such contract or submission, the Board, its agents or appointees, may nevertheless, in the discretion of the Board, proceed to hear the case ex parte, and the Board, its agents or appointees, shall have the power to issue an award applicable to the submitting parties.

(b) The Board shall make and publish, pursuant to section 6 (a), rules for the conduct of arbitrations, and an agreement to submit to the arbitration of the Board, or its appointees or its agents, shall be deemed consent to the proceeding being conducted in accordance with such rules then obtaining unless otherwise specified in the arbitration contract or submission. An agreement to submit to the Board shall authorize the Board to appoint agents to take evidence, and in the discretion of the Board, to render a decision in the name of the Board on the findings thus presented, unless otherwise specified in the agreement. The Board may, however, in its discretion, render a decision on testimony taken before its agents.

(c) In any case in which an award has been made, the Board shall file the award in the clerk's office of the United States District Court that has been agreed upon by the parties, or, in default of such agreement, that of the district wherein the labor dispute arose or the Supreme Court of the District of Columbia. Notice of the filing shall be personally served or sent by registered mail to each submitting party. Unless a petition to impeach the award on the grounds hereinafter set forth shall be filed in the clerk's office of the court in which the award has been filed, the court shall enter judgment in accordance with the terms of the award: *Provided*, That no employee individually, and no group of employees collectively, shall be compelled to render labor or services without their consent.

(d) A petition for the impeachment of any award may be filed not more than 10 days after the communication of notice of the filing of the award to the submitting parties. Notice of filing of such petition shall be served personally or sent by registered mail to each submitting party. The petition shall be sustained by the court only on one or more of the following grounds:

1. That the proceedings were not substantially in conformity with the provisions of the arbitration agreement or rules adopted for the conduct of the arbitration.

2. That an arbitrator or member of the Board participating in the award was guilty of fraud or corruption; or that a party to the award practiced fraud or corruption which affected the result; *Provided*, That partisanship known, or which by the exercise of due care should have been known, by a party prior to the arbitration proceeding, shall not constitute fraud of which he may avail himself within the meaning of this section.

(e) The court shall not set aside an award on the ground that it is invalid for uncertainty. In such case the court shall suspend action pending its resubmission of said award to the Board for interpretation.

(f) Where there was an evident material miscalculation of figures, or an evident material mistake in the description of any person, thing, or property referred to in the award, or where the arbitrators have awarded on a matter not submitted to them, unless it is a matter affecting the merits of the decision on the matters submitted or where the award is imperfect in the matter of form not affecting the matter of the controversy, the court shall modify and correct the award so as to effect the intent thereof and promote justice between the parties, and thereupon shall enter judgment in accordance with subsection (a).

(g) The court shall construe every award with a view to favoring its validity. If the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but that a part of the award is valid, the court shall nevertheless enter judgment upon such part or parts of the award as are valid unless such part or parts are inseparable from the remainder of the award, in which case the entire award shall be vacated.

(h) If the petition for impeachment of the award is not sustained, the court shall enter judgment in accordance with the terms of the award, and in accordance with subsection (c). Where a petition for the impeachment of an award is granted, the award shall be vacated, and the court shall remand the arbitration to the Board, which may, in its discretion, accept the case for resubmission to arbitration in accordance with the terms of the original agreement or with such modification as the Board deems fit, or it may refuse to take any further action regarding it.

The amendment was agreed to.

The next amendment was, under the heading "Investigatory powers", on page 24, line 12, after "sec.", to strike out "13" and insert "11", and in line 15, after the word "by", to strike out "section 9, section 10, and section 12 (in any arbitration affecting commerce)" and insert "section 9 and section 10", so as to read:

SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the excise of the powers vested in it by section 9 and section 10—

The amendment was agreed to.

The next amendment was, on page 25, line 12, after the word "possession", to insert "or the Supreme Court of the District of Columbia"; and in line 16, after the word "business", to strike out "and the Supreme Court of the District of Columbia," so as to read:

(2) In case of contumacy or refusal to obey a subpena issued to any person, any District Court of the United States or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

The amendment was agreed to.

The next amendment was, on page 27, line 12, after "Sec.", to strike out "14" and insert "12", and in the same line, after the word "willfully", to strike out "assault," so as to read:

SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or both.

The amendment was agreed to.

The next amendment was, on page 27, line 19, after "Sec.", to strike out "15" and insert "13", so as to read:

SEC. 13. Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike.

The amendment was agreed to.

The next amendment was, on page 27, line 22, after "Sec.", to strike out "16" and insert "14"; and on page 28, line 11, after the word "shall", to strike out 'apply" and insert "remain in full force and effect", so as to read:

SEC. 14. Wherever the application of the provisions of section 7 (a) of the National Industrial Recovery Act (U. S. C., title 15, sec. 707 (a)), as amended from time to time, or of section 77 (b), paragraphs (l) and (m) of the act approved June 7, 1934, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto" (48 Stat. 922, pars. (l) and (m)), as amended from time to time or of Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), conflicts with the application of the provisions of this act, this act shall prevail: *Provided*, That in any situation where the provisions of this act cannot be validly enforced, the provisions of such other acts shall remain in full force and effect.

The amendment was agreed to.

The next amendment was, on page 28, line 12, after "Sec.", to strike out "17" and insert "15", so as to read:

SEC. 15. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

The amendment was agreed to.

The next amendment was, on page 28, line 17, after "Sec.", to strike out "18" and insert "16", so as to read:

SEC. 16. This act may be cited as the "National Labor Relations Act."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. TYDINGS, Mr. President, I have two amendments which I desire to offer. The first amendment is, on page 10, line 10, after the word "protection", to insert "free from coercion or intimidation from any source."

The VICE PRESIDENT. The Senator from Maryland offers an amendment, which will be stated.

The CHIEF CLERK. On page 10, line 10, after the word "protection", it is proposed to insert:

Free from coercion or intimidation from any source.

Mr. TYDINGS. So that the whole section will then read as follows:

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection, free from coercion or intimidation from any source.

Is there any objection to that amendment?

Mr. WAGNER. There certainly is.

Mr. McNARY. Mr. President, does the Senator propose that as a new subdivision (5) on page 11?

Mr. TYDINGS. No; that is the next amendment. The two amendments seek to accomplish the same purpose. I cannot see why employees should not be allowed to bargain collectively without coercion or intimidation from any source whatsoever.

Mr. WAGNER. Mr. President, I understand the concern which the Senator from Maryland has for the particular representative plan which he has in mind. As was developed at the hearings before the committee——

Mr. TYDINGS. Mr. President——

Mr. WAGNER. Let me finish, please, because I know the plan of which the Senator speaks. It is a so-called "company union" plan, and my own opinion is that it is a company-dominated union, for the employer finances it.

Mr. TYDINGS. Let us assume that it is.

Mr. WAGNER. Very well.

Mr. TYDINGS. That is not the question at issue here.

Mr. WAGNER. Just one minute. Besides prohibiting the financing of such a union, the bill gives the workers absolute freedom to select representatives of their own choosing, and the way it is done is this——

Mr. TYDINGS. Yes; but if the Senator will permit me——

Mr. WAGNER. I should like to finish.

Mr. TYDINGS. But the Senator is proceeding on a wrong premise. I leave out all consideration of any particular union, a company union, or any other kind of union. All this amendment seeks is the right of the men themselves to have whatever kind of union they want, without coercion or intimidation by anybody.

Mr. WAGNER. Exactly; and that is what they are given under——

Mr. TYDINGS. Does the Senator want them coerced or intimidated?

Mr. WAGNER. There is a difference between using the word "coercion" as between employees and using it as between an employer and an employee. The elections which are provided for in this bill will be conducted under Government supervision.

Mr. TYDINGS. I do not interfere with that.

Mr. WAGNER. And each person who votes will choose the organization which he wishes to have represent him, or decide not to be represented by any organization.

Mr. TYDINGS. Mr. President, if the Senator will yield, I did not use it as between employee and employee. I said that no person should interfere with the right of the employee to select his own organization.

Mr. WAGNER. The amendment which the Senator suggests is not new to me. If I had been willing to accept that amendment, all the large employers who are trying to prevent their workers from organizing would have accepted this bill, because the amendment is exactly what they want.

So far as coercion is concerned, if it exists among employees, there is now an absolute legal right to go into court and seek an injunction if such coercion takes the form of intimidation or violence of any kind or character. When I was a judge I issued such injunctions myself. But how has the word "coercion" as among employees been interpreted by the courts? The use of pickets, mere persuasion without any force, threats, or intimidation, has been deemed coercion; and employees simply trying to persuade their fellow workers to join a particular organization have been charged with coercion.

This question came up when the Railway Labor Act was before the Interstate Commerce Committee. The railroad companies, which still had company-dominated unions, desired to have an amendment similar to that of the Senator from Maryland placed in the act. As I recall, the committee rejected that proposal by a unanimous vote. Mr. Eastman appeared before the committee and testified upon that question, and for the enlightenment of the Senate I should like to read from his testimony.

Mr. TYDINGS. The Senator is really speaking in my time. He has not yet given me a chance to complete my statement.

Mr. WAGNER. I thought I had the floor.

Mr. TYDINGS. I did not so understand.

The PRESIDENT pro tempore. The Senator from Maryland has the floor.

Mr. WAGNER. I beg the Senator's pardon.

Mr. TYDINGS. I am ready to answer any questions, but I do not want the Senator to cry down my amendment at least before I state my own position.

Mr. WAGNER. The Senator asked me if I objected to the amendment, and I was trying to answer his question. That could not be done in a word.

Mr. TYDINGS. Mr. President, let me again read section 7 as it would stand with this amendment. I think we are discussing something which is not before the Senate. Here is the way it would read:

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection—

Then I add—

free from coercion or intimidation from any source.

If we are going to give the employees this right, why should they not be allowed to exercise it, not only without coercion from those who employ them but without coercion from those who may not employ them? Is not this still a country where a man can select, without coercion or intimidation, the kind of organization to which he shall belong? If this bill is fair, if it attempts to give to those who toil the right to work out their own destiny, then it is wrong not to say they shall not be coerced or intimidated in regard to joining whatever organization they think will give them the opportunity to secure a chance to work under the best conditions.

What harm can there be in saying that the employees shall have this right without coercion or intimidation from any person, employer, or anyone else whatsoever?

Mr. COUZENS. Mr. President——

Mr. TYDINGS. I will yield to the Senator from Michigan in just a minute.

Or do we mean, by inference, in speaking against this amendment, that the employees shall be subjected to certain coercion or intimidation from some other source, although the employer shall not intimidate or coerce them?

I now yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, of course the Senator from Maryland knows, as does the Senator from New York—and that is the reason why I am astonished by the objection of the Senator from New York to this amendment—that in every big industrial community there is competition between one union and another. There is just as much fight, there is just as much effort, there is just as much salesmanship, there is just as much force used in many cases to induce workmen to join one union as to join another. For the life of me I do not understand why a union should be enabled to coerce a worker into an organization which he does not choose to join.

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

Mr. TYDINGS. I yield to the Senator.

Mr. WAGNER. Such acts are today illegal and remediable if they amount to threats or intimidation or force of any kind or character. Application may be made to a court for an injunction, and injunctions are issued by the thousands by courts all over the country to prevent such action. There is no remedy today, however, when an employer uses his economic pressure to compel a worker to join a particular organization or not to join a particular organization. There has been no enforcement power anywhere to prevent that type of economic coercion.

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

Mr. TYDINGS. I yield to the Senator from Michigan.

Mr. COUZENS. The Senator from New York insists on confusing the issue.

Mr. WAGNER. I think the Senator from Michigan is confusing the issue.

Mr. COUZENS. The Senator from Maryland yielded to me, and I was not discussing coercion on the part of the employer.

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

Mr. TYDINGS. I have yielded first to the Senator from Michigan. When he finishes, I will yield to the Senator from Kentucky.

Mr. COUZENS. The Senator from New York injected that matter into the issue to confuse it. The Senator from Michigan is not in any way attempting to weaken the bill of the Senator from New York with respect to the coercion of the employer.

Mr. TYDINGS. Neither am I.

Mr. COUZENS. What the Senator from Michigan is trying to do is to support the contention of the Senator from Maryland that coercion between union and union should be prohibited. It is not enough to say that in 48 jurisdictions there is sufficient remedy. If there is sufficient remedy, as the Senator from New York contends, let us put it in the act.

Mr. TYDINGS. And if there is sufficient remedy, then the mere insertion of these words, which make that for which the Senator from New York contends mandatory, can have no effect at all but to strengthen the bill for the ideal purpose which he espouses, of allowing labor to combine and collectively bargain without coercion from any source whatsoever.

Mr. WAGNER. Mr. President——

Mr. TYDINGS. I yield to the Senator from New York.

Mr. WAGNER. I thought the Senator had concluded.

Mr. BORAH. Before the Senator from Maryland takes his seat I should like to ask a question. I understand the Senator from Maryland would add certain words to section 7.

Mr. TYDINGS. The words "without coercion or intimidation from any source."

Mr. BORAH. Does the Senator from Maryland believe that if the situation is as he describes it, and a remedy is called for, those simple words will be sufficient to afford protection?

Mr. TYDINGS. I have another amendment in the same tenor which I intend to offer, to be inserted on page 11, between lines 15 and 16.

Mr. BORAH. Without taking too much time may I ask the Senator to read the amendment?

Mr. TYDINGS. This amendment would read:

It shall be unfair labor practice for any person to coerce employees in the exercise of their rights guaranteed in section 7, or to coerce employees in their right to work or to join or not to join any labor organization.

Mr. BORAH. That seems to me to state a fundamental principle.

Mr. TYDINGS. Inasmuch as that is what the Senator from New York says he wants to obtain, namely, the right of labor to be removed from any coercion or intimidation, the right to collectively bargain for whatever they think would be better for themselves, and that nobody shall step in and frighten them, that nobody shall coerce them, if we do not keep that principle in the bill, then this boasted thing about labor having freedom is a farce, because we would simply take coercion away from one side and permit it on the other side. If it is wrong on one side, it is wrong on the other side.

A laborer ought to be entitled without coercion from any side to say whether he wants to join this, that, or the other union, and if it is wrong for the employer, as it is wrong, to coerce labor or intimidate labor, it is equally wrong for somebody else to coerce laborers and intimidate them. All I am asking is that labor be protected from any coercion or intimidation from any source whatsoever.

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

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Maryland yield to the Senator from Delaware?

Mr. TYDINGS. I yield.

Mr. HASTINGS. The Senator will recall also that the bill provides that the majority may make the bargain for the minority.

Mr. TYDINGS. That is correct.

Mr. HASTINGS. So that under the provisions of the bill, if they succeed in getting a majority, by force, or coercion, or any other improper means, it is absolutely controlling over the 49 percent who have absolutely no rights and nothing to say.

Mr. TYDINGS. I am going to ask the Senator from New York a direct question. He does not need to answer it now, because he is going to respond in his own time.

I do not mean to belittle the efforts of the Senator from New York; I rather applaud them, because no Senator in this body is more anxious to help labor than is the Senator from New York. His whole impulse is to help the workingman, and certainly, although I have been against the Senator from New York on some propositions, I am in favor of the same rights being accorded labor.

I wish to ask the Senator from New York a question. He implies in his argument that it is wrong for the employer to coerce the employee, and with that I am in accord; but he implies in his argument that it is not wrong for a labor organization to coerce an employee who does not want to belong to the organization to which the coercers belong. It strikes me that, as a matter of logic, and in all fairness to the Senator, what he wants to obtain is the free and untrammeled right of labor to bargain without coercion of employee and without coercion of employer. He wants them both to have the right, without respect to any outside influence, to bargain for the common good.

Does he not say in effect that, although it is wrong for the employer to coerce labor—and he is right there—it is not wrong for an employee to coerce another employee?

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

Mr. TYDINGS. I yield.

Mr. LONG. I should like to ask the Senator a question. What is coercion by a labor representative would be for the court's interpretation, would it not?

Mr. TYDINGS. I think so.

Mr. LONG. So the court might hold that there was intimidation or coercion if an organizer said, "Only laboring men who are affiliated with our union are going to get jobs."

Mr. TYDINGS. Of course, the whole act will be interpreted by the courts, so far as that is concerned, but my business is not sitting on the court; my business, sitting here as a Senator, is to safeguard, so far as my humble intelligence will allow, the right of the American workingman not to be coerced by anybody in doing a perfectly legal thing, namely, collectively bargaining for his advancement and progress and better working conditions. I care not whether the coercion comes from above, comes from the bottom, or comes from an extraneous source, if it is coercion or intimidation, the laboring man does not have the chance to which he is entitled.

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

Mr. TYDINGS. I yield.

Mr. LONG. The Senator knows that we have been trying to get laborers the right to organize for quite a while, and we never have been able to draft a law yet which has not been whittled down. By interpretation the laws have always been cut down. Does not the Senator think we can take a little chance for once in our lives for a little while? If the Senator from New York can draft an act that will protect labor, he will be the only man who has ever been able to do it. Nobody else has ever been able to do it with the court interpretations. I do not believe we ought to whittle away the bill and not take a chance.

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

Mr. TYDINGS. I yield.

Mr. BARKLEY. I am unable to visualize an exactly parallel situation between the possible coercion of a workingman by his employer and the possible coercion of a workingman by some other employee.

Mr. TYDINGS. If the Senator will permit me to interrupt him right there, I will give him an opportunity to go on in my time. I take it for granted that the Senator does not want the laborer coerced by anybody. Is that correct?

Mr. BARKLEY. I do not.

Mr. TYDINGS. If we all agree on that objective, then what is the harm in saying he shall not be coerced from any source whatever?

Mr. BARKLEY. There is nothing in the bill which assumes he is going to be coerced.

Mr. TYDINGS. Let us say so.

Mr. BARKLEY. He cannot be coerced to the same degree by a fellow employee as he might be by his employer. The employer might threaten to discharge him from his position. The employer might threaten him with a reduction in wages. The employer might threaten an employee by all sorts of forms of coercion and intimidation that would result in unemployment. But I do not know of such power as that possessed by an employee over one of his fellow employees.

Mr. COUZENS. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I will yield to the Senator from Michigan in just a moment. Under my amendment the employer could not threaten an employee with a reduction in wages, he could not threaten him with longer hours, he could not threaten him with anything, because under the amendment an employee could not be coerced or intimidated by anybody.

Mr. BARKLEY. He could not be under the bill, so far as that is concerned, even without an amendment. It might be possible for an employee to persuade a fellow employee that he ought to belong to one union or another, but I cannot understand how a man who is working for wages can go to a man working for the same employer, or for a different employer, and intimidate or coerce the other employee to join or not to join a particular union, because neither one of them can fire the other from his job.

Mr. TYDINGS. I yield to the Senator from Michigan.

Mr. COUZENS. There is nothing in the bill and nothing in the amendment proposed by the Senator from Maryland which would confine the coercion to employees in the same plant. I do not know whether or not the Senator from Kentucky was in the Chamber when I spoke, but I have worked in plants where hundreds of thousands of men were employed, and I know that there is competition between unions to get membership. I know of cases where leaders of labor unions who were not employees of the plants have gone out and threatened wives and children, telling them that if the husbands and fathers did not join their union, they would be discharged.

Mr. BARKLEY. That must be an extremely exceptional case.

Mr. COUZENS. That is a kind of coercion with which I am wholly familiar and, therefore, I believe it is vitally necessary to protect all employees against coercion. I have never, in my capacity as an employer, attempted to coerce any man to keep him from joining any union.

Mr. BARKLEY. I realize that, of course.

Mr. COUZENS. And I do not want any employer to do it. But why should an outside union, located here in Washington, or in Toledo, or somewhere else, go to Detroit and say to employees in some plant there, "If you do not join our union, we will punish your wife and children"? That is the kind of thing I want to have prevented.

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

Mr. COUZENS. I cannot talk if the Senator keeps talking at the same time.

Mr. BARKLEY. I thought the Senator from Michigan had found a stopping place.

Mr. COUZENS. No; unfortunately, I never can keep up with the Senator from Kentucky, so I take my seat and will let him talk for the rest of the day, as he usually does.

Mr. BARKLEY. The Senator need not get his ire up. I am asking him a sincere question, and I hope I will not give vent to my temper in doing it. I meant no reflection on the Senator from Michigan. I wanted to ask him a perfectly sincere and a perfectly civil question, the answer to which might grow out of his own experience.

I desired to ask the Senator from Michigan this question: Assuming he and I were employed by the same employer or by different employers as laboring men not belonging to any union, and somebody, either from the inside or from the outside, came to him or to me, or to both of us, to pursuade us to join a particular union by arguing with us that it was a better union, or a more efficient or a more effective union than some other union. Would that be regarded as coercion or intimidation?

Mr. TYDINGS. No.

Mr. COUZENS. I certainly would not put such an absurd interpretation on it. That is just salesmanship, and I have no objection to labor unions anywhere selling their service and their membership. I want them to do it. But if I reach the conclusion that I want to decline to join any affiliation of the American Federation of Labor, I do not want some labor leader to go around threatening what they are going to do to me if I fail to submit to their salesmanship.

Mr. BARKLEY. One other question—and I propound this question to both the Senator from Michigan [Mr. COUZENS] and the Senator from Maryland [Mr. TYDINGS], as well as to other Senators. Inasmuch as the court must pass on this bill if it shall be enacted, and must make an interpretation of conduct of men, is there a possibility that some court, some Federal judge, might hold that an effort to persuade me or the Senator from Michigan or anybody else to join a certain union or not to join another one, would be intimidation or coercion on the part of the fellow laborer?

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

Mr. TYDINGS. I yield.

Mr. COUZENS. If the Senator from Kentucky wants to draw up an amendment so as to exclude that sort of interpretation, which I think would be ridiculous, I would support the amendment.

Mr. BARKLEY. It would be no more ridiculous than some interpretations given heretofore by judges of provisions of the law.

Mr. BORAH. Mr. President——

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

Mr. TYDINGS. I yield.

Mr. BORAH. There is a very large body of workingmen who would not be covered either by the Senator's amendment or by the bill, that would enter into the question, of course; that is the body of men who do not belong to a union at all or who do not desire to.

Mr. TYDINGS. That is true.

Mr. BORAH. They would not be covered either by the amendment or by the provisions of the bill. If we are to enter the field of legislation as between employees the bill would have to be radically changed.

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

Mr. TYDINGS. I yield.

Mr. COUZENS. I understood from the Senator's amendment that coercion on the part of any person was prevented, which would include all, whether that provision was in the bill or not.

Mr. BORAH. I am speaking of the right to collectively bargain.

Mr. TYDINGS. Yes; the right to collectively bargain.

Mr. BORAH. Section 7 of the bill deals only with collective bargaining.

Mr. TYDINGS. Let me try to reduce the issue which has been joined here to its narrowest or most accurate limitations.

Mr. HASTINGS. Mr. President——

Mr. TYDINGS. Just a moment. Let me develop this so that it will be before Senators as I see it. I do not believe there is a Senator on the floor who will contend that if my amendment is adopted, an employer can coerce an employee thereafter. Is there anyone who takes issue with that statement? There is not one Member of the Senate who does.

Mr. WALSH. Mr. President, without the Senator's amendment the bill forbids that. That is the very purpose of the bill. The Senator from Maryland is losing sight of the objective of the bill. It is not to regulate the relation of employee to employees, it is to regulate the relation of employees to employers.

Mr. TYDINGS. Just a moment. I asked if there was any Senator in this body who would say that if my amendment were adopted it would be legal for any employer to coerce any employee?

Mr. WALSH. Without the adoption of the Senator's amendment such coercion is illegal. That is provided in the bill.

Mr. TYDINGS. But my question is whether any Senator would make that statement if my amendment were adopted?

Mr. WALSH. The trouble is, however, that the amendment of the Senator from Maryland includes that and more too.

Mr. BARKLEY. Mr. President——

Mr. TYDINGS. Just a moment. I do not want an argument at this point. I wish to know if there is any Senator who contends that if my amendment were adopted an employer could coerce an employee?

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

Mr. TYDINGS. Does the Senator from Kentucky say "yes" in answer to my question?

Mr. BARKLEY. I desire to answer.

Mr. TYDINGS. Will the Senator from Kentucky answer my question first and then make an explanation?

Mr. BARKLEY. Of course I will.

Mr. TYDINGS. Very well.

Mr. BARKLEY. Nobody can contend that under the Senator's amendment an employer could coerce an employee.

Mr. TYDINGS. That is right.

Mr. BARKLEY. But he cannot do that even without the Senator's amendment. The language of the bill specifically prohibits that.

Mr. TYDINGS. Then what harm is there in putting my amendment in the bill?

Mr. BARKLEY. Because the Senator intends it to go much further than the relationship of employer and employee.

Mr. HASTINGS and Mr. WAGNER addressed the Chair.

Mr. TYDINGS. I cannot answer unless I have the opportunity to continue.

The PRESIDING OFFICER. Senators who desire to be recognized will address the Chair in proper order. Several

Senators have addressed the Chair. Does the Senator from Maryland yield, and, if so, to whom?

Mr. TYDINGS. I will not yield now, but I will yield in just a moment, as soon as I have addressed myself to the point raised by the Senator from Kentucky.

Now, we have the situation that there is not a Senator in this body who contends that if my amendment were adopted any employer could coerce any employee. Not one says that is not true. They all say it is true. The Senator from Kentucky just said it is true. He said that would be true without my amendment. Certainly my amendment puts the clincher on it.

If that be true, who, then, is to be given the right or permitted to have the right to coerce and intimidate? Is someone else to have this right against which we inveigh in one breath and inferentially embrace in the next. If it is wrong for the employer to coerce his men—and it is wrong—is somebody else to be given the right to do the same wrong because he occupies, forsooth, a different position? What kind of logic is that, assuming that we are impelled by the high-sounding purpose written into this bill?

I now yield to the Senator from Delaware.

