SENATE

TUESDAY, JULY 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 motion of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 15, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. VANDENBERG. I repeat the announcement as to the absence on account of illness of my colleague the senior Senator from Michigan [Mr. COUZENS].

Mr. LEWIS. I announce that the Senator from Utah [Mr. THOMAS] and the Senator from Louisiana [Mr. LONG] are absent on important business.

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate.

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

ELECTRIC-RATE SURVEYS

The VICE PRESIDENT laid before the Senate letters from the Vice Chairman of the Federal Power Commission, transmitting, pursuant to law, compilations completed through the electric-rate survey of the domestic and residential rates in effect on January 1, 1935, in the States of Alabama, Arizona, Colorado, Connecticut, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Minnesota, Montana, New Jersey, North Carolina, South Dakota, Tennessee, Virginia, and Wisconsin, which, with the accompanying papers, were referred to the Committee on Interstate Commerce.

REPORT OF BOARD OF VISITORS TO UNITED STATES MILITARY ACADEMY

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD the report of the Board of Visitors to the United States Military Academy at West Point. It begins:

The undersigned members of the Senate Board of Visitors—

And so forth. I ask that the entire report be inserted in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered; and the report will lie on the table.

The report is as follows:

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: The undersigned members of the Senate Board of Visitors to the United States Military Academy visited that institution on May 27 and 28, 1935.

We arrived at the Military Academy at 11 a. m. May 27, and were met by the Superintendent, Maj. Gen. William D. Connor. We then proceeded to headquarters, where the official salute was fired. We there met the members of the administration staff and inspected the headquarters offices and had an orientation discussion with the Superintendent. The schedule for the rest of our visit was as follows:

MONDAY, MAY 27

12 m. Observe cadets march to dinner.
12:30 p. m. Luncheon officers' mess with Superintendent and some members of the academic board.
1:45 p. m. Recitations in academic work.
3 p. m. Field artillery and cavalry barracks and stables; cadets at cavalry drill.
3:45 p. m. Cadet drill on plain and intramural sports.
4:30 p. m. Inspect cadet mess.
4:45 p. m. Visit bachelor officers' mess.
5:15 p. m. Review of the corps of cadets.
7:30 p. m. Dinner at Superintendent's quarters with members of academic board and officers of the Superintendent's staff.

TUESDAY, MAY 28

9:15 a. m. Arrive at post headquarters by automobile.
9:30 a. m. Visit chemical, electrical, and mechanical laboratories.
10 a. m. Surveying instruction in the field.
10:30 a. m. Visit cadet rooms.
10:35 a. m. Visit cadet store and tailoring shops.
10:45 a. m. Visit ordnance laboratory.
11:20 a. m. Organ recital at cadet chapel.
12:10 p. m. Dinner with cadets in cadet mess hall.
12:45 p. m. Tour of the post and inspection of new construction.
3 p. m. Departure for New York City.
4:50 p. m. Arrive New York City.

THE MISSION OF THE INSTITUTION

The educational objective of the United States Military Academy is to give the graduate a broad foundation upon which to build his future military career and to base his further technical studies in the Army service schools. The attention of the Board has been called to the fact that from time to time there has been some criticism of the curriculum and the pedagogic methods at the Military Academy. In considering these criticisms, one must always bear in mind the objective of the institution. West Point was founded for the sole purpose of producing officers for the Army. It has contributed in no small measure to other important activities affecting the welfare of the Nation, but these contributions of the Military Academy have been incidental to its prime function. The curriculum of the academy has developed throughout 133 years along lines which experience has proven tend best to promote the mission of the academy. For this reason the course is a technical one, very closely paralleling, we are informed, the scientific course at Princeton University. As in all other technical institutions, there are certain cultural studies which in a very important manner supplement the technical subjects essential to a scientific course. The result is that between 35 and 40 percent of the studies at the Military Academy may be termed "cultural", a larger percentage than will be found in many technical courses.

THE INDIVIDUAL CADET

No matter how often one visits the academy, each time one is struck anew by the simplicity and democracy that mark the lives of the cadets, as well as by the fact that neither the former status of the cadet in civil life nor that of his parents has any bearing upon his position as a cadet. The position he attains in the corps depends entirely upon himself and his personal characteristics.

The generous appropriations of Congress which have gone into the educational plant and service buildings, with certain exceptions to be mentioned later, are very adequate and complete for the number of cadets heretofore authorized by law. It is always a source of surprise to a visitor making his first inspection of West Point to realize how exceedingly simple and plain are the living conditions furnished to the cadets within this grand exterior. Two and sometimes three cadets live in a single room about 14 by 23 feet in size. These rooms are entirely without ornamentation and are characterized by neatness, cleanliness, and austere simplicity that is very striking. The cadets sweep out their own rooms, make up their own beds, dust the woodwork, and arrange their belongings for the daily inspections. The rooms are painfully bare and scrupulously clean and, when arranged for their daily inspection, are models of orderliness.

The Board was particularly interested in the living conditions of the cadets in view of the bill increasing the strength of the corps, which has now become law. This bill increases the maximum authorized number of cadets from 1,374 to 1,955. The maximum number that will probably ever be in the academy at one time will be about 1,825. The superintendent explained to us how he planned to care for the increment, and there is no doubt that the maximum number that will probably ever be in the academy can physically be cared for with the existing plant, without detriment to the health or welfare of the cadets. However, while your Board of Visitors is convinced that any young man is very fortunate indeed to secure the education and training which the Government furnishes him at the United States Military Academy at the price of some personal discomfort in living conditions, and believes that such conditions would not be detrimental to his health or welfare, the Board feels that the success of the Military Academy has been based upon certain practices and methods which have been tried out through many years and found good, and believes that all things considered,

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the Government's interests will be best served by increasing the capacity of the present plant so as to carry on the instruction and administration of the enlarged corps along lines practically identical with those found successful in the past and which have remained in force so many years only because experience has proved their wisdom. In our opinion, the Federal Government will be well repaid by the expenditure of such a sum as may be necessary to house the cadets in a less crowded way and provide certain other facilities now lacking which are commonly considered essential in a modern educational institution. These improvements are, briefly, the provision of barrack space so that no cadets shall have to live more than two in a room, a sufficient increase in classrooms and laboratories to meet modern requirements; and a sufficient increase in living quarters for the instructional staff, so that living conditions and instructional methods adopted as the result of more than a century of experience, and heretofore followed in the Military Academy, may be continued without deterioration.

In addition to these increases in facilities, there are certain other improvements which we shall enumerate later, the need for which has long been recognized by the academic board, but for which appropriations have never been made.

CADET MESS

On March 27 we inspected the cadet mess and on March 28 we had dinner with the cadets in their mess and the cadets were entirely unhampered in their comments. We found no complaint about the food, which we considered excellent considering its cost, quite satisfactory in quality, and ample in quantity for growing young men. The dining hall is sufficiently large to accommodate the proposed increase in the corps without undue crowding. The table service was simple in the extreme, but dishes and equipment were all marked by cleanliness and neatness. The food, while plain, was manifestly palatable and wholesome. There is one condition which the Board wishes to point out. The ration allowance is 75 cents, and if all amount were available, as at the United States Naval Academy, there could be no complaint in regard to the mess unless the price of living continues to increase. The value of the cadet ration is fixed by that of the midshipmen at the United States Naval Academy. Certain civilian mess employees are necessarily fed at the cadet mess and the cost of their food comes out of the cadet allowance, reducing that allowance by about 6 cents per cadet per day, making only approximately 69 cents available for feeding the cadet instead of the 75 cents which is available at the Naval Academy where the food of the mess attendants is elsewhere provided for. The additional amount necessary to pay for the food of these mess attendants ought to be provided in future appropriations for the support of the academy. The former allowance of 80 cents per day will be necessary in the near future if food prices continue to advance.

DRILL AND PHYSICAL TRAINING

All cadets receive the same training, which is progressive from the time that the fourth classman reports as a new cadet until he graduates. The plan is that he shall perform practically every kind of duty from that of a private up to that of company officer, including a certain amount of company administration.

The physical training of a cadet consists of two parts; drill being classed as one and athletics the other. One-half of the corps goes to military drill or instruction of some kind and at the same time the other half attends intramural athletics. The halves alternate from day to day between drill and athletics and rotate in the various games that they play.

This system of compulsory athletics was inaugurated about 1920 and has been in effect ever since. The theory upon which this practice is based is that the athletics not only furnish better physical training than do the ordinary military drills, but also that practically every young lieutenant must be a leader in the sports of his company and be able to act as an instructor in several sports and as an official in company contests.

The superintendent reports that the effect upon the physique of the cadets has been very favorable.

The authorities of West Point are watching with interest the experiment now being made at the United States Naval Academy, wherein practically all members of the first class are made company officers for short periods during their first class year, the permanent company officers not being chosen until the last part of the year. This experiment has been in effect less than 1 year, and the results achieved therefrom are being awaited with interest.

THE CADET STORE

The cadet store is a cooperative concern, operated by the authorities in the interest of the cadets. All articles are sold to the cadets at cost plus 5 percent, and whatever profit may accrue at the end of the year is repaid to the cadets in proportion to the amount that each has expended in the store during that period.

Our attention was drawn to the fact that there is no law requiring any deposit to be made by a new cadet entering the Military Academy, and that some new cadets make practically no deposit to cover the cost of their original equipment, nor does Congress make any provision for this original expense, which amounts to about $300. If a cadet who has made no deposit decides to resign or is found deficient during his first year, he will be in debt from a few dollars to nearly $300, depending on how long he has been at the academy. Such indebtedness is practically never liquidated. Congress now makes no provision for paying the cost of such initial equipment. The loss, therefore, falls upon those cadets who remain in the service and particularly upon those who have deposited a sufficient amount to pay for their original equipment upon their entrance to the academy. This is a hardship which the Board does not believe ought to be imposed upon the small pay of the cadets. The maximum loss that has fallen upon the corps due to such losses was about $2,500 in 1 year, a small amount for the Government but considerably larger proportionately to a young man receiving only $65 a month. We believe that future annual appropriations for the pay of cadets should carry a proviso approximately as follows: "*Provided*, That not to exceed $3,750 of this amount shall be available to liquidate the indebtedness of any cadets, separated from the service for any reason, who at the time of their separation are in debt to the cadet store."

ACADEMIC WORK

The academic work of the United States Military Academy is carried on in 13 departments, each headed by a professor. Nine of the professors are permanent and four are detailed for periods of 4 or 5 years. Ten of the professors are graduates of the Military Academy and three are graduates of civilian institutions. Each professor is assisted by an associate professor or an assistant professor, or both, and a number of instructors, all of whom are detailed from the officers of the Army, with the exception of 3 civilians in the department of modern languages—2 Frenchmen and 1 Spaniard.

Occasionally the teaching staff at the Military Academy has been criticized as to its origin and as to its qualifications as instructors. A study of the personnel now on duty at the academy does not bear out these criticisms. Of the three nongraduate professors, all of them hold one or more degrees from other universities and one of them holds degrees from four different institutions. Of the 10 other professors, all are graduates of West Point and three of them hold degrees from the Massachusetts Institute of Technology and five of them are graduates of the Army War College. There are 155 instructors on duty at the academy, of whom 13 are nongraduates. Of these 13, 8 hold two degrees from civil institutions and 5 hold one degree. Of the 142 instructors who are graduates of the Military Academy, 109 of them have attended other colleges or universities, and 47 of them hold degrees from other colleges or universities. Of the 21 instructors in modern languages, 18 have studied the languages that they teach, either in France or Spain; and of the remaining 3, 1 has a master's degree in language from Harvard University and 1 a master's degree in language from Princeton University. An analysis of the foregoing qualifications will disprove any statement alleging that the instructors are not well equipped.

The time of the Board's visit to the academy coincided with that assigned to written tests in review of the academic work of the preceding 5 months, and, except in modern languages, there were no actual recitations in progress which the Board could attend. Our visits to classrooms were, therefore, limited to those in French and Spanish. The thoroughness of instruction was very gratifying, and we are confident that the methods in use will teach the students to speak the language as well as to read it, an end not always attained in teaching foreign languages. If the spirit which we observed in the recitations in modern languages obtains equally in other classes, and if the methods used in other classes are comparable to those that we observed, we feel assured that the Federal Government is fortunate in the teaching staff at its National Military Academy and that the cadets are being well and thoroughly instructed.

We met the head of each department of the academic board and were very favorably impressed by the enthusiasm and interest displayed by these professors in the subjects assigned to their departments. The Superintendent states that these characteristics are quite fully equaled by the ability of each in the specialty of his own department, and that he is quite satisfied with their work.

METHODS OF INSTRUCTION

There have been no recent changes in the methods of instruction which were described in detail in our report of last year. We are convinced that the instruction is thorough and that within the limits of the curriculum prescribed by the War Department the cadets are being well educated. The Superintendent and the heads of all departments apparently are alive to the fact that improvements are constantly being made in texts and in methods of instruction and that periodical changes will be required to keep abreast of the times. We are satisfied that such changes will be made whenever necessary. Most of the instructors at the academy are between the ages of 26 and 36. Given the required aptitude in the subject that they are to teach, their youth is a very considerable asset in that they bring to the teaching staff an enthusiasm and a knowledge of the youthful mind which does not always exist in an old instructor worn out with years of teaching. They also bring with them a knowledge of the service requirements of a young officer and are able to teach their subjects in the light of the requirements in the service of the young subaltern. Notwithstanding their youth, their carriage in their classrooms was marked by a dignity and seriousness of purpose which, added to their enthusiasm and earnestness, appealed to the Board very favorably. The War Department has continued its policy of giving a very high choice to the selection of officers for duty as instructors at the Military Academy, realizing that these instructors are highly instrumental in producing the class of young men desired as officers in the Army. Few officers do more than one tour of duty, and only a very occasional one does more than two tours of duty at the Military Acad-

emy. For this reason the problem of dealing with aged instructors which is admitted to be a serious one in civil institutions, is not one that exists at the Military Academy. Furthermore, if an officer is not satisfactory as an instructor, he need not be kept for a full 4 years, but can be gotten rid of as an instructor without prejudice to his career as a soldier.