Mr. HASTINGS. Mr. President, I desire to call the attention of the Senator from Maryland to a paragraph in the statement made by the President in the settlement of the automobile-industries strike in 1934, in which he used this language:

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

Almost the exact language of the amendment of the Senator from Maryland.

Mr. TYDINGS. Mr. President, I shall detain the Senate but a minute more. We have established a premise, and everybody agrees that under this amendment, and, it is contended, that even without it, no employer has the right to coerce or intimidate labor. Is there anyone here who contends that anybody else ought to have that right? I now pause for an answer to that question.

Mr. BORAH. Mr. President——

Mr. TYDINGS. Just a moment. Let me make my question plain. Is there anyone in the Senate who contends that anybody ought to have the right to coerce and intimidate any labor group which desires to collectively bargain?

I yield to the Senator from Idaho.

Mr. BORAH. I would answer of course "no"; but I want the Senator to think of the proposition, that if we enter the field of colaborers or counions we must also include the man who does not belong to a union at all. We must protect him from coercion. That is where the great coercion operates. In framing this bill we have not entered that field at all.

Mr. TYDINGS. That is right.

Mr. BORAH. We have simply dealt with the employer and the employee. However, there is another field in which such legislation might be advisable. It cannot be incorporated, however, by a single amendment in this bill. There is much more to do in regard to it. That is what I should like to have the Senator think over before we vote on the question.

Mr. WAGNER rose.

Mr. TYDINGS. Let me answer the Senator from Idaho, and then I will yield to the Senator from New York. I agree with the observations he has made. They deserve thought. However, I come back to this premise: Whatever we are dealing with within this bill, let us deal with it consistently. We are dealing with employers of a class and employees of a class, and certainly if we want to remove the employee from the coercion and the intimidation of the employer, let us remove the same employee from any other coercion and intimidation from which we can remove him.

I now yield to the Senator from New York.

Mr. WAGNER. I wish to call to the attention of the Senator a point which was emphasized by the chairman of the committee, who, I am sure, will in due time explain the opposition of the committee toward the amendment which the Senator has offered. Aside from a few representatives of company unions, there was no one who seeks this amendment except the employer, who really is not concerned about protecting the workers in their efforts to organize. The Senator asks: "Is there any danger in this amendment? Should not coercion be prohibited?" If "coercion" were interpreted always as the Senator would like it to be, I should agree with him.

Mr. TYDINGS. I would have no objection to the Senator from New York writing out a definition of the word "coercion" and including that in the language.

Mr. WAGNER. The difficulty is that it cannot be done, because of interpretation by the courts. The courts have said that a threat to strike is coercion. With that in mind, the Senator can see the reason why the large employers have been fighting for his amendment. The Chairman of the Committee on Education and Labor will support my statement that if we had agreed to that amendment the employers would have cheered for this bill. It would have helped them more than domination of a union.

Mr. TYDINGS. Will the Senator allow me to interrupt him?

Mr. WAGNER. The Senator has asked me a question, and I am answering his question.

Mr. TYDINGS. Yes; but let me point out to the Senator that he is talking about an erroneous proposition.

Mr. WAGNER. Oh, no; I am talking about the interpretation by the courts of the word "coercion."

Mr. TYDINGS. No; the Senator is branching off into the philosophy of the bill and is not talking on the amendment.

Mr. WAGNER. I am talking about the court's interpretation of "coercion."

Mr. TYDINGS. If the Senator will just be patient for a minute, I think I will show him where he is wrong.

Mr. WAGNER. Very well.

Mr. TYDINGS. The amendment would make the section read as follows:

> SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection free from coercion or intimidation from any source.

The Senator from New York cites as being in conflict with this amendment a case where a group of men threaten to strike. All I am attempting to do by my amendment is to permit them to threaten to strike without coercion or intimidation from any outside source. They can collectively bargain and nobody can coerce them or intimidate them. The illustration which the Senator presents is that if the Senate should put in the bill the provision that employees shall not be coerced or intimidated, they could not even threaten to strike for higher wages; and that is beside the point.

Mr. WAGNER. Mr. President, will the Senator further yield? The Senator did not permit me to finish my recital of what the courts have held.

Mr. TYDINGS. No; because the Senator was discussing something not before the Senate.

Mr. WAGNER. Oh, yes; it is before the Senate. How about peaceful persuasion? That has been held in some jurisdictions to be coercion.

Mr. GORE. I suggest that we can "except" that out.

Mr. TYDINGS. Will the Senator bear with me a moment? I know what he is discussing; but he is not discussing my amendment.

My amendment simply gives to employees the right to bargain collectively without coercion or intimidation from anybody, and if they want to bargain and say, "We are going to strike if you do not raise our wages 10 percent", there is nothing in my amendment which would prevent it, and the Senator knows it. If they want to say to an employer, "The working conditions here are horrible, and we are not going to keep on under these conditions", there is nothing in the amendment—and the Senator knows it—which will require them to continue working. What the Senator is arguing is that if these words are put into the

bill labor cannot strike. I say that under this amendment they can take any action they desire to take, and they have the assurance that they shall not be coerced or intimidated—not the employer but the workingman shall not be coerced or intimidated by anybody in collective bargaining.

The Senator has not been addressing his remarks to that question; he has been addressing them to a supposition which the amendment does not embrace. What is that supposition? That, if the amendment were adopted and a group of men should meet and collectively bargain in an effort to obtain shorter hours or more pay or better working conditions, the fact that we say they shall not be coerced and intimidated is going to militate against them in accomplishing the objective they seek to attain. All that I propose to provide by this amendment is that if labor organizes and bargains collectively for any purpose whatsoever, nobody shall dare to coerce or intimidate them in the seeking of any objective they may have in mind.

Now, Mr. President, I am going to conclude by reading the section as it will read if my amendment shall be adopted. Here is how it will then read:

> Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection free from coercion or intimidation from any source.

Instead of taking rights away from them in collective bargaining the amendment would throw additional safeguards around those rights. It provides that they shall not be coerced and that they shall not be intimidated from any source whatsoever in asking for more wages or for shorter hours or better working conditions or for this or for that. That is all the amendment provides, and I hope the Senate will adopt it.

Mr. WALSH. Mr. President, I have refrained from discussing this bill because the able Senator from New York [Mr. WAGNER] presented every aspect of it fully and ably yesterday, but the amendment now proposed by the Senator from Maryland [Mr. TYDINGS] raises the question of what is this bill all about? What is its objective? What does it do and what does it not do?

First of all, it does not require or request any employee to join any organization of any kind, shape, form, or character. Secondly, it does not seek to encourage or bring about the establishment of any labor organization under any employer where there is now none. It makes absolutely no change whatever in existing law, so far as the relation of employers and employees are concerned, except in those limited respects that relate to collective bargaining and the right of employees to organize without interference by employers. What the law now is with respect to the relations of employees with each other remains as it is. This is not a police court bill to punish employers or employees in the criminal courts for assaults, threats, or use of force. It does make two important changes in the relations of employer and employee; and the reason for the changes is an act passed by Congress, the National Recovery Act, which included a section known as section 7 (a). In that act, and under section 7 (a), we declared as a Federal policy the right of employees to organize, to choose the representatives of their own selection for the purpose of engaging in collective bargaining with their employers. It was a mere declaration of a principle. It was like saying religion is free and doing nothing to prevent barriers being set up designed to obstruct the free exercise of religion; it was like saying the press is free and doing nothing to prescribe what should be considered violations of the rights of the press to be free.

A voluntary Board, the National Labor Board, with Senator WAGNER as chairman, was set up by the President which had no real legal authority to administer that declaration of the right of employees to engage in collective bargaining. The Board had the right to make suggestions to the officials of the N. R. A., and the N. R. A. in some instances had the right to take away the Blue Eagle which was given to the employers by reason of their loyalty to the principles of the N. R. A. It was ineffective; the Board was helpless. The result was that a bill was presented to Congress at the last session similar in substance to the pending bill, attempting to set up machinery to make effective the declaration of Congress that employees should have the right to engage in collective bargaining.

Toward the latter part of the session the bill was reported to the Senate, but, because the Congress was getting ready to adjourn, the President suggested a compromise measure, which became known as Resolution 44, which authorized the President to set up a Board for the purpose of regulating elections held by employees for the purpose of designating their representatives for collective bargaining. Even that resolution was powerless, though it did attempt to give authority to the Board to hold elections of employees to determine who should represent them in collective bargaining. It was impotent, because, where employers resist an election order by the Board, provision is made for a court review prior to holding the election, and several cases are now in the courts, and the Board has not been able to hold elections.

So we have a situation of saying employees are free to engage in collective bargaining——

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. WALSH. Yes.

Mr. COUZENS. The Senator said that Resolution 44 was ineffective. Will he tell us before he concludes why Resolution 44 was ineffective?

Mr. WALSH. It was ineffective, as I think I stated, because of appeals to the courts. In cases where attempts have been made to hold elections the claim has been made that the Board had no legal authority; the cases have been brought into court, and they are in the courts and undecided. It has been effective where the employer was willing to cooperate with the Board and hold elections; it has been effective in that respect; but where there has been resistance there has been no effect.

Mr. COUZENS. Would the passage of the pending bill remove the appeals to the courts?

Mr. WALSH. Yes; it would because it limits appeals. It provides for review in the courts only after the election has been held and the Board has ordered the employer to do something predicated upon the results of the election.

Now, let me proceed. I was stating the effect of Resolution 44.

What does the pending bill do? It does two things: It seeks to make effective the right of employees to organize and engage in collective bargaining. To that I have heard no objection. It also defines what is improper or unfair for the employer to do in trying to prevent the accomplishment of that objective. These are called "unfair labor practices."

Why does it deal with the employer and say, "You cannot coerce any employee"? Here is the fundamental problem involved in all this: The employer is the only person who can effectively coerce an employee.

Mr. HASTINGS. Mr. President——

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

Mr. WALSH. I will yield when I shall have finished the thought. The employer has the economic power; he can discharge any employee or any group of employees when their only offense may be to seek to form a legitimate organization among the workers for the purpose of collective bargaining. This bill declares that is wrong. It declares that the employee has the right to engage in collective bargaining, and it says, "Mr. Employer, you must keep your hands off; you shall not use that effective power of dismissal from employment which you have and destroy the organization of the employees by the dismissal of one or more of your employees when they are objectionable on no other ground than that they belong to or have organized a labor union."

I now yield to the Senator from Delaware.

Mr. HASTINGS. Mr. President, my clear recollection is that during the textile strike the newspapers carried a story to the effect that the members of the union who were responsible for the strike sent their own crews, their own

groups, to other mills where the union did not prevail and made it so uncomfortable for the employees at the other mills that they were compelled to quit work and close the mills. Is that a thing the Congress would like to approve of, in the first place, and, if it is not, would not the amendment offered by the Senator from Maryland prevent that sort of thing?

Mr. WALSH. If that happened under present conditions and under the present law, a court of equity could now restrain it, but this proposed board is not an appropriate tribunal to restrain that sort of thing, as is clearly pointed out in the committee report. That is the trouble. There is plenty of law otherwise to deal with that sort of thing, and I will come to that in a moment.

One of the reasons why personally I am one of the few Senators here who do not particularly engage in running debate is that I think the more effective way to present a case to the Senate is for the Senator who moves an amendment to discuss and explain it, and then let the answer be made, because otherwise there is iteration and reiteration which consumes the time of the Senate. Therefore I should like to be permitted to continue my argument, because before the conclusion of my presentation I expect to deal with the subject the Senator raises.

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

Mr. WALSH. Certainly.

Mr. VANDENBERG. The Senator from Massachusetts has said, as I understand, that the proposed law changes the existing status only in two fundamental particulars. Will he discuss before he concludes whether or not it does not change another fundamental proposition, namely, the right of the majority to control the minority, the existing status under the Executive order of the President, as I understand, being that there is proportionate representation in connection with collective bargaining?

Mr. WALSH. I will be glad to discuss that question.

Mr. VANDENBERG. Is not that another fundamental difference?

Mr. WALSH. I would not say so. It is fundamental to the extent of that part of the bill which relates to designating who shall be the representatives of the employees in collective bargaining. If a labor union is going to be organized, there has to be someone to speak for the employees, and that someone must be the representative of the majority; but that does not prevent the other employees discussing their grievances with their employer. It means that for the purpose of collective bargaining, when the representatives of the employees knock at the door of the employer, he will say, "Do you represent a majority of my employees? If so, all right; come in and I will undertake to engage in collective bargaining with you as the chosen representatives of my employees." That is all it means.

Mr. WAGNER. Mr. President——

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

Mr. WALSH. Certainly.

Mr. WAGNER. There is no Executive order, so far as I know, that provides for proportionate representation. When I was Chairman of the National Labor Board, there was an Executive order which directed the Board to provide for elections, after which those selected by the majority were to represent all in the collective-bargaining process.

Mr. VANDENBERG. Mr. President, will the Senator forgive another interruption, because I am anxious to be sure I understand this phase of the situation?

Mr. WALSH. I yield.

Mr. VANDENBERG. So far as the great automobile industry is concerned, it is operating, is it not, under the Presidential order which recognizes, in effect, proportionate representation?

Mr. WAGNER. An automobile labor board was appointed to deal with that subject. However, that was a settlement out of court. So far as the fundamental principle to which the Senator has referred is concerned, majority rule is the only sound rule in collective bargaining.

Mr. ROBINSON. Mr. President——

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

Mr. WALSH. Certainly.

Mr. ROBINSON. If we recognize the right of collective bargaining, does it not follow of necessity that we must deal with representatives chosen by the majority? Otherwise, the problem would be reduced to an absurdity. If we had to recognize one minority we would have to recognize other minorities, and so we would defeat the entire purposes of collective bargaining if we should adopt any other rule than that of recognizing the representatives chosen by the majority.

Mr. VANDENBERG. That might be an absurdity, but that is the fact acknowledged in the order of the President settling the automobile difficulties. As I understand, under the pending bill the majority chosen to speak collectively in a given unit thereby automatically speak for the entire unit.

Mr. WALSH. Yes; but this discussion is, of course, not germane to the amendment pending.

Mr. VANDENBERG. Oh, I understand that.

Mr. WALSH. Let me say that the bill requires no employer to sign any contract, to make any agreement, to reach any understanding with any employee or group of employees. The trouble about the bill is that it is so much misunderstood. Let me state just what the bill does not do, for it is greatly misunderstood and much misrepresented.

The board created in the bill is not going to be empowered to settle all labor disputes. Indeed, we can perhaps best understand the limited but important provisions of this bill by reciting, first, what aspects of the employers' relationship with employees the bill does not deal with.

Nothing in this bill allows the Federal Government or any agency to fix wages, to regulate rates of pay, to limit hours of work, or to effect or govern any working condition in any establishment or place of employment.

Nothing in this bill requires any employee to join any form of labor organization.

Nothing in this bill requires the employees in any industry to organize.

Nothing in this bill requires an employer to compel his employees to organize. All employees are free to choose to organize or not to organize, to join any or whatever labor organization or union they choose. If employees choose to organize a shop committee or a union for a particular plant or company, they may do so. If employees choose to form a union affiliated with any national or international organization, they may do so. There is nothing in this bill that compels any employer to make any agreement about wages, hours of employment, or working conditions with his employees.

The bill does provide the means and manner in which employees may approach their employers to discuss grievances and permit the board to ascertain and certify the persons or organization favored by a majority of the employees to represent them in collective bargaining, when the question of that representation is in doubt or dispute. Beyond this the bill does not go.

A crude illustration is this: The bill indicates the method and manner in which employees may organize, the method and manner of selecting their representatives or spokesmen, and leads them to the office door of their employer with the legal authority to negotiate for their fellow employees. The bill does not go beyond the office door. It leaves the discussion between the employer and the employee, and the agreements which they may or may not make, voluntary and with that sacredness and solemnity to a voluntary agreement with which both parties to an agreement should be enshrouded.

When a dispute arises between an employer and a group or groups of employees as to which organization is the legal one, the company union, the A. B. C. union, the fellowship union, or the trade union, the board takes jurisdiction, and thus is determined who and what kind of a labor organization represents the employees. The board will arrange for

an election and provide for secret ballot. It will then find out what organization represents the majority of the employees and who are to be the representatives.

What is the second feature? It is well known from experiences between employers and employees that employers at times, though not all of them, seek to deny their employees the right to organize, and do so by indirect means, by economic pressure of one kind and another. They sometimes seek to dictate the kind of organization. In some instances they seek to control, by financial assistance and by favors extended to a certain class of employees, the particular kind of organization they desire. All the bill does is to define these as unfair labor practices on the part of the employer and say, "These things you may not do, because your employees must be free to say what kind of organization they want, whether a company union, a trade union, a fraternal union, or whatever it may be. You must keep your hands off. You may not dismiss a man because he joins one of these unions. You may not dismiss a man because he is a representative chosen by his fellows."

In substance, reduced to a very few sentences, that is really all there is to the bill.

Let me emphasize again: When the employees have chosen their organization, when they have selected their representatives, all the bill proposes to do is to escort them to the door of their employer and say, "Here they are, the legal representatives of your employees." What happens behind those doors is not inquired into, and the bill does not seek to inquire into it. It anticipates that the employer will deal reasonably with the employees, that he will be patient, but he is obliged to sign no agreement; he can say, "Gentlemen, we have heard you and considered your proposals. We cannot comply with your request"; and that ends it.

There is no effort in that respect to change the situation which exists today. All employers are left free in the future as in the past to accept whatever terms they choose.

There is practically no change whatever in the present conditions affecting employers and employees except to provide for the creation of the machinery without interference by employers to permit employees to choose representatives to go to their employers for the purpose of collective bargaining. This is done because we have found that the reason why there are labor difficulties, labor disputes from time to time, is that employers will not confer with their men, will not meet them, do not know who are their representatives, because some of them say, "I will talk with this group but not with that group." The bill would provide that the men chosen by the employees shall represent their fellow employees and would say to the employer, "They are legally here to deal with you and engage in collective bargaining."

Mr. ROBINSON. Mr. President——

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

Mr. WALSH. Certainly.

Mr. ROBINSON. I wish to ask the Senator from Massachusetts a question. It has been repeatedly stated in criticism of the bill that it outlaws the company union. I inquire of the Senator from Massachusetts whether that is correct and, if so, how the end is accomplished?

Mr. WALSH. I shall be pleased to answer the Senator's question and he will pardon me if I take a little time to do so.

After section 7 (a) was adopted the representatives of organized labor in the country felt that the time had come to extend their activities in the way of organizing employees where there were no labor organizations. In many sections of the country employees proceeded to try to organize unions of one kind or another. Certain employers, for the purpose of preventing what they thought was an antagonistic or hostile labor union, began organizing what are known as "company unions." They got a majority of their employees to form a union and to choose representatives from that union to represent them in collective bargaining.

Much contention, resulting in many strikes, followed. There were counterclaims by the trade-union organizers and the company-union organizers as to which had a majority of the employees in a particular shop, with the result that elections were demanded and held.

This bill gives no legal sanction or approval to any labor organization whatever. It does not mention the name "trade union" or any other national or local labor organization. It does not mention the name "American Federation of Labor." It does not mention the name "company union." It does this, which some employers who have company unions resist; namely, it restricts somewhat the methods now pursued in financing company unions.

In some company unions the employer hires the hall where the union meets, pays for the ballots, employs clerical help for the union, pays salaries to the representatives of the workers. This is called, among the employees, a "company-dominated" union. That is why the Senator from New York uses that expression, meaning that it is not free, because the financial hand and the influence of the employer are such that they become dominating, and it is not a union such as free employees are entitled to have if they choose.

So the result is that we restrict contributions made to any union—the American Federation of Labor or the company unions; and money can be paid by an employer in the case of either one of them—the American Federation of Labor or any other trade union or any other international union—only to the representatives of the employees when they are, during working hours, sitting in with their employers, engaged in collective bargaining. We permit that to be done; but the other expenditures which have been made in the past have been the source of some criticism.

Personally, I feel in any law no distinction ought to be made between company unions and trade unions. If company unions are wrong, if they are not representative of the men, if they are not really engaged in honest collective bargaining, we must give the employees of this country, men and women, credit for recognizing that and overthrowing, in time, such organizations. Similarly, if the American Federation of Labor or any other union is not honestly and sincerely and devotedly interested in the welfare of its members, we must recognize the fact that sooner or later the employees belonging to it will, in some election, move out of the American Federation of Labor and into an international union or other union of some kind, a different union of their own.

Mr. WAGNER. Mr. President, I am sure the Senator meant to name one other common practice of these company-dominated unions. In nearly all cases, their constitutions are drafted by the employer, and contain provisions preventing modification without the consent of the employer.

Mr. WALSH. What the Senator from New York has said is very important. We found at our hearings that many of the company unions had had their constitutions and bylaws prepared by the employers and handed over to them, and there are provisions in the constitutions and bylaws that no changes can be made without the consent of the employers. Of course, such an organization is not a free labor organization, and cannot be held to be such.

Directly answering the Senator from Arkansas [Mr. ROBINSON], I should say that there is nothing in this bill which is antagonistic to company unions except that some of them will have to lessen the amount of contributions made by the employers to the representatives of the employees in company unions; but they are permitted to make the expenditures I have named.

Now we come to the immediate problem under consideration.

We have not gone in this bill into the field of relationship between employee and employee. We have been dealing only with the right of the employee to engage in collective bargaining with his employer. If an employee threatens to burn the house of a fellow employee unless he joins his union, there is ample provision of law to cover such a case. If an employee or employer assaults an employee, there is ample existing law to cover that case. That is a domain that we have not entered into, because we are not dealing with it. We are not going to encourage or discourage employees with

reference to organizing unions. It is made their business, but if they desire to organize, this bill provides the method and protection to do so.

Many employers have urged that the bill should contain a provision to the effect that it constituted an unfair labor practice for an employee or a group of employees to interfere or coerce an employee to join any particular labor organization.

They have indicated that the bill would be acceptable to them if such a provision was included in the bill, because they stated it would put both employees and employers in a like status so far as interference or coercion by employee or employer with respect to joining or refraining from joining a labor organization is concerned.

The committee carefully considered this proposal and reached the conclusion that such an adoption would be unwise and that this principle was founded upon a misconception of the bill.

An employee, like an employer, of course, has the right to discuss the merits of any organization. Indeed, Congress could not constitutionally pass a law abridging the freedom of speech.

On the other hand, an employee, like an employer, cannot lawfully use threats of physical violence, or inflict physical damage upon persons or tangible property. If he does so, the civil and in many cases the criminal laws of the several States could be invoked, and he could be fined or sent to jail.

The bill now under consideration does not enter into these realms of free speech or physical violence. It does not establish a police court. It does not deal with physical coercion, but with economic coercion. And economic coercion is a weapon that could be exercised by the man who hires and discharges, and not by a fellow employee. Only an employer has it within his power to use economic pressure.

The use of the clause suggested has another danger that is not immediately apparent, but against which it is necessary to guard. The Supreme Court of the United States in the Hitchman case, and State courts in other cases, have construed the word "coercion" to embrace strikes and picketing. Strikes and picketing are in many cases unjustifiable and unwise, but the purpose of this bill is not to outlaw all strikes and all pickets. Yet if Congress were to make it an unfair practice for an employee to coerce his fellow employees to join or to refrain from joining an organization, some court, relying on earlier decisions, and not adequately informed of the purpose of this bill, might conclude that strikes and pickets had been made unlawful.

I hope I have removed some of the prevailing misgivings and misrepresentations concerning this bill and retained respect for the purposes of this legislation. The bill is intended to provide a medium and method of peaceful settlement of disputes arising over employees' rights to organize and to assure employees protection against interference and coercion by their employers.

This is not intended to be a reflection upon the employers of this country. For most of them no such legislation is needed. For most people no statute is needed preventing larceny, but because there is a statute forbidding larceny there is no intention to reflect upon the honesty and law-abiding spirit of our people. This bill is intended to restrain that class of employers who have failed to realize the thing we call social justice as between employer and employee.

If employers accept the law in a friendly and cooperative way, and if employees realize that these rights are granted not for the purpose of arousing hostilities or misunderstandings between them and their employees but for the purpose of paving the way for cooperation and mutual progress, it should instill and promote better relations between all classes and groups in industry

When an employer undertakes to interfere because he does not want a labor union among his employees, dismissing and discharging people in various ways, or ordering them out of the tenement houses of his company because they have joined a union, that is a coercion and an interference, this bill declares, over which this National Labor Relations Board shall have jurisdiction.

The courts will have in the future all the jurisdiction they have ever had in relation to all the differences which arise between employers and employees; but this newly created board will have jurisdiction only over the things that relate to the election of representatives of employees, and only in the prevention of the unfair practices that impede and stop the worker from organizing and engaging in collective bargaining with his employer.

JAMES STEWART CO.

Mr. LONG. Mr. President, I was called out of the Chamber, and a message was delivered to me by a gentleman who tells me that he is an attorney at law. I desire to send it to the desk and ask to have it read, in view of the fact that some of my colleagues the other day made the suggestion that when such matters as this came to my knowledge they should not be withheld.

Therefore I ask that the clerk read the statement, which I send to the desk, as my voice is a little weak. This is a message delivered to me by an attorney at law, who gives me his name, which I can furnish later.

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

The Chief Clerk read as follows:

I have two clients, Monon Stone Co. and Wollery Stone Co., of Bloomington, Ind., whose officers would like an opportunity to appear before the United States Senate to tell that Mr. Watts, the vice president of the James Stewart Co., made a deal with them and instructed that, in advance of formal approval by the Government, that the said concerns should begin to fabricate certain stone for public works of the United States, particularly the Department of Labor and Interstate Commerce Commission buildings, the said Watts stating: "Go right ahead without the approval of the supervising architects. We can get the approval of the agents of the Government on whatever we want to use", or words to the effect. That these facts were alleged in a suit now pending and the said Stewart Co. moved to strike out the part relating to the said Watts' instructions on the ground that it was contrary to public policy, but the United States court overruled the motion. That these persons, who will prove these facts and others of its kind, are available for call at any time.