During the past year the Military Academy was inspected by the committee on classification of universities and colleges of the Association of American Universities. This inspection apparently was quite satisfactory to the committee, and resulted in the following letter from its chairman to the Superintendent, which speaks for itself:

"MY DEAR GENERAL CONNOR: This is to inform you that the committee on classification of universities and colleges of the Association of American Universities, at its recent meeting in Chicago, found things at your institution in every way satisfactory.

"President Walters, who made the inspection for our committee, gave a very favorable report indeed. He found, perhaps somewhat to our surprise, a very liberal spirit, and that you were alive to the need of change from time to time. It is indeed gratifying to our committee to find everything so satisfactory.

"Very truly yours,

"(Signed) FERNANDUS PAYNE,
"*Chairman.*"

APPEARANCE OF THE CORPS

The Board observed the cadets out of ranks, in the mess hall, in the classrooms, and at drills. The young men bore themselves in the same soldierly way that has always marked their bearing. The excellent physique of the cadets was most noticeable. This condition is largely due, in all probability, to the compulsory sports known as "intramural athletics." We noticed several cadets wearing glasses, and were pleased to learn that recently the standards for eyesight had been raised so as hereafter to require normal eyesight for admission. At the time of our inspection certain companies were going through a competitive drill, and their movements were marked by the accuracy and precision to be expected under the circumstances. A review of the entire corps was tendered to the Board and the ceremony was in keeping with the high reputation of the Corps of Cadets for such ceremonies.

HOSPITAL FACILITIES

The station hospital was visited by the chairman of the Board and apparently the same high standards that we noted at our visit last year are still maintained. Provision is made for hospital and out-patient medical, surgical, and dental treatment for all persons at the post, including cadets, officers, soldiers, and their families. The Superintendent reports that the hospital and allied medical activities have been very satisfactorily maintained and that they have been administered during the past year to his satisfaction. An additional wing, which was under construction when the Board visited West Point in 1934, has now been completed, and the present normal capacity of the hospital is 158, while it is susceptible of emergency enlargement to 200 beds. The hospital is splendidly equipped, and the staff, composed of selected officers of the Medical Department, is well organized and the members are devoted to their work. The character of service rendered conforms to the highest standards of civilian institutions. By far the great majority of persons entitled to hospitalization are healthy young men, either as cadets, officers, or enlisted men, and therefore the percentage of sick at any one time is usually very low, practically never running over 3 percent, and this number occurring only when there is an epidemic of colds.

BUILDINGS AND GROUNDS

The buildings of the academy are well adapted for the purposes for which they were constructed and both buildings and grounds are maintained at a high standard at a reasonable cost of maintenance. The funds appropriated for maintenance at the Military Academy apparently are being expended with judgment and care. At the time of our inspection in 1934, a very considerable program of construction was under way. Nearly all of that construction has now been finished and that which still remains unfinished is within a small percentage of completion. The following table shows the items under construction last year and their present state as regards completion:

Barracks for military police, 100 percent completed.
Barracks for auxiliary detachments, 100 percent completed.
Grammar school, 100 percent completed.
Nurses' quarters, 100 percent completed.
Veterinary hospital, 100 percent completed.
Incinerator, 100 percent completed.
Sea-wall ramp in front of hangars, 100 percent completed.
Insulating and fireproofing hangars, 100 percent completed.
Junior officers' quarters, 92 percent completed.
Quartermaster storerooms, shops, etc., 83 percent completed.
Gymnasium, 63 percent completed.

All buildings at the academy can be divided into two classes, those for service purposes, and those for instructional purposes. The Board feels that the service facilities for West Point are now fairly well provided for. Last year the deficiency in suitable barracks for enlisted men was apparent. We are pleased to note this year that the enlisted men garrisoned at West Point and vital to the instruction of cadets are now well housed and cared for, and that rapid strides are being made in providing suitable warehousing and shop facilities. In all these respects conditions are materially improved over a year ago, and only a few improvements to be mentioned later, do we consider necessary.

As long ago as 1921 certain buildings for the proper instruction of cadets were pointed out by the then superintendent, Gen. Douglas MacArthur, as of urgent necessity. The Board confirms the necessity of certain facilities and urges that no more time be lost in supplying these deficiencies. They are needed today even more than they were 15 years ago, and with the contemplated increase in the strength of the Corps of Cadets their necessity will be materially increased.

The present gymnasium was built for a corps half the size of the present corps. An extension is now under construction but this extension will not fully provide all the space needed today. Physical instruction justly holds a prominent place in the course at West Point, since physical fitness is more essential in military life than it is in civil life. Therefore, facilities for physical instruction superior to those ordinarily found in civil colleges, might reasonably be expected at West Point. Today, however, instead of being superior to the gymnasiums of our leading colleges and universities, the gymnasium at the Military Academy suffers by comparison.

Academic building facilities are not adequate. We visited the various laboratories and while we were very favorably impressed at the ingenuity and resourcefulness that have been displayed in improvising mechanical and electrical laboratory space out of basements never intended for that purpose, and laboratory equipment out of material purchased and designed for an entirely different object, we feel that the existing facilities are not worthy of the institution. Certainly those in charge are to be commended for their energy in overcoming obstacles, but they have been badly handicapped by lack of space and modern equipment. The Board feels that with modern trends and advances, these laboratory facilities at West Point should be greatly improved.

What has been said above concerning mechanical and electrical laboratories applies with even more force to the ordnance and engineering laboratories and shops. The present building used for these purposes is over 100 years old and altogether inadequate. The need for this specific shop and mechanical instruction is greater today than ever before. The future Army officer is going to have more and more contact with mechanical equipment and must be trained to that end. It is worthy of note that instruction at West Point is being continually adjusted to meet the transition from animal traction to mechanical traction.

The Military Academy never has had an armory. The Board was perturbed to see dark basements, without natural light or ventilation, used for technical and tactical instruction purposes for the simple reason that winter instruction must be given and no other or better space has ever been provided. We were told that space for this purpose is being provided in the gymnasium extension now under construction. This is all well and good, but takes from the gymnasium space that cannot afford to be lost since even with the completion of the gymnasium annex now being built, full requirements for physical training will not be available. The construction of a suitable armory is of vital urgency.

The construction across the reservation of the New York State road called the "Storm King Highway", together with the increased power of rifle ammunition, have made the old target range unsafe and have caused its abandonment. This leaves the Military Academy of a Nation that has always prided itself upon its skill in shooting, in the anomalous position of being without a rifle range. Means should be provided without delay for the construction of a safe and suitable range.

It was stated above that with a few exceptions the service facilities at West Point have been reasonably well provided. It was explained to us, and the Board concurs, that certain extensions and replacements in the water-distribution system should be provided. The same applies to the heating and power plant. This done, and a suitable truck garage and freight yard provided, the service facilities at West Point should be in excellent condition to handle the needs of the academy for many years to come.

A few of the oldest officers quarters are rapidly reaching a point when their maintenance costs will be greater than carrying charges on new houses. Steps should be taken, therefore, to replace these old quarters and to supply the additional sets required to house all the personnel of the post which we consider desirable for the contemplated increase in the size of the corps of cadets. This will result in an ultimate saving of public funds and is in the interest of economy. It is estimated that about 60 sets of junior officers quarters will meet the above needs.

Mention was made in an earlier paragraph of the problem of housing the enlarged Corps of Cadets. The Board holds such strong sentiments in this matter that it feels the point should be emphasized by reiteration in this section covering buildings and grounds. As stated before, the Superintendent assured the Board that the recent increase in the strength of the corps of cadets voted by Congress can be handled without further construction for that specific purpose. This will result in a certain amount of crowding, and while such crowding can be justified as an emergency measure, the Board feels strongly that present standards should be maintained. Certainly no one can say that cadets at the Military Academy live in anything but the most spartan simplicity and we do not feel that the Nation should require a lowering of standards through permanent cramping and crowding. The Board wishes to place itself on record as urging the construction of additional cadet barracks so that the traditional standard of two cadets to a room can be maintained.

The adverse comments which the Board made last year on the substitution of unsightly brick work in the gymnasium and in the

south barracks for the native granite in general use elsewhere at the academy are felt to be of special interest at this time when the Board is recommending certain additional construction at the Military Academy. The Board urges that all buildings which may be erected in the future be of granite, in keeping with the general tone of the predominating buildings and recommends further that no building program be undertaken that is not checked and passed upon by highly competent consultants from civil life.

THE THAYER-WEST POINT INN

A hotel of that name, owned by a private corporation, is operated under a revocable license on the grounds of the Military Academy. Unfortunately for the hotel, the families of cadets and officers who constitute most of the patrons of this hotel are not heavy spenders, and the quiet atmosphere of a military post does not encourage the patronage of individuals or organizations that do spend heavily. In addition to the foregoing, the cold winter climate of West Point does not encourage people to come to a country hotel in the winter time, and consequently the hotel is practically empty the first 3 months of the year, and is reported as barely paying its operating expenses. The hotel fills a great need for relatives of cadets and it is difficult to conceive how they would be accommodated if the present hotel were closed. However, it is a private corporation and the Board is not prepared to make any recommendation in regard to it under existing circumstances.

TABLES

There are appended hereto certain data in tabular form which are of interest.

Respectfully submitted.

MARCUS A. COOLIDGE,
Chairman.
ROBERT R. REYNOLDS,
Member.
F. RYAN DUFFY,
Member.

TABLE I.—*Program of instruction and course of studies at the United States Military Academy*

Program of the course of instruction:

First term, Sept. 1 to Dec. 23; 95 periods with Saturday recitations and 80 periods without Saturday recitations.

Second term, Jan. 2 to June 4; 130 periods with Saturday recitations and 109 periods without Saturday recitations.

Semiannual examination, Dec. 26 to 31.

Annual examination, June 5 to 12.

Academic day, 7:55 a. m. to 11:55 a. m. and 1 p. m. to 3 p. m.

Military exercises, all classes, from 3:15 p. m. to 4:15 p. m.

Supervised athletics, from 3:15 p. m. to 4:25 p. m.

Voluntary study hour and additional instruction 5:10 to 6:10 p. m.

Class	Subject	Attendance	Part	Hours
Fourth (first year)	Mathematics	Whole class daily	Half	7:55 to 9:25, Sept. 1 to Jan. 31.
Do	do	do	do	9:25 to 10:55, Sept. 1 to Jan. 31.
Do	do	do	do	7:55 to 9:15, Feb. 1 to June 4.
Do	do	do	do	10:35 to 11:55, Feb. 1 to June 4.
Do	Gymnasium	do	do	9:25 to 10:10, Sept. 1 to Jan. 31.
Do	do	do	do	10:55 to 11:40, Sept. 1 to Jan. 31.
Do	do	Half class daily alternating in attendance with drawing Feb. 1 to June 4.	Fourth	8:30 to 9:15, Feb. 1 to June 4.
Do	do	do	do	9:15 to 10, Feb. 1 to June 4.
Do	Drawing	Half class daily alternating in attendance with gymnasium Feb. 1 to June 4.	do	7:55 to 9:15, Feb. 1 to June 4.
Do	do	do	do	9:55 to 11:15, Feb. 1 to June 4.
Do	Laboratory	When ordered, half class daily alternating in attendance with gymnasium Feb. 1 to June 4.	do	7:55 to 9:55, Feb. 1 to June 4.
Do	do	do	do	9:55 to 11:55, Feb. 1 to June 4.
Do	French	Half class daily except Saturday alternating in attendance with English.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	English	Half class daily except Saturday alternating in attendance with French.	do	1 to 2.
Do	do	do	do	2 to 3.
Third (second year)	Mathematics	Half class daily alternating in attendance with physics	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Physics	Half class daily alternating in attendance with mathematics	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	When ordered, half class daily alternating in attendance with mathematics.	do	7:55 to 9:55.
Do	do	do	do	9:55 to 11:55.
Do	History	Half class daily alternating in attendance with French	do	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	French	Half class daily alternating in attendance with history	do	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	English	Half class daily except Saturday alternating in attendance with drawing.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	Drawing	Half class daily except Saturday alternating in attendance with English.	Half	1 to 3.
Second (third year)	Philosophy	Whole class daily	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Chemistry and electricity.	Whole class daily	Half	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Spanish	Half class daily except Saturday alternating in attendance with drawing Sept. 1 to Jan. 31, and with tactics Feb. 1 to June 4.	Fourth	1 to 2.
Do	do	do	do	2 to 3.
Second (third year)	Drawing	Half class daily except Saturday till Jan. 31, alternating with Spanish.	Half	1 to 3.
Do	Tactics	Half class daily except Saturday, Feb. 1 to June 4, alternating with Spanish.	Fourth	1 to 2.
Do	do	do	do	2 to 3.
First (fourth year)	Engineering	Whole class daily	Half	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Ordnance and gunnery.	Half class daily alternating with economics and government	Fourth	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Economics and government.	Half class daily except last 28 days of spring term (see Hygiene)	Fourth	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
First (fourth year)	Hygiene	Replaces economics and government for last 28 days of spring term.	Fourth	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	Law	Half class daily except Saturday alternating in attendance with tactics and riding.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	Tactics and riding [1]	Half class daily except Saturday alternating in attendance with law.	do	1 to 2.
Do	do	do	do	2 to 3.

[1] Riding periods are 50 minutes each. For lectures and practical exercises in the afternoon periods, replacing the assigned recitation periods, law has half class from 1:45 to 3. For applicatory instruction in section room without study preparation the class attends in halves in law or tactics from 1 to 3.

TABLE II.—*Schedule of calls in barracks Sept. 1 to June 1*

(5 minutes between first call and assembly, except at reveille, which has 10 minutes)

Reveille roll call, week days, assembly	6:00 a. m.
Sundays and holidays, assembly	7:45 a. m.
Police call, week days	6:20 a. m.
Sundays and holidays	8:05 a. m.
Breakfast roll call, week days, assembly	6:30 a. m.
Sundays and holidays, assembly	8:15 a. m.
Sick call, immediately after breakfast at Washington Hall.	
Call to quarters, daily, except Sundays and holidays	7:15 a. m.
Week days, except Saturdays	1:00 p. m.
Daily	7:15 p. m.
Dinner roll call, daily except Sundays and holidays, assembly	12:10 p. m.
Sundays and holidays, assembly	12:30 p. m.
Review and inspection, Saturdays, inspection only in inclement weather, assembly	1:10 p. m.
Formal guard mounting when review is held, assembly 10 minutes after dismissal of last company from inspection (informal when no review).	
Release from quarters daily, except Saturdays, Sundays, and holidays	3:00 p. m.
Drill, daily, except Wednesdays, Saturdays, Sundays, and holidays, assembly	3:15 p. m.
Recall from drill	4:15 p. m.
Parade, except Wednesdays, Saturdays, Sundays, and holidays	4:35 p. m.
Parade, Sundays only, assembly	5:30 p. m.
Retreat, when no parade	5:30 p. m.
Supper, daily	6:20 p. m.
Tattoo, daily	9:30 p. m.
Taps, first	10:00 p. m.
Taps, second	10:30 p. m.
On occasions of general entertainment, first taps will be sounded 20 minutes after the close of the event; and second taps, 30 minutes after first taps.	
Church on Sundays:	
Catholic chapel, assembly	8:15 a. m.
Cadet chapel Sunday school teachers, assembly	9:15 a. m.
Choir	9:25 a. m.
Cadet chapel, assembly	10:45 a. m.

TABLE III.—*Enrollment of the Corps of Cadets, U. S. Military Academy*

Sources of appointments	Authorized strength	Strength on May 28, 1935	Vacancies in the corps
Senators (96)	192	172	20
Congressmen (435)	870	763	107
President	60	59	1
Vice President	2	1	1
Regular Army	[1] 90	92	[1] 5
National Guard	90	83	
District of Columbia	4	4	0
Territories (2)	4	3	1
Puerto Rico	2	2	0
Honor schools	20	16	4
Sons of Army officers died in war	20	12	8
Sons of enlisted men died in war	20	5	15
Philippine Islands	4	4	0
Total	1,378	1,216	[2] 162
Foreign cadets (Siam, 1; China, 1)		2	
Total		1,218	

First class	280
Second class	281
Third class	317
Fourth class	340
Total	1,218

[1] The Regular Army and National Guard, combined, are authorized a total strength of 180, "in numbers as nearly equal as possible."

[2] The total strength of 1,218 on May 28, 1935, and the total of 162 vacancies as of that date, have been determined by not including in the strength 17 ex-cadets discharged in January 1935 for deficiency in studies, but who have qualified upon reexamination in March last and are to be readmitted on August 28, 1935, to fill their own vacancies. That is, the total present-and-absent strength of 1,218 as of May 28 is actual and exclusive of the 17 ex-cadets who will rejoin later.

TABLE IV.—*Total military personnel, U. S. Military Academy morning report May 27, 1935*

Organizations (enlisted)	Today	Authorized detached enlisted men's list	Authorized staff	Authorized line
Medical and veterinary	81		80	
Twenty-ninth Ordnance Company	83		40	
Quartermaster Corps Detachment	43		39	
Sixty-ninth Motor Transport Company (Quartermaster Corps)	39		36	
Ninety-fourth Motor Repair Section (Quartermaster Corps)	14		14	
Staff, noncommissioned officers	7	7		

TABLE IV.—*Total military personnel, U. S. Military Academy morning report May 27, 1935*—Continued

Organizations (enlisted)	Today	Authorized detached enlisted men's list	Authorized staff	Authorized line
Band	67	68		
Field music	24	29		
Engineers	95	96		
Service	212	228		
Field Artillery	199	190		
Coast Artillery	31	30		
Military police	66	66		
Signal Detachment	32	31		
Second Squadron, Tenth Cavalry	196			208
Air Corps Detachment	6			7
Total	1,150	745	209	215

Authorized strength, Staff Corps	209
Authorized strength, detached enlisted men's list	745
Authorized strength, line organizations	215
Authorized enlisted strength, total	1,169
Authorized strength, Cadet Corps	1,374

SUMMARY

Officers	[1] 228
Cadets	1,218
Nurses	13
Warrant officers	2
Civilian instructors	6
Civilian chaplain	1
Teacher of music	1
Enlisted men	1,150
Attached	3
Aggregate	2,622

PUBLIC ANIMALS

Cavalry horses	189
Field Artillery horses	106
Quartermaster Corps:	
Horses	21
Mules	2
	318

[1] Includes 3 officers on construction, 3 language students abroad, 1 retired officer on active duty as librarian.

REVISION OF COPYRIGHT ACT

Mr. BORAH. I ask to have inserted in the RECORD a telegram with reference to a pending bill.

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

NEW YORK, N. Y., *July 15, 1935.*

Hon. WILLIAM E. BORAH,
United States Senate, Washington, D. C.

DEAR SENATOR: Every author, composer, playwright, dramatist, and writer in Nation is opposed to United States Senate bill S. 3047. This bill revises entire Copyright Act, to detriment of American creative workers, and for benefit of users, such as broadcasters and other allied industries. It gives to foreign composers and playwrights rights denied American creative workers. Authors' League of America, American Society of Composers, Authors, and Publishers, Dramatists' Guild, Song Writers' Protective Association, and all other societies and organizations of creative workers of America are unanimously opposed to this legislation.

GENE BUCK.

GREAT NECK, N. Y.

PROTECTION OF AMERICAN TEXTILES IN PHILIPPINE MARKETS

Mr. WALSH. Mr. President, I present letters and other papers received from the Secretary of War, the Governor General of the Philippine Islands, and the Chief of Insular Affairs of the War Department with reference to Senate Resolution 163, submitted by me, which requests the Philippine Legislature to take action for the protection of American textiles in the Philippine markets. I request that the letters and papers be printed in the RECORD and appropriately referred.

There being no objection, the letters and papers were referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, July 8, 1935.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs, United States Senate, Washington, D. C.

DEAR SENATOR TYDINGS: In response to your letter of July 1, 1935, addressed to the Chief of the Bureau of Insular Affairs of this

Department, requesting a departmental report on Senate Resolution No. 163, Seventy-fourth Congress, first session, I am enclosing herewith a memorandum submitted to me by the Chief of the Bureau of Insular Affairs on this subject.

In view of the continuing responsibilities of this Government for the welfare of the Filipino people and of the fact that the Commonwealth government under the independence act is expected to be inaugurated in the very near future, I am of the opinion that the enactment of Senate Resolution No. 163 would be inappropriate at this time. It is recommended that the views set forth in the enclosed memorandum be given careful consideration by your committee.

Sincerely yours,

GEO. H. DERN,
Secretary of War.

WAR DEPARTMENT,
BUREAU OF INSULAR AFFAIRS,
Washington, July 8, 1935.

Memorandum for the Secretary of War:

Subject: Senate Resolution 163, Seventy-fourth Congress, first session.

I am in receipt of a letter from the Chairman of the Senate Committee on Territories and Insular Affairs, dated July 1, 1935, requesting a departmental report on Senate Resolution No. 163. The resolution provides:

"That the President of the United States be respectfully requested to advise the Governor General of the Philippine Islands to convey to the president of the Philippine Senate and the speaker of the Philippine House of Representatives a request that the legislature, before adjourning its present session, take such action as will protect effectively American textiles in the Philippine market."

It is regrettable that the important cotton textile trade of the United States is losing ground in competition with foreign textiles in the Philippine Islands, and it is hoped that remedies may be found in the near future that will alleviate this situation. However, it is believed the proposed legislation would be undesirable for the reason that, if enacted, it would be an invitation to the Philippine Legislature to modify in the most important particular their tariff without weighing its effect on their own people. Of all imports into the islands, cotton textiles is the most important to the Filipino people.

During the calendar year 1934 United States products entering the Philippine Islands comprised about 65 percent of Philippine imports, a level previously attained only once, namely, in 1932. This in spite of the fact that the United States' share in the cotton textiles entering the islands during 1934 was greatly reduced.

There were several causes contributory to this shrinkage in the United States cotton textile trade:

(a) The boycott of Japanese goods by Chinese merchants in the Philippine Islands in 1932 which resulted in a greatly increased development of the Japanese retail merchants organization in the islands.

(b) Shrinkage in the exchange value of the yen which favored Japanese exports in foreign markets.

(c) The rise in cost of production in the United States.

In spite of these factors, however, United States cotton cloth was about the only United States commodity which occupied a weak and unhealthy position in the Philippine market. It is believed this is true of United States cotton textiles in all other external markets.

It is noted that the volume of Japanese cotton textiles entering the continental United States in 1934 was nearly seven times as great as the volume entering in 1933, and represented an increase in value of more than 362 percent. Another example that may be cited is the Republic of Santo Domingo, where, according to the report of the general receiver of Dominican customs for the calendar year 1934, the volume of Japanese cotton textiles imported into that Republic increased 1,297 percent in 1934 over 1933. United States exports of cotton textiles to Santo Domingo decreased 38 percent, although the total amount of American goods entering that Republic during 1934 was about the same as in 1933, due to increase in other lines. These facts indicate what appears to be the general unhealthy condition of the United States cotton textile export trade. This condition is in striking contrast to the generally satisfactory increases in the exports of nearly all other United States commodities to the Philippine Islands, as well as to foreign markets, during 1934.

Although cotton cloth is the most important item of import to the Filipino people, I am informed that the amount of United States cotton textiles entering the world export market, including the Philippine Islands, represents an average of not over 5 percent of the United States annual production of cotton textiles.

The situation in the Philippine Islands with reference to cotton cloth is analogous to coffee in the continental United States. The continental United States produces no coffee. The Philippines produce practically no cotton cloth. Coffee is imported into the continental United States free of duty. Cotton cloth, an article used by every Filipino, bears a duty averaging from 25 to 30 percent ad valorem if imported from foreign countries. On some articles, for example, cotton blankets and unbleached cloths, the duty averages from 40 to 50 percent ad valorem. This differential represents the advantage that American cotton textiles now enjoy in the Philippine trade over similar goods from foreign countries.

The Philippine Legislature has indicated its willingness to meet the general situation as regards American goods by two relatively recent acts of the legislature. The first, an act approved December 17, 1932, which was an attempt to reestablish parity conditions, due to depreciated currencies, in the liquidation of customs duties; and, the second, an amendment to the Tariff Act of 1909, approved February 24, 1933, which consisted of an extensive revision of duties upward on a number of items.

The tariff laws of the Philippine Islands are contained in the Tariff Act of 1909, enacted by the Congress of the United States, as amended by subsequent acts of Congress and by acts of the Philippine Legislature.

Acts of the Philippine Legislature amending the tariff laws of the islands have been enacted pursuant to the grant of legislative powers in the Organic Act of the Philippine Islands approved August 29, 1916, the pertinent part of which reads as follows:

"SEC. 10. That while this act provides that the Philippine government shall have the authority to enact a tariff law the trade relations between the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States: *Provided*, That tariff acts or acts amendatory to the tariff of the Philippine Islands shall not become law until they shall receive the approval of the President of the United States, * * *.

Similar legislative powers under the Commonwealth government are continued in the Independence Act approved March 24, 1934. However, Congress has reserved the ultimate power to change or nulify any laws enacted by the Philippine Legislature, and it is obvious that legislative suggestions by Congress of the nature noted above would necessarily have a very powerful influence in connection with the enactment of legislation by the Philippine Legislature.

The provisions of the proposed resolution that Congress exercise its influence to secure local insular legislation the effect of which would probably be detrimental to the interests of the great mass of the Filipino people, would not be in line with the traditional altruistic policy of this Government toward dependent peoples under our flag.

CREED F. COX,
Chief of Bureau.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR TYDINGS: With reference to my letter of July 8, 1935, enclosing a memorandum of the Chief of the Bureau of Insular Affairs relative to Senate Resolution No. 163, Seventy-fourth Congress, I am enclosing herewith for your information a copy of a radiogram received in this Department from the Governor General of the Philippine Islands.

It will be noted that the Governor General has initiated steps with a view to improving the situation as regards the United States cotton-textile trade in the islands.

Sincerely yours,

(Signed) GEO. H. DERN,
Secretary of War.

SECWAR, WASH.,
Cox, 9th. 308.

For the information of the President: Apropos House Resolution No. 280 of June 28 following message is today being transmitted to each House of Philippine Legislature:

"The adjustment of trade relations between the United States and the Philippine Islands on a basis satisfactory to both countries is a problem of major importance. While in its larger phases this problem will be a subject of future joint study and negotiation, in pursuance of plans recently formulated, the present situation and trend in some segments of this trade are desiring of the immediate attention of the legislature.

"It is a matter of common knowledge and of serious import to the interest affected, that in certain categories the growing competition of foreign goods entering the Philippines under existing tariff duties is causing a progressive loss of trade to the United States. In the field of textiles alone there has been a decline on a quantity basis from 72 percent of the total imports in 1932, to 67 percent in 1933, and 40 percent in 1934. During the first 6 months of the current year the United States' share was 38 percent of the total. This decline has been so marked as to attract wide attention in the United States, where the condition of the textile trade has assumed a position of exceptional prominence in public discussion and popular interest.

"It is believed that a satisfactory adjustment of our trade relations with the United States would be materially aided and facilitated by an effective adjustment of import duties on textiles and other products that would afford prompt relief to American and Philippine interests, without subjecting other countries to unfair treatment or imposing unreasonable and excessive burdens on the consuming public.

"It has been suggested that it would be a fair solution of the textile problem, considering all interests concerned, if the products of the United States textile industry were restored approximately to the average position held by them in the Philippine market in the years immediately prior to 1934.

"While the condition of the textile trade appears to merit special attention, increases in other schedules may be found justified and warranted as a means of increasing Government revenue, providing protection and security for the development of local industries, and bringing about the desired degree of reciprocity in trade with the United States.

"The subject is brought to your attention for such action as you may deem expedient, and in the belief that early and favorable action in the manner indicated would be in the interest of the Philippine public."

MURPHY.

REPORTS OF COMMITTEES

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 3049) 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, reported it with amendments and submitted a report (No. 1086) thereon.