This the 16th day of May 1935.

Mr. O'MAHONEY subsequently said: Mr. President, earlier in the day the Senator from Louisiana [Mr. LONG] presented for the RECORD a message from an unnamed attorney which has just been called to my attention. This message was to the effect that certain clients of the attorney—the Monon Stone Co. and the Wollery Stone Co.—had entered into some sort of deal with Mr. Watts, vice president of the James Stewart Co., in which Mr. Watts had instructed the officers of these two companies that they should proceed to fabricate certain stone for public works of the United States, particularly the Department of Labor and Interstate Commerce Commission building, in advance of the approval of the contract.

I am advised that the contract for this building—it is one building, the Department of Labor and the Interstate Commerce Commission building—was let on June 18, 1932, almost a year before the beginning of the present administration, and that the stonework was all completed before the present administration began. So, if there was any such deal, it was made before this administration came into power.

Mr. LONG. Mr. President, I understand from this attorney that the deal applied to several buildings, the Interstate Commerce Commission building, the Labor building, and other buildings.

It is too bad that the authorities will not allow these witnesses to appear and testify to these matters. It is too bad that these ex parte statements confuse matters all the time. My understanding is, however, that these things carried over.

It is too bad that we have these ex parte statements from either side, but the citizens of the United States desiring to testify about these corruptions which they allege to exist are not permitted to come and give their testimony. That is not my fault, and, of course, it is not a fault to be charged against the Senator from Wyoming, except that he votes wrong.

DONALD R. RICHBERG

Mr. CLARK. Mr. President, I have no desire whatever to delay the consideration of this very important measure. Therefore, I shall make my remarks as brief as may be possible. However, in view of the incident which took place on the day before yesterday, while the Senate of the United States had under consideration a joint resolution dealing with the N. R. A., I do feel that some notice of it should be taken in this body.

Mr. President, never since the decadent days of the Roman Empire, when the Praetorian Guard arrogated to itself the right to set up and pull down emperors, has there been a more arrogant performance than that of day before yesterday upon the part of Mr. Donald R. Richberg, Chairman of the National Industrial Recovery Board.

It is an amazing spectacle, to say the least, for a Federal employee to call a meeting of several hundred other Federal employees, there to denounce the Senate of the United States, elected by the people, because in pursuance of the authority and duties imposed upon it by the Constitution, it saw fit not to obey the behest of Mr. Richberg by guaranteeing these employees a tenure of 2 additional years on the pay roll, but, for the present, limited these pay-roll enjoyments to a period which would enable the Congress to legislate in the light of a Supreme Court decision.

When it is remembered that the 1,500 employees assembled to hear, and doubtless to cheer, Mr. Richberg's pronunciamento occupy their places at the will of Mr. Richberg, that the terms and salaries of their employment are subject not to regulation by law but to regulation by Mr. Richberg and his Board, the spectacle of Mr. Richberg lecturing the Senate before such an audience for its well-nigh unanimous action becomes the more striking.

To be sure, Mr. President, we learn today from the public press—the Baltimore Sun and other public prints—that it is the statement of high N. R. A. officials that it was the intention to have only the higher executives of the N. R. A. present at Mr. Richberg's address, but that other employees simply drifted in. It was a singular coincidence, however, that the meeting arranged for Mr. Richberg and the higher executives of the N. R. A. happened to be held in an auditorium which will comfortably seat some 2,000 persons, and that employees to the number of some 1,500 just happened to drift into the meeting.

It may not be out of place to add that if the N. R. A. has no more to do than to permit 1,500 employees, drifting idly about the halls, to interpose their presence at a meeting to which they were not invited, and which was not intended for them, the sooner such employees are separated from the Federal pay roll the better it will be at least for the public.

We are told that in his arrogance Mr. Richberg took it upon himself to overrule the judgment of this body by dubbing its action complete folly, and denounced the overwhelming majority of Senators as opposing concepts so sound that only confused, muddled minds could attack them. By inference he both criticized the courts of the land and anticipated the decision of the highest court by alleging that the courts were to be left to deal with the N. R. A. just as harshly as possible.

Who gave Mr. Richberg the right to anticipate court action and to assert that the N. R. A. would be treated just as harshly as possible by the courts of the land?

> Upon what meat doth this our Caesar feed,
> That he is grown so great?

Having now put the Senate in its place, if the resolution passed by the Senate day before yesterday shall be adopted by the Congress doubtless Mr. Richberg will call another meeting of N. R. A. employees to include the whole Congress within the scope of his denunciation.

If the Supreme Court should see fit, in the performance of its functions, to declare unconstitutional any part of the act, doubtless prompt appeal will be taken by Mr. Richberg to the pay-roll brigade of the N. R. A., and the highest court will be roundly denounced for its harsh treatment.

If, perchance, the President of the United States should see fit to sign the resolution extending the period of the operation of N. R. A. until only April 1, 1936, the council of N. R. A. employees will doubtless decree his deposition from office and banishment from the imperial favors of Mr. Richberg's smile.

Mr. President, the head and front of the Senate's offending is, first, that it refused to guarantee the jobs of the bureaucrats of the N. R. A., great and small, for a period of 2 years after June 16, 1935.

Second, that it refused to permit Mr. Richberg to write into the law a new, revolutionary, and, in my opinion, unconstitutional definition of interstate commerce.

Third, that it refused to take action rendering all pending cases in the courts moot, and preferred to consider permanent legislation in the light of construction by the courts.

Mr. President, it was stated the other day by the distinguished Chairman of the Committee on Finance, the Senator from Mississippi [Mr. HARRISON], that in his opinion 90 percent of the vices of the N. R. A., so abundantly proved and disclosed in the 7 or 8 weeks' investigation by the Finance Committee, were due to vices of administration. I agree with the chairman of the committee that vicious practices of administration, outrageous assumption of powers not given by the act, constant attempts to reach out and gather in jurisdiction never intended to be conferred by the act, ruthless oppression of small business, have been very largely due to administrative conduct of the N. R. A., and have vastly complicated the inherent defects in the act itself. I submit that the conduct of the N. R. A. executives in holding this meeting to denounce action of the Senate while the Congress of the United States was in process of considering appropriate action, gives a large measure of suggestiveness as to the responsibility for the administrative practices which have so largely contributed to make the N. R. A. a failure.

Mr. BARKLEY. Mr. President, I have no desire to engage in any controversy with my good friend the Senator from Missouri [Mr. CLARK] with respect to the N. R. A. or any of its administrative officers. He and I disagree fundamentally on the N. R. A. I favored the law when it was enacted, and the Senator from Missouri opposed it. I still believe that great good has been accomplished by the N. R. A., and when, as a member of the Committee on Finance, I entered, along with my colleagues, into the investigation which had been ordered by the Senate, which lasted for some 7 weeks, it was my understanding that we were commissioned, in part at least, to ascertain what good had come from the N. R. A., what there was about it which was workable and practicable and which ought to be preserved, while at the same time eliminating whatever had been found to be unjust or unworkable or impracticable.

At the end of the 7 weeks' deliberation, in which we went minutely and exhaustively into the administration of the N. R. A., instead of writing a bill, as I understood our province or our expectation was, the joint resolution which has already passed the Senate was reported.

I shall not enter into a discussion of that. In the committee I did not believe in an 8 months' extension of the N. R. A. because I believed it would leave business still up in the air and uncertain as to what its fate would finally be. On the other hand, I did not believe it wise to precipitate the issue of the N. R. A. into the middle of a presidential campaign without regard to anybody's opinion of it.

I also enertained the belief, and I now entertain the belief, which I shall only state, but not discuss, that it was unfair to corporations engaged in interstate commerce to require that they should be under a code of fair practice, that they should reduce the hours of labor of their employees and increase the wages of their employees, and be compelled to eliminate cut-throat and unfair practices while leaving their competitors, many of whom probably were more extensive in their business than those engaged in interstate commerce, free from any restriction whatever along that line.

In the famous Shreveport case the Supreme Court held that Congress had the right not only to regulate the prac-

tices of railroads engaged in interstate commerce, but that they might likewise regulate and nullify the practices of railroads engaged wholly in intrastate commerce if such practices operated as burdens upon interstate commerce. The Supreme Court held that in that field, if Congress saw fit to take charge of it, Congress was supreme. So I felt that there might be justification for including an amendment which would not only authorize the formation of codes among institutions engaged in interstate commerce but that it might likewise take in other institutions, although engaged in intrastate commerce, whose business was so extensive and of such a character as to compete substantially and materially with that of corporations engaged in interstate commerce.

I did not press that view, but I expressed it in the committee and in the conference which the majority held, and I have not changed my views up to the present time.

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

Mr. BARKLEY. I do not want to get into a discussion of that question; I am merely stating what my view was; but I yield.

Mr. LONG. It seems to me that the Senator from Missouri, if I may have his attention, was complaining because of the mere fact that some man in charge of a bureau was haranguing the Senate——

Mr. BARKLEY. I am coming to that later.

Mr. LONG. Overruling the Senate.

Mr. BARKLEY. I am coming to that. But I wanted to state the background of circumstances which leads me to suggest that personally I agree with some of the opinions expressed before our committee by Mr. Donald Richberg, who is the object of the criticism of the Senator from Missouri.

Mr. LONG. Will the Senator permit me just to finish my observation?

Mr. BARKLEY. Yes.

Mr. LONG. I felt that the Senator from Missouri was rather late.

Mr. BARKLEY. I suppose that nobody could criticize any member of the N. R. A. administrative staff for coming before the Committee on Finance any more than criticism would be made of a Cabinet officer or any other administrative officer of the Government for coming before a committee to testify upon matters in the administration of which he had had experience.

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

Mr. BARKLEY. I yield.

Mr. CLARK. I agree entirely with the Senator in that respect. I certainly had no thought of criticizing any member of the N. R. A. or any other Government official who might be summoned to come before a Senate or House committee, there to give testimony. My criticism goes to the point of one Government employee getting together a mass meeting of other Government employees to denounce action being taken by a branch of the National Legislature.

Mr. BARKLEY. I have seen in the public press and elsewhere criticism of the fact that Mr. Richberg held a conference yesterday or last night with the majority members of the Ways and Means Committee, discussing for some 3 hours the problem of the N. R. A. extension.

Getting down to the matter now under discussion, after the Senator from Missouri yesterday gave notice that he would make a speech this morning with respect to the meeting at the auditorium of the Commerce Building, at which he took offense, I called up Mr. Richberg and asked if there was a copy of the speech which he delivered. He advised me that it was not a prepared speech, that it was delivered wholly extemporaneously, but that a stenographer was there and took a stenographic report of the speech which he delivered. I asked him to send a transcript of the speech to me in order that we might see what he said and the circumstances under which he said it, in order that inasmuch as he has no right to speak here in the Senate, at least his attitude and the occasion for the speech and the reason for it might be divulged to the Senate.

The speech was transmitted to me this morning, and I have also received a letter from Mr. Richberg, which I think I should read into the RECORD. It is dated May 16, and is as follows:

NATIONAL RECOVERY ADMINISTRATION,
Washington.

Hon. ALBEN W. BARKLEY,
United States Senate, Washington, D. C.

DEAR SENATOR: You may be interested in learning the reason for the speech I made to the members of the N. R. A. organization on Tuesday. Several days before I had been advised by administrative officials that it would be desirable to address the organization for the purpose of improving its morale. It should be realized that the uncertainty over the extension of the N. R. A. would necessarily have a demoralizing effect upon its personnel. Furthermore, the N. R. A. has contained a large percentage of enthusiastic workers who have worked overtime, or in many cases have volunteered their services without compensation, because of their faith and interest in the program.

Therefore I agreed to talk to the organization, and only made the meeting public because otherwise the newspapermen would have given it undue importance as a secret meeting. My remarks were made extemporaneously and for the purpose of pointing out, first, that the N. R. A. was merely one phase of the necessary development of improved industrial cooperation, and that therefore, whether this particular work continued or not, the organization had played a useful part in bringing about new measures of human cooperation. Second, that the experience they had all received would have a lasting value. Third, that it appeared that in any event this work would go forward either through extension of the present law or through some other form of supplying a necessary public service.

A transcript of my remarks was made and I enclose a copy. You will observe that they were not directed in any way as personal criticism of any Members of the Senate or House. They consist largely of an historical review and a philosophic discussion of the future. One or two phrases taken out of their context may have led to a misunderstanding of the purpose of my remarks or of what I actually said. But I believe, if you will glance them over, you will see that they were in good temper and in good taste, and that they were designed for no other purpose except to help improve the good will, loyalty, and efficiency of a large organization which is being required to carry forward a very difficult task under very difficult conditions. You will also note that I pointed out with due humility that whereas we in the organization might think we knew more intimately the problems with which we had been dealing than those who were criticizing the N. R. A., nevertheless we might be wrong and the critics might be right. If these remarks are subject to attack, it seems to me they should be considered as a whole and that a few expressions should not be taken out of the context and given a wholly different meaning from that clearly intended.

Sincerely yours,

DONALD R. RICHBERG.

Perhaps I should add that since I accepted appointment to my present position only on the express understanding that it would be temporary, and since I have frequently expressed my desire and intention of returning to private practice, I have no private interest in the extension of the N. R. A., and have always felt free to express my opinions without any bias of selfish interest. I have no interest in making or retaining any public job for myself or anyone else. But I do believe that the public interest is deeply involved in the success of President Roosevelt's administration and his recovery program.

I hesitate to take the time of the Senate to have the very brief speech which Mr. Richberg delivered on that occasion read to the Senate, because I am sure the Senate would consent that it be printed in the RECORD; but it seems to me this speech was so in point, it was in such good taste, it was in such fine humor, and it was of such a philosophic nature in dealing with the great problems which confront the country, that it would be valuable to have it read, and I ask that it be read by the clerk in my time.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

ADDRESS OF MR. DONALD R. RICHBERG, CHAIRMAN NATIONAL INDUSTRIAL RECOVERY BOARD, WASHINGTON, D. C., MAY 14, 1935

[Not a prepared speech. Delivered extemporaneously. This is a stenographic transcript]

I want to say in advance that the purpose of this talk is not to voice any criticism of anyone, either in or outside of N. R. A., and it is not for the purpose of publicity, although it is in no sense a secret meeting. It is not designed for the purpose of making any publicity.

I want to talk to the members of the organization somewhat upon the background of the present situation and upon the attack on N. R. A. When I see the new and hereditary foes of wicked business and commercial evils out gunning for the N. R. A., I am

reminded of a very old story that happens to be so appropriate that I think it is worth retelling.

A Dutchman went out hunting, but came back with nothing in the hunting bag and looking very glum. A friend said to him, derisively, "You been hunting?"

"Yes."

"Shoot anything?"

"I shoot my dog."

"Was he mad?"

"Didn't seem so damn pleased."

I don't think anybody is going to be so pleased after the dog is shot, if the dog is shot.

We have been engaged here in a very ancient effort to make the competitive struggle serve the common good. The effort is as old as the origin of anything resembling trade and commerce. The fight against monopolistic or unfair competitive tendencies goes away back into the earliest stages and phases of trade and commerce. The particular phase of our modern commercial operations—indeed, I might say our entire modern civilization—began, well, about 50 years ago. So I believe I have had an opportunity in my own lifetime to see the major developments of our present problems, although recognizing it is a very ancient problem.

Just to give a little indication of that, so that I can say a few things in a few words and have them accepted as having a background, I can recall the fact that nearly 30 years ago a brash young lawyer in Chicago wrote an article in a law review suggesting the imprisonment of criminal corporations as a means of breaking up such operations; and, at the suggested of the then President Roosevelt, he discussed his idea with the Attorney General here in Washington; and just a few years later that same brash young lawyer drafted, with the aid of a rather distinguished committee of lawyers, a bill for a group of Members of Congress which was introduced to establish a Federal Trade Commission, and which set up the standards of unfair competition as a basis of Federal Trade Commission action which, after vigorous opposition when it was early brought forward, was adopted and put in the Federal Trade Commission bill, which was then enacted.

I might add merely as an ancient reminiscence that that same lawyer narrowly escaped, through senatorial courtesy, an appointment to the Federal Trade Commission in its early days.

I refer to these matters because I should not like my observations to appear as coming from a person who in the last 2 years of N. R. A. had had his first study and insight into the problems with which we are dealing. I might mention incidentally that in the 20 years prior to the inauguration of N. R. A. I happened to be personally engaged actively in the problems of public-utility regulation and labor regulation, which, as you all know, are rather closely akin to most of the problems we have had here in N. R. A.

Now, I want to go back for a moment to a book which was published in 1912. I am doing this because I wish to place the N. R. A. in your minds in its proper place in an historical development so that you will not see it as something either at the end or the beginning of the rainbow, as an isolated phenomenon, but so that you may see it as simply a part in a development which has been going on for so many years. I picked up this morning to refresh my recollection a book written by George Van Hise, then president of the University of Wisconsin in 1912, on Concentration and Control, a solution of the trust problem; and I want to read you one paragraph from the last pages of that book, where he says:

"In conclusion, there is presented, as the solution of the difficulties of the present industrial situation, concentration, cooperation, and control. Through concentration, we may have the economic advantages coming from a magnitude of operations. Through cooperation, we may limit the wastes of the competitive system. Through control by commission, we may secure freedom for fair competition, elimination of unfair practices, conservation of natural resources, fair wages, good social conditions, and reasonable prices."

That, as the matured thought of a distinguished scholar in the year 1912, indicates that the underlying problems of N. R. A. have been under consideration for quite some time before the N. R. A. developed.

All of us recognize, of course, that developments of transportation and communication, together with mechanicalization of production, have made the concentration of which President Van Hise spoke inevitable. The tendency toward mass production was first stimulated tremendously in this country during the war, the Civil War, then gained a new momentum before and again during the World War. Our problems have not developed out of wicked intention; out of malevolent or vicious purposes of groups of individuals; they developed out of the natural economic changes which bring about the necessity for new political handling.

With this audience I do not believe I need pay very much attention to describing the N. R. A.'s solution. That has been our breath of life for the last 2 years. We have probably all talked it back and forth so much that we are wearied with phrases that once had a great deal of meaning to us but now seem stale from mere repetition. But, avoiding the details, let me just state it in the fundamentals, because what I am coming to is the question of the future of N. R. A.

In fundamentals, what have we been trying to work out? We have been trying to work out mechanisms of cooperation, mechanisms of collective thinking and acting upon problems affecting multitudes, and problems in the end affecting all. We have been trying to work out techniques for using concerted action, not as an instrument of warfare between trade and industrial groups, or between enterprises, but trying to use a concert of action as a means of helping us do that which, willy-nilly, we must do in the long run; and that is, work together for the improved production and exchange of all the goods and products which we can produce and exchange.

Now, is there any question as to the validity of that program? Not the slightest.

Those who might wish to go far in the direction of what is sometimes called "the left" are merely seeking to accelerate and to concentrate that idea. They are merely seeking to leap over obstacles which will require long overcoming and to leap over gulfs that are a little beyond the leaping power of leadership. And those who would turn back and go toward what is sometimes called "the right" are simply asking for that temporary breathing space before the inevitable necessity of going forward again to meet the new conditions with new remedies.

My background, therefore, for the future of N. R. A., is that the future of that which we have been trying to do here for the last 2 years is just as sure and certain as the future of government itself. It is just as sure and certain that there must be devised improved mechanisms for rational control and intelligent direction of business operations, just as much as for the rational control and intelligent direction of political operations.

The idea that you can abandon effort at cooperation and improvements in self-discipline and social discipline simply assumes that you are to abandon the onward march of civilization. So what we should be considering today in a wholly sane world is merely the improvement of the administrative machinery, and not an attack upon a fundamental concept which is so obviously sound that only a confused and muddled mind could think of attacking it. I assume, therefore, that in the end sanity must prevail, unless we take the unhappy assumption of those who believe that the world is progressively moving toward insanity. I decline that assumption for the sake of my present sanity.

But when I listen to some of the suggestions which are made by the doctors gathered around the table and looking at the patient I am again reminded of a man who made a mistake by asking his small boy to listen in on the consultation of doctors after they left the sick chamber. The small boy came back to his father and said, "They talked such big words I couldn't understand them. All I remember is that the tall man with the black hair said, 'Well, I will tell you this; I'll bet I'll be proved right in the autopsy.'"

Those who are so anxious to see the N. R. A. left without the benefit of its gains of 2 years of experience, which certainly have given some idea of self-improvement, but desire it left just as it is, in order that the courts may have the opportunity to deal with it just as harshly as possible, remind me of the doctor who was betting he would be shown to be right in the autopsy.

The idea of N. R. A. is going ahead. The passage of one piece of legislation or another cannot affect the steady tendency, the trend of events, the force of economic and political changes that have brought us from the antitrust laws of 1890 to the passage of the National Industrial Recovery Act in 1933. The tendency to go on is inevitable. One form or another of legislative sanction is inevitable. The action of the Federal Government to meet its responsibilities is inevitable. The sustaining of the authority of the Federal Government in the field committed to it by the Constitution is inevitable. I am not talking about the decision of any particular case.

But, as an organization, you may be acutely interested at the present time in the future of the N. R. A. as an organization. Far be it from me to attempt any prophecy along that line. But when even the staunchest opponents of the N. R. A., and those who would like to cut its throat, are finally convinced that it is necessary to at least advocate an extension for a period of time, even though it be an inadequate period, it seems to me it is not necessary for us to discuss, or consider, or worry about the technical question of the extension of N. R. A. We may be very deeply concerned with the form and time of extension, as to whether an adequate opportunity is given to this organization to carry forward in the light of its experience with the gains that it has made, whether it is going to have an adequate opportunity to do the kind of job that ought to be done, or whether it is going to be enmeshed in all the possible difficulties that can be placed in its way and then be asked in some way or other to perform the miracle of being a great success. But I am not interested at the moment, and I do not think you need be, in that question as to the immediate future of the N. R. A.

I think we should be profoundly interested in the question of at least having the ability to profit by our mistakes, to improve upon our performance, to contract our operations within human limits. We deluded ourselves for a year or so with the notion that perhaps we were a group of supermen who could work longer hours a day than any others, and think more rapidly. We might get over that. We have had such an intensive experience in the N. R. A. with problems with which others have had so much less experience in an intensive way that perhaps we have often been too impatient of the criticisms of the less informed individual, and forget two things—that perhaps after he got some further information he might agree with us, and second, that after we both got the same amount of information we might find we were wrong ourselves. And out of the intensity of our experience we did develop a certain impatience of the criticism of those who proceeded upon the basis of so much less experience in the precise problem.

Sometimes I think we have adopted unfortunately the attitude of the railroad section foreman who was cussing one of his gang, and who said, "I have taught him everything I know, but he don't know nuthin' yet."

We felt a little bit that way toward some of the people to whom we have tried to explain the beauty and the light of the processes we were engaged in. But I believe that this organization at the present time is entitled to feel two things. That is the particular reason I want to talk to you. First, a sense of permanence in the work in which we have been engaged. Regardless of temporary obstacles or difficulties, it is a great, permanent work. It is a work in which any contribution made is a contribution of long and lasting value, because you are working, and you have been working, in a great tide of human affairs, and in the direction of the tide, and not rowing against it.

One other point: This organization was gathered together hastily; a mass of volunteer workers were brought in. Men throughout the organization came to serve 3 months but remained a year; they came to serve 6 months but remained 2 years. There was a sense of impermanence in the organization itself. We were dealing with the heat of a great emergency, an emergency not entirely past but one greatly relieved, and for which we are entitled to take our share—not too great a share but a fair share of the credit.

Now, if the N. R. A. is to carry on a program of this long-term and lasting importance—and that is what it is—the inevitable program of developing necessary improved machineries of cooperation in the handling of trade and industry. If we are to play a part effectively in that work, the organization itself must grow into a sense of permanence. That is one of the primary reasons, I might say, for the complete folly of an extension for a few months. The men in the organization should feel that they are willing to come and that they will be welcome to stay for a period long enough in which to do a good job. It would be one of the most tragic things imaginable to Government and to business to lose the experience and benefit of this organization and its personnel in the handling of these problems.

Not everyone has been up to the same standard. The organization, like every organization, might be called "spotty." But on the whole there has been one characteristic of the entire organization which is worthy of the highest credit, and that is what I would call "loyalty." And by that I do not mean what is asked by many executives—loyalty to an individual. I do not mean that. And I do not mean that which a good many opinionated people love to term "loyalty to principle", which is merely loyalty to their own prejudices and preconceptions and their own pet ideas. What I mean is loyalty to an institution. And that is what makes human cooperation possible—loyalty to an institution, whether it be one of government or one of business.

Those who have been working in the N. R. A., to an extraordinary percentage, have been absolutely loyal to the N. R. A. as an institution. We might disagree on or we might not be loyal always to the same ideas or the same technique, but throughout the organization there has been a tremendous spirit of loyalty to the institution. And that has been priceless. And that is worthy and should be carried on. And to sacrifice either the institution or the loyalty to it would be a loss. A tragic amount of it is not yet appreciated by either business men or politicians.

If this organization can go forward as it should, there is one principle which should be added to the principle of permanence in the maintenance of this organization, and that should be the principle of promotion for merit. If you are going to build an organization to have a permanent value in the government structure, it should primarily be founded upon that principle, so that men can come into the ranks in humble capacities, can move forward as they develop their abilities, and can feel that they have ahead of them the prospect of really playing a great part in a great institution. That, again, is a reward and an incentive to loyalty to the institution itself.

What part I may personally play in the future development of N. R. A. is a matter of no importance in this connection. I am speaking only as one who has had 2 years of most intense experience, and who happens to have for the moment the responsibility of the chief executive position. And I am simply trying to speak out of my mind and heart my own feeling as to what we have been developing here and what should be carried on. And I hope that in what I have said I have found a response in the thought and purpose of the vast majority of those who have helped make what I regard as the great and extraordinary success of this new and far-flung effort to solve a very great and difficult problem.