Mr. LOGAN, from the Committee on the Judiciary, to which was recommitted the joint resolution (S. J. Res. 59) providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a Commission to be known as the "Sesquicentennial Constitution Commission", reported it with amendments and submitted a report (No. 1087) thereon.

Mr. DIETERICH, from the Committee on the Judiciary, to which was referred the bill (S. 2137) to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma, reported it without amendment and submitted a report (No. 1088) thereon.

Mr. WALSH, from the Committee on Finance, to which was referred the bill (S. 3072) to amend the Tariff Act of 1930, as amended, reported it with an amendment and submitted a report (No. 1089) thereon.

Mr. LA FOLLETTE, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3210. A bill to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States (Rept. No. 1092);

H. R. 5229. A bill directing the Secretary of the Interior to investigate, hear, and determine claims of the individual members of the Stockbridge and Munsee Tribe of Indians of the State of Wisconsin (Rept. No. 1090); and

H. R. 5230. A bill to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians (Rept. No. 1091).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 15th instant that committee presented to the President of the United States the following enrolled bills:

S. 239. An act for the relief of the Barlow-Moore Tobacco Co.;

S. 312. An act for the relief of Lillian G. Frost;

S. 377. An act to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah;

S. 428. An act authorizing adjustment of the claim of Korber Realty, Inc.;

S. 475. An act for the relief of Mrs. George F. Freeman;

S. 780. An act for the relief of the Standard Dredging Co.;

S. 1036. An act authorizing adjustment of the claim of Dr. George W. Ritchey;

S. 1054. An act authorizing adjustment of the claim of White Bros. & Co.;

S. 1099. An act for the relief of Ethel G. Remington;

S. 1290. An act for the relief of Walter Motor Truck Co., Inc.;

S. 1446. An act for the relief of Knud O. Flakne;

S. 1447. An act for the relief of Mary C. Moran;

S. 1498. An act for the relief of Robert D. Baldwin;

S. 1499. An act for the relief of Robert J. Enochs;

S. 1566. An act for the relief of Carl C. Christensen;

S. 1872. An act for the relief of Guy Clatterbuck;

S. 2292. An act for the relief of Emanuel Wallin; and

S. 2487. An act for the relief of the Western Electric Co., Inc.

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. BULKLEY:

A bill (S. 3262) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 3263) for the relief of Max Schwartz; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 3264) for the relief of A. E. Bostrom (with accompanying papers); to the Committee on Claims.

By Mr. BORAH:

A bill (S. 3265) granting a pension to Alice Shelton (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3266) granting an increase of pension to Blaine E. Davis; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 3267) for the relief of the Fidelity Trust Co. of Baltimore, Md., and others; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3268) to authorize and direct the Secretary of the Interior to make a lease for the Agua Caliente or Palm Springs Band of Mission Indians of California; to the Committee on Indian Affairs.

(Mr. WAGNER introduced Senate bill 3269, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KING:

A bill (S. 3270) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 161) validating certain conveyances by Kickapoo Indians of Oklahoma made prior to February 17, 1933; providing for actions in partition in certain cases; and for other purposes; to the Committee on Indian Affairs.

RELIEF OF NEW YORK FLOOD VICTIMS

Mr. WAGNER. Mr. President, the recent and unexpected flood disaster in upper New York State, with its destruction of life and property, evokes a call for sober and sympathetic assistance, which must not be denied.

The great Commonwealth of New York, always in the forefront of those springing to the relief of other afflicted areas, is not neglecting its own people in their hour of need; but the Federal Government, in keeping with the growing recognition of national responsibility, must also do its part.

The worthy tradition of Federal aid was confirmed by the act of April 1934, authorizing the Reconstruction Finance Corporation to extend loans up to $5,000,000 to nonprofit corporations for the repair of damages caused by floods and other catastrophes. Responsive to the tragedies of 1933 and early 1934, that act was designed to remedy only the evils occurring before March of last year.

I now propose an amendment in the form of a bill to that law extending its protective coverage over the years 1934, 1935, and 1936. The consequent release of $3,200,000 in loans which have been authorized, but as yet unused, will be of tremendous material assistance to victims in the flood section of New York, as well as to others in all sections of the country, who have been or who may be similarly stricken. Furthermore, this action by Congress should have great intangible value as an additional token of Nation-wide good will.

Mr. NORRIS. Mr. President, is the bill in general terms? Does it apply to any other section than New York?

Mr. WAGNER. It is in general terms.

Mr. NORRIS. Similar conditions in other sections would come under the same bill?

Mr. WAGNER. Yes. I do not mean that the proposed legislation shall be confined to any particular stricken area. It is universal in its application.

I ask consent to introduce the bill and that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill will be received, printed in the RECORD, and appropriately referred.

The bill (S. 3269) to amend the act entitled "An act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes", approved April 13, 1934, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first paragraph of the act entitled "An act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes", approved April 13, 1934 (48 Stat. 589), is hereby amended by striking out the words "year 1933, and in the months of January and February 1934" and inserting in lieu thereof the words "years 1933, 1934, 1935, and 1936."

AGRICULTURAL ADJUSTMENT ADMINISTRATION—AMENDMENT

Mr. BYRNES submitted an amendment intended to be proposed by him to the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

A NATIONAL AND INTERNATIONAL LABOR PROGRAM

Mr. COSTIGAN. Mr. President, at the Institute of Public Affairs of the University of Virginia on July 10, 1935, President John L. Lewis, of the United Mine Workers of America, delivered an address on the significance to labor of American membership in the international labor organization. The address is of unusual interest as the carefully considered expression of a noted leader and spokesman of organized workers of America. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

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

THE SIGNIFICANCE TO LABOR OF AMERICAN MEMBERSHIP IN THE INTERNATIONAL LABOR ORGANIZATION

The entrance of the United States last year into the International Labor Organization is of the most far-reaching import to the labor movement in America and throughout the world. The real significance of this action can be understood only in the light of the extraordinary conditions which prevailed in the world in 1934 when the United States accepted membership. These conditions after the lapse of a year have assumed an even more critical and portentous aspect.

It is a truism to state to this meeting that a social and economic revolution, in the best sense of the word, is now under way in the United States. Fundamentally it consists of a fight to overthrow the financial and industrial autocracy, or dictatorship, which is responsible for the present deplorable condition of wage earners, farmers, and all other groups of the people who work by hand or brain. It is recognized that unless this economic autocracy is subordinated to the public interest the future of our country will hold forth no real hope for labor or humanity.

The revolution which is now in progress in America is also the hope of labor movements in other countries. They do not want fascism or communism. Neither will the organized-labor movement in this country longer accept domination and exploitation by a financial dictatorship.

The time is here when we must again provide, as we did in 1776, for a Declaration of Independence for the whole world. In other words, it has fallen to us that, in our day and generation, America must give to the world a declaration of economic freedom—a declaration that Jefferson's immortal declaration for political democracy must be now supplemented by sound measures of industrial democracy. If Jefferson—the greatest Democrat and humanitarian the world has ever had—could be here today at this university, which he conceived as an aid to political democracy, and could envisage the complex economic mechanism which has supplanted the simple, agricultural, pioneer life of his own day, he would be at the forefront of the present day movement for economic freedom and democracy.

This is the significance to organized labor of America's entrance into the International Labor Organization. The workers of other nations need us. We also need their cooperation.

This conviction has been borne in upon us by post-war developments in America and abroad. To explain the significance to labor of the entrance of our country into the International Labor Organization, it is, therefore, necessary briefly to review the fundamental tendencies in industry and finance with which organized labor has had to contend since the World War at home and abroad.

THE WORLD WAR AND DEMOCRACY

It will be recalled that President Wilson's "14 points" or objectives for winning the war brought a new vision and enthusiasm to America and the Allies. Their underlying purpose was epitomized in the slogan that we were fighting "to make the world safe for democracy." This was interpreted by the labor movement, the churches, and the intellectuals as meaning that not only political autocracy but also economic autocracy in all its forms were to be eliminated by victory.

It was in the light of these understandings that the International Labor Organization was created in 1919 by a special commission of the peace conference, presided over by the late Samuel Gompers, president of the American Federation of Labor. It was for these reasons that they laid down in its constitution the "guiding principle" already enunciated in the Clayton Act of 1915 in the United States "that labor should not be regarded merely as a commodity or article of commerce", and to this fundamental added the further guarantee of industrial freedom and citizenship, that labor should have the right to organize and bargain collectively with employers through chosen representatives.

THE POST-WAR DECADE IN AMERICA

The American labor movement was not destined, however, as much as it desired to do so, because of the adverse public decision in 1919 as to the League of Nations, to assist in the development of this movement for world peace and betterment which it had thus taken the leading part in inspiring and organizing.

Post-war conditions in America also turned out to be the opposite of what had been anticipated. Organized labor immediately after the war sought to increase its strength. But instead of meeting with a spirit of cooperation in accordance with war-time promises of a better economic world after the cessation of hostilities, a most bitter and relentless opposition was encountered, resulting in local and national strikes. Moreover not only did reactionary groups in industry attempt "to deflate unionism and democracy" after the war but they also sought to substitute for legitimate unionism a system of company-dominated employee organizations which they deceitfully described as "the American plan" for industrial democracy.

Such deplorable conditions prevailed until after the industrial break-down of 1920–22. With the upturn of business conditions in 1923 the so-called "new era" was inaugurated by the then Secretary of Commerce, Herbert Hoover, representatives of the United States Chamber of Commerce, and outstanding industrialists. The leaders of this new order advocated the increased use of labor-saving machines and processes to expand mass-production methods and to reduce unit costs of production. As a result of this new program, it was claimed that wages and salary rates might be indeterminately increased, greater purchasing power and higher standards of living developed, and, simultaneously, prices to consumers reduced and generous margins of profits maintained.

Unfortunately, however, the policies and practices of American industry could not be made to conform to these new and widely proclaimed principles. The short-sighted demands for immediate profits constantly made upon industrial management by investment bankers, financiers, and speculators during the period 1923–29 destroyed the hopes and plans for a better economic order. The entire system of industrial policy and management which our so-called "investment" and "private" bankers developed during the period 1923–29, by acting as fiscal agents of industrial and financial corporations, and by their concentrated control of the Nation's money and credit facilities, including even the New York Reserve Bank and the credit policies of the Federal Reserve Board itself, culminated in the worst debacle in the history of our country, and brought our traditional capitalistic system into permanent disrepute.

Its fundamental evils were also visited upon all the leading industrial and commercial nations of the world. This was due to the fact that when our so-called "new era" or "new industrial revolution" in America had gotten under full swing the leading nations of Europe, marveling at our unprecedented mass-production methods and performance, sent delegations to America to learn the secret of our success. Our bankers extended generous loans to enable them to mechanize their industries. American plants were also established abroad. Both foreign and American establishments followed the same American methods, were influenced in their policies by the same sources of credit and finance, and came to the same fate as our own establishments.

To epitomize briefly, therefore, the experience of the organized-labor movement in the United States during the post-war period, 1919–29 led to the following inescapable conclusions:

First. Those in financial control of American industry constantly sought to maintain an industrial autocracy, and to deny by every means possible liberty and democracy to American workers. They repudiated all war-time promises for post-war measures of industrial democracy and economic reform. Unceasingly they fought unionization, or the right of labor to organize and to bargain collectively or to cooperate with management to industrial accomplishment.

Second. Those in financial control of industry also demonstrated their complete unfitness to direct industrial operations in the public interest. They sacrificed the fundamental interests of workers, whether by hand or brain, as well as those of credulous purchasers of securities, for immediate speculative profits. Instead of giving to workers a reasonable participation in the form of adequate wages and more leisure, or making possible the free-

ing of children from mills and factories, they capitalized and appropriated to their own use, the extraordinary productive gains of industry arising from increased mechanization and improvements in technological methods.

Third. That there is no ground for hope for the democratic aspirations of America, unless the methods of industrial control and procedure which existed during this period are eradicated.

THE DEPRESSION AND THE NEW DEAL, 1930–35

This fundamental attitude of organized labor in the United States has also been further strengthened by the events of the 6 years which have elapsed since the break-down of our economic system in 1929.

Our financial autocracy, after the slowing up of production and the collapse in the security markets in the autumn of 1929, which they brought about by their misguided, antisocial policies, added another tragic error to their already unpardonable record. At this time inflated security and real-estate values should undoubtedly have been deflated. On the other hand, for two vital reasons, wages and prices should not have been deflated: (1) Because they had not inflated, and (2) because the maintenance of stability in wages and prices was the essential condition to continued production and to liquidation of speculative losses.

But those in control of our industrial, financial, and credit resources in 1930 misguidedly decreed, as a condition to revival, reductions in wages, salaries, and prices with the result that the demand for goods was further decreased, unemployment and property losses grew by leaps and bounds, and the most critical situation in the history of our country was precipitated.

Three tragic years of human suffering elapsed before light first appeared in the seemingly impenetrable darkness which enshrouded the country. Within 3 months after March 4, 1933, the new deal, however, by means of the National Recovery Administration, placed a minimum or bottom wage under the destructive, deflationary movement which was then rampant. Price and production schedules in manufacturing and mining were stabilized. Simultaneously the Agricultural Adjustment Administration performed the same service for agriculture. As a consequence, economic tendencies were reversed and an upward movement established. Reflation supplanted deflation.

Whatever the new deal may or may not have done in the past, and however great its services may be in the future, it will have the imperishable achievement to its credit of having arrested permanently the devastating avalanche of deflation, which, during the 3 years prior to March 1933 had engulfed and threatened to destroy all values—human, social, and economic—in its path.

Furthermore, for the first time in the history of our country, Congress, under the recommendation of President Roosevelt, also conferred upon labor the guaranty of industrial citizenship, or the right to organize and bargain collectively with employers through representatives of labor's own choosing.

INDUSTRY THWARTED RECOVERY UNDER THE N. R. A.

But the blighting influence of our financial dictatorship soon reasserted itself. After the initial accomplishment of the N. R. A. in stopping deflation, industry under its direction was rapidly codified, and production and employment expanded enormously. By March 1934 very encouraging results had been registered. Pay rolls had advanced more rapidly than employment. Rates of pay and earning of employees had increased, and hours of labor had declined. Basic and secondary industries also passed for the first time in several years from deficits to more or less satisfactory profits. So encouraging were the results that President Roosevelt decided to inaugurate a more forward-looking program designed to accelerate further the growth of reemployment and mass purchasing power. At a meeting of code authorities which was convened in Washington for conference on future policies on March 5, 1934, he urged that profits should be kept at a minimum, hours of work further shortened to stimulate reemployment and wages and salaries advanced so as to make possible the consumption of an increased output of mines, mills, and factories.

The opposition of those in control of industry to this appeal left no doubt in men's minds as to the inability of industry to govern itself in an enlightened way or in the public interest. It was disclosed that industry and finance were a unit in the decisions to hold to what profits had already accrued and desired only the opportunity to carry on the further pursuit of profits without regard to economic recovery or reform. Because of this reactionary position of our financial dictatorship no attempt was made by the N. R. A. to enforce the President's ideas as to an acceleration of the recovery program. From this time forward its influence as a positive or guiding force in industrial expansion, or toward gains in economic accomplishment, was negligible.

During the extensive hearings prior to the adverse Supreme Court decision, held by the Senate Finance Committee on proposals for reviving the N. R. A., this attitude of the supreme command of industry in "freezing production" and practically holding up reemployment and the recovery program for temporary profits were disclosed by witnesses from labor and consumer organizations and officials of the Government itself. It was clearly shown that no progress over the old capitalistic conditions could be hoped for unless price, production, and profit controls over industry were directly established through Government agencies.

SO-CALLED "INDUSTRIAL SELF-GOVERNMENT" IMPOSSIBLE

This is also the position today of organized labor. It holds that industrial self-government has been discredited for all time. It believes that if we are to have economic recovery, and industrial conditions hereafter, which will be characterized by steady operation and employment, and a fair distribution of industrial output among all groups of industrial workers, industrial planning, and the regulation of production, prices, and profits must inevitably be placed under Government control.

GOVERNMENT CONTROL IMPENDING

To this conclusion it may also be added that it is the further conviction of organized labor that unless our financial and industrial interests find themselves able to adjust their programs and policies speedily to the public interest, Government control over their operations must be quickly exercised. At least 10,000,000 are still unemployed in America and double that number are still subsisting on public relief or improvised public employment. They cannot be kept in this situation permanently. If industry is unable voluntarily because of a sinister financial control to expand its operations to take on these men, it will have to be done through a direct exercise of public power. It will become obligatory on the Government, in other words, to develop an economic plan for industrial expansion, which on the basis of industry and plant quotas, and of shorter hours and higher rates of pay, will absorb the unemployed. Reemployment can be quickly attained on this basis should the Government place its own credit and supervision back of the plan to insure its fulfillment.

THE FIGHT AGAINST FINANCIAL AND INDUSTRIAL AUTOCRACY

In concluding the analysis, therefore, of the post-war experience of organized labor in America, it may be fundamentally stated that organized labor has discovered during the post-war period, whether in times of activity or depression, that an industrial and financial autocracy in America has constantly exercised control and thwarted all progress toward social and economic progress and reform.

Unlike the movement in Europe, however, this American economic dictatorship has been socially and politically unsanctioned, working out its objectives without open official recognition. Its control has rested in the hands of a small inner group of New York bankers and financiers symbolized and dominated by the New York banking house of J. P. Morgan & Co. Its power, which overshadows that of our National Government, is derived from its concentrated national control of money, credit, and wealth.

In its earlier manifestations, prior to the World War, it was named by those who vainly shattered their strongest lances against it—Congressman Lindbergh, the elder Senator La Follette, Justice Brandeis, Woodrow Wilson, and a score of other crusaders for democracy and humanity—as the "Money Trust."

War-time profiteering tremendously augmented its resources and power. Its corporate and political control was also greatly extended by the speculative excesses of the so-called "new era." The Banking and Currency Committee of the United States Senate, after several years of careful investigation, reported during the summer of 1934 that during the post-war decade this financial oligarchy usurped "the wealth stream of the Nation to its very capillaries."

Control of wealth and credit has thus become more highly concentrated. Our self-governing institutions, together with the destinies of all classes of our people, have now come to be dominated by an immeasurably strengthened and more highly developed banking and financial oligarchy. Ruthless individualism and profits have been its gods. Unionism has been constantly opposed. Workers, and all groups of our people, have been denied a fair participation in the output of industry. Inordinate industrial profits have been capitalized and made the basis of speculation. Industry was permitted to collapse in 1929 because this small inner group, which dictated industrial policies, would not concede to wage earners, salaried workers, and farmers a sufficiently large participation in national output to enable them to purchase the goods produced by mines, mills, farmers, and factories.

THE DEVELOPMENT OF A SOCIAL AND ECONOMIC REVOLUTION IN AMERICA

Thus, since the World War, organized labor has been confronted with the fact that a social and economic revolution has been developing in the United States as a logical and inevitable outgrowth of conditions and policies imposed by a dictatorship in control of industry and finance. This revolution has not been of labor's own conceiving, but it has not been one which labor has hesitated to support, and which it still proposes to support in a constructive way through further organization, especially by industrial unionism.

No revolution in the history of the world has been successful unless it was supported from above. Today we usually think of revolution in terms of labor unrest and strikes, and of agricultural discontent and violent protests. These are, indeed, outward and ominous factors. But it should be borne in mind that behind these activities today in America is to be found the constant support of liberal groups of the churches, colleges, and universities.

Constructively speaking, academic revolutionaries warn us of impending changes in our economic and social institutions. Liberty hereafter, they hold, must, as a rule, be conditioned by what is socially desirable and not by what is individually profitable. Statisticians and engineers from the universities prove that modern industry can afford, if its output is equitably distributed, an abundant life for all.

The churches, on the other hand, urge their enlightened ethics as a substitute for the pagan ethics of the old capitalistic system. They concede that capitalism can produce enough for all, but they assert, because of the profit system, it cannot distribute its output equitably among the masses of the people; also that capitalism has always carried the seeds of its own destruction by the claim that

the capitalist is entitled to the excess of what labor produces over what is paid to labor. They hope for the development in America of a democratic, cooperative industrial regime as a world substitute for a materialistic, irreligious communism. Catholics and Protestants, Jew and Gentile—all denominations and races—are as one in their efforts to revolutionize our old economic order and bring about the democratization of industry.

In the practical arena of social and political agitation and controversy the active reform movements, as thus sanctioned and supported by the academic and the church groups, center in this country, as is well known, around the farms, mines, mills, and factories.

SIGNIFICANT IMPLICATIONS OF THE MOVEMENT TODAY

The practical implications of this movement today are most significant.

The United Mine Workers of America, by way of illustration, and a majority of the operators in the bituminous mining industry have united in support of the Guffey bill for placing the industry upon a public-utility basis under Federal control. All the other natural-resource industries—anthracite coal, oil, gas, lumber, copper, and electric power—must soon follow this precedent. If experience under a public-utility status should be ineffective, or should the Supreme Court declare the Guffey bill unconstitutional, recourse must at once be had to a constitutional amendment or to Government ownership and operation.

The railroad labor executives, whose policies have always been based on sound, conservative judgment, as a unit have recently declared for Government ownership and operation of the railroads. They state that they have been forced to this decision by a bitter experience of many years, which has conclusively shown that the same financial autocracy which dominates other basic industries cannot longer be endured by railway employees. They have concluded that the only effective method for its eradication is through Government ownership and control.

Present-day tendencies in labor organization also places main emphasis upon industrial unionism. This has been found necessary in order to develop sufficient economic and political power to bargain collectively on a basis of equality with those in financial control of industry and to secure the proper degree of political control over this financial dictatorship.

It is also particularly significant that all groups interested in real, constructive reform in America no longer limit the labor movement to a narrow, technical scope and definition. Labor no longer signifies the man with the hoe but is the voice of the peoples of the world. The range of its influence extends from the unskilled industrial and agricultural workers throughout the so-called "white collar" groups, including industrial technicians, school teachers, newspaper employees, and even those special writers and commentators who stand out as preeminent in the newspaper field. The liberal and constructive groups in the churches, colleges, and universities, as has already been stated, have also practically made themselves a part of the labor movement.

THE SITUATION ABROAD

As to the situation abroad, the stage has already been set for the effective cooperation of the labor movements in other leading industrial nations with American labor. In the year 1931, due to world-wide depression, the international labor organization departed from its established procedure of considering only protective labor standards by making an appeal for an international economic congress to consider uniform methods and policies for meeting prevailing conditions and for promoting economic recovery in all nations. Because of the favorable reaction of its members it also authorized constructive research and investigation along these lines. Conditions are, therefore, most favorable for cooperative action between organized labor in Europe and America.

In this connection it should also be recalled that during the post-war period the old forms of political and industrial democracy have to a great extent been modified or temporarily obliterated in Europe. In the year 1917, before the close of the World War, due to the peculiar conditions prevailing in Russia, an attempted constitutional form of government was violently overturned by a so-called "dictatorship of the proletariat." Early in the post-war period unsettled economic conditions and the threat of radicalism in Italy also finally led to the establishment of a Fascist dictatorship. Like tendencies later resulted in similar dictatorships in Austria, Hungary, Poland, Spain, Germany, and in southern and eastern European countries.

This condition of affairs constitutes a challenge to action to the American labor movement if political and industrial democracy are to be preserved.

When we look backward it will be recalled that the reasons for, and the principles of, our Revolution against Great Britain of the years 1775–83—as embodied in our Declaration of Independence of 1776 and our Constitution of 1787—set the world on fire for political democracy. During the ensuing century and a half the principles of political democracy, as proclaimed by the founders of self-governing Republic, were gradually accepted and practically applied by all the peoples of the civilized world. Self-government superseded the absolute rule or limited powers of princes, kings, emperors, kaisers, and czars.

The American organized-labor movement will never accept fascism or communism. There is no reason, however, why European dictatorships of the present day should not fall before the ideals of industrial democracy which the American labor movement represents. It is the belief of organized labor that America will again give to the world a system of industrial democracy which will supersede existing dictatorships and constitute an acceptable supplement to our proclamation of political democracy in 1776. The forces in our country today which are behind such a movement, are fundamental and inexorable.

CONCLUSION

The real significance of our entrance into the International Labor Organization may, therefore, be said to be, that the American labor movement has taken up again the torch of international labor leadership which was temporarily wrenched from the hands of Samuel Gompers by extraordinary and unexpected political developments in America in 1920; that a political and social revolution is now in progress in America, sponsored by the churches, colleges, and universities, which finds its practical leadership in the organized-labor movement; that its ultimate success depends upon world cooperation and that in the International Labor Organization the organized-labor movement of America finds its opportunity for establishing world cooperation.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the committee, on page 18, beginning in line 21, to insert paragraph (G).

Mr. BORAH. Mr. President, I wish to withdraw the notice which I gave yesterday for reconsideration of the vote by which the word "soybeans" was inserted in the bill. I have no objection to the inclusion of soybeans.

Mr. FLETCHER. Mr. President, I send to the desk and ask to have printed in the RECORD a letter from John H. Swisher & Son, Inc., cigar manufacturers of Jacksonville, Fla., relative to the effect of the pending bill on the cigar-manufacturing industry.

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

JACKSONVILLE, FLA., *July 10, 1935.*

The Honorable DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

DEAR SIR: We have your favor of July 6 relative to H. R. 8492, and note your comments in that the committee has taken the position that as representatives of no other industry had been heard it would not be fair to hear representatives of the cigar industry.

When it comes to any legislation as regards tobacco, we believe the industry as a whole should have an opportunity to be heard and especially on as vital a legislation as H. R. 8492 which is apparently the most drastic legislation that has been proposed. If this bill is passed in its original form there is no doubt whatsoever but what it would prove ruinous to the cigar-manufacturing industry.

Without referring to any statistics, we feel that you know that this industry has been decreasing from year to year, and just at the present time farmers are all receiving parity prices, and all surpluses have been absorbed and a definite shortage is ahead and now with this legislation whereby benefits are going to be continued to be paid long after parity prices have been reached, then absolutely the industry cannot exist and the farmers will again be faced with a surplus of tobacco which they will not be able to dispose of.

Furthermore, as part of this A. A. A. amendment, it provides that the Government should not reimburse any taxpayer for the reason that this tax, or as we may term it, so-called "tax", has been passed on to the consumer.

This reason as given we challenge, for absolutely this processing tax has not been passed on to the consumer in one single instance, and may we suggest that an amendment be offered to this portion of the bill whereby this provision shall not apply to any single corporation, firm, or individual who has not passed this processing tax on to the consumer.

We still remain of the firm opinion that this bill should be referred back to the Senate subcommittee for a fair discussion at public hearing, and we know of no legitimate excuse that can be offered for denying this request.

Yours very truly,

JNO. H. SWISHER & SON., INC.,
H. B. COULTER, *Secretary.*

Mr. SCHALL. Mr. President, I ask unanimous consent to have published in the RECORD a speech made by Editor Stephen Bolles, at Janesville, Wis., at a pioneer gathering, and an editorial from a Dallas, Tex., newspaper. I also ask permission to use the eyes of the clerk to make some observations on the pending bill.

The VICE PRESIDENT. Will the Senator permit the Chair to submit the first request, so that the two may be taken separately?

The Senator from Minnesota asks unanimous consent to insert in the RECORD a speech made by someone in Wisconsin

and an editorial from a Dallas newspaper. Is there objection?

Mr. ROBINSON. Mr. President, I object for the present.

The VICE PRESIDENT. The request is to insert in the RECORD a speech made by someone else and an editorial. The Senator has made a further request to have read a speech of his own.

Mr. ROBINSON. For the present, I object.

The VICE PRESIDENT. The Senator from Arkansas objects.

Mr. McNARY. I inquire if the objection goes to the printing of proper matter in the RECORD or to the speech of the Senator from Minnesota which he asks the clerk to read?

The VICE PRESIDENT. The request was made that a speech delivered by someone in Wisconsin be printed in the RECORD. Will the Senator from Minnesota state again just who it was from Wisconsin who made the speech?