Mr. BORAH. Mr. President, my only interest in Mr. Richberg is as a representative of the National Recovery Administration, the exponent of its principles and policy. I shall not criticize Mr. Richberg for alleged lobbying, because I recognize his right to state his views.

Permit me to say in passing that it seems to me we may well lay aside our troubles about lobbying. The citizens and the representatives of the departments of the Government have a perfect right to state their views, and to state them collectively or singly, and to come to Washington in order to state them if they so desire. It ought not to make any difference to a Senator as to the merits of a bill whether he is considering it while his constituents are present or while they are absent. If all the farmers were in favor of the A. A. A. amendments I would still have to oppose them and I would oppose in the interest of the farmer. But they have the right to urge their views. Therefore I do not rise to criticize what might be regarded as lobbying upon the part of anyone.

Mr. President, a few days since, the Senate passed a joint resolution extending the National Recovery Act to a certain time, and exempting from its operation during that time price fixing and control over intrastate commerce. The surprise to me has been that Mr. Richberg is apparently opposed to that joint resolution. I will say for myself that I consented not to oppose the resolution, not because it represented all that I desired, but because under the circumstances I thought that it was best for all that some sort of a compromise be brought about. I thought there was much in what the President had said that the termination of the National Recovery Act in a single instant and upon a certain day might be a very embarrassing and difficult thing to deal with. Besides the resolution would end two of the most objectionable features of the law. All in all, I finally got the consent of my mind to yield to the joint resolution so long as it exempted those two propositions from the operation of the National Recovery Act.

First was the question of price fixing, which I had understood was objectionable and coming to be very objectionable upon the part of the representatives of the National Recovery Administration, and particularly upon the part of Mr. Richberg himself. I recalled that in October of last year he made a speech on this subject which it occurred to me at the time was a most excellent statement, with reference to price fixing and the reduction of production.

I read from the Baltimore Sun of October 5, 1934:

"Rigid and sweeping price and production control is but an 'iridescent dream' in any but a socialistic state, and business men had better stop tinkering with it and get back to the 'sound competitive system' on which they were working." So counseled Donald R. Richberg today in his first public address since assuming directorship of the newly formed industrial emergency council, which is to fashion the future policies of the National Recovery Administration. He was speaking to the National Press Club.

Certainly, Mr. President, the resolution which we passed is not in contravention of the principle there announced. A person entertaining the views there expressed could hardly find any objection, it seems to me, to the joint resolution. Those of us who are opposed to the N. R. A. and do not believe in it in principle or philosophy might have gone much further and in going further would have better satisfied our own views. But if we are asked hereafter to recede from the position which we have taken we shall not advocate compromise measures, but precisely what we believe to be in the interest of the country.

Mr. Richberg said further:

The price-fixing and production-control problem had given the N. R. A. some of its most difficult experiences, and declared these troubles could not be blamed on "some Government theorist." On the contrary he said they were the result of pressure by business men themselves to experiment with devices they thought would do them good and which they have found out in many instances "are doing them harm."

Mr. Richberg said that in the face of a fundamental problem of socialistic economy—price and production control—the very business men who most abhor socialism seem to be determined to experiment with such devices, unconsciously developing through their trade associations—

"Unconsciously"? How gentle!

a sort of lopsided guild socialism. * * * They rush in where wiser opponents of state socialism fear to tread. How can individual freedom and the benefits of a competitive economy be retained if any organization (political or private) is authorized to dictate how much shall be produced and at what prices it shall be sold?

The "golden rulers" of industrial associations, invested with such political power, may easily become the "tyrannical bureaucrats" of tomorrow. Business men should be able to look ahead at least that far.

Mr. Richberg is quite right. That which was granted as a privilege or as a permission must soon crystallize into the absolute power to dictate the price which 120,000,000 people would have to pay for some indispensable article or product. It was at that that this joint resolution was striking—to take away from these combinations and corporations the power, even under the sheltering cover of the codes, to fix prices to the American people. If I may digress that is one reason why

recovery has been retarded. It is because the power to fix prices retained in a few people the power to control all the benefits of recovery, and the money which should have gone out into the pockets of the great mass of the people and restored purchasing power to the great mass of the people was drawn back from the pockets of the many and placed in the pockets of the few.

The rejection and destruction of price fixing is not only essential to the permanency—if it is to be in any sense permanent—of the National Industrial Recovery Act, but it is absolutely essential to sound economy in the United States, and to the restoration of purchasing power to the great body of the people; no one stated it more forcefully, more effectively, or more soundly than Mr. Richberg stated it in his October speech in the middle of the last election.

Again, Mr. Richberg says:

> Who can be intrusted with the power to fix a fair price that will insure justice to labor, investor, and consumer?

Who can be trusted with the power, public or private, to fix a price which will do justice to the consumer, to labor, and to the producer?

> The answer is, No one; neither a private association nor a board of public officials.
>
> How can individual freedom and the benefits of a competitive economy be retained if any organization (political or private) is authorized to dictate how much shall be produced and at what prices it shall be sold?
>
> * * * * * * *
>
> Those who vainly demand "freedom" from the antitrust laws and from all other social controls of business are engaged in fooling themselves with the hope of creating an irresponsible freedom for men to seek private profit without regard for the general welfare.

In other words, Mr. President, as I understood, the views of Mr. Richberg were that the price-fixing power, whether public or private, destroyed initiative, destroyed individuality, robbed the masses of that which they were entitled to have, kept down purchasing power, and retarded recovery in the United States; and so it does. If we are going to permit a dozen or two dozen corporations, having control of the great necessities and necessaries of life, to fix the price which the countless thousands must pay, we can never restore purchasing power to the people. That was the trouble in 1929. We had had prosperity, comparatively speaking; we had had what the world called prosperity; but when the troubles of 1929 came, over 76,000,000 people of the United States had incomes of less than $500 a year because of the fact that the great corporations of the country were in control of the natural resources, of the sources of individual wealth, and of those things which the people had to have in order to live, and they were fixing prices, and drawing back from the common people all the possible gains that they could make from any source whatever—that has continued under the N. R. A. Their profits have even been increased, and Mr. Richberg upon the 5th of October condemned it. Why now should he turn about and condemn a joint resolution which kills price fixing?

I do not care anything about his philosophy or about his theory of social rehabilitation if it leaves out of his scheme the millions who must pay the prices which these corporations are establishing.

Mr. President, that was on the 5th day of October. On the 8th day of October there was recorded in the press dispatches the following:

> Protests against abandonment of price and production controls of N. R. A. codes have mounted so high within the past week that the administration may be forced soon to clarify its intentions regarding them—

As stated by Mr. Richberg.

I see in the press, Mr. President, the statement that industries are coming here in a body to advise us as to our duty with reference to the extension of the N. R. A. The press ought not to say that they are coming. It should have said that they are remaining. They have been here all the time. Powerful influences fighting against the destruction of price fixing have been here, are here, and will continue to be here.

Do Senators suppose that when we have given men the power to fix prices—a power which the tsar of all the Russias never contemplated possessing—they are going to give it up without a struggle?

If you or I had the power to fix the price of some important article for 120,000,000 people, where would we be when a fight was on to take it off? We would be in Washington; and that is where these price fixers are. Let them come to Washington, and when they come let them disclose their profits under the N. R. A. and the exorbitant increase of prices, and they will supply some information which will reaffirm Mr. Richberg's view as to the viciousness of price fixing.

> But a serious attempt to carry out the implied purpose of President Roosevelt and his chief recovery adviser, Donald R. Richberg, to modify these troublesome code sections, is thought likely to start General Johnson on the warpath against the revised N. R. A.
>
> The price and production problems were topmost on a list of pressing matters laid before the President today by the Industrial Recovery Board—

And so forth.

There is just one influence in the United States in favor of retaining price fixing, and that is the influence which has the power to fix prices. There is just one force fighting for price fixing, and that is the one which enjoys the benefit of price fixing. I venture to predict, Mr. President, that if the joint resolution which has passed the Senate shall fail, there will be a more determined effort to eliminate price fixing than the effort upon the part of Mr. Richberg after he heard other protests from business men.

That is one proposition which is in the joint resolution. The other proposition is to remove wholly intrastate commerce from the operation of the codes. That would free some 80 percent of small business. Mr. President, we have constitutional authority for that. We have the authority of Mr. Richberg for the removal of price fixing, and we have the authority of the Constitution for the removal of intrastate business—certainly two very respectable sources of authority justifying the joint resolution. Mr. Richberg knows perfectly well that without actual usurpation there can be no control of intrastate commerce by the Congress of the United States; and if he is opposed to the joint resolution in that respect, and desires to retain control of intrastate commerce, it must be upon the theory that he can usurp the power through some method or mode of regulation rather than following the Constitution. Price fixing, which the resolution eliminates, is unjust, and control over intrastate commerce which resolution would end is usurpation. Why should anyone object to such a resolution?

Mr. CLARK. Mr. President, will the Senator yield? I do not wish to interrupt his train of thought if he prefers not to be interrupted.

Mr. BORAH. I am glad to yield to the Senator.

Mr. CLARK. I should like to call the Senator's attention to a rather peculiar definition and construction of interstate and intrastate business which was developed by the testimony before the Finance Committee, and which gives an illustration of the very peculiar view of intrastate commerce and interstate commerce entertained by N. R. A. officials in some particulars.

We had before the committee a case where a man was engaged in the business of manufacturing ice in a small town in the interior of Florida. The testimony was to the effect, and the record showed, so far as the N. R. A. was concerned, that none of the products of the man's ice factory were sold outside the small community in which he was located; but the N. R. A. asserted and maintained, and undertook to get the Federal Trade Commission to hold, that the man was engaged in interstate commerce because a competitor, located some 8 or 10 miles away, did ice a railroad train which crossed a State line.

Mr. BORAH. Mr. President, of course, rules and regulations can be made which will annoy an intrastate dealer into submission. I do not know, of course, that that is the program; but I do know that in the past people who were

dealing with wholly intrastate matters have been repeatedly notified that they were subject to the control of the National Recovery Act and finally whipped into submission.

There can be no justification for objecting to removing intrastate business, unless it is proposed that that practice continue.

With reference to this matter of intrastate commerce, I shall not delay the consideration of the bill by going into a discussion of it today; but when the A. A. A. amendments come before the Senate, I think there will be justification for going into a discussion of it at some length. I shall not do so today.

Mr. President, we passed a joint resolution eliminating two propositions from the National Recovery Act, price fixing and intrastate business. I cannot understand upon what theory anyone should be in favor of retaining price fixing or the power to exercise an unconstitutional authority. I venture to advise those who oppose this resolution that no further concessions will be accepted.

Mr. STEIWER. Mr. President, I desire to address a question to the Senator from Idaho, if he will permit it. In connection with his denial of the jurisdiction of the Congress to legislate with the respect to intrastate business, I assume, of course, that the Senator from Idaho, with his wide knowledge of the decisions of the courts, would recognize that the Congress may deal with intrastate business in a case where such business burdens or affects interstate commerce. There is no contention upon that score, I assume.

Mr. BORAH. Not quite as the Senator states it. Congress may always deal with interstate commerce, and if, in the exercise of its power to regulate interstate commerce, it must deal with obstacles placed in the way of the exercise of that power by intrastate action, it may remove them.

Mr. STEIWER. I agree with the Senator's statement last made, and thank him for his categorical answer to my question. I detain the Senate merely long enough to make one observation with respect to it.

The poultry case, so called, is before the Supreme Court of the United States; the National Labor Relations Board bill is before the Senate today. Running throughout the pending legislative proposal, throughout the theory of the N. R. A., and throughout much other legislation which we have considered, and which we are bound to consider further, is the idea that Federal jurisdiction has attached to intrastate activities because in one way or another they affect or burden interstate commerce, or that character of commerce which the Constitution defines as commerce among the several States.

I take it from what the Senator from Idaho has said that he does not quarrel with the general rule; nor do I. I think it is perfectly clear, under the doctrine of the railroad rate cases, like the Minnesota case, and the Shreveport case, and the case involving interpretations of the Grain Futures Act, and other cases which the Supreme Court has decided the Congress does have jurisdiction to legislate with respect to certain intrastate activities when they are so interrelated with interstate activities that the regulation of the latter cannot be had without the regulation of the former, or in cases where the intrastate transactions burden the interstate commerce. I am personally willing to vote upon the pending bill, yet it has seemed to me that we are acting prematurely with respect to it. The question of jurisdiction of the subject matter of the bill apparently is intertwined most closely with the same question involved in the consideration of the National Recovery Act.

I favor the purposes of the pending labor disputes bill but I would feel freer in my consideration of the bill if the Supreme Court had already spoken and had defined more fully and with more particular reference to the thing that is now uppermost in the public mind the jurisdiction of the Congress to deal with various aspects of intrastate activity, which in many instances is not even commerce, but concerning which jurisdiction is claimed in the Congress because of some supposed relation to interstate commerce.

I say that because it is most apparent that one important thing for us to consider at this moment with respect to pending legislation is to determine where the constitutional jurisdiction of Congress begins and where it stops.

In making this statement I do not oppose what the Senator from Idaho just said in behalf of the joint resolution agreed to yesterday. I was in agreement with the position of the Senator from Idaho. I think he has very well stated today the argument in favor of the action taken by the Senate. It seemed to me then and seems now that there is no conceivable justification for the effort of Congress to take final action in connection with the National Recovery Act until the Supreme Court shall have defined the jurisdiction of the Congress to such an extent that we can say with certainty that we know our power and know that which is denied to us under the organic law of the country. In our haste to dispose of the pending labor legislation we invite troubles which will plague us later if the Supreme Court shall deny our jurisdiction to enter into the field of intrastate relationships.

Mr. BARKLEY. Mr. President, will the Senator from Idaho permit me to ask him a question in that connection? I do not wish to discuss the joint resolution we have passed; that is water over the dam, and I do not want to delay the bill now under consideration. But inasmuch as the power of Congress is under discussion, the subject having arisen on account of the discussion of Mr. Richberg, I observed this morning—and I do not know whether the Senator from Idaho was present in the Chamber or not—that in the Shreveport case the Supreme Court held that Congress was free, whenever it occupied the field of regulation, not only as to interstate carriers, but as to intrastate carriers where their practices and their rates and their policies operated as a burden on interstate commerce. In that decision the court held that not only did Congress have power to act, but that it was the duty of Congress to protect and promote interstate commerce against such practices as might be burdens on interstate commerce.

There is no difference between a carrier and the thing it carries under the commerce clause. The power to regulate commerce, insofar as it goes, extends to those who carry commerce as well as to the things which they carry. Does the Senator believe that the Court would likely render a different decision in determining the power of Congress to regulate the thing carried from the decision it rendered with reference to the thing that carries the article of commerce?

Mr. BORAH. If the Court were called upon to regulate the thing carried, and if, in regulating the thing carried, it necessarily came in contact with obstacles which had been placed there by intrastate commerce, it would render the same opinion, in my judgment, that it did render with reference to the instrumentality of carriage.

Mr. BARKLEY. It has been my feeling that the court would not differentiate between the thing carried and the carrier.

Mr. BORAH. I would think so. I merely wish to say this since the Shreveport case has been referred to very many times as announcing something in the nature of a departure from or widening of the construction of the commerce clause. In my opinion—and I will undertake to demonstrate its soundness in a few days—the Shreveport case announced no principle with reference to the construction of the commerce clause that is not found clearly announced in what is known as the "Steamboat case", or the case of Gibbons against Ogden, where the opinion was written by John Marshall in 1824. They held in that case, in the very beginning, in the first opinion ever handed down under the commerce clause, that the power of Congress over interstate commerce was full and complete, and that it might be exercised in order fully to protect interstate commerce as against any obstacle which a State might interpose.

In that case the State had granted a monopoly for steamboats upon the Hudson River, and it was claimed that the commerce was intrastate, and was therefore subject to the control of the State alone. But the Supreme Court in that case held that it was an obstacle, an intervention to the full exercise of the power to regulate commerce crossing boundary

lines. I do not think the Shreveport case states any different principle.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS].

Mr. NORRIS. Mr. President, I hope I will not be considered discourteous to my brethren, or out of order, if I offer a few remarks upon the question before the Senate. I approach the pending amendment offered by the Senator from Maryland [Mr. TYDINGS] and the other amendment to be offered later by him, and desire to discuss them together.

I realize that it is a difficult thing always to differentiate, when considering language proposed in a legislative measure, when we are trying to legislate and control the controversy that has always existed and still exists between capital and labor. I listened to the Senator from Massachusetts [Mr. WALSH] with very deep interest. I thought he stated very fully and properly the purpose of the measure which is designed to cover a very difficult situation.

I admit that it would be very difficult to object to the amendment now pending, standing alone, if it affected legislation on a subject where normal conditions exist. At first blush the amendment seems to be absolutely fair, absolutely right, as a proposition of logic or of justice; and, weighed and applied to most of the ordinary affairs of life, there could be no objection to it. So I realize, to begin with, that it is very difficult for me to express in language really comprehensible by myself the real philosophy of the objection. I think, with the Senator from Massachusetts [Mr. WALSH], that we cannot properly consider this question unless we consider it in the light of its history and in the light of the parties interested in the case, and their power.

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

Mr. NORRIS. I yield.

Mr. WALSH. Of course the fundamental difference which is arrived at immediately is that whatever coercion there is among employees is open and aboveboard; it can be seen and can be detected; but coercion exercised by an employer upon an employee is subtle, underground, economic, and the employer has power of this character over an employee which no employee has over another employee.

Mr. NORRIS. Again the Senator from Massachusetts has stated very effectively and concisely what I think is, in part, the real issue. On the one side is the employer, and on the other is the laboring man, the employee. One, the employer, has almost unlimited economic power in dealing with the other, the employee. The employee has no economic power. The employer holds in his hand the welfare, perhaps even the right to live, not only of the employee but of his family. His economic power can be enforced, as the Senator from Massachusetts has well said, through channels and by means often almost impossible, if not absolutely impossible, to detect. He has many methods of exercising his economic power. The employee has none. Again, the employer's economic situation is not so precarious as that of the employee. He often has other means of living, other means of making money, other means of going on if his business should be closed up. That is not always true of the employee. It may sometimes be true but ordinarily the employee has no other means of livelihood, no other means of supporting his family, his wife, and his children, of clothing them and of feeding them, than what he gets from his employment. He is, therefore, almost helpless in the economic situation when he runs up against the employer.

That is not all, Mr. President. We ought to consider this amendment in the light of history running back a great many years. I did not know this question was going to arise or that I was going to make any remarks on it today. Had I known that I should have attempted to prepare myself with some citations and with some of the history of injunction proceedings which have been had for many years between capital and labor. I can only refer to that history in a general way, as I remember it, in view of the fact that I have not studied it for a year or two past.

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

Mr. NORRIS. I yield.

Mr. TYDINGS. I agree with what the Senator from Nebraska has said, and I can sympathize with his desire to protect the laboring man from interpretations of the law which would be injurious when no injury is intended; but I say with all deference to the Senator from Nebraska that, in my judgment—and I am probably wrong; but, at least, it is my view—we are debating something which I have not been able to explain to the Senate, at least as I see it. If the Senator will bear with me, I shall try to make my position clear.

As the section now reads, it simply says:

> Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

Let us suppose that was all there was to it. I do not desire to take that right away from the employees. I do not desire to put language in the bill which may be interpreted as weakening the language already in the bill; but, in order that the employees shall have the right which is provided in the bill, my amendment stipulates that, without any coercion, without any intimidation, they "shall have the right to self-organization, to form, to join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining", and the like. The amendment explicitly provides that in the enjoyment of such right nobody shall coerce or intimidate them.

I probably do not have a clear conception of the issue, but it seems to me that my amendment clarifies the rights of labor.

Mr. NORRIS. The Senator may be right, of course. I have no idea but that his object is to clarify and that he has not any object which is detrimental to a condition which we all agree ought to exist. If there did not recur to me what I have learned of the injunction question from my study of it extending over quite a number of years, if I did not remember the hearings in which I have listened to presentations on both side for months, if I had not had that experience, and if I had not the ideas which are now back in my brain which were pounded into me during long and tedious debates, I should jump to the conclusion at once, and say there is no possible objection to the Senator's amendment.

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

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

Mr. WALSH. Unfortunately, the Department of Labor, the members of the National Labor Relations Board, and representatives of organized labor do not think the proposed language clarifies the bill, but rather that it destroys the effective purpose of the bill.

Mr. NORRIS. I agree to that statement.

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

Mr. NORRIS. I yield.

Mr. TYDINGS. I wish to ask the Senator a question.

I am slightly familiar with the situation he is presenting, namely, that coercion clauses and intimidation clauses, so to speak, have been used against labor rather than for the protection of labor. I am familiar with that particular subject in a general way, though not profoundly so; but it strikes me—I may be wrong about it—that the way those clauses are used in this particular connection is not the way in which they have been used, concerning which the Senator is speaking. It seems to me that such clauses have not been used to further collective bargaining, but have heretofore been employed to prevent the use of collective bargaining, to coerce or intimidate anyone; whereas I pro-

pose by my amendment to protect collective bargaining from intimidation and coercion.

Do I make myself clear to the Senator?

Mr. NORRIS. I think the Senator does.

I will say, Mr. President, that when I was first interrupted by the Senator from Maryland I was about to take up the review, in a very brief way, of the history of the injunction process between capital and labor, which, I think, has a direct bearing on the construction of the words of this amendment; and I think my discussion of the question will be an answer, so far as I am able to give an answer, to some of the questions propounded by the Senator from Maryland.

First, the Sherman antitrust law was passed at a time when none of us was in the Senate. No one thought there was a labor question involved in it. The idea of the law was to protect persons in their business, and prevent business from being handicapped by unjust and unfair methods of competition. But, as it developed, the Sherman Antitrust Law became a weapon by which labor was almost crushed out of existence because of the construction placed upon the law by the courts.

We passed the Clayton antitrust law amendatory to the Sherman antitrust law. The Clayton antitrust law was passed during the official lives of some of us who are now here. That law was held by many persons to be a new charter of freedom for labor. However, it did not do labor that much good. The constructions which were put on that law by the courts from time to time practically took away all its force and effect.

In the hearings, which went on for 3 years or so, during all of which I had the honor to preside, and in which I heard every word of the testimony, the history of these injunction suits was given, and the opinions of the courts were presented, showing that there was a gradual movement toward the domination of capital over labor. It then seemed to me, and I think those who studied the question were convinced, that on account of the existence and exercise of the economic power of which I spoke awhile ago, Congress was justified in putting forth its strong arm again to see if it could not protect labor, and we passed the anti-injunction bill.

There was not very much consideration on the floor of the Senate, but before the committee the hearings during that time lasted for over 2 or 3 years. The thing that brought about the changes of which I have spoken was, in the main, the issuance of injunctions by the courts, giving a different construction to the laws, I believe, from that which was intended to be given to them by those who enacted the laws. After all, the courts are going to construe this measure, if it shall become a law, and when they get through with it, as often happens, we may not know our own child. We are, to a great extent, a country controlled and governed by injunctions. One man sitting as a district judge can nullify, by a stroke of the pen, the acts of the President, the Senate, and the House of Representatives, even though their action be unanimous.

The history of these injunctions shows that the general trend was to construe the laws as capital wanted them to be construed. I have now in mind an injunction issued by a district judge in the case of a strike in which injunction it was specifically stated, in so many words, that every one of the employees was enjoined from telling anybody that there was even a strike on at a certain mill. A laboring man in that mill violated the injunction if he told his wife the next morning why he did not go to work. Was there anything in the law that justified such an injunction? As I see it, I do not think there was. Congress thought that it had obviated such a thing as that when it passed these different laws, but, in view of the way the courts construed them, it had not done so.

Other injunctions enjoined not only the laborers but the entire public from contributing any money to the support of a laboring man who was on a strike. They enjoined a doctor from giving him medical attention, a lawyer from giving him legal advice as to what his rights were in that very case. A laborer had no right, under the injunction, to consult an attorney. A coal dealer had no right to sell one of them coal.

The court enjoined the laborers from appealing a case where the employer had commenced an action of forcible detainer to put them out of the shanties which the employers call houses and sometimes even stretch the word so far as to call them homes. It enjoined anybody from furnishing him a bond in case he was dissatisfied with the action of the lower court and desired to carry it up to the higher court, in which case, under the law, he had to give a bond, if he took it up, to pay a reasonable price for rent while the appeal was pending. That was enjoined. The law of the State provided that if a man was living on a rental basis in a house which somebody else owned, if the owner wanted to put him out, and claimed there was a violation of the tenant's contract, he could sue out a writ in a justice-of-the-peace court, and if the justice decided against the laboring man or any other man, whoever he might be, he had a right to appeal the case to a higher court, but in order to do so the tenant had to give a bond that he would pay the rent on the house during all the time he occupied the premises. So there could be no possible loss on the part of the big corporation that owned the little shanty. Yet the courts have enjoined—there are actual cases that can be found in the books if Senators will examine them—anybody from furnishing a laboring man a bond to enable him to go up to a higher court. The facts in some of those cases show that the friends of the laboring man were ready with the bond; that there was no question about its sufficiency, but they were enjoined from furnishing it. The laboring men could not dare ask a lawyer what their rights were. That was contrary to the injunction.

They were prohibited from making speeches or telling anyone else anything that happened. The result was that some of these men, without jobs, wandering around on the streets, and without the ability to tell anybody what was the matter, became almost crazy, wild. You can imagine, Mr. President, what kind of feeling that would engender in the heart of a man.

Suppose the pending amendment were agreed to and some laboring man should meet some other laboring man and say to him, "I should like to have you strike", or "I should like to have you join my union", what would there be to hinder one of the courts holding that that was coercion and issuing an injunction in such a case? "You may not coerce." I would not think such an act was coercion; the Senator from Maryland would not think it was coercion, of course; we would not have agreed, either one of us, with the construction placed by courts on the various acts that Congress has passed.