Mr. SCHALL. Stephen Bolles, who is the editor of a Janesville, Wis., newspaper, and his speech was delivered at a pioneer celebration.

The VICE PRESIDENT. The Senator from Minnesota also requested that there be printed in the RECORD an editorial from a Dallas, Tex., newspaper.

Mr. SCHALL. I also make the request that I be permitted to use the sight of the clerk to make some observations on the pending bill.

Mr. ROBINSON. For the present I object.

I should like to state that from time to time the Senator from Minnesota has had the unanimous consent of the Senate to insert articles in the RECORD and also to have articles read from the desk, and on numerous occasions, under such unanimous consent, he has inserted matter in the RECORD which I think should not be properly admitted to the RECORD by the Senate. I call the attention of the Senator from Minnesota to this fact. I should like to see the editorial and the article before they shall be inserted in the RECORD.

The VICE PRESIDENT. Objection is made.

Mr. McNARY. Mr. President, just a moment. The inquiry I made has been answered by the objection going to the editorial which the Senator from Minnesota seeks to put in the RECORD. He coupled that request with the further request that the clerk be permitted to read a speech or statement on the pending motion to strike out paragraph (G). Is there objection to that request?

Mr. ROBINSON. I shall not object to a speech by the Senator being read, provided I may reserve the right to object if it shall appear that in the speech there is matter which should not, in my opinion, go into the RECORD.

Mr. SCHALL. The Senator has that right at any time, as I understand.

The VICE PRESIDENT. The Senator from Minnesota asks unanimous consent to insert in the RECORD a speech made by an editor and an editorial from a Dallas newspaper, and further that remarks of his may be read by the clerk.

Mr. ROBINSON. Mr. President, this is a wholesale request for putting matter into the RECORD. I shall object to putting into the RECORD the editorial and the article until an opportunity shall have been afforded to ascertain that they do not contain matter which, in my opinion, is obnoxious to the rule. I do not object to the reading of the speech of the Senator from Minnesota, but reserve the right to object.

Mr. McNARY. That is the understanding I have of the matter. The Senator from Minnesota informed me, in view of the discussion a few days ago, that he desired, of course, to conform to the strict rule of the Senate with respect to making references to Members of the Senate and House. Under the understanding, the request is that the clerk may read and if anything should appear in the speech that is obnoxious to the rule of the Senate, of course, objection could then be made.

The VICE PRESIDENT. Is there objection to the reading of the speech? The Chair hears none. The clerk will read.

Mr. SCHALL. Mr. President, I understand that the Senator from Wisconsin [Mr. DUFFY] had the article from the Janesville newspaper inserted in the RECORD, so I withdraw the request for the insertion of that article.

Before the clerk reads I desire to state that if I had my sight I no doubt could stand here and read the speech, and I should not be subject to the censorship of the Senator from Arkansas unless I said something to which he might object. It seems to me the rule of the Senate ought to be changed so that no one person could ride censorship on what another Senator has to say, even though it may of necessity have to come through the eyes of the clerk.

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

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

Mr. SCHALL. I yield.

Mr. ROBINSON. I have explained many times, and I think the Senator from Minnesota must understand, that there is no objection from anyone to his incorporation in the RECORD of any matter which does not infringe the rule of the Senate. But on numerous occasions the Senator from Minnesota has taken advantage of the fact that he cannot read his own articles and his own speeches, speeches which he was proposing to make, to incorporate in the RECORD matter which was objectionable under the rule. Therefore, while I do not object to the reading of his speech, I reserve the right to object. With that understanding, which I think the Senator from Oregon [Mr. McNARY] fully apprehends, and which I think the Senator from Minnesota should apprehend, I make no objection to the reading of his speech, but I reserve the right to object.

Mr. SCHALL. Mr. President, I have made no statement that I have not a right to make under the rules. If I did so, it was unintentional. I have only done what I thought the position of a Senator representing a State entitled him to do, that which he had the privilege and the right to do in the Senate, of stating his thoughts and putting his construction upon the present administration and its policies. I know it hurts, but it still is my right to say what I have to say, even if it must be through the eyes of the clerk.

I resent the fact that the Senator from Arkansas rises on the floor of the Senate and constantly says I am breaking the rules of the Senate. If he will point out wherein I have broken the rules, I certainly shall not do it again. As my speeches are read, they are subject to objection. If they are wrong, let the Senator move to strike them out.

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

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

Mr. SCHALL. I yield gladly.

Mr. ROBINSON. On the last occasion when the Senator from Minnesota addressed the Senate, under unanimous consent, he obtained an order to incorporate in the RECORD a statement declaring a very high officer of this Government a maniac.

Mr. SCHALL. No; a megalomaniac, which means a million times an egotist. "Mega" is Greek for a million.

Mr. ROBINSON. A megalomaniac.

Mr. SCHALL. Yes; a million times an egotist.

Mr. ROBINSON. The Senator from Minnesota has the audacity to rise on the floor of the Senate and assert that he conforms to the rule of the Senate. In the case of one whose moral obliquities are such as the Senator has repeatedly demonstrated here, it becomes the duty of someone to see that the rules are observed in connection with the CONGRESSIONAL RECORD. If the Senator from Minnesota insists upon the right to have his speeches read without regard to the rules of the Senate, he cannot shield himself behind an unfortunate affliction to make statements here which are offensive to the President of the United States and which are offensive to Members of the Senate. If he were rightly constituted he would not insist upon such procedure. He has done it repeatedly.

He has violated the rules of the Senate repeatedly, and every Senator who has listened to his remarks knows my statement to be true. Now he states that he resents the action of the Senator from Arkansas in insisting upon his right to object to the speech of the Senator from Minnesota

if he feels it violates the rule. I do not care how much he resents. I myself have some resentment. The Senate ought to be a body of decency. It ought to conduct its debate in conformity with parliamentary rules, and no Senator has a right to insist upon any other course.

Mr. President, I object to the reading of the editorial referred to and I object to the reading of the articles referred to. I reserve the right to object to the remarks of the Senator from Minnesota if, in my opinion, they transgress the rule.

The VICE PRESIDENT. The clerk will read, as requested.

The legislative clerk read as follows:

ARE WE A "COHEN-IZED" CONGRESS?

Mr. SCHALL. Mr. President, the United States district court of three judges assembled in Minneapolis, my home city, July 11, for the hearings of 16 milling companies which had asked injunctions against collection of processing taxes by the A. A. A. Administration for the months of May and June.

The court denied the Government's motion for dismissal of the injunction suit, and granted a temporary injunction to hold until the decision upon a permanent injunction in September term.

Without passing upon the constitutionality of the A. A. A., the court declared:

> We do not determine at this time that any provisions of the act in question are unconstitutional. A reading of the cases offered by counsel, however, amply supports the view that the constitutionality of the act is subject to serious doubt. It is sufficient to justify relief by temporary injunction.

These 16 cases before the United States district court at Minneapolis are samples of hundreds of like appeals from industry against the constitutionality of the A. A. A. processing taxes in substantially all the district courts of the United States. Many hundreds of these cases are now headed for the final decision of the United States Supreme Court. Many cases have resulted in permanent restraining orders.

Even were this amended A. A. A. bill—the "Cohen-ized" and aggravated extension of autocratic powers—to pass Congress at this session, there is every fair indication that it will never become the law of the land.

All that we here vote to do is, in effect, this: To register our individual votes for or against this proposition—"Yes" or "No" on the question, "Is this a Cohen-ized Congress?"

The substantial question on the constitutionality of the processing taxes of the A. A. A. was decided in the recent N. R. A. case of May 27. That case was decided on two points: (1) the unconstitutional delegation of the legislative power of Congress to the President and his bureaus; (2) an invasion by the Federal Government upon the intrastate powers of the respective States.

The processing taxes of the A. A. A. violate article I, which grants all powers of taxation to Congress. The levy and collection of these taxes by the A. A. A. Administration is an unconstitutional delegation or usurpation of the legislative power to tax, as decided by the Supreme Court in the N. R. A. case, as in hundreds of cases from the time of John Marshall.

These processing taxes and the dictatorship of the A. A. A., second, invade the intrastate business of the State, and violate the rights of the States and the guaranties of articles 5 and 10 of the Bill of Rights, also set forth by the Supreme Court in the N. R. A. case of May 27.

So the final decision of the Court when these hundreds of A. A. A. cases finally reach the court of last resort is already forecast in the decision on N. R. A. We are voting for another "sick chicken" if we vote for this expansion of the A. A. A. We are voting, moreover, for a diseased hen afflicted by new malignant ills. We are voting for an extension of the temporary acute attack into a chronic and permanent disease, an epidemic of legislative ills affecting the major bills now before this session; namely, the seven must bills drafted by Cohen, who assumes the legislative function usurped by the Executive.

This bill in itself is an admission of unconstitutionality when it seeks to invade the judicial power of government by denying the rights of citizens to appeal to the courts against the unconstitutional tax levies of the A. A. A. We are, therefore, voting on one question: "Is Congress Cohen-ized? Shall we vote to change the spelling of the word 'C-o-n-g-r-e-s-s' and make it read 'C-o-h-e-n-g-r-e-s-s?'"

The Constitution, beginning with the preamble, "We, the people of the United States", starts with the provision of article I:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

That provision has been effective in this country for 146 years up to March 4, 1933.

Under the new-deal version, beginning its Fabian progress under the emergency powers of 1933 and now consummated by this White House order of must bills in July 1935, article I of the Constitution is, in effect, amended to read thus:

> All legislative powers herein granted shall be vested in the Executive by the medium of Cohengress of the new deal, and the Senate and House of Representatives are permitted to affix their rubber stamps to the acts of our Cohengress.

Shall we abdicate and be a "go-and-get-it" group for this new-deal Cohengress?

Mr. President, in my remarks of July 11 I quoted section 21 of this bill as originally printed and obtained from the Senate document room.

I note that section 21 of the bill now before us has a new wording of the provision quoted, and now reads as follows (see p. 58), which I here desire to have read into my amended remarks:

> SEC. 21. (a) No Federal or State court shall have jurisdiction to entertain a suit or proceeding against the United States or any collector of internal revenue or other internal-revenue officer or any person who has been such a collector or officer or the personal representative of any such collector, officer, or person (nor shall any such suit or proceeding be brought or maintained in, nor shall any judgment or decree be entered by, any such court) (1) for the recoupment, set-off, recovery, refund, or credit of, or on any counterclaim for, any amount of any tax, interest, or penalty, assessed, paid, collected, or accrued under this title prior to the date of the adoption of this amendment or (2) for damages for the collection thereof. Except pursuant to a final judgment or decree entered prior to the date of the adoption of this amendment, no recovery, recoupment, set-off, refund, or credit of, or counterclaim for, any amount of any tax, interest, or penalty assessed, paid, collected, or accrued under this title prior to the date of the adoption of this amendment shall be made or allowed—

And so forth. This revised version brings out even more specifically the purpose of the executive branch of government to invade the judicial powers of government, both Federal and State.

Note this sinister language:

> No Federal or State court shall have jurisdiction to entertain a suit or proceeding against the United States or any collector of internal revenue * * * (nor shall any * * * judgment or decree be entered by any such court) (1) for the recoupment, set-off, recovery, refund * * * of any tax * * * (2) for damages—

And so forth. In other words, the king can do no wrong when he is engaged in collecting unconstitutional processing taxes under the usurped legislative powers of the A. A. A.

Neither Hitler nor Mussolini has assumed greater autocratic powers than this in submerging both the legislative and judicial branches of government. Both Mussolini and Hitler frankly and brutally abolished the constitutions and bills of rights of their countries before they took over all the powers of government. What they did by force of arms their imitator here is attempting to do by force of subsidy and a $5,000,000,000 war club. That is a mere detail of method. The deal is the same in the final catastrophe to government by and for the people.

NEW DEAL GAME OF POKER

Mr. President, I have just had read to me an editorial leader of the Saturday Evening Post of the current issue of July 13, entitled "Poker Politics", and it has stimulated me to make some remarks upon the new-deal version of that subject.

It appears that the editor of the Saturday Evening Post, Mr. George Horace Lorimer, is likewise deeply versed in that

game made famous by the Vice President of the United States on the plains of Texas. Lorimer may not be the equal of our distinguished Presiding Officer (known to fame as "Texas Jack") in the gentle game of riding steers and branding mavericks, but he knows his poker, as witness this editorial observation relative to the American game of the days when the Government paid its bills and balanced its Budget, and the dollar was worth a dollar in gold and not 59 cents in hullabaloo.

Lorimer says of "that sterling old American game, draw poker":

> It was played under hard and fast rules according to Hoyle.

That was before Rexford Guy Tugwell succeeded Hoyle. That is to say, that was the way the game was played in the days when the Constitution was in force, before Congress became Cohenized, and before Cohen sat in this Chamber to direct the majority what to say and how to vote, and before Comrade Tugwell had come back from Moscow.

In those days, "experience and skill usually determined whether a man finally won or lost." That was when the deal was a square deal, not a new "three-card-monte affair—heads I win, tails you lose", with Cohen as dealer and Corcoran croupier for the White House syndicate.

"In time," quoth Lorimer, "impatient souls wanted more action and quicker results." That was when the new-deal game came in with a bold experiment or planned emergency on every odd-numbered weekday, and two emergencies following a fishing trip on Astor's yacht *Nourmahal*.

Under the new deal, or misdeal innovations, there were introduced "deuces wild", whereby a two-spot was the equal of any card in the deck, from ace to trey. Though Lorimer did not say so, he doubtless had in mind as "deuces wild" such gazaboes as Hugh Johnson, Rexford Guy Tugwell, Corn Wallace, and Harold Ickes. He also may have had up his mental sleeve those Cabinet members—Ickes, Wallace, and Morgenthau—and those bureau chiefs—Hopkins, Morgan, and Kohn—who went "deuces wild" 2 years ago, and crossed the Delaware with royal charters from the President to extend indefinitely their 2-year emergency powers under articles of incorporation, reading:

> This Corporation shall have perpetual existence.