If it were an ordinary case, I would not hesitate to say that I would accept the amendment, but when I remember that in these great controversies which are so one-sided, and where the employer has countless ways by which he can coerce if he wants to, without anybody even finding it out, I have no doubt that the amendment ought to be rejected.

I do not want to be understood as saying that the amendment is not offered in good faith; I believe it is. I am not questioning the good faith of the Senator from Maryland or of anyone else who supports the amendment.

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

Mr. NORRIS. Yes.

Mr. TYDINGS. In the case the Senator has been using as an illustration, did the law, as it then existed, provide in effect that the employees should have the right to bargain collectively through representatives of their own choosing, without coercion or intimidation from anyone?

Mr. NORRIS. No; I will say to my friend, I do not think it did. I am not trying to state the law. These statutes were enacted years ago; I am not claiming the law was the same then as it is now; but I am trying to illustrate how easy it is for a judge who is friendly to capital and opposed to labor to render a decision by which he will make the laboring man absolutely helpless. That is all I am trying to do.

Mr. TYDINGS. I sympathize with the Senator's philosophy in that respect, and it is my own. I want laboring men to have the right to bargain collectively, and so on, without interference or coercion; but, if the Senator will permit me—and I do not want to appear impertinent—it strikes me that this amendment is clearly without the purview of the decisions referred to by the Senator.

Mr. NORRIS. I will say to the Senator, I will not quarrel with him about that; I agree to that; but I do not want some judge who may not agree with us to use it as a leverage by which to issue an injunction against some poor fellow who is helpless.

Mr. TYDINGS. I think I see the Senator's viewpoint; but I am not altogether clear, because it is difficult to understand whether he sees mine. As I understand these words, if they are not put in the bill the right of collective bargaining exists, and if they are put in the bill it not only exists but no one may coerce or intimidate anyone in an attempt to take it away. It strikes me that is the only thing before us.

Mr. NORRIS. If I knew the Senator from Maryland were going to be the judge every time such a question came before the court, I would not object to the amendment. If we were sure of having such a judge as he, it would not be necessary to have the pending bill here; it would not be necessary to have other laws. A great deal of our time has been taken up in order to meet the construction that may be put upon our action by the courts.

We realize when we pass a law that we do not know whether or not it is a law, even after the Senate and House have passed it and the President has signed it, for some judge in Maine or California or Florida may have a different opinion from the 532 men who enacted the law, and the judge may say, "You ought not to have passed it; I will issue an injunction to restrain its enforcement." I do not mean that as a criticism of the courts in general, because I think, as a rule, they embrace the highest class of men in the United States; but, as in the case of Senators and Members of the House—they are not all of that kind; they are like any other group of people.

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

Mr. NORRIS. I yield.

Mr. WALSH. I ask the Senator, in view of his study of this question and his experiences with respect to the manner in which courts have handled these problems, if it is not quite probable, and perhaps most likely, that courts would construe the efforts of one employee to get his fellow employees to organize a union to be coercion?

Mr. NORRIS. Yes.

Mr. WALSH. In other words, what this amendment, if adopted, will do will be to make a police court out of the board instead of a regulatory body dealing with regulations as to collective bargaining between employers and employees. There is a police court to handle cases of threats, assaults, and attempted murder on the part of one employee against another.

Mr. NORRIS. Mr. President, in conclusion, I wish to say that, in my judgment, we will run a great risk of making loopholes by putting in modifications of some of the powers which are granted in this bill, even though we do it with the intention of making it more explicit than it previously was.

I am expecting great results from this legislation if it is finally enacted. I sympathize with the objects to be attained. I do not want to take any chance of nullifying them by bringing forth decisions from courts which would undo a great deal of the good we had hoped to accomplish. Therefore, out of an abundance of caution, which may not be justified—perhaps, because of my own experience and study of the question, I may have been led too far one way—I cannot resist reaching the conclusions I have tried to state here to the Senate. I know I had no prejudice in the beginning and I hope I have none now. I have none that I know of. I am not aware of it if I have any.

The employer will not be troubled. Do not get the idea that we ought to go out and put safeguards around him; he has always taken care of himself thus far; but we should help the man down in the street who is helpless, who has to eat out of the hand of the other man sometimes, has to do what he tells him he wants done, even though the orders are conveyed to him by indirect means where he cannot directly trace the voice or the hand of his economic master. It is an unjust contest with all the power on the one side and no power on the other.

It seems to me under those circumstances that we ought to reject the amendments of the Senator from Maryland.

Mr. WAGNER. Mr. President, I have before me the Norris Anti-Injunction Act, which I had the pleasure of supporting and discussing when it was before the Senate. At that time I recall the Senator from Nebraska [Mr. NORRIS] called attention to court interpretations with respect to the right of workers to organize and to prosecute strikes which they thought were justified. It was brought to the attention of the Senate that threats to strike had in many jurisdictions been regarded by the courts as coercive acts. A refusal to work on material of nonunion manufacture had been decided by a court to be a form of coercion. Even peaceful persuasion by picketing was regarded in some jurisdictions as a coercive method employed by labor against the employer. It was court interpretation of this type which brought about the passage of the Norris Anti-Injunction Act, designed to limit the abuse of the injunction in labor disputes.

I agree with the Senator from Nebraska that the Senator from Maryland [Mr. TYDINGS] is absolutely sincere in offering his amendment. But I want to state that probably I know a little more about the efforts to procure this amendment to the proposed legislation than does the Senator from Maryland. For, in my judgment, if we should adopt this amendment, it would practically nullify the effect of the Norris Anti-Injunction Act and would revive the procedure of restraining employees from indulging in normal organizing activities in their relationship with one another.

The whole philosophy of this legislation is to deal with the relationship between employees and employers. For 100 years it has been agreed that the workers of the country should have the right to organize. They were never able to exercise that right because of the economic control of the employer, which enabled him always to thwart the attempts of workers.

This bill was prompted by the desire to have more than a mere reiteration of our constant declaration that the workers shall have the right to organize, more than abstract freedom not protected by law. It proposes that hereafter the employer shall not interfere with employees in their right of organization.

So far as coercion by employees is concerned, the Senator from Maryland need not be concerned, because there is abundant law today to take care of the things about which the Senator is apprehensive. The Senator spoke of intimidation. Under the Norris Anti-Injunction Act, intimidations and threats may now be enjoined by the courts.

I appeal to the Senators that if the amendment is inserted in the bill it will repeal all the salutary features of the Norris Anti-Injunction Act. When workers attempt to organize and a threat of strike results, or when banners are displayed asking workers to joint a certain organization, or when workers refuse to work upon material which comes from a nonunion factory, these acts which we thought we had protected by the Norris Act would again fall under the equity jurisdiction of the courts. This would in large measure frustrate and paralyze the efforts of the workers of the country to exercise rights which for 100 years have been recognized verbally.

That is my fear. When the suggestion was first made to me that these additional words should be included in the bill, I had the same experience that the Senator from Nebraska [Mr. NORRIS] had. I, too, felt no objection to the words until, like him, I went to the law library and began to study the old cases and the history behind the anti-injunction legislation introduced and sponsored by the Senator from Nebraska. Then I saw that the workers of the country were being deprived, through the economic pressure

of employers, of the power to form organizations. It would be better off to have no law at all than to make this legislation a vehicle for the revival of the labor injunction. That is why I am sure that if the Senator from Maryland had studied the cases involving the misuse of the word "coercion" he would withdraw his amendment.

Mr. TYDINGS. I dislike to be perpetually in these minorities—and I say this without reflecting on anyone—but I remember that about 2 years ago, when the N. R. A. bill was introduced, it was almost treason to oppose it, particularly on this side of the aisle. I certainly received my share of abuse for not voting for it. It was to be the panacea which was to solve all our ills. Now everybody has awakened to the fact that it was perhaps the greatest price-fixing proposal ever passed by Congress. So, therefore, what appears to be all lovely and useful to humanity quite often, when it is applied, is not so useful.

I do not think that a single argument has been made against this amendment which is apropos of its written language. We are not arguing here, and there are not involved in this case, the subjects covered in the anti-injunction cases. We are now engaged in making affirmative law. We are giving to labor affirmative rights which theoretically, at least, it did not have before. We are making them clear and unrestricted, and bringing them out in the light of day. If it weakens those rights to say that labor shall have them without coercion or intimidation, then I say all lawmaking is useless, and words do not mean what they seem to mean.

Let me read the section as proposed to be amended. What would the proposed law provide if the amendment were adopted?

Employees shall have the right—

There is no word about employers here. There is nothing about employers. This section tells what rights employees shall have.

Employees shall have the right to self-organization—

In effect, my amendment says:

without coercion or intimidation.

Employees shall have the right to form, join, or assist labor organizations without coercion or intimidation.

Employees shall have the right to bargain collectively through representatives of their own choosing without intimidation or coercion.

Employees shall have the right of collective bargaining or other mutual aid or protection without coercion or intimidation.

In other words, it is held here that the mere insertion of the words "without coercion or intimidation" would weaken the right of labor rather than strengthen it.

If labor has these rights, and we provide that it shall not be coerced or intimidated in exercising them, it certainly seems to me we thereby strengthen those rights, make them mandatory, and prevent the employer on the one hand, and extraneous influences on the other hand, from transgressing on the rights which Congress wishes to give labor.

In conclusion, with all due respect to the learned Senators who have taken the opposite view on the floor of the Senate, the so-called "parallel" which they have set up in relation to this section is not a parallel at all. They have been arguing an entirely different case. They have been arguing the intangible or indirect effect of collective bargaining, and not the mandatory, congressionally affirmed effect of collective bargaining without coercion or intimidation.

I realize the viewpoint of my friend from New York. I appreciate his fear; but I desire to say that I do not agree with the point of view he expresses. As I see this particular section, it looks to me like an effort to force every man in America to join a certain kind of union, whether or not he wishes to join that union; and the coercion and intimidation features are not to be inserted in this section because a certain union desires a free hand to take the workers from the groups in which they now belong into groups into which they may not wish to go.

That is the naked fact back of the opposition to this amendment. It is an amendment to force all working people into a particular union, and every Senator on this floor knows that to be the truth.

Mr. WAGNER. Mr. President, will the Senator from Maryland yield?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. HASTINGS. I yield to the Senator from New York.

Mr. WAGNER. I am not going even to allude to the last statement of the Senator from Maryland; but this is not the first time that this subject has been up for consideration by the Senate.

Mr. TYDINGS. That is true.

Mr. WAGNER. When the anti-injunction bill, to which I referred a moment ago, was up for consideration, I remember that there was a proposal to include prohibitions against employees such as the Senator from Maryland now proposes. But it was not accepted, because it came from those not friendly to the legislation.

Mr. TYDINGS. Yes; but why not provide also that he shall be free from other coercion?

Mr. WAGNER. Last year we passed by unanimous vote in both Houses the amendments to the Railway Labor Act, enumerating practically the same unfair labor practices as the pending bill. The same proposal came up before the committee considering that measure and was rejected by a unanimous vote, because the committee saw the dangers of it.

The Senator is not up to date on precedent.

Mr. HASTINGS. Mr. President, I desire to call the attention of the Senator from New York to that to which he has already referred with reference to the public policy of the United States as stated in the Norris-LaGuardia Act, the anti-injunction act:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is—

I desire to emphasize those words:

the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of, and limitations upon, the jurisdiction and authority of the courts of the United States are hereby enacted.

I desire to call the attention of the Senator from New York to what I am about to state, and to see if it be true: As I read this measure, as late as 1932 the Congress declared it to be the public policy of the United States, first, that the individual worker is entitled to actual liberty of contract, and to the protection of his freedom to labor. Is that true in the present bill?

Mr. WAGNER. That is true in the present bill.

Mr. HASTINGS. What happens under this bill to the worker who is in the minority? Has he any freedom left? Is he not compelled to do what somebody else asks him to do, and is not his freedom destroyed to that extent?

Before the Senator answers that question, I desire to ask him another question along the same line.

Is it not true that the individual worker should be free to decline association with his fellows? Can that be true under this bill? Under the act from which I have read, the declaration of Congress was that the individual worker is entitled to "full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment." Those things were assured to the worker. That was the declaration of the Congress; but what I am concerned about, and what I desire the Senator from New York to explain to me, is, in what condition do we find the worker who is in the minority?

There may be 2,000 employees in one establishment, and there may be 1,100 of them who want to do a certain thing. If the Board describes them as a proper unit for that particular establishment, that means that the 900 will either have to go along with the 1,100, or they will lose their positions.

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

The PRESIDING OFFICER (Mr. MALONEY in the chair). Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. HASTINGS. Yes; I yield.

Mr. WALSH. In what respect does the Senator think the right of any minority of employees is affected by this bill?

Mr. HASTINGS. If that is not true, then I have misread the bill. Does not the bill specifically provide that a majority of the various units that are to be set up and authorized by the board are to be in control, so far as wages and other important things are concerned, with respect to the worker?

Mr. WALSH. Mr. President, under this bill representatives chosen by a majority of the workers in a particular unit are recognized as entitled to represent the workers in that unit for the purpose of collective bargaining with the employer, following a similar provision in the Railway Labor Act. It would be obviously impracticable to have two collective agreements, with differing terms as to wages and conditions of employment, covering the same categories of workers in an appropriate unit. Who, then, should represent the employees in negotiating the agreement? Obviously, the representatives chosen by the majority of the workers in the unit affected, in accordance with democratic principles; otherwise the employer will be enabled to profit by exploiting a division in the ranks of the workers, by playing off one group against another in the negotiations, and thus defeating true collective bargaining. Minority groups and individuals are permitted by the bill to present grievances to the employer. But any agreement arrived at with the majority representatives necessarily is applicable to all the workers in the unit. If a dissenting minority do not like the terms of the agreement, there is nothing in the bill which prevents the minority from quitting or striking.

Mr. HASTINGS. Will the Senator be good enough to tell me what section that is?

Mr. WALSH. It is the theory of the whole bill.

Mr. HASTINGS. The theory, but I want to find out what is actually provided.

Mr. WALSH. It provides for elections.

Mr. HASTINGS. Does the Senator know what section it is?

Mr. WALSH. Section 9 gives the board power to conduct elections, and declare who are the majority representatives, and then provides that such representatives shall be the collective-bargaining agency for all the workers in the unit. That is what the election is held to determine.

Mr. HASTINGS. Let me read to the Senate what section 9 provides:

> Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit.

If I understand the bill, a unit does not necessarily mean the employees of a certain corporation, but the unit may be a unit of employees scattered all over this country, and if a majority of that unit decides on a certain thing, then the majority of that unit can make a bargain for the employees of a certain corporation where none of them want that particular thing.

Mr. WALSH. The appropriate unit depends so much upon the facts of the particular case that necessarily the Board must determine the unit, as is also provided in the Railway Labor Act. But, as I have said, a minority group is not bound by the agreement negotiated, that is, they are free to quit or strike. For that matter, nothing in the bill prevents the majority from striking, though the testimony before our committee indicated that unions have had a generally good record in abiding by agreements.

Mr. HASTINGS. What is a bargain if it does not bind anybody?

Mr. WALSH. There is nothing in the bill to prevent strikes. We cannot stop that. No legislation can. What this bill does is to seek to prevent strikes brought on as a result of the employer refusing to recognize and bargain collectively with the properly designated representatives of his employees.

Mr. HASTINGS. Let me read this to the Senator from Massachusetts and see how nearly we agree on it.

> Section 9 (a). Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes.

And those units are fixed by the board, as I understand it, or are approved by the board; and, as I have said, a unit may be scattered all over the country and a majority of the employees control.

> Shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining.

Mr. WALSH. The representatives chosen by the majority shall be the collective bargaining agency for the employees in the unit. As I have said, the making of the bargain does not prevent even the majority from striking. We cannot pass laws to compel a man to be a slave. Even after he makes an agreement he can say, "I do not want to work."

The trouble with the Senator is that he has the idea that a dissenting employee in the unit covered by the agreement would be forced in an employment the terms of which may have become distasteful to him. Not by any means. It only leads the employees to the door of the employer and states, "These are the representatives chosen by a majority of the workers and you should bargain with them." That is all it does.

Mr. HASTINGS. Let me read a little further and show what it provides:

> SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

Mr. WALSH rose.

Mr. HASTINGS. Just a moment. Let me point out what rights the minority have.

> *Provided*, That any individual employee or group of employees shall have the right at any time to present grievances to their employer.

That is all the right the minority have. The majority have a right to make a bargain with respect to wages, hours of employment or other conditions of employment, but the minority have the right only as individuals or a group of employees at any time to present grievances to their employer.

Let me place before the Senate my own idea about it and let the Senator correct me if I am wrong.

Mr. WALSH. Will the Senator permit me to say one word?

Mr. HASTINGS. Certainly.

Mr. WALSH. All the section does is to designate the agency to negotiate on behalf of the employees, with whom the employer must deal. He does not have to accept any particular contract with them, but he must bargain with them in a bona fide effort to reach a mutually satisfactory agreement.

Mr. HASTINGS. Let me take the case of an automobile manufacturer having 2,000 employees, who have any kind of an organization they want. I do not care whether it is a labor union or what not, but we will suppose there is a unit in that particular corporation in a particular plant. They want someone to represent them, and 1,100 of them want a certain group or a certain person to represent them, to go to their employer and see if they can make an agreement. There is a vote on that question, the representatives are named, and they go and discuss with their employer what

the trouble is with respect to this labor dispute, and they reach an agreement. They agree, let us suppose, for a year or for 6 months or for 2 years that these shall be the conditions of employment in this factory.

Certainly if there be anything in this bill that is worth while at all, that agreement must be binding upon the people who are represented on both sides, or it does not amount to anything.

What I ask the Senator—and what I want to call attention to—is, What is to become of the individual rights and the individual freedom of the 900 people who do not like the bargain that has been made? What happens to them? They either have to go along with the 1,100, or they have to be discharged by the employer, because in this bill there is a provision that the 1,100 can make their bargain with the employer.

"This agreement we make with you, we representing the employees and you the employer. The agreement we make with you is that every person employed in this factory shall belong to this union to which the 1,100 of us belong. Unless you make this bargain with us we are going to walk out. If you do make the bargain with us, 1,100 of us at least are going to stay."

That leaves the 900 in that factory with no place to go except out in the cold or agree to what has been proposed to them by the representatives of the 1,100. Is that true or not? That is what I should like to find out.

Mr. WALSH. The Senator made so many assertions in connection with his question that it is difficult to answer it. The trouble with the Senator is that he thinks this proposed legislation goes to the extent of compelling an agreement between an employer and the representatives of the employees.

Mr. HASTINGS. No; that is not correct.

Mr. WALSH. It does not do that.

Mr. HASTINGS. I agree to that.

Mr. WALSH. All the bill does is, for the sake of peace and harmony, for the sake of bringing employers and employees together, to lay the foundation of machinery for getting a proper representation of employees at the door of the employer to discuss and argue out their difficulties. That is all it does. An agreement arrived at with the representatives chosen by a majority has the best chance of achieving general acceptance, and thus stabilizing employment relations and promoting peace.

Mr. HASTINGS. Under the bill, who would represent the 900 employees?

Mr. WALSH. The wise employer will learn the sentiments of all groups among his employees, that is not denied. But the negotiation of the collective agreement must be with the majority representatives. No one can compel him to put his name and pen to any particular agreement of any shape or form under this bill any more than now. Now, the employees can say, "Unless you do this we will strike", and they may strike. Under this bill they can do that. We do not enter that domain. The majority rule is best illustrated by the fact that the Senator is here representing a majority of the people of Delaware. He speaks for them. That does not mean that the minority cannot protest by their vote. That does not mean that the minority cannot criticize. That does not mean that the minority cannot see fit to attempt to make a change at the next election. All those rights these employees have. The minority need not continue in employment under the terms of the collective agreement.

Mr. HASTINGS. They either are bound or they may have to walk out.

Mr. WALSH. That is true now. Lay this bill aside now, and any number of employees may go to an employer and make demands, and if he does not meet them they can walk out.

Mr. HASTINGS. I thought the attempt was to cure the present situation.

Mr. WALSH. We are curing it. We are requiring employers to negotiate with the properly designated representatives of their employees, in the hope of having peace, in the hope of removing misunderstanding, not for the purpose of taking rights away from either party.

Mr. President, there are some fundamental rights an employer has, just as there are rights an employee has. No one can compel an employer to keep his factory open. No one can compel an employer to pay any particular wage. No one can compel an employer to hire others in addition to those he sees fit to hire. So with an employee; no one can compel him to work, no one can compel him to go on strike, no one can compel him to leave his work.

No one can keep an employer from closing down his factory and putting thousands of men and women on the street. So in dealing with this bill we have to recognize those fundamental things, and we have not gone into that domain. All we do is to remove the barriers that have kept employees away from their employers, which have prevented collective bargaining, which have resulted in strikes without any attempt to negotiate. All we have done is to promote the orderly processes of collective bargaining.

Mr. WAGNER. The Senator is concerned with what happens to the minority. Under this proposed legislation, assuming an agreement has been consummated by the agency elected by the majority of the employees, there will be no advantage which a majority can have under an agreement to which the minority is not also entitled, and in order to have that advantage the minority need not join any organization. It can join or not join, either way. It cannot be discriminated against under any other provision of the law.

Mr. HASTINGS. Let me call the attention of the Senator from New York to this provision in section 8, paragraph (3), at the bottom of page 10:

> It shall be an unfair labor practice for an employer—

That language begins section 10, and then I read subparagraph (3)—

> by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization—

It is declared to be an unfair labor practice for an employer to do that.

Mr. WAGNER. Yes.

Mr. HASTINGS. Then the subparagraph continues:

> *Provided*, That nothing in this act, or in the National Industrial Recovery Act as amended from time to time, or in any code or agreement approved or prescribed thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 9 (a)—

Namely, a majority—

> in the appropriate collective bargaining unit covered by such agreement when made.

That is the reverse, as I understand, of the "yellow dog" contract which has been so roundly and properly condemned in this body.

Mr. WAGNER. No, Mr. President; the Senator apparently does not understand that provision. It does no more than to legalize a closed-shop agreement, which is a matter of agreement between employer and employees where it is now sustained by the public opinion of the State.

Mr. HASTINGS. This language is perfectly clear. Does it not say, in so many words, that if the employer so desires, and the majority of the labor union so desires, they may make an agreement whereby no one may be employed in the establishment unless he belongs to that union, and will not that provision in this bill compel a minority of employees in that particular shop or that particular unit to join that union, whether they wish to or not, and pay all the fees which the union may desire to charge?

Mr. WAGNER. The provision will not change the status quo. That is the law today; and wherever it is the law today that a closed-shop agreement can be made, it will continue to be the law. By this bill we do not change that situation. Closed-shop agreements are made all over the

country, and they are matters of agreement. The question of compulsion is not involved in them. Closed-shop agreements are very well known in this country, and they are mere matters of agreement.

Mr. WALSH. Mr. President, in reply to the Senator's last question, I will say that I think we all agree with the definition of an unfair practice given under subparagraph (3), namely:

It shall be an unfair labor practice for an employer—

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

That, standing alone, would make an employer commit an unfair labor practice if he required his employee to be a member of a union. The Senator understands that, of course. The reason why an exception has been made to the rule is that there are already contracts existing, permitted and authorized by certain States, permitting employers to make contracts with employees limiting their personnel to the members of a particular union.

That practice is quite common among the plasterers and the bricklayers and other masons. All this bill says is that no employer may discriminate in hiring a man, whether he belongs to a union or not, and without regard to what union he belongs; but if an employer wishes to agree and to make a contract of his own volition with his employees to hire only members of a company union or of a trade union, he can do so.

The provision in the bill makes it possible for an employer to say, "I will hire only company union men"; but the agreement must be voluntarily entered into and not forced upon him. Or he can say, "I will hire, as I do now and as the unions exist now, only members of trade unions."

In other words, if there were not this exception, what we should do by this bill would be merely to pass a law allowing closed shops. However, it is provided that the employer must give his consent. Even though nine-tenths of his men insist on their demands, the agreement must be voluntary, and it can be made only if he voluntarily gives consent.

Mr. HASTINGS. What does the Senator mean by saying that the employer must give his consent? If 51 percent of his employees demand a certain thing, is he not obliged to consent or have a strike on his hands?

Mr. WALSH. He certainly does not have to consent.

Mr. HASTINGS. What is he going to do about it after this bill is passed?

Mr. WALSH. What can he do now, if 51 percent of his employees come to him now and say, "We want this right, and if you do not give it to us we will strike"? This bill does not change that situation. I have repeated that again and again. This bill leaves it up to the representatives of his workers, with the hope, if they have been honestly selected by secret ballot, that they will say, "We shall present our grievances and endeavor to settle some of these disputes." There will be a settlement of some, but not a settlement of all. At least, those men will be the legal representatives of the workers whom the National Labor Relations Board will recognize, and the employer will know that he is dealing with what appears to be, under the law of the land, a recognized majority representative of his own employees.

This bill will not stop all strikes, though it will prevent some strikes. It will, however, stop many, many misunderstandings. At least, it will invite and encourage representatives of employees to meet with their employers and try to settle their disputes. It will prevent being done some of the things which were done in the past. This bill, however, will not settle all strikes, nor is it expected that it will make a police court out of the board, as the Senator from Maryland apparently wishes it to do.

Do Senators realize what the Senator's amendment means? If his amendment were adopted, the board would be flooded with complaints from employees saying, "I was coerced by this other employee." "I was coerced by so-and-so." "I was coerced by such-and-such an employee." The whole purpose and object of this bill would be destroyed, namely, to have peaceful elections, honest elections, and representatives of employees duly appointed to come and talk over their grievances as man to man with their employers.