As Lorimer says:

> Naturally, this caused great confusion, leading to wild and blind betting on the part of the players. Experience and skill no longer counted. Orderly procedure at the card table went into the discard with them.

That is to say, with the "brainstorm trust" camped around the White House.

Another new-deal innovation in the American game of poker, so Editor George Horace Lorimer finds, is the "one-eyed jack wild." That might apply to Wallace, of the A. A. A., plowing up growing crops and converting pigs into fertilizer for the comic or tragic promotion of agriculture. It might apply to Morgenthau proposing to balance a Federal Budget with a four-billion deficit by issuing a doubtful tax levy amounting to 10 percent of the deficit. It would apply to Tugwell, who proposes "government by men", as in Moscow, as a substitute for "government by laws" under a Constitution. It might apply to Roper, who signed a contract to scuttle the *Leviathan* in the interest of Vincent Astor and his British shipping companies. It might apply to Hugh Johnson, who rode the Blue Eagle from egg to earth till it died the death of a sick chicken, and it might apply to the wild-eyed Richberg, who had "ants in his pants." It might apply to Farley, who uses 57 bureaus for propaganda and 30 emergency funds for campaign "sinews."

Still another new-deal innovation of the American game of poker is described by Lorimer as the "seven-card peek." This might apply to the star-chamber tariff acts of the State Department, where only foreign emissaries are allowed to "peek." It certainly applies to the Cohen-Corcoran bills sent over to Congress from the White House, in which, for every five sections of the bill laid before the Senate committee there are two "peek" sections stuck into the bill en route to the Senate Chamber, making in all a "seven-card peek" through the Cohen-Corcoran speak-easy. And nobody not in the confidence of the White House has a "peek" as to what kind of a bill we are going to be permitted to pass under gag rule and in violation of the Constitution.

All bills submitted by Senate and House to a packed, White House controlled conference committee are "seven-card peek" bills which neither Senate nor House ever saw, drafted by Cohen or dropped from the sleeve of Corcoran, and dealt by some White House croupier as "an act of Congress."

"Dealer's option" is the name of another new-deal innovation listed by Lorimer in the game of poker politics. He did not need to tell us, for we already know, that the "dealer's option" is possessed by the President for listing the must bills. The President deals the cards and Congress is not allowed even to cut the pack. These must bills of the "dealer's option" must be passed before the President will permit us to adjourn, and any recalcitrant Senator who ducks can have none of that $5,000,000,000 "allocation" pie in the next election, or patronage pork at any time.

Seven must bills of the "dealer's option" are now spread before us as our end-of-the-session stunt. There is a tax bill aimed to steal the share-the-wealth ace from the hand of the Senator from Louisiana [Mr. LONG] and put him in the political hole, but better calculated to put the whole country in the hole. There is the unconstitutional coal bill, which is designed to catch the coal-mine vote of Pennsylvania and West Virginia before the Supreme Court knocks it out. There is the electrocution utility bill, which gives the distinguished orator from West Virginia [Mr. HOLT] a chance to stump speech for Mr. Farley's postmaster vote several months before the Court gets a chance to knock it out to save 12,000,000 small investors. There is the pending A. A. A. extension and expansion, brought over by Comrade Tugwell from Moscow, to afford the courts plenty of knockout practice. There is the expanded T. V. A. made according to the Lenin formula, that "socialism plus electrification spells communism." There is the waterway bill, which places waterways under railroad domination. There is the bill to create the central United States Government bank, which Andrew Jackson thought he had put out of Washington 100 years ago.

Of course, Editor Lorimer, of the Post, does not go into the concrete detail of the poker games as I have here liberally interpreted it. He sets the type and pattern for us to fit the goods. He might not care to say, for example, that the "dealer's option" means the option of Franklin Roosevelt. Moreover, the editor might not care to say in so many words that the "dealer's option", or the White House must bills, are governed by the following outstanding specifications, with which we as Senators are now familiar, to wit:

First. These seven must bills are not drafted pursuant to the mandate of the Chicago Democratic platform or any 100-percent preelection pledge of the President.

Second. They are drafted pursuant to the mandates of the Socialist platform of 1932 and/or the Communist platform.

Third. They do not accord with the principles of Washington and Jefferson or Jackson and Lincoln or Grover Cleveland and Theodore Roosevelt. But they do accord with the ideas of Hitler and Mussolini, of Karl Marx, and Joseph Stalin in major intents and purposes.

Fourth. So far as possible, they are drafted to violate the principles of the United States Constitution and the American Bill of Rights, and are aimed to put the United States Supreme Court on the "spot" for following the time-honored highways of the "horse and buggy" days.

Finally, the editor of the Saturday Evening Post informs us of that most famous new-deal innovation of all, namely, where the players agree upon the privilege known as "spit in the ocean."

One of the most outstanding plays under this innovation was made by the President in his last annual message, where he called for a "spit in the ocean" amounting to $5,000,000,000 in "one sum subject to the allocation of the Execu-

tive" for his 1936 emergency—a sum nearly one billion greater than the total annual revenues of the Government, a sum equal to $125 per voter for each of the 40,000,000 registered voters of the United States.

Whereupon, after that January message, nearly everybody in the majority wings of the Senate and House joined in the "spit", because obviously they feared not to "spit." They threw votes into the jackpot in the apparent hope that some of the expectoration might come their way in the shuffle of November 1936.

In 2½ new-deal years an obedient Congress has spit in the ocean so often and with such expectoral abundance for one planned emergency after another, that the Treasury daily statement today reveals a tidal wave of combined emergency funds amounting to a "spit in the ocean" total of $18,000,000,000, or the equivalent of 5 years of Government revenue collections.

There have been already expended from this new-deal expectoration approximately $10,000,000,000, with $8,000,000,000 to be expended for emergencies due to arrive in 1936.

The $10,000,000,000 of "spit in the ocean" already expended have produced thus far or aided the production of a Federal patronage army of 7,000,000, an unemployed army of over 11,500,000, and 22,000,000 public charges subsisting on public doles instead of upon productive industry.

If the $8,000,000,000 authorized to be "spit in the ocean" in 1936 accomplishes an achievement parallel to the $10,000,000,000 already spit to the four points of the compass, our dealer and his croupier, James Aloysius Farley, may be able to point with pride at the next national convention to the fact that they have created from their total "spit in the ocean" of $18,000,000,000 of combined emergency the following world-championship feats:

First. More new bureaus and useless jobs than all previous administrations in American history and more than all the governments of Europe during the past 2 years.

Second. An army of unemployed that exceeds the European total for 22 principal industrial countries.

Third. That they have destroyed more crops and pigs and cows than all the drouths and floods, weevils, and grasshoppers in the Northern Hemisphere.

Fourth. That they have closed more mills and mines and produced more strikes than all other countries combined.

Fifth. That their present production of 22,000,000 public charges is greater than the total for the rest of the civilized world.

And their final summation might read: "Thirteen planned emergencies; 23 cases of economic chaos; 57 new bureaus; an ocean of $10,000,000,000 of new public debt and $12,000,000,000 of accrued deficits; and $9,000,000,000 of demonetized and useless gold, bought at 50 percent more than its value and returned to the hills of Kentucky to keep it away from the new-deal thieves and reserved for the coming empire."

All of the Presidents of the United States combined up to the time of the Wilson administration and the World War, the Treasury reports reveal, expended for Government, including five wars, a grand total of less than $25,000,000,000. This administration, in two and a half years, has expended or authorized, for political emergency alone, $18,000,000,000, and for the regular expenses of Government approximately $10,000,000,000 more, making a new-deal total thus far authorized of $28,000,000,000.

During the coming 1936 session we are already notified there will be a further "spit in the ocean" of $5,000,000,000 for scientific emergency, besides $4,000,000,000 for cost of Government to January 1, 1937. This $9,000,000,000 forthcoming for 1936 will make the grand-total 4-year cost of the new deal $37,000,000,000, or a billion dollars over one-half more than the cost of the 35 administrations from Washington down to Wilson's second administration.

In 1936 there will take place in the respective voting booths of the country, if we are allowed a "dealer's option" in election of President, the general free-for-all contest to decide United States championship honors in a final "spit in the ocean."

The main hope of America in saving the republican form of government guaranteed to the States in article 4, section 4, of the Constitution is this: That the new deal, like Mark Twain's famous jumping frog, will be so loaded down with bureaus and barnacles, "sick chickens", and 59-cent hullabaloo dollars, Frankfurters, and Cohens, and Corcorans that it will not be able to jump off the ground, and will just sit there and strain and grunt and have to do its own spitting without the help of Congress.

Mr. President, I ask leave to print the editorial entitled "Poker Politics" and also another editorial, "The Overworked Emergency", which speaks for itself, appearing in the Saturday Evening Post for July 13. I am sure they will make instructive and entertaining reading.

The PRESIDING OFFICER (Mr. DIETERICH in the chair). Is there objection?

Mr. ROBINSON. I shall object until I can see the editorial.

The PRESIDING OFFICER. Objection is heard.

Mr. BLACK. Mr. President, on July 8 the Senator from Minnesota [Mr. SCHALL] had one of his usual speeches read to the Senate by the clerk. A great many people have been a little interested to know why, if it is possible for one to dictate a speech to a stenographer, it would be impossible for the same man to make the same speech in the Senate. Some have even expressed a question as to who wrote the speeches, which have been distributed over the country by the hundreds of thousands.

It is my understanding that in a period of a little over a year more than 500,000 of these so-called "speeches", which have been placed in the RECORD, have been distributed throughout the Nation. That, of course, is expensive, both to the Government and to someone else.

In the speech of July 8 an editorial was included in the RECORD.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I yield.

Mr. SCHALL. Would the Senator mind my stating that my speeches have not been distributed, because Postmaster General Farley throws them into the furnace, where evidently the Senator from Alabama would like to see them placed?

Mr. BLACK. I would say that some of them might burn well. I would not insist that they be burned, even though, in my judgment, each one of them violated the rule of the Senate, not only in one regard, but in many.

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

Mr. BLACK. I yield.

Mr. CONNALLY. The Senator from Minnesota said that the Postmaster General threw the speeches into the furnace. It is barely possible, from the character of some of them, that there might have been spontaneous combustion.

Mr. BLACK. Each one of these speeches contained a title, which was not read into the RECORD, according to my information, at the time the speeches were read by unanimous consent. I have here some of those title. Here they are:

Just a dog.
The joker in the new deal.
Evils of dictatorship.
The slipping deal.
Censorship.
Just a dog, again—

It seems there was a greater demand for these—

Moscow liberals.
The Federal corporate conspiracy.

The point to which I now desire to call attention is that in the speech of July 8, or in that which was read as a speech——

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

Mr. BLACK. I yield.

Mr. SCHALL. Did the Senator examine that "Federal Conspiracy" to find out anything about the six corporations

which were organized in Delaware and marked "Secret; do not publish", explaining a good deal of the censorship which now seems to have reached the Senate?

I tried here on the floor for days to find out what was behind these corporations, which evidently were organized to take over the manufacture of everything in this country from the button on your cap to the sole of your shoes, and I have yet been unable to find out.

There is something mighty rotten in Denmark, and I have done what little I could to find out what it was, as a blind man, though I have had to have assistance, but I have nowhere near the assistance the Senator from Alabama has in writing his remarks. I do accept whatever assistance I can get, and am glad to get it, and glad to get the news before the country.

If the people of the United States could know what is behind this administration, they would not stand for it a minute, and every effort is made from the top to the bottom, from the President down to the Senator now standing upon his feet, to censorize everything that does tend to get the information to the people.

Nobody wrote that for me.

Mr. BLACK. Mr. President, I am delighted that the Senator from Minnesota has demonstrated the fact that if he wants to make a speech he can make a speech. It is an illustration, to my mind, that the speeches which have heretofore been read into the RECORD have been written by somebody else.

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

Mr. BLACK. I yield to the Senator from Arkansas.

Mr. ROBINSON. The statement just made by the Senator from Minnesota is another illustration of the strange, unaccountable mentality of the man. He has just said that everybody in this administration, from the President down, has done everything possible to censorize the press. He has made that statement heretofore. In my judgment, there is no foundation in fact for the statement. The President has not attempted to censorize the press. He has been regarded, I believe, by representatives of the press as the most approachable man who has sat in the White House. But for some reason this misrepresentative from Minnesota [laughter in the galleries] insists upon assaulting the President in some way every time he takes the floor, and his last assault is a very questionable procedure. The President has no opportunity of replying to him. People naturally think when they read a statement by a United States Senator that there must be some truth in it. People who do not know the Senator from Minnesota sometimes accept his statements as accurate. But the Senator from Minnesota, every time he gets somebody to write a speech for him, and every time he takes the floor here comes dangerously near transgressing the rules of the Senate.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON. No, Mr. President; I do not yield to the Senator from Minnesota.

Mr. SCHALL. Mr. President, I do not want to let stand that statement, "every time the Senator gets somebody to write his speech for him."

The PRESIDING OFFICER. The Senator from Arkansas declines to yield.

Mr. ROBINSON. Mr. President, I doubt if the Senator from Minnesota has dictated a single one of the speeches which he has had read here almost daily. I express my personal opinion that he has someone employed for that express purpose, and always the effort is to reflect upon some Member of Congress or upon some officer of the Government. It is small business, and only indulged in by individuals of small mentality.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I will yield to the Senator again. Does the Senator wish to say what he desires to say, or have it read?

Mr. SCHALL. No; I think I can say what I want to say.

Mr. BLACK. I yield for a moment. I have an engagement at 1:30, and I am going to place into the RECORD—and I think it will be very interesting—another part of the newspaper of which the Senator from Minnesota placed a part in the RECORD on July 8. I should like to do that, and then the Senator from Minnesota will have ample time to take the floor.

Mr. SCHALL. Does the Senator from Alabama expect me to object?

Mr. BLACK. That is immaterial to me.

Mr. SCHALL. Will the Senator give me an opportunity to read it first before he places it in the RECORD, as the Senator from Alabama demands of me?

Mr. BLACK. It is immaterial to me. I expect to read it so the Senator can hear it.