Instead of that, if the amendment were adopted, the board would be virtually a police court, and employees would be bringing complaints, such as, that John Jones said to Jim Smith's wife that he was going to lock him out if he did not join this or that union. The board would be nothing but a police court. We have avoided that. The police-court laws still remain. We have not repealed them. The injunctions of the courts still remain. We have not repealed the laws under which they are issued. All we have done is to provide for a better understanding between the employees and the employers, in the expectation and hope that mutual confidence, high regard for each other, and the fact that the employers will confer with the representatives of the majority of their employees will lead in many instances to a peaceful solution of their grievances and a settlement of their disputes. That is the hope of this proposed legislation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Costigan	Johnson	O'Mahoney
Austin	Couzens	Keyes	Overton
Bailey	Davis	La Follette	Schwellenbach
Bankhead	Donahey	Lewis	Sheppard
Barbour	Duffy	Lonergan	Shipstead
Barkley	Fletcher	McCarran	Steiwer
Bilbo	Frazier	McGill	Thomas, Okla.
Black	George	McKellar	Thomas, Utah
Bone	Gerry	McNary	Townsend
Borah	Gibson	Maloney	Trammell
Bulow	Glass	Metcalf	Truman
Burke	Gore	Minton	Tydings
Byrd	Guffey	Moore	Vandenberg
Byrnes	Hale	Murphy	Van Nuys
Capper	Harrison	Murray	Wagner
Caraway	Hastings	Neely	Walsh
Clark	Hatch	Norris	White
Connally	Hayden	Nye	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS].

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

The yeas and nays were not ordered.

Mr. TYDINGS. Mr. President, I ask for a verification of the count. To order a roll call requires only one-fifth of the membership present. I counted, as I believe, 11 Senators in favor of the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been demanded. Is the request seconded? [A pause.] There still is not a sufficient number.

Mr. TYDINGS. May I ask how many the Chair counted?

The PRESIDING OFFICER. Nine.

Mr. TYDINGS. How many Senators are on the floor?

The PRESIDING OFFICER. Seventy-one Senators answered to the roll call.

Mr. TYDINGS. I counted more than that. Probably I was mistaken.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. All those in favor of the amendment will say "aye." [A pause.] Those opposed will say "no." [A pause.] The "noes" have it.

Mr. VANDENBERG. Mr. President, the Senator from Delaware was trying to get recognition before the result of the vote was announced.

Mr. HASTINGS. Mr. President, I wish to say that so far as I am concerned I am inclined to try to get through with this bill and not to delay it. I have a speech on my desk which will take 2 or 3 hours, but which I was going to shorten considerably. However, if we are not even going to have the yeas and nays upon an important amendment such as this, there will be no particular hurry about getting the bill through the Senate. I think we are entitled to have the yeas and nays on this question.

Mr. BARKLEY. Mr. President, under the rule no Senator is entitled to the yeas and nays unless a sufficient number of Senators second his request.

Mr. HASTINGS. I know that as well as does the Senator from Kentucky.

Mr. TYDINGS. Mr. President, with no disrespect to the Presiding Officer or the Senate, I do not believe many Senators were apprized of the fact that I was asking for the yeas and nays. I ask unanimous consent that I may again ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. The Chair would like to state for his own protection that the rule of the Senate clearly provides for the manner in which the request for the yeas and nays shall be decided. There were not a sufficient number of hands raised, despite the fact that the Chair clearly stated the request of the Senator from Maryland.

Mr. TYDINGS. The Senate has not as yet voted on the passage of the measure, and I am entitled again to ask for the yeas and nays. Again I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. The Senator from Maryland asks unanimous consent that the yeas and nays be ordered on the pending amendment.

Mr. LA FOLLETTE. Mr. President, I should like to suggest that the Chair had already announced the result of the vote. I rise for the purpose of asking unanimous consent for a reconsideration of the vote by which the amendment was rejected, and to ask for a record vote.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent for a reconsideration of the viva voce vote by which the amendment was rejected. Is there objection? The Chair hears none.

Mr. JOHNSON. Mr. President, I unite in the request for the yeas and nays. Although I differ with the Senator from Maryland with regard to the amendment, nevertheless I believe in granting him the right to have a record vote on the amendment. I am ready to go on record. I ask that the yeas and nays may be ordered. I should like to see whether or not there are enough Senators here to accord that courtesy to the Senator from Maryland.

The PRESIDING OFFICER. Is the request for the yeas and nays seconded? A sufficient number of Senators having seconded the request, the yeas and nays are ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LEWIS. I rise to announce the absence of the Senator from South Carolina [Mr. SMITH], the Senator from Illinois [Mr. DIETERICH], and the Senator from Georgia [Mr. RUSSELL], who are unavoidably detained. The Senator from Illinois [Mr. DIETERICH], if present, would vote "nay."

Mr. BARKLEY. The Senator from Arkansas [Mr. ROBINSON] is unavoidably detained on official business. He has been unable to obtain a pair on this vote, but I desire to announce that if present he would vote "nay."

Mr. MURRAY. The senior Senator from Montana [Mr. WHEELER] is unavoidably absent. If present, he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], who, I notice, is absent. Not knowing how he would vote, I withdraw my vote.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained on departmental business. If present, he would vote "nay."

Mr. BARKLEY. The junior Senator from Kentucky [Mr. LOGAN] is unavoidably detained on official business. I am not advised how he would vote if present, but I think he would vote "nay."

Mr. DAVIS. May I ask the Senator from Kentucky if that announcement would release my pair? Does his statement about how his colleague would vote release my pair?

Mr. BARKLEY. I am not stating how my colleague would vote if present. I did not state how he would vote. I was just expressing my opinion, and that does not change the status of the pair at all.

Mr. AUSTIN. I wish to announce the general pair of the Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY].

I also announce that the Senator from Iowa [Mr. DICKINSON] has a pair on this question with the Senator from New Hampshire [Mr. BROWN]. If present, the Senator from Iowa [Mr. DICKINSON] would vote "yea", and the Senator from New Hampshire [Mr. BROWN] would vote "nay."

I also announce that the Senator from South Dakota [Mr. NORBECK], the Senator from Minnesota [Mr. SCHALL], the Senator from Wyoming [Mr. CAREY], and the Senator from Iowa [Mr. DICKINSON] are necessarily absent.

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate:

The Senator from Tennessee [Mr. BACHMAN], the Senator from New Hampshire [Mr. BROWN], the Senator from Ohio [Mr. BULKLEY], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. PITTMAN], and the Senator from Idaho [Mr. POPE].

I also desire to announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on a mission of the Senate in the Virgin Islands.

I wish also to announce that the Senator from Utah [Mr. KING] is detained on account of illness.

The result was announced—yeas 21, nays 50, as follows:

YEAS—21

Austin	Gibson	McKellar	Tydings
Bailey	Glass	McNary	Vandenberg
Barbour	Gore	Metcalf	White
Burke	Hale	Radcliffe	
Byrd	Hastings	Steiwer	
Couzens	Keyes	Townsend	

NAYS—50

Adams	Costigan	Lewis	Overton
Bankhead	Donahey	Lonergan	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	Maloney	Thomas, Okla.
Bone	George	Minton	Thomas, Utah
Borah	Gerry	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Byrnes	Harrison	Murray	Van Nuys
Capper	Hatch	Neely	Wagner
Caraway	Hayden	Norris	Walsh
Clark	Johnson	Nye	
Connally	La Follette	O'Mahoney	

NOT VOTING—23

Ashurst	Copeland	Long	Robinson
Bachman	Davis	McAdoo	Russell
Brown	Dickinson	Norbeck	Schall
Bulkley	Dieterich	Pittman	Smith
Carey	King	Pope	Wheeler
Coolidge	Logan	Reynolds	

So Mr. TYDINGS' amendment was rejected.

Mr. HASTINGS. Mr. President, I should like to inquire of the Senator from New York with respect to paragraph (3) on page 4 and see if I clearly understand the paragraph. I desire to read it:

> The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute—

And so forth. Was it the intention to have that definition include a person who is out on strike?

Mr. WAGNER. It may. It is similar to provisions in the Norris Anti-Injunction Act and the Railway Labor Act passed last year.

Mr. HASTINGS. It does, in fact, as I understand, permit the original employee to maintain his position unless he has taken employment with some other person.

Mr. WAGNER. Of course; the decisions of the courts, so far as I know, have generally regarded workers as employees even though they may be on strike.

Mr. HASTINGS. Referring to section 7, which has been read to the Senate several times by the Senator from Maryland [Mr. TYDINGS], does the Senator from New York understand that that section would permit employees to do all these things during working hours?

Mr. WAGNER. From what section is the Senator reading?

Mr. HASTINGS. Page 10, section 7. It describes certain rights which the employees shall have, namely:

The right to self-organization, to form, join, or assist labor organizations, to bargain collectively—

And so forth. Does that language contemplate that that may be done during working hours, and that the employer can do nothing about it?

Mr. WAGNER. May what be done during working hours?

Mr. HASTINGS. The various things mentioned in section 7. It states that—

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining—

And so forth.

Mr. WAGNER. The Senator asks whether these things may be done during working hours?

Mr. HASTINGS. Yes.

Mr. WAGNER. Of course, if employees did that when they should be working, they would be subject to discharge.

Mr. HASTINGS. If they did that during working hours and in consequence were discharged, would not the employer be guilty of an unfair labor practice? I ask that because section 8, paragraph (1), says that—

It shall be an unfair labor practice for an employer—
(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

Mr. WAGNER. No sensible person would interpret that language to mean that while a factory is at work the workers could suddenly stop their duties to have a mass meeting in the plant on the question of organization.

Mr. HASTINGS. The Senator does not think the language is subject to that construction?

Mr. WAGNER. Why, of course not.

Mr. HASTINGS. I desired to be certain that the RECORD would be clear upon that point.

Mr. WAGNER. The RECORD may be clear upon that point.

Mr. HASTINGS. Now let me inquire about paragraph (4), on page 11, which says that it shall be an unfair labor practice for an employer—

To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this act.

Suppose an employee should file a perfectly outrageous charge, one which was not true, and which he knew was not true: Under paragraph (4) is it the Senator's notion that the employer might, because of that, and even if that fact were shown, be found guilty of an unfair labor practice?

Mr. WAGNER. Merely because he has filed charges related to unfair labor practices no employee should be discriminated against. That is exactly what that section means; otherwise, even though there might be flagrant violations of the provisions of this measure, an employee would not be free to file charges. He would know that the moment the charges were filed he would be discharged.

Let me give the Senator——

Mr. HASTINGS. The Senator does not need to give any illustration.

Mr. WAGNER. No; but I wish to carry the matter a little further for the Senator's information.

In certain plants which now have company-dominated unions, the employees were asked to sign petitions, to be sent to their representatives, opposing this bill. I received personal letters from workers in which they said they had signed these petitions because they knew if they did not do so their jobs would be lost, and that they needed their jobs in order that their families might eat. It is that sort of discrimination which we wish to prevent.

Mr. HASTINGS. The trouble here is the same trouble we frequently have. In trying to correct one evil, we create a new one. I agree with all that. I agree that the worker ought to have a right to make complaint about the violation of this proposed law, and that he ought not to be discriminated against for so doing; but I had in mind whether we could not put in the measure a provision that a person who did so in good faith should not be discriminated against, and not leave the provision as broad as it is, so that an employee might file charges maliciously, for instance, knowing that he could not lose his job even if he did so maliciously.

Mr. WAGNER. The suggestion of the Senator would bring up another question that would complicate the situation still more. I do not think the provision as it now stands will be subject to any abuse.

Mr. HASTINGS. The Senator from New York is in charge of the bill.

Mr. WAGNER. I am satisfied with the provision as it stands.

Mr. HASTINGS. In view of the vote upon the amendment offered by the Senator from Maryland [Mr. TYDINGS], which it seemed to me ought to have been agreed to, I shall not offer any amendment to this provision. I simply call the Senator's attention to it.

Now may I inquire of the Senator from New York whether, in his judgment, this bill gets around—if I may use that expression—the many decisions of the Supreme Court which seem to me to hold definitely that the Congress cannot do this particular kind of thing?

Mr. WAGNER. The Senator from Delaware inquired as to whether the proposed act was intended to circumvent certain decisions of the courts?

Mr. HASTINGS. That is correct.

Mr. WAGNER. I do not know what particular cases the Senator has in mind, but I am sure he is acquainted with the case of Texas against Railway Clerks, in which the United States Supreme Court upheld an injunction that had been issued against a railroad company for interfering with the representatives of the railway clerks' union, who had been elected, as the evidence before the Court showed, by a majority of the railway clerks. The railway company, in order to have a bargaining agency more convenient to itself, organized a company union. The injunction dissolved the company-dominated unions, upheld workers' right to organize, and recognized the majority rule. In short, this court decision upholds the philosophy of the pending legislation.

Mr. HASTINGS. Mr. President, I reached the conclusion more than 2 or 3 years ago that this place is not the proper place to argue any constitutional question.

Mr. NORRIS. The Senator does not reach that conclusion because he has not heard constitutional questions discussed, does he?

Mr. HASTINGS. No. It is more or less of a joke around the Senate that anybody who talks about the Constitution or raises a constitutional question considers himself a constitutional lawyer. From my point of view, one does not have to be anything more than a law student to reach the conclusion that the proposed act is unconstitutional.

I went to the trouble to gather some extracts from the opinions of the Supreme Court and of other courts which I think are applicable to this particular subject. It would take me quite a little while to read them, and I doubt whether a reading of them would interest very many Members of the Senate. It occurred to me, however, that these quotations might be of some service at some other time if they were printed in the RECORD, and while it may be a little unusual, I was wondering whether I might get unanimous consent to have these extracts from these decisions placed in the RECORD at the end of my remarks. It would save a great deal of time.

Mr. BORAH. Mr. President, I do not wish to object to what the Senator is requesting, but I wish he would state the points to which the decisions run as to the unconstitutionality of the proposed legislation.

Mr. HASTINGS. I think I can state it briefly. Of course, the principle involved is the right of the individual to make his own bargain with his employer. That is the principal thing.

The Senator from Idaho will remember the case of Adair, as I recall the name, against a hospital in Washington, which involved the hours of labor for women, giving the authority to a board. One of the reasons why I should like

to have these decisions in this particular place is that I think they go to other things which are to come before the Congress within the next 2 or 3 weeks, such as the social security bill. The theory is that it denies the freedom of contract between an individual and his employer. I am quite certain, from my study of the pending bill, that it does that as completely as any bill that has ever been proposed in the Congress.

Mr. WAGNER. Will the Senator yield to me long enough to read a short extract? It will take but a moment.

Mr. HASTINGS. If the Senator will permit me to have these decisions incorporated, I shall close my remarks and yield the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

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

In *Adair* v. *United States* (208 U. S. 161, 52 Law Ed. 436) the Court held unconstitutional a provision of a Federal statute making it a criminal offense against the United States for an agent or officer of an interstate carrier, having full authority in the premises from his principal, to discharge an employee from the service of such carrier because of his membership in a labor organization.

Mr. Justice Harlan, speaking for the Court, said (p. 174):

"While, as already suggested, the right of liberty and property guaranteed by the Constitution against deprivation without due process of law is subject to such reasonable restraints as the common good or the general welfare may require, *it is not within the functions of government—at least, in the absence of contract between the parties—to compel any person, in the course of his business and against his will, to accept or retain the personal services of another, or to compel any person, against his will, to perform personal services for another.* The right of a person to sell his labor upon such terms as he deems proper is, in its essence, the same as the right of the purchaser of labor to prescribe the conditions upon which he will accept such labor from the person offering to sell it. * * * In all such particulars the employer and the employee have equality of right, and *any legislation that disturbs that equality is an arbitrary interference with the liberty of contract which no government can legally justify in a free land.* * * * [Italics ours.]

"As the relations and the conduct of the parties toward each other was not controlled by any contract other than a general employment on one side to accept the services of the employee and a general agreement on the other side to render services to the employer—no term being fixed for the continuance of the employment—*Congress could not, consistently with the fifth amendment, make it a crime against the United States to discharge the employee because of his being a member of a labor organization.* [Italics ours.]

* * * * * * *

"Looking alone at the words of the statute for the purpose of ascertaining its scope and effect, and of determining its validity, we hold that there is no such connection between interstate commerce and membership in a labor organization as to authorize Congress to make it a crime against the United States for an agent of an interstate carrier to discharge an employee because of such membership on his part. If such a power exists in Congress, it is difficult to perceive why it might not, by absolute regulation, require interstate carriers, under penalties, to employ, in the conduct of its interstate business, *only* members of labor organizations, or *only* those who are *not* members of such organizations—a power which could not be recognized as existing under the Constitution of the United States * * *."

Again, in *Coppage* v. *Kansas* (236 U. S. 1, 59 Law Ed. 441), which involved the constitutionality of a statute of Kansas declaring it a misdemeanor for an employer or any of his employees to coerce, require, demand, or influence any person or persons to enter into any agreement, either written or verbal, not to join or become or remain a member of any labor organization or association, as a condition of such person or persons securing employment, or continuing in the employment of such individual, firm, or corporation, the Court, after elaborate discussion and review of the decided cases, held that the State statute was repugnant to the fourteenth amendment of the Federal Constitution.

Mr. Justice Pitney, speaking for the Court, said (p. 14):

"* * * Included in the right of personal liberty and the right of private property—partaking of the nature of each—is the right to make contracts for the acquisition of property. *Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property.* If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-established constitutional sense. The right is as essential to the laborer as to the capitalist, to the poor as to the rich; for the vast majority of persons have no other honest way to begin to acquire property save by working for money." [Italics ours.]

I do not contend that employers and employees do not have the right to enter into voluntary agreements with each other that the employees shall or shall not become members of a labor organization. But, as held by the Court in *Adair* v. *United States*, supra, the purchase of labor by the employer and the sale of labor by the employee are property rights guaranteed by the Constitution. Congress does not have the constitutional power to prohibit by legislation an employer from discharging an employee from service because of his membership in a labor organization, such holding being based upon the ground that there is no such connection between interstate commerce and membership in a labor organization as to authorize Congress to make it a crime against the United States for officers or employees of an interstate carrier to discharge an employee from service because of such membership on his part.

To the same effect is *Adkins et al.* v. *Children's Hospital of the District of Columbia* (261 U. S. 525, 67 Law Ed. 785). That case involved the constitutionality of an act of Congress providing for the fixing of minimum wages for women and children in the District of Columbia. Any violation of the act by an employer or his agent constituted a misdemeanor, punishable by fine and imprisonment. One of the declared purposes of the act was "to protect the women and minors of the District from conditions detrimental to their health and morals, resulting from wages which are inadequate to maintain decent standards of living; and the act, in each of its provisions and in its entirety, shall be interpreted to effectuate these purposes." The act was held unconstitutional.

Mr. Justice Sutherland, speaking for the Court, said (p. 545):

"The statute now under consideration is attacked upon the ground that it authorizes an unconstitutional interference with the freedom of contract included within the guaranties of the due process clause of the fifth amendment. That the right to contract about one's affairs is a part of the liberty of the individual protected by this clause is settled by the decisions of this court, and is no longer open to question (*Allgeyer* v. *Louisiana* (165 U. S. 578, 591, 41 L. ed. 832, 836, 17 Sup. Ct. Rep. 427); *New York L. Ins. Co.* v. *Dodge* (246 U. S. 357, 373, 374, 62 L. ed. 772, 781, 782, 38 Sup. Ct. Rep. 337, Ann. Cas. 1918C, 593); *Coppage* v. *Kansas* (236 U. S. 1, 10, 14, 59 L. ed. 441, 444, 446, L. R. A. 1915C, 960, 35 Sup. Ct. Rep. 40); *Adair* v. *United States* (208 U. S. 161, 52 L. ed. 436, 28 Sup. Ct. Rep. 277, 13 Ann. Cas. 764); *Lochner* v. *New York* (198 U. S. 45, 49 L. ed. 937, 25 Sup. Ct. Rep. 539, 3 Ann. Cas. 1133); *Butchers' Union S. H. & L. S. L. Co.* v. *Crescent City L. S. L. & S. H. Co.* (111 U. S. 746, 28 L. ed. 585, 4 Sup. Ct. Rep. 652); *Muller* v. *Oregon* (208 U. S. 412, 421, 52 L. ed. 551, 555, 28 Sup. Ct. Rep. 324, 13 Ann. Cas. 957)). Within this liberty are contracts of employment of labor. In making such contracts, generally speaking, the parties have an equal right to obtain from each other the best terms they can as the result of private bargaining."

Again in *Lochner* v. *New York* (198 U. S. 45, 49 Law Ed. 937), a New York State statute was held unconstitutional which restricted the employment of all persons in bakeries to 60 hours per week and 10 hours in any one day. Mr. Justice Peckham, speaking for the Court, said (p. 56):

"It must, of course, be conceded that there is a limit to the valid exercise of the police power by the State. There is no dispute concerning this general proposition. Otherwise the fourteenth amendment would have no efficacy and the legislatures of the States would have unbounded power; and it would be enough to say that any piece of legislation was enacted to conserve the morals, the health, or the safety of the people; such legislation would be valid, no matter how absolutely without foundation the claim might be. The claim of the police power would be a mere pretext—become another and delusive name for the supreme sovereignty of the State, to be exercised free from constitutional restraint."

And again (pp. 57, 58):

"It is a question of which of two powers or rights shall prevail—the power of the State to legislate or the right of the individual to liberty of person and freedom of contract. The mere assertion that the subject relates, though but in a remote degree, to the public health, does not necessarily render the enactment valid. The act must have a more direct relation, as a means to an end, and the end itself must be appropriate and legitimate, before an act can be held to be valid which interferes with the general right of an individual to be free in his person and in his power to contract in relation to his own labor."

Coming, then, directly to the statute (p. 58), the Court said:

"We think the limit of the police power has been reached and passed in this case. There is, in our judgment, no reasonable foundation for holding this to be necessary or appropriate as a health law to safeguard the public health or the health of the individuals who are following the trade of a baker. If this statute be valid, and if, therefore, a proper case is made out in which to deny the right of an individual, sui juris, as employer or employee, to make contracts for the labor of the latter under the protection of the provisions of the Federal Constitution, there would seem to be no length to which legislation of this nature might not go."

And, after pointing out the unreasonable range to which the principle of the statute might be extended, the Court said (p. 60):

"It is also urged, pursuing the same line of argument, that it is to the interest of the State that its population should be strong and robust, and therefore any legislation which may be said to tend to make people healthy must be valid as health laws, enacted under the police power. If this be a valid argument and a justification for this kind of legislation, it follows that the protection of the Federal Constitution from undue interference with liberty of person and freedom of contract is visionary wherever the law is sought to be justified as a valid exercise of the police power. Scarcely any law but might find shelter under such assumptions, and 'conduct', properly so-called, as well as contract, would come under the restrictive sway of the legislature."

And further (p. 61):

"Statutes of the nature of that under review, limiting the hours in which grown and intelligent men may labor to earn their living, are mere meddlesome interferences with the rights of the individual * * * whose rights are interfered with, unless there be some fair ground, reasonable in and of itself, to say that there is material danger to the public health or to the health of the employees if the hours of labor are not curtailed."

Charles Wolff Packing Company v. *Court of Industrial Relations of the State of Kansas* (262 U. S. 522, 67 Law Ed. 1103) involved the validity of the Court of Industrial Relations Act of Kansas. The act declared the following to be affected with a public interest: First, manufacture and preparation of food for human consumption; second, manufacture of clothing for human wear; third, production of any sustance in common use for fuel; fourth, transportation of the foregoing; fifth, public utilities and common carriers. The act vested an industrial court of three judges with power, upon its own initiative or on complaint, to summon the parties and hear any dispute over wages or other terms of employment in any such industry, and if it should find the peace and health of the public imperiled by such controversy it was required to make findings and fix the wages and other terms for the future conduct of the industry. The Supreme Court held that the act, insofar as it permitted the fixing of wages in the Wolff packing house, was in conflict with the fourteenth amendment and deprived it of its property and liberty of contract without due process of law.

Mr. Chief Justice Taft, speaking for the Court, said (p. 533):

"The necessary postulate of the Industrial Court Act is that the State, representing the people, is so much interested in their peace, health, and comfort that it may compel those engaged in the manufacture of food and clothing, and the production of fuel, whether owners or workers, to continue in their business and employment on terms fixed by an agency of the State, if they cannot agree. Under the construction adopted by the State supreme court, the act gives the industrial court authority to permit the owner or employer to go out of the business, if he shows that he can only continue on the terms fixed at such heavy loss that collapse will follow; but this privilege, under the circumstances, is generally illusory (*Block* v. *Hirsh* (256 U. S. 135, 157; 65 L. Ed. 865, 871; 16 A. L. R. 165; 41 Sup. Ct. Rep. 458)). A laborer dissatisfied with his wages is permitted to quit, but he may not agree with his fellows to quit or combine with others to induce them to quit.

"These qualifications do not change the essence of the act. It curtails the right of the employer, on the one hand, and of the employee, on the other, to contract about his affairs. This is part of the liberty of the individual protected by the guaranty of the due-process clause of the fourteenth amendment (*Meyer* v. *Nebraska*, decided June 4, 1923 (262 U. S. 390, ante, 1042; — A. L. R. —; 43 Sup. Ct. Rep. 625)). While there is no such thing as absolute freedom of contract, and it is subject to a variety of restraints, they must not be arbitrary or unreasonable. Freedom is the general rule, and restraint the exception. The legislative authority to abridge can be justified only by exceptional circumstances (*Adkins* v. *Children's Hospital*, decided April 9, 1923 (261 U. S. 525; ante, 785; 24 A. L. R. 1238; 43 Sup. Ct. Rep. 394))."

After the above decision and after receipt of the mandate of the Supreme Court the State court rendered certain judgments, whereupon the company again took the case to the Supreme Court (297 U. S. 552, 69 Law. Ed. 785). The Court, speaking through Mr. Justice Van Devanter, on the second appeal, said (p. 569):

"The system of compulsory arbitration which the act establishes is intended to compel, and if sustained will compel, the owner and employees to continue the business on terms which are not of their making. It will constrain them not merely to respect the terms if they continue the business, but will constrain them to continue the business on those terms. True, the terms have some qualifications, but, as shown in the prior decision, the qualifications are rather illusory and do not subtract much from the duty imposed. Such a system infringes the liberty of contract and rights of property guaranteed by the due process of law clause of the fourteenth amendment. 'The established doctrine is that this liberty may not be interfered with, under the guise of protecting the public interest, by legislative action which is arbitrary or without reasonable relation to some purpose within the competency of the State to effect' (*Meyer* v. *Nebraska*, 262 U. S. 390, 399; 67 L. ed. 1042, 1045; 29 A. L. R. 1446; 43 Sup. Ct. Rep. 625)."

Hitchman Coal & Coke Co. v. *Mitchell et al.* (245 U. S. 229, 62 L. ed. 260) involved the matter of an injunction against interference by members of a labor organization with the plaintiff's relations with its employees. Mr. Justice Pitney, speaking for the Court, said (pp. 250–251):

"* * * Whatever may be the advantages of 'collective bargaining', it is not bargaining at all, in any just sense, unless it is voluntary on both sides. The same liberty which enables men to form unions, and through the union to enter into agreements with employers willing to agree, entitles other men to employ no man who owes any allegiance or obligation to the union. In the latter case, as in the former, the parties are entitled to be protected by the law in the enjoyment of the benefits of any lawful agreement they may make. This Court repeatedly has held that the employer is as free to make nonmembership in a union a condition of employment as the workingman is free to join the union, and that this is a part of the constitutional rights of personal liberty and private property, not to be taken away even by legislation, unless through some proper exercise of the paramount police power (*Adair* v. *United States*, 208 U. S. 161, 174, 52 L. ed. 436, 442, 28 Sup. Ct. Rept. 277, 13 Ann. Cas. 764; *Coppage* v. *Kansas*, 236 U. S. 1, 14, 59 L. ed. 441, 446; L. R. A. 1915C, 960, 35 Sup. Ct. Rep. 240) * * *."

Goldfield Consolidated Mines Co. v. *Goldfield Miners' Union, No. 220*, et al. (159 Fed. 500), involved the validity of a Nevada Statute which provided:

"SECTION 1. It shall be unlawful for any person, firm, or corporation to make or enter into any agreement, either oral or in writing, by the terms of which any employee of such person, firm, or corporation, or any person about to enter the employ of such person, firm, or corporation, as a condition for continuing or obtaining such employment, shall promise or agree not to become or continue a member of a labor organization, or shall promise or agree to become or continue a member of a labor organization.

"SEC. 2. Any person or persons, firm or firms, corporation or corporations, violating the provisions of section 1 of this act shall be deemed guilty of a misdemeanor," etc.

The Court said (p. 514):

"It is a constitutional right of an employer to refuse to have business relations with any person or with any labor organization, and it is immaterial what his reasons are, whether good or bad, well or ill founded, or entirely trivial and whimsical. Under the conditions existing in Goldfield at the time the resolutions were published, it is possible that the only practical method of exercising this right was to require all employees to refrain from being or becoming members of the Western Federation of Miners. Thus we have a right guaranteed by the Constitution, and its exercise blocked, or at least hindered and restricted, by the statute of Nevada. It is too clear to require a citation of authorities that the legislature has no power to restrict the exercise of a constitutional right, unless the interests of the public, as distinguished from the interests of the individual, or of a class of individuals, demand such restraint. The act so forbidden by the legislature must be detrimental to the public welfare, and the health, safety, or morals of the community to justify such interference. There can be no pretense here, and none is made, that the execution of such a contract as the one in question has any tendency to injure the health, safety, or morals of the public, or of either employer or employees. It is clear that the Nevada statute deprives the employer of the right to contract as to certain matters which may be vital to him, and that it also, while not preventing, does obstruct the exercise of his right to exclude objectionable persons from his employ. The fact that the statute includes an element which is not found in any other similar statute to which attention has been called, in that it prohibits contracts requiring employees to join a union as a condition of employment, in no wise heals its invalidity; the added element simply makes larger and wider the invasion of the liberty of the employer to fix the terms and conditions upon which he will contract for labor.

"The terms 'life, liberty, and property' as used in the Federal Constitution, embrace every right which the law protects. They include not only the right to hold and enjoy but also the means of holding, enjoying, acquiring, and disposing of property. The right to labor is property. It is one of the most valuable and fundamental of rights. The right to work is the right to earn one's subsistence, to live, and to support wife and family. The right of master and servant to enter into contracts, to agree upon the terms and conditions under which the one will employ and the other will labor, is property. The master has the right to fix the terms and conditions upon which he is willing to give employment; the servant has the right to fix the terms and conditions upon which he will labor, and any statute which curtails and limits that right deprives the party affected of his property; and, in the same measure, of his liberty. Both parties are free to enter into, or refuse to enter into, the contract. Before the law there is the same freedom to employ as to work, to buy as to sell, to choose one's employee as to choose one's employer."

Montgomery et al. v. *Pacific Electric Ry. Co.* (C. C. A. 9th Circuit) (293 Fed. 680) was a suit in equity by the railway company against Montgomery and others to make permanent a preliminary injunction restraining the defendants from interfering with the contractual relations existing between the railway company and its employees.

The contention was made that the contract in question was in violation of the Penal Code of California.

The provision of the penal code, which was quoted in the opinion, was held unconstitutional.

The Court said (p. 684):

"It is contended, however, that, conceding that there were contractual relations between the plaintiff and its employees, as stated in the complaint, the contract was in violation of law under section 679 of the Penal Code of California, which provides:

"'Any person or corporation within this State, or agent or officer on behalf of such person or corporation, who shall hereafter coerce or compel any person or persons to enter into an agreement, either written or verbal, not to join or become a member of any labor organization, as a condition of such person or persons securing employment or continuing in the employment of any such person or corporation, shall be guilty of a misdemeanor.'

"In *Coppage* v. *State of Kansas* (236 U. S. 1, 26, 35 Sup. Ct. 240, 59 L. ed. 441, L. R. A. 1915C, 960), the Supreme Court of the United States held a similar statute in Kansas 'repugnant to the "due process" clause of the fourteenth amendment, and therefore void.' We are of the opinion that this decision is controlling in this case, and that the statute of the State is void."

Gillespie v. *People* (Supreme Court of Illinois) (58 N. E. 1007) involved the constitutionality of an Illinois statute which provided:

"That it shall be unlawful for any individual or member of any firm, or agent, officer, or employee of any company or corporation to prevent, or attempt to prevent, employees from forming, joining, and belonging to any lawful labor organization, and any such individual, member, agent, officer, or employee that coerces or attempts to coerce employees by discharging or threatening to discharge from their employ or the employ of any firm, company, or corporation because of their connection with such lawful labor organization, shall be guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding $100 or be imprisoned for not more than 6 months, or both, in the discretion of the court."

The statute was held unconstitutional. The Court said (p. 1009):

"* * * The terms 'life', 'liberty', and 'property' are representative terms and intended to cover every right to which a member of the body politic is entitled under the law. These terms include the right of self-defense, freedom of speech, religious and political freedom, exemption from arbitrary arrests, the right freely to buy and sell as others may. Indeed, they may embrace all our liberties, personal, civil, and political, including the rights to labor, to contract, to terminate contracts, and to acquire property. None of these liberties and rights can be taken away, except by due process of law (2 Story, Const. (5th ed.), sec. 1950). The rights of life, liberty, and property embrace whatever is necessary to secure and effectuate the enjoyment of those rights. The rights of liberty and of property include the right to acquire property by labor and by contract (*Ritchie* v. *People*, 155 Ill. 98, 40 N. E. 454, 29 L. R. A. 79). If an owner cannot be deprived of his property without due process of law, he cannot be deprived of any of the essential attributes which belong to the right of property without due process of law. Labor is property. The laborer has the same right to sell his labor, and to contract with reference thereto, as any other property owner. The right of property involves, as one of its essential attributes, the right not only to contract but also to terminate contracts. * * *."

People v. *Marcus* (Court of Appeals, New York) (77 N. E. 1073) involved the constitutionality of a New York statute, which provided:

"Any person or persons, employer or employers of labor, and any person or persons of any corporation or corporations on behalf of such corporation or corporations, who shall hereafter coerce or compel any person or persons, employee or employees, laborer or mechanic, to enter into an agreement, either written or verbal from such person, persons, employee, laborer, or mechanic, not to join or become a member of any labor organization, as a condition of such person or persons securing employment, or continuing in the employment of any such person or persons, employer or employers, corporation or corporations, shall be deemed guilty of a misdemeanor."

The statute was held unconstitutional. The Court said (p. 1074):

"* * * Contracts for labor may be freely made with individuals or a combination of individuals, and so long as they do not interfere with public safety, health, or morals they are not illegal. The views of this Court as to what constitutes freedom to contract in relation to the purchase and sale of labor and as to what contracts relating thereto are lawful and enforceable were stated with much detail and ability by the members of the Court when the cases of *National Protective Association* v. *Cumming* (170 N. Y. 315, 63 N. E. 369, 58 L. R. A. 135, 88 Am. S. Rep. 648) and *Jacobs* v. *Cohen* (183 N. Y. 207, 76 N. E. 5) were decided, and the decisions in those cases are substantially controlling in the determination of this appeal.

"In *National Protective Association* v. *Cummings, supra*, it was said that a person may refuse to work for another on any ground that he may regard as sufficient and the employer has no right to demand a reason for it, but even if the reason is that the employee refuses to work with another who is not a member of his organization, it does not affect his right to stop work or to refuse to enter upon an employment. The converse of this statement must be true, and an employer of labor may refuse to employ a person who is a member of any labor organization or he may make an employment conditional upon the person employed refraining from joining or becoming a member of a labor organization. It is a well-known fact that combinations of employees and also of employers require their members to do or refrain from doing many things which they deem to their individual and combined advantage while a person not a member of such an organization can act in accordance with the terms of such agreement as he may choose to make. A person employing labor may decide that it is to his advantage to employ only union labor, and be willing to enter into an agreement necessary to procure such labor or he may decide that it is to his advantage to employ nonunion labor, in which case he may also decide that it is to his advantage to make the employment conditional upon an agreement that such employee will not join or become a member of a labor organization.

In *Jacobs* v. *Cohen*, supra, an employees' union sued certain manufacturing employers on a promissory note given by them as collateral security to be applied as liquidated damages for the violation of a certain agreement by which the manufacturing employers agreed not to employ any help whatsoever other than members of said labor union who should procure a pass card showing that they were in good standing in said union, and by which they further agreed to conform to the rules and regulations of said union and cease to employ anyone not in good standing in said union, and by which they further agreed to many restrictive and other provisions relating to the conduct of their business, which are stated more fully in the prevailing and dissenting opinions in this court. The answer in the second separate defense alleged in substance that the contract was in restraint of trade, and that its purpose is to combine employers and employees whereby the freedom of the citizen in pursuing his lawful trade and calling is, through said contract, combination, and arrangement, hampered and restricted, and that it also for the purpose of coercing workmen to become members of a particular employees' organization under penalty of loss of position and deprivation of employment, and that it is against public policy and unlawful. Two questions were submitted to this court, viz: (1) Is a contract made by an employer of labor, by which he binds himself to employ and to retain in his employ only members in good standing of a single labor union, consonant with public policy and enforceable in the courts of justice in this State? (2) Is the "second" separate defense, contained in the answer herein of the defendants Morris Cohen and Louis Cohen, insufficient upon the face thereof to constitute a defense? Both of these questions were answered in the affirmative, and the court said: "Whatever else may be said of it, this is the case of an agreement voluntarily made by an employer with his workmen, which bound the latter to give their skilled services for a certain period of time, upon certain conditions, regulating the performance of the work to be done and restricting the class of workmen, who should be engaged upon it, to such persons as were in affiliation with an association organized by the employer's workmen with reference to the carrying on of the very work. It would seem as though an employer should be unquestionably free to enter into such a contract with his workmen for the conduct of the business without its being deemed obnoxious upon any ground of public policy. If it might operate to prevent some persons from being employed by the firm, or possibly, from remaining in the firm's employment, that is but an incidental feature. Its restrictions were not of an oppressive nature, operating generally in the community to prevent such craftsmen from obtaining employment and from earning their livelihood. It was but a private agreement between an employer and his employees concerning the conduct of the business for a year, and securing to the latter an absolute right to limit the class of their fellow workmen to those persons who should be in affiliation with an organization entered into with design of protecting their interests in carrying on the work."

"That freedom to contract which entitles an employer to make by agreement his place of business wholly within the control of a labor union entitles him, if he so desires, to require of his employees that they be wholly independent of any labor union."

Re Opinion of the Justices, Massachusetts Supreme Judicial Court (171 N. E. 234), involved the constitutionality of a bill introduced in the State legislature, as to the constitutionality of which the State supreme court was requested to render an opinion, which bill declared that provisions in contracts of employment whereby either party undertook not to join, become, or remain a member of a labor union or of any organization of employers, or undertook in such event to withdraw from the contract of employment, to be against public policy and void. The State supreme court held the bill would be unconstitutional if enacted into law.

The court based its decision principally on the decisions of the Supreme Court in *Adair* v. *United States, supra; Coppage* v. *Kansas, supra; and Adkins* v. *Children's Hospital, supra.*

The Court said (p. 235):

"The principles thus declared by the Supreme Court of the United States prevail in this Commonwealth. The provisions of articles 1, 10, and 12 of the declaration of rights of the constitution of this Commonwealth are as strong in protection of individual rights and freedom as those of the fifth and fourteenth amendments to the Constitution of the United States. It was said in *Commonwealth* v. *Perty* (155 Mass. 117, 121, 28 N. E. 1126, 1127, 14 L. R. A. 325, 31 Am. St. Rep. 533): 'The right to acquire, possess, and protect property includes the right to make reasonable contracts, which shall be under the protection of the law.' To the same general effect are *Opinion of the Justices* (208 Mass. 619, 94 N. E. 1044, 34 L. R. A. (N. S.) 771); *Rice, Barton & Fales Machine & Iron Foundry Co.* v. *Willard* (242 Mass. 566, 572, 136 N. E. 629); *Moore Drop Forging Co.* v. *McCarthy* (243 Mass. 554, 137 N. E. 919); and *A. T. Stearns Lumber Co.* v. *Howlett* (260 Mass. 45, 60, 61, 157 N. E. 82, 52 A. L. R. 1125). The Adair and Coppage cases have been recognized and followed in *Opinion of the Justices* (220 Mass. 627, 630, 108 N. E. 807, L. R. A. 1917B, 1119); *Bogni* v. *Perotti* (224 Mass. 152, 155, 112 N. E. 853, L. R. A. 1916F, 831); and *Opinion of the Justices* (Mass.) (166 N. E. 401, 63 A. L. R. 838). The views expressed in these several opinions and decisions, which need not be further amplified, are decisive of the question here propounded. There is a wide field for the valid regulation of freedom of contract in the exercise of the police power in the interests of the public health, the public safety, or the public morals, and, in a certain restricted sense, of the public welfare. * * *"

State, etc., v. *Daniels* (Supreme Court of Minnesota) (136 N. E. 584) involved the constitutionality of a Minnesota statute which made it an offense for an employer to require or influence any person to agree not to join or remain in a labor union as a condition of obtaining or retaining employment.

The court held the State statute unconstitutional under the decision of the Supreme Court in *Adair* v. *United States*, supra.

The court said (p. 586):

"* * * It therefore necessarily follows that, when the Supreme Court of the United States held the provision of the act of Congress in the particular upon which the first count of the indictment in the Adair case is based to be void as an encroachment upon the personal rights guaranteed by the language quoted from the fifth amendment, a similar provision in an act of the legislature of a State must likewise be held to be an invasion of the same rights and prohibited in the very same terms by section 1 of the fourteenth amendment, limiting the powers of the States.

"Insofar as the Federal Supreme Court has declared an enactment of a legislative body to be in contravention of the Constitution of the United States, this Court is in duty bound to follow and declare an act of like character, scope, and effect invalid. Section 5097 (R. L. 1905) in this particular, under which the prosecution against relator is attempted, is so essentially like that part of the act of Congress under which the indictment of Adair was drawn in its scope, purpose, and result that it may not be distinguished therefrom * * *."

Bemis v. *State* (C. C. A. Oklahoma) (152 Pac. 456) involved the constitutionality of an Oklahoma statute which provided:

"Any person or corporation within the State, or agent, or officer on behalf of such person or corporation, who shall hereafter cause or compel any person to enter into an agreement either written or verbal, not to join or be a member of any labor organization as a condition of such person securing employment or continuing in the employment of any such person or corporation, shall be guilty of a misdemeanor, and upon conviction shall be fined a sum not less than $200, nor more than $1,000, or imprisonment in the county jail not less than 90 days nor more than 12 months, or both such fine and imprisonment."

The court held the statute unconstitutional, citing in support of its decision *Adair* v. *United States*, supra, and *Coppage* v. *Kansas*, supra.

State, etc., v. *Kreutzberg* (Supreme Court, Wisconsin) (90 N. W. 1098) involved the constitutionality of a Wisconsin statute providing that no person or corporation shall discharge an employee because he is a member of any labor organization. The statute was held invalid as imposing a restraint on individual freedom guaranteed by the State and Federal Constitutions. The court said (p. 1102):

"Free will in making private contracts, and even in greater degree in refusing to make them, is one of the most important and sacred of the individual rights intended to be protected. That the present act curtails it directly, seriously, and prejudicially cannot be doubted. The success in life of the employer depends on the efficiency, fidelity, and loyalty of his employees. Without enlarging upon or debating the relative advantages or disadvantages of the labor union, either to its members or to the community at large, it is axiomatic that an employer cannot have undivided fidelity, loyalty, and devotion to his interests from an employee who has given to an association right to control his conduct. He may by its decision be required to limit the amount of his daily product. He may be restrained from teaching his art to others. He may be forbidden to work in association with other men whose service the employer desires. He may not be at liberty to work with such machines or upon such materials or products as the employer deems essential to his success. In all these respects he may be disabled from the full degree of usefulness attributable to the same abilities in another who had not yielded up to an association any right to restrain his freedom of will and exertion in his employer's behalf according to the latter's wishes. Such considerations an employer has a right to deem valid reasons for preferring not to jeopardize his success by employing members of organizations. A man who has by agreement or otherwise shackled any of his faculties—even his freedom of will—may well be considered less useful or less desirable by some employers than if free and untrammeled. Whether the workman can find in his membership in such organizations advantages and compensations to offset his lessened desirability in the industrial market is a question each must decide for himself. His right to freedom in so doing is of the same grade and sacredness as that of the employer to consent or refuse to employ him according to the decision he makes. We must not forget that our Government is founded on the idea of equality of all individuals before the law. Such restraints as may be placed on one may be placed on another. If the liberty of the employer to contract or refuse to contract may be denied, so may that of the employee * * *."

Mr. McKELLAR. Mr. President, section 7 of the bill reads as follows:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

The Senator from Maryland [Mr. TYDINGS] offered an amendment to add the words "without intimidation or coercion from any source." It seemed to me that that was a perfectly proper and appropriate amendment. I voted for the amendment believing that it would be to the best interest of the employees.

I am not sure that there is to be a yea-and-nay vote on the bill, and I want to say that I am thoroughly in favor of it, and expect to vote for it, believing it will do great good in aiding in the settling of disputes between employers and employees.

The PRESIDING OFFICER. Are there further amendments to be offered? If not, the question is, Shall the bill be engrossed and read a third time?

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

The bill was read the third time.

Mr. LA FOLLETTE. Mr. President, in connection with the bill before the Senate, I ask to have printed in the RECORD at this point, as a part of my remarks, a statement by Rt. Rev. Monsignor John A. Ryan, director of the social action department of the National Catholic Welfare Conference; a statement by the Reverend James Myers, industrial secretary of the Federal Council of Churches of Christ in America; and a statement by Rabbi Sidney E. Goldstein, chairman of the social justice commission of the Central Conferences of American Rabbis.

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

The statements referred to are as follows:

STATEMENT BY RT. REV. MSGR. JOHN A. RYAN, DIRECTOR, SOCIAL ACTION DEPARTMENT, NATIONAL CATHOLIC WELFARE CONFERENCE

With practical unanimity, the economic historians and the economists have for many years held that labor organization is necessary for the protection of the workers. The argument is very simple: The individual wage earner does not possess equal bargaining power with the individual employer; in order to obtain a reasonable measure of such equality, he must combine with his fellows and act as one moral person in the bargaining process.

To bring about this condition is the main object of the Wagner bill. Hence, sections 7 to 9 seem to be the most important of the entire bill. Section 7 describes the right of organization in general terms. Sections 8 and 9 would make this right effective. No reasonable objection can be raised to the provisions of section 8 which forbid the employer to interfere with free organization by his employees, to dominate, interfere with, or contribute financially to any labor organization. Unless these provisions are enforced by law, the bargaining power of the employees is seriously and fatally diminished.

The provision for majority rule is likewise essential to effective bargaining and equality of bargaining power. While the device of proportional representation of different groups of workers in an establishment for purposes of collective bargaining has a certain appearance of fairness, it is entirely impracticable at the present time in the United States. The representatives of the regular labor unions will not sit down on the same side of the bargaining table with the representatives of a company union or with the representatives of a Communist union. This may be deplorable, but it is a fact that cannot be changed by any amount of preaching or legislation in the near future. Therefore, the only practical solution is to let the representatives who have been elected by the majority of the employees in any plant or industry carry on the bargaining process for the whole group. After all, this exemplifies the principle of majority rule which obtains throughout all the political processes of election and legislation.

STATEMENT BY THE REVEREND JAMES MYERS, INDUSTRIAL SECRETARY, FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA

While the Federal Council of the Churches of Christ in America has taken no action on the bill as such, I desire to call your attention to recent important declarations of the council on labor relations which bear upon the basic principles involved.

In January 1935, the executive committee of the Federal Council of the Churches of Christ in America adopted the following resolution:

"Whereas the Federal Council of the Churches of Christ in America has from its beginning contended for the right of labor as well as of employers to organize and deal collectively through representatives of their own choosing as the most hopeful method of assuring orderly, just, and cooperative industrial relations; be it

"*Resolved*, That the executive committee of the Federal Council of the Churches of Christ in America, while recognizing that all parties involved—labor, employers, and the general public—have rights and liberties which must be conserved, favors the strengthening of the authority and effectiveness of impartial national and regional labor boards."

In June 1934, the executive committee passed the following declarations: "Serious conflict has arisen over the refusal of strong employing groups to recognize trade unions and their determination to limit negotiations with labor to dealings with their own employees. The reasons for labor's insistence upon a broad basis of organization and upon representation of the workers by persons chosen and paid by themselves are too plain for argument. They are precisely the same reasons that impel employers to organize and to secure the ablest representatives of their own interests, chosen and paid by themselves."

The Federal Council of the Churches of Christ in America, which is a federation of 23 national Protestant denominations, has for the 26 years of its existence stood for the right of labor

as well as employers to organize. The official document, known as the "Social Ideals of the Churches", enumerates many social ideals for which the churches should stand, including article no. 8, which reads: "The right of employees and employers alike to organize for collective bargaining and social action; protection of both in the exercise of this right; the obligation of both to work for the public good."

The executive committee of the Federal Council has also declared it to be a moral obligation of organized labor to admit to its membership "competent workers without distinction of nationality or race." I would recommend that the bill be amended so as to safeguard this principle.

The majority-rule provisions of the bill are, in my judgment, in line with our democratic traditions, and comparable for the workers to the provision in codes for employers which constitutes an employers' association with a substantial majority of employers of an industry as the spokesman for the entire industry.

In my opinion, the passage of the national labor relations bill is essential to peaceful progress in labor relations in this country. From my wide observation of labor conditions in various parts of the country it is my solemn judgment that there is real danger of prolonged bitter labor controversy which will greatly disturb the general welfare of the Nation unless this legislation is adopted to safeguard the inherent rights of the parties to industry. This, as I see it, is the duty of the Government.

STATEMENT BY RABBI SIDNEY E. GOLDSTEIN, CHAIRMAN SOCIAL JUSTICE COMMISSION, CENTRAL CONFERENCE OF AMERICAN RABBIS

We heartily endorse and support the Wagner bill for two reasons: In the first place, it establishes as the law of the land the right of the workers to organize and bargain collectively through representatives of their own choosing; in the second place, it outlaws unfair practices on the part of employers in their relation to the working classes.

The history of labor in America and in other countries proves that the workers can advance their own welfare only to the degree that they acquire power to bargain collectively through organization of forces. Wages are increased, hours are shortened, and working conditions improved not by the employer but through the demand labor is able to make by virtue of its strength.

In this economic crisis it is more necessary than ever to protect and preserve the rights of labor to organize and to direct its own destiny. It is only through a decrease in hours and an increase in income that the workers can assure themselves even a reasonable amount of employment and a decent standard of living. With 12,000,000 men and women still out of work, full-time labor must insist upon a reduction in the weekly hours of work. With the annual income of the great mass of the working classes far below a normal level it is impossible to escape from this morass of misery. There can be no recovery from the economic collapse until the working classes recover their purchasing power. The chief hope lies not in the employers' groups and their codes but in the National Labor Board that this bill is designed to establish that in turn will protect the workers and promote their welfare.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. LA FOLLETTE. I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. DAVIS. I have a general pair on this question with the junior Senator from Kentucky [Mr. LOGAN], who is unavoidably detained. I understand that if he were present he would vote as I am about to vote. Therefore I feel free to vote. I vote "yea."

Mr. BULKLEY. I have a pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the Senate. If present, he would vote as I intend to vote. I therefore feel free to vote and shall vote. I vote "yea."

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily detained from the Senate on official business. If present, he would vote "yea."

Mr. McKELLAR. My colleague [Mr. BACHMAN] is unavoidably detained from the Senate. He has a pair with the Senator from Iowa [Mr. DICKINSON]. If my colleague were present he would vote "yea", and I am informed that if the Senator from Iowa [Mr. DICKINSON] were present he would vote "nay."

Mr. BYRD. My colleague, the senior Senator from Virginia [Mr. GLASS] is unavoidably absent. He has a special pair on this question with the Senator from New Hampshire [Mr. BROWN]. If present, the Senator from New Hampshire would vote "yea", and my colleague would vote "nay."

Mr. ROBINSON. I desire to announce that the Senator from New Hampshire [Mr. BROWN], the Senator from Massachusetts [Mr. COOLIDGE], the junior Senator from Illinois [Mr. DIETERICH], the Senator from Oklahoma [Mr. GORE], the senior Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

I regret to announce that the Senator from Utah [Mr. KING] is detained from the Senate on account of illness.

The Senator from North Carolina [Mr. REYNOLDS] is necessarily detained from the Senate on official business in the Virgin Islands.

Mr. AUSTIN. I wish to announce a general pair between the Senator from Minnesota [Mr. SCHALL] and the Senator from Oklahoma [Mr. GORE]. I am not informed how either Senator would vote on this question if they were present and voting.

I also announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent.

The result was announced—yeas 63, nays 12, as follows:

YEAS—63

Adams	Costigan	Long	Radcliffe
Bankhead	Couzens	McAdoo	Robinson
Barbour	Davis	McCarran	Schwellenbach
Barkley	Donahey	McGill	Sheppard
Bilbo	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Bulkley	Gerry	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Byrnes	Harrison	Murray	Van Nuys
Capper	Hatch	Neely	Wagner
Caraway	Hayden	Norris	Walsh
Clark	Johnson	Nye	Wheeler
Connally	La Follette	O'Mahoney	White
Copeland	Lonergan	Overton	

NAYS—12

Austin	Byrd	Hastings	Townsend
Bailey	Gibson	Keyes	Tydings
Burke	Hale	Metcalf	Vandenberg

NOT VOTING—19

Ashurst	Dickinson	Lewis	Reynolds
Bachman	Dieterich	Logan	Russell
Brown	Glass	Norbeck	Schall
Carey	Gore	Pittman	Smith
Coolidge	King	Pope	

So the bill was passed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. THOMAS of Oklahoma. Mr. President, on May 8 I entered a motion to reconsider the vote by which the bill H. R. 3896, an act to provide for immediate payment to veterans of the face value of their adjusted-service certificates, and for other purposes, was passed by the Senate. This is the bill known as the "bonus bill." At this time I ask unanimous consent to withdraw that motion.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the motion is withdrawn.

Mr. LA FOLLETTE. Mr. President, I understood the Senator from Oklahoma to ask unanimous consent to withdraw only one motion, and I think he made several.

Mr. THOMAS of Oklahoma. I understand that the granting of the request to withdraw the motion to reconsider the vote by which the bill was passed automatically kills the other motions I have entered. If not, of course the position of the Senator from Wisconsin would be good. As a parliamentary inquiry I ask whether my position is not correct.

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the Senator's position is correct.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. BYRNES. I move that the Senate proceed to the consideration of House bill 7672, being the naval appropriation bill.

Mr. McNARY. Mr. President, there is considerable confusion in the Senate Chamber. What is the nature of the bill?

Mr. BYRNES. It is the naval appropriation bill.

Mr. BORAH. Is it the purpose of the Senator from South Carolina to ask for its immediate consideration?

Mr. BYRNES. I move that the Senate proceed to consider House bill 7672, and make it the unfinished business.

Mr. ROBINSON. Mr. President, it is my intention to move that the Senate recess until Monday at 12 o'clock noon if the naval appropriation bill shall be taken up for consideration.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina [Mr. BYRNES].

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BYRNES. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection it is so ordered.

RETURN OF DOMESTIC ANIMALS DUTY FREE

Mr. HARRISON. Mr. President, I desire to submit a unanimous-consent request. This morning, from the Committee on Finance, there was reported back favorably, without amendment, the bill (H. R. 6143) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free. It deals with an emergency matter. It is recommended by the proper department of the Government. I ask unanimous consent for its immediate consideration.

Mr. McNARY. Mr. President, some explanation should be made. Why should the bill be brought up this evening?

Mr. HATCH. Mr. President, may I offer a word of explanation? A companion bill was introduced in the Senate by my late colleague, Mr. Cutting, and myself. The bill extends the time within which cattle taken into a foreign country may be brought back to the United States. Under the existing law the time is limited, and they must be returned within 8 months after being taken out of the United States. In my State, as we all know, and in adjoining States the drought last year required the sending of a great number of our cattle into the Republic of Mexico. Our ranges are not as yet in condition for the return of those cattle. The bill would give an additional time in which to return the cattle to the United States without the payment of duty.

Mr. McCARRAN. Mr. President, may I ask what additional time is provided?

Mr. HATCH. The bill provides an additional time of about 1 year.

Mr. McCARRAN. What protection is afforded in the bill for American cattle? In other words, certain American cattle were sent into the Republic of Mexico. What assurance have we that the same cattle or their increment will come back?

Mr. HATCH. They must be the same cattle. The cattle are tallied as they go into the Republic of Mexico, and the same cattle, with their increment, are returned. The general law covers that situation.

Mr. McCARRAN. Because of my respect for and confidence in the Senator from New Mexico I am not going to object, but it seems to me the bill might be subject to various objections. However, I believe the Senator from New Mexico is so well versed in the subject that I had rather yield to his judgment and let the bill pass.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi for the immediate consideration of the bill?

There being no objection, the bill (H. R. 6443) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of subparagraph (c) of paragraph 1606 of title II of the Tariff Act of 1930, horses, mules, asses, cattle, sheep, and other domestic animals, straying across the boundary line into any foreign country, or which have been driven across such boundary line by the owner for temporary pasturage purposes only, or which may so stray or be driven before November 1, 1935, and the offspring and increase of any such animals, whether or not accompanying the parent animals, shall be admitted free of duty under regulations to be prescribed by the Secretary of the Treasury, if brought into the United States at any time before June 30, 1936.

Mr. HATCH subsequently said: Mr. President, the Senator from Nevada propounded a question to me a moment ago about House bill 6143, which has just passed the Senate, the measure relating to bringing cattle back into the United States. I did not then have the exact information on the subject about which he inquired. I now have it. The bill provided that the time should be extended until June 30, 1936, a little more than a year. I told the Senator I believed it was about a year.

Mr. McCARRAN. Mr. President, the thought I had in mind, I will say to the Senator from New Mexico, is the same thought which of necessity he must have in mind and which the Senator from Wyoming [Mr. O'MAHONEY], who stands by his side, must have in mind, and which everyone representing the cattle-producing and public-range States must have in mind, namely, do we get back the same cattle or the same number of cattle we sent out, together with their natural increment? If we are to get no more, I think we would have no objection, but if we are to get more, then, of course, we would all object. I think the Senator will agree to that statement.

Mr. HATCH. What the Senator from Nevada does not want is the importation of foreign beef into the United States, and I stand exactly where the Senator from Nevada stands on that proposition.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—AUTHORIZATION TO SIGN BILL

Mr. THOMAS of Oklahoma. Mr. President, I understand the Senate will shortly recess or adjourn until Monday. In the regular course of business the so-called "bonus bill" would go back to the House for enrollment, there be signed by the Speaker, and then would have to come to the Senate for signature by the Vice President before it could go to the President. Inasmuch as we are to be in recess or adjournment for 2 or 3 days, I send to the desk a resolution for which I ask immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read the resolution, as follows:

Resolved, That the President of the Senate be, and he is hereby, authorized to sign, after the recess of the Senate today, the enrolled bill H. R. 3896, the so-called "soldiers' adjusted-compensation bill."

Mr. THOMAS of Oklahoma. I ask unanimous consent for the immediate consideration of the resolution.

Mr. NORRIS. Mr. President, under the resolution the Senator has offered the bill could not go through the House until tomorrow and the Vice President would have no authority to sign it. Why does the Senator limit it to today?

Mr. ROBINSON. Mr. President, I suggest that the Senator from Oklahoma merely submit the request that during the recess of the Senate the Vice President may sign the bill.

Mr. THOMAS of Oklahoma. The wording of the resolution is perfectly clear. It merely authorizes the Vice President "to sign after the recess of the Senate today" the so-called "soldiers' adjusted-compensation bill."

Mr. NORRIS. I did not understand it that way.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma for the immediate consideration of the resolution?

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

FARMERS' VISIT TO WASHINGTON

Mr. CONNALLY. Mr. President, I send to the desk a telegram which I ask the clerk to read.

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

The legislative clerk read as follows:

CINCINNATI, OHIO, *May 16, 1935.*

Hon. TOM CONNALLY,
Senate Office Building:

Please say to Senator HASTINGS in reply to insinuations made on Senate floor that farmers who met in Washington to thank the administration for its support in lifting agriculture out of

slough of despond that farmers in attendance paid their own expenses, hired Constitution Hall at cash of in excess of $800 for two meetings, and were cordially invited to listen to our beloved President from White House balcony. Why should anyone think we have exhausted our efforts with this puny attendance? Let him guarantee their expenses and we will send up five million. Please read this on Senate floor.

MISSOURI DELEGATION.

WAGES OF LABOR UNDER WORKS PROGRAM

Mr. McCARRAN. Mr. President, in the New York Times of today, Thursday, May 16, there appeared an article under the headline "Thirty percent pay cut asked under works plan. Tentative proposal is made to Roosevelt for slash from prevailing rates." I ask that the article in its entirety, being about one column in length, be inserted in the RECORD at this point.

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

[From the New York Times of May 16, 1935]

THIRTY PERCENT PAY CUT ASKED UNDER WORKS PLAN—TENTATIVE PROPOSAL IS MADE TO ROOSEVELT FOR SLASH FROM PREVAILING RATES—VARYING LEVELS PROVIDED—COUNTRY WOULD BE DIVIDED AND SKILLED, UNSKILLED, AND INTERMEDIATE CLASSES ARE SUGGESTED

WASHINGTON, May 15.—A basic framework for labor's wages under the $4,000,000,000 work program, calling for a 30 percent slash in prevailing hourly rates on construction jobs, tonight was disclosed to have been drawn tentatively for White House approval.

Emphasizing that President Roosevelt has yet to approve the proposal, a high official, who would not permit use of his name, said that monthly payments were expected to vary from $16 for unskilled labor in the South to $96 for a skilled workman in New York City.

The average, he said, would exceed the $50-a-month security wage on which the work program was planned. It compares with a monthly average of $29.50 on jobs now conducted under the Relief Administration, on which prevailing wages are paid, but which provide only enough employment given to meet a worker family's relief needs.

Still undetermined in the tentative schedule were the monthly allotment of work hours to labor and the total cost of labor's share of the outlays. Detailed wage regulations were expected to be submitted to the White House shortly by Harry L. Hopkins, works progress director.

The official quoted said that present plans called for three classifications of workers, with gradations in pay. Separate wage schedules would be provided for the six major regions, still undisclosed, into which the country has been divided.

THREE HUNDRED AND TWENTY WORK AREAS MARKED OUT

In some quarters it was said the new wage scales, which are to apply to all relief jobless, with the exception of the Civilian Conservation Corps, will be modified to fit conditions in 320 work areas already marked out by Mr. Hopkins. A survey of the cost of living for low-income families in 59 representative cities was to be completed shortly.

Present Public Works regulations provide minimum rates for two classes of labor—skilled and unskilled in the northern, central, and southern zones—but require payment of prevailing union wages if the latter are higher.

The new works schedule would set up an intermediate class of semiskilled workers, with pay about midway between the skilled and unskilled.

If the President approves the 30-percent reduction, officials said that payments will range from 29 cents to 35 cents an hour for common labor, from 50 to 60 cents for semiskilled, and from 70 to 85 cents for skilled. These were described as falling 30 percent below Public Works Administration averages based on prevailing rates.

At present the P. W. A. minimum ranges from 40 cents for unskilled and $1 for skilled in the southern zone to 45 cents and $1.10 in the central and 50 cents and $1.20 in the northern zones.

WHITE-COLLAR JOBS TO BE FOUND

Most of the 750,000 white-collar people now on relief were said to fall in the skilled and semiskilled classes. These were to receive research or administrative work.

Some difficulties in carrying out the wage schedule were foreseen by officials from the fact that present scales were to be continued on P. W. A. projects already under construction or contract.

The McCarran amendment, which would have required that prevailing wages be paid under the $4,000,000,000 program, was defeated in the Senate after administration leaders contended it would destroy work plans. A compromise was adopted instructing the President to increase payments if the prevailing wage was being broken down and to pay prevailing wages on Federal construction.

What wage would be paid if factories supplying materials and equipment should be required to fill jobs from relief rolls also was said to be undecided.

The proposal was offered by officials who contended that the work program otherwise would not substantially benefit mining and similar areas.

Mr. McCARRAN. Mr. President, I desire now, in keeping with the pronouncement made in that article, to read into the RECORD again a letter over the signature of the President, of date February 21 of this year, addressed to the senior Senator from Virginia [Mr. GLASS], in which the President said:

In response to your telephonic inquiry, I am very glad to repeat what I told you and several members of your committee last week.

Every action of the administration during the past 2 years has been directed, first, to the objective of raising wage scales, which, from the point of view of public interest, were set at unconscionably low levels; and, secondly, we have constantly followed the objective of preventing reductions in existing wage scales.

There is more to the letter, Mr. President. I ask that the entire letter follow the excerpt which I have inserted in the RECORD.

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

The letter is as follows:

THE WHITE HOUSE,
Washington, February 21, 1935.

DEAR SENATOR GLASS: In response to your telephonic inquiry, I am very glad to repeat what I told you and several members of your committee last week.

Every action of the administration during the past 2 years has been directed, first, to the objective of raising wage scales which, from the point of view of public interest, were set at unconscionably low levels; and, secondly, we have constantly followed the objective of preventing reductions in existing wage scales.

So much for that, except that I might add that both of these objectives are constantly before us and will continue so to be.

As you are aware, the practical operation of the principle of collective bargaining, plus the operation of the National Industrial Recovery Act, have in the overwhelming majority of cases of organized and unorganized labor either raised wages or prevented any reduction in wages.

I object to and deny any assertion that the payment of wages to workers now on the relief rolls at less than the prevailing rate of wages may, under some theory, result in a lowering of wages paid by private employers. I say this because it is an obvious fact—first, that the Federal Government and every State government will act to prevent reductions; and, secondly, because public opinion throughout the country will not sustain reductions.

I have enough faith in the country to believe that practically 100 percent of employers are patriotic enough to prevent the lowering of wages. In this thought they will have the full support of the Government.

I think that the record of this administration has demonstrated that in the administering of this legislation I will not permit anything to be done that will result in lowering the wage scale of the Nation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. McCARRAN. Then, Mr. President, on that date the able senior Senator from Virginia [Mr. GLASS], having the floor, said, among other things:

I repeat, I do not see how gentlemen here who have given us an exhibition of rhetorical commendation of the President can now have so little confidence in him as not to believe what he has said to the committee and now says, through me, to the Senate, that he is not going to permit the things to be done which they apprehend, and therefore they are going to vote for the McCarran amendment.

Following that, Mr. President, I desire to read from the CONGRESSIONAL RECORD of March 15, in which the junior Senator from New York [Mr. WAGNER] saw fit, in his splendid way, to change his position and vote against the amendment then pending. He said:

I still fear there will be grievous consequences if less than the prevailing wage is paid in any substantial areas where work is done under this joint resolution.

Following that, I desire to read from the speech of the able junior Senator from New York, wherein he said—and I refer again to the RECORD of March 15, at page 3692:

In view of the incontestable truth that wages seek the lowest level, I feel sure that this language imposes upon President Roosevelt the obligation in most instances to set substantially the prevailing rate.

Again, Mr. President, I draw the attention of the Senate to the RECORD of the same date—to wit, March 15—at page 3692, in which the junior Senator from New York said, among other things:

I am of the opinion that any wage fixed by the President which would be substantially below the wage paid in private industry

would at once bring the wage of private industry down to the level fixed. Therefore, to carry out the mandate of the President, in my opinion—and I am rather certain of my convictions upon the subject—practically the prevailing rate of wage will be paid.

On the same date the able Senator from Idaho [Mr. BORAH], in a colloquy between himself and the able Senator from Wyoming [Mr. O'MAHONEY], said, among other things:

Does the Senator from Wyoming believe that the so-called compromise amendment of the Senator from Georgia will result in maintaining the prevailing wage in this country?

To which the able Senator from Wyoming [Mr. O'MAHONEY] said, "I do."

Mr. President, I said on the floor of the Senate on that day and on previous days that there was a movement, insidious in its activity, to tear down the prevailing wage structure of the country, and if the report which I have inserted in the RECORD today—and the publication in which it appears is not the only one which carries it—is true in any part whatever, then we are only on the threshold of what seems to me to be an avalanche designed to tear down the standard of living of the American worker. If we tear down the standard of living of the American worker, then we tear down the standard of existence of every business in the country, because every dollar that the worker earns goes into business; and when we tear down the standard of wages, we tear down the standard of living; and when we tear down the standard of living every business must of necessity suffer.

Mr. President, I wish to say now that, in keeping with his great record, I do not believe the President of the United States, the President who stands today responsible for democracy, will permit either Mr. Hopkins or anyone else to induce him to do that which he has not done in the emergency through which we have passed in the past 2 years. I do not believe Mr. Hopkins can prevail upon the President to do it; and I am now saying in this body, in order that we may understand each other, under the courtesy of the very kind and gracious Senator from South Carolina [Mr. BYRNES], that if this movement, augmented and put forth by Mr. Hopkins, is to prevail, there is not enough force between here and perdition to save democracy in the years to come, because democracy has always leaned with its entire weight upon the toilers of this country; and if the earnings of the toilers are to be cut down, and the prevailing wage structure is to be destroyed, then I wonder where democracy will find a safe resting place in the years to come.

Mr. President, I lay this matter before the Senate, together with the excerpts I have read, as a preliminary to an effort which I propose to continue; because, if the wage structure of this country is to be torn down, if there is not another Senator—and I know I am not alone—who will stand on the floor of the Senate to make a battle for the under dog, there will be at least one to insist that the wage structure of the country shall be maintained, so that the toilers of America shall not be reduced to the degradation of the serfdom of Japan and Russia, and so that the American standard of living may endure.

EXECUTIVE SESSION

Mr. LEWIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Morris L. Cooke, of Pennsylvania, to be Administrator of the Rural Electrification Administration.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nomination of R. Waldo Wettengel to be postmaster at Rush Springs, Okla., in place of J. L. Coyle.

The PRESIDING OFFICER (Mr. MALONEY in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Leo F. Sanchez to be register of the land office, Santa Fe, N. Mex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk read the nomination of LeRoy Reinburg to be captain in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Elmer F. Stone to be commander in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. LEWIS. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

MICHAEL L. IGOE

Mr. LEWIS. Mr. President, I desire to bring to the attention of the Senate the fact that there has been nominated to be United States district attorney for the northern district of Illinois the Honorable MICHAEL L. IGOE, Representative at large for the State of Illinois. The report from the Committee on the Judiciary favoring his confirmation was handed to my colleague the junior Senator from Illinois [Mr. DIETERICH]. I have been informed by my colleague that he was called to the University of Virginia because of the illness of his son, and I am inclined to think, from what I have heard, that the report is in his pocket.

The district attorney now in the office, Mr. Dwight H. Green, has resigned and wishes to leave the office; the Attorney General is very anxious to have the position filled, and I am compelled to ask the Senate to indulge me that I may move the confirmation of the nomination of Mr. IGOE upon the report of the Committee on the Judiciary.

I should like to say to the Senate that the Senators from Illinois, all the Representatives, the Governor of the State, and the citizens of Chicago endorse Mr. IGOE, and he is very worthy. The present incumbent of the office is a very high-class gentleman, and as he is about to enter into some sort of partnership, to start on Monday, there is no one to take charge of the office, and I desire to move the confirmation of Mr. IGOE's nomination.

The PRESIDING OFFICER. The Chair understands that the request should be that the Committee on the Judiciary be discharged from the further consideration of the nomination.

Mr. LEWIS. I should not like to ask that the committee be discharged. The report has been made, and it is in the pocket of my colleague.

The PRESIDING OFFICER. As the Chair understands, it is not in order to ask for the confirmation. The Senate does not have the authority to grant such a request. The Senate has not the report of the committee.

Mr. LEWIS. The report is not here. I am informed that it is in the pocket of my colleague. The Chairman of the Committee on the Judiciary, the Senator from Arizona [Mr. ASHURST], informed me that the report was in the possession of my colleague, and when I attempted to get in touch with my colleague I found that some unhappy illness had befallen one of the members of his family which called him away from the city.

The PRESIDING OFFICER. The Chair is advised that the only way to accomplish what the Senator from Illinois desires is to discharge the Committee on the Judiciary from the further consideration of the nomination.

Mr. LEWIS. I do not wish to do anything that looks like a discourtesy. That is what I am seeking to avoid. As the Senate is to take a recess until Monday, I should like to have

the new district attorney confirmed so that he may take his oath on Monday.

The PRESIDING OFFICER. The Chair is further advised that a motion to discharge the committee would not be a discourtesy, and that such action is often taken.

Mr. LEWIS. If that is the procedure, I ask that the Committee on the Judiciary be discharged from the further consideration of the nomination.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary is discharged from the further consideration of the nomination of MICHAEL L. IGOE to be United States attorney for the northern district of Illinois.

Mr. LEWIS. I now ask that the Senate proceed to the consideration of the nomination.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the nomination?

Mr. AUSTIN. Mr. President, what is the office?

Mr. LEWIS. United States attorney for the northern district of Illinois.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of MICHAEL L. IGOE, of Illinois, to be United States attorney, northern district of Illinois.

Mr. WHEELER. Mr. President, it seems to me it is a rather unusual procedure to discharge a committee from the consideration of a matter when the chairman of the committee is not present.

Mr. LEWIS. The chairman of the committee saw me, and explained to me that he was going to be absent. My colleague and I are anxious to have Mr. IGOE take his oath of office on Monday, the office being vacant, the previous occupant having resigned and having formed a connection to start Monday. In view of the fact that the Senate is about to take a recess until Monday, I asked unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the nomination, and that Mr. IGOE be unanimously confirmed by the Senate.

Mr. WHEELER. The nomination has been reported by the committee?

Mr. LEWIS. It was reported favorably by the committee.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination?

The nomination was unanimously confirmed.

Mr. LEWIS. I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

RECESS TO MONDAY

Mr. BYRNES. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate, in legislative session, took a recess until Monday, May 20, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16 (legislative day of May 13), 1935

UNITED STATES ATTORNEY

Michael L. Igoe to be United States attorney, northern district of Illinois.

REGISTER OF LAND OFFICE

Leo F. Sanchez to be register of the land office, Santa Fe, N. Mex.

PROMOTIONS IN THE COAST GUARD

LeRoy Reinburg to be captain.

Elmer F. Stone to be commander.

POSTMASTERS

MINNESOTA

Ora M. Goodfellow, Kenyon.

NEW YORK

Oren G. Hunter, Parish.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 16, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thanks be unto God, our Father, for His unspeakable gift to the world. He alone is truly great who lives in the fear of God and in the spirit of the Galilean Teacher. Beget in us a supreme passion for a life of large ideals, of profound emotions and sweet and abiding friendships. Allow no pride or carelessness to cause us to regard lightly the wonderful securities of virtue. Write in our hearts the Ten Statutes of Sinai. They are perfect in their character and perpetual in their obligation, and in keeping them there is great reward. Bow down Thy ear, O Lord, and hear. Do Thou cleanse and uplift the cities of our country; may they heed Thy law; every sin that blasts and kills is condemned by it, and every inspiration that saves flows from Thy immortal word. We praise Thee that Thy kingdom is an everlasting kingdom and Thy dominion endureth forever. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

THE ONLY SOLUTION OF THE RAILROAD PROBLEM

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, in clear, direct language that every Member of both Houses of Congress should profit by, Mr. J. G. Luhrsen, of Chicago, secretary-treasurer of the Railway Labor Executives' Association, and president of the American Train Dispatchers' Association, has pointed out the only solution of the railroad problem.

It is the solution involved in the bill of Senator WHEELER for Government ownership of railroads. It is the solution that far-visioned economists have been advocating for years.

Mr. Luhrsen's statement, which lies before me, contains these forceful and unanswerable assertions:

> I am convinced that Government ownership is the only solution from the standpoint of the railroad workers.
>
> Curtailments of railroad service are inevitable under the present vicious circle, and curtailments mean fewer jobs.
>
> Today 45,000 miles of railroads are in receivership. There will and should be others, because they cannot make their fixed charges on topheavy financial structures.
>
> The Government is continuing to pour money into them. While doing this, it is encouraging curtailments so that its investment will be protected.
>
> Eventually the curtailments will reach a point where Government ownership will be the only means of protecting the workmen and providing adequate service.

It is not necessary for me to tell my colleagues in Congress that the Supreme Court's adverse decision on the Railroad Pension Act has given impetus to the movement for Government ownership of railroads. Mr. Luhrsen, from whom I have quoted, believes that the decision of the high tribunal closes the door against any pension system in which the railroads are compulsory contributors—at least, until there is at least one change among members of the Court. He is also convinced that, instead of trying to provide pensions under the prevailing arrangement of private ownership of the roads, it would be better for the Government to take them over and initiate a system that would not only include a fair pension allowance but would also assure the public of efficient service at a minimum of cost and the workers of wages adequate to enable them to enjoy the comforts as well as have the bare necessities.

On some other occasion I shall refer to the reactionary effects of many of the decisions of the Supreme Court and the frequency with which the Court has discovered that