Mr. SCHALL. If I proposed to have something placed in the RECORD and the Senator from Alabama objected, then I could not have it read. I just want to get that point of fairness over to the Senator from Alabama. If I had my eyes, I could read probably as well as the Senator from Alabama.

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

Mr. BLACK. I shall be glad to yield after I have placed in the RECORD that which I wish to read myself.

The PRESIDING OFFICER. At this time the Senator from Alabama declines to yield.

Mr. SCHALL. The Senator ought to offer the matter to be printed in the RECORD and let me object.

Mr. BLACK. I am going to read it so the Senator can object, as the rules provide.

The PRESIDING OFFICER. The Senator from Alabama declines to yield.

Mr. BLACK. On July 8 the Senator from Minnesota placed in the RECORD an editorial from a paper called the Tonganoxie (Kans.) Mirror of June 27, 1935. This was placed in the RECORD on July 8. It was a very bitter editorial attacking the administration in the usual style indulged in by the Senator from Minnesota, or those who prepare his addresses.

Mr. SCHALL. Mr. President, I resent this "prepared" stuff. I resent it vehemently.

Mr. BLACK. So do we resent this prepared stuff.

Mr. SCHALL. And I want to say to the Senator from Alabama that I put no more stuff in the RECORD, which is attributed to me, than he does, or than the Senator from Arkansas does.

Mr. BLACK. So do we resent it, Mr. President.

Mr. SCHALL. The Senator from Alabama will not stand here before the Senate and say that he has not put stuff in the RECORD sent to him from the President of the United States.

Mr. BLACK. Yes; I say that.

Mr. SCHALL. Well, the Senator from Arkansas [Mr. ROBINSON] will not say it, and the Senator from Alabama will not say that he has not put anything in the RECORD which he has not written himself, either.

Mr. BLACK. I will say that I have never put anything in the RECORD as a speech, claiming it was my own.

Mr. SCHALL. I never have, either.

Mr. BLACK. Well, perhaps the Senator has not.

Mr. SCHALL. The Senator has not, and the Senator from Minnesota is in a better position to know than the accusing Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama has declined to yield.

Mr. BLACK. Mr. President, I have before me the speech of the Senator from Minnesota made on July 8. That is the speech which was read. The editorial which was read in connection with the Senator's speech is a very bitter attack. Some of us were talking here, including the Senator from Washington and myself, after we saw this editorial from a weekly newspaper, the name of which we had never heard before, and we said it might be interesting to send out and get a copy of that weekly newspaper. We decided to do that, because we knew that sometimes the editorial views might be

a part of the general publicity of an institution. In that connection 2 or 3 days ago there came out before the Special Committee Investigating Lobbying a pamphlet which was obtained at the lobby of the executives of the power companies in the Mayflower Hotel. The parentage of this pamphlet has not as yet been admitted by anyone, but its presence in their papers is undisputed, because it was brought up to the committee, and it contained a series of editorials against the holding-company bill. At the beginning it said:

There have been a great many editorials heretofore, and—

I am giving the Senate the substance of it.

There has been a great deal of advertising, but if there would be more advertising there would be more editorials.

Of course, that may have been altogether a mistake. However, we sent for the Tonganoxie (Kans.) Mirror, and I have before me the copy of the Tonganoxie (Kans.) Mirror from which was taken the editorial which was inserted in the RECORD. I also have a large number of other copies of the Tonganoxie Mirror, of Tonganoxie, Kans. Perhaps the Senator from Minnesota is a subscriber to the Tonganoxie Mirror, and that is the reason why he happened to have that particular editorial as early as it was written.

Mr. SCHALL. No, Mr. President; I am not a subscriber. I subscribe only to my own home newspapers in Minnesota.

Mr. BLACK. I did not understand the Senator.

Mr. SCHALL. No; I say I subscribe only to my own home newspapers in Minnesota, if that will help the Senator any.

Mr. BLACK. This was a Kansas newspaper, and evidently someone had given the Senator this editorial which he placed in the RECORD.

Mr. SCHALL. Yes; I get many editorials, as the Senator from Alabama does constantly.

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

Mr. BLACK. I yield.

Mr. WHEELER. It was probably sent to the Senator by the very close friend of Mr. Daugherty, Mr. Blair Coan, that notorious character of whom we heard so much a few years ago in connection with Mr. Daugherty and Mr. Burns.

Mr. SCHALL. No; the Senator is mistaken in his unfounded suspicions. The only Cohen I know who has had anything to do with legislation is the Cohen who sat at the Senator's elbow during the discussion of the holding companies' electrocution bill, which I mentioned in the speech which has been referred to.

Mr. BLACK. In this issue of June 27 appears on the editorial page the editorial which was inserted in the CONGRESSIONAL RECORD. Here is another page on which appears an advertisement which probably all Senators will recognize. These advertisements have been sent all over the United States. We are going to try to find out how much it cost. The advertisement is headed:

Utility bill un-American. Will injure millions of citizens. Protest now. No good whatever will come—

They say—

from the passage of this bill.

And then this language has appeared in hundreds of other papers:

Who will the bill injure? What will it do? Who appears for the bill? Who opposes it?

That advertisement is signed by the Union Public Service Co., a Cities Service Co.

I have numerous other copies of that newspaper here. I will just pick out any of them. There is no difficulty about it at all. Here is one for another week. This is an advertisement by the Kansas Electric Power Co.

There are a few others from the—I may mispronounce the name, and if so I beg pardon of the Senator from Minnesota—the Tonganoxie, Kansas, Mirror. Here is another one [exhibiting]. This one is under date of June 13. This advertisement is by the Union Public Service Co. Both advertisements are the same. Here is another one by the Union Public Service Co. back in April. If the Senator from Minnesota should desire to place these advertisements in the RECORD I would be glad to make them available to him to use in the next address or essay which appears in the RECORD over his name.

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

Mr. BLACK. I yield to the Senator from Minnesota.

Mr. SCHALL. I ask right now that they be inserted in the RECORD, if the Senator will not object, so as to let everybody know what the Senator is talking about. I have not seen them. I do not know about them. I remember the name, and I remember some article that I asked to have inserted in the RECORD which I thought fitted the foot. I have no objection to their being placed in the RECORD. In fact, I ask that they be now placed in the RECORD.

Mr. BLACK. That was on a par with many of the others which the Senator asked to have placed in the RECORD.

The PRESIDING OFFICER. The Senator from Minnesota asks that the matter referred to be placed in the RECORD.

Mr. SCHALL. Yes; I ask that it be placed in the RECORD.

Mr. McKELLAR. I object.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I yield.

Mr. SCHALL. They seemed to be of such importance to the Senator from Alabama and his stated desire to put them in the RECORD that I asked to have them placed in the RECORD where the public could have the privilege of seeing them, and I suggest that they be placed in the RECORD.

The PRESIDING OFFICER. Objection has been made. The Senator from Alabama has the floor.

Mr. BLACK. Mr. President, I have referred to these matters in order to show something about the background of the editorials. The Senator was driven to go all the way to the Tonganoxie Mirror in order to find anything that he thought was down near the level of the addresses which he has placed in the RECORD, and it did somewhat closely approach the slime of the same kind of charges which have been made from day to day and week to week at the expense of thousands and thousands of dollars to the people of this Nation. In addition to the RECORD itself, over 500,000 copies were paid for by somebody and sent all over this Nation; paid for in part but not as a whole, because, even at that, it cost the United States Government thousands and thousands of dollars to distribute these so-called "speeches" to 500,000 people.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I yield to the Senator.

Mr. SCHALL. The Senator refers to the item of cost. Does he think the cost he has just mentioned compares with the cost of the employment of the 300 newspapermen at Government expense and against the law today, hired to prepare and send out over this country expensive false propaganda, under Government frank in many instances, not more than 1 percent of which is truth and 99 percent not truth?

Mr. BLACK. I am glad to find that the Senator concedes there is 1 percent truth in that which is put out by the administration, because I have read practically all the other matter, and, frankly, I have not been able to find one-tenth of 1 percent of truth in any one of the statements which have been distributed by the hundreds of thousands.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I yield.

Mr. SCHALL. If the Senator refers to my speeches being sent out by the hundreds of thousands, he is entirely mistaken. I have to pay for the printing of my speeches, but the printing of this propaganda that is sent out is paid for by the Government. Would the Senator permit me to give one illustration of how propaganda was sent out to the farmers by the Agriculture Department at Government expense, containing not even 1 percent of truth?

Mr. BLACK. Perhaps it might be better for the Senator to go out and have it written up and have it read.

Mr. SCHALL. Oh, no. That is not necessary. I think I can remember the figures closely enough to give the Senator the illustration if he so desires, though they may not be minutely exact.

Mr. BLACK. The Senator has heretofore found great difficulty, seemingly, and complains about anybody who objects to anything that is put in the RECORD on the ground that he is blind. While he is blind, of course, he has a tongue and a voice; he is able to speak; he is able to stand; and if he is able to dictate to a stenographer, he should be able to speak on the floor.

Mr. SCHALL. Mr. President, I do not object because I am blind. I object because I want the information to go to the country, and I think they are entitled to have it.

The Senator knows that his remarks are entirely unfair. Figures and statistics I cannot carry in my head. The Senator can see and read them. I know the Senator does not want to be unfair.

Mr. BLACK. No; but I have seen very few figures in any of the speeches made by the Senator. The Senator from Oklahoma [Mr. GORE] speaks upon this floor, and speaks well.

Mr. SCHALL. Yes; he does. And while I do not want to speak for the Senator from Oklahoma, I am sure he would be glad to have the privilege of using the sight of the clerk to read for him. I do not have any doubt that he would. It would only place him on an equality with the Senator from Alabama, who has his sight.

Mr. BLACK. I have not even objected, except once, when I wanted to see what it was which was sought to be placed in the RECORD, because I had seen some statements which I thought were wholly unfair and unbecoming any Senator to express on the floor. I have not been raising objection. I think, however, that there comes a time when it is necessary to call the attention of the Senate to the fact that its privilege is being abused; and it has been repeatedly abused. I think that it is of importance to the people of this Nation at the present time, when an editorial such as the one inserted in the RECORD by the Senator from Minnesota is placed in the RECORD, to know something of what has been published in those newspapers from week to week in order to ascertain who it is that is supplying the money and the venom and the malice behind these editorials. I think that is clearly demonstrated by the list of newspapers which I have before me at the present time, which shows clearly and conclusively whence comes most of the money of the Tonganoxie Mirror, which appears from week to week.

So, Mr. President, I thought it proper at this time to make these few remarks to call attention to the facts in order that in some way—it seems impossible to do it by ordinary methods—it may be impressed upon the Senator from Minnesota that there are certain rules, certain customs, which it is proper for Senators to observe in connection with their remarks upon this floor.

For instance, this morning, during the absence of the Senator from West Virginia [Mr. HOLT] a remark was made in the essay which was read before the Senate with reference to the Senator from West Virginia. While it was not a direct insult, it was plainly an insinuation, such as always appear in the speeches of the Senator from Minnesota, and an intimation in some way intended to reflect not only upon the Senator from West Virginia but with reference to numerous others. It appears to me that at sometime an occasion arises when it becomes necessary and proper to endeavor to bring to a halt any such unfair, unjust, and repeated insinuations as appear in these remarks.

I do not desire to be placed in the attitude of objecting, if the Senator insists he must do it, to his having his remarks read. If they are written by him and not written by any propaganda artist; if they are written by him with the bona fide purpose of having them read; if they are in harmony with the canons of decency and the rules of the Senate, and are not intended constantly to irritate other Senators and to hurl violent insinuations and to charge individuals with insanity, but come within the rules which all gentlemen are accustomed to observe, then I have no objection.

Mr. SCHALL. Mr. President——

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

Mr. BLACK. I yield.

Mr. SCHALL. The Senator intimated that I charged somebody with insanity. I did not mean to do that. My charge was of egotism—a million times an egotist. Many people are egotists; we see them and hear them every day, whether they are a million times so or not.

Mr. BLACK. I judge from the fact that the Senator, when it was called to his attention by the Senator from Arkansas, did not know what the word was.

Mr. SCHALL. Oh, yes; I looked it up very carefully.

Mr. BLACK. The Senator did not state what the word was, but stated a different word, showing evidently that if the Senator had written the speech it had slipped his memory in a very short time.

Mr. SCHALL. No, indeed; that is not true.

Mr. BLACK. Anyway, the word was there, and, whatever it was, I can see no reason why the Senate should be used as a sounding board for vile insinuations, which, in my judgment, are not in keeping with the regular code of ethics which all gentlemen should observe, both in the Senate and elsewhere.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Virginia to strike from the bill paragraph (G), on page 18.

Mr. BONE. Mr. President, I had not intended to participate in this discussion.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER. The Senator from Washington has the floor. Does he yield to the Senator from Minnesota?

Mr. BONE. I yield.

Mr. SCHALL. Mr. President, a remark was made by the Senator from Alabama [Mr. BLACK] which insinuated that I had made some slighting remarks about the Senator from West Virginia [Mr. HOLT]. I do not think the transcript will bear out such a statement. I had no intention of doing anything of the sort. I voted to seat the Senator from West Virginia. I campaigned against him in his State, but he was elected by the people and came here, and I voted to seat him. I thought it was due to the oath I took under the Constitution so to vote. But when I find people in charge of the Government who are not, as it seems to me, though I may be mistaken——

Mr. BONE. Mr. President, I did not yield the floor so that the Senator might make a speech. If he wants to make a speech, however, I will sit down and give him the floor.

The PRESIDING OFFICER. Does the Senator from Washington decline to yield further?

Mr. BONE. I shall be glad to yield the floor to the Senator if he wants to make a speech. Otherwise, I wish to proceed.

Mr. SCHALL. I merely wish to have my position clearly before the Senate. I have said what I have, not because I liked to do it, but because I have felt away down deep in my heart that somebody somewhere should call these things to the attention of the country. If I stepped on anybody's toes in doing it, all I have to say is that I have felt that it is my duty to do as much as I could to call the attention of the country to what was going on behind the scenes, behind censorship and false propaganda. I have not gotten very far in calling the attention of the country to the situation. The CONGRESSIONAL RECORD does not reach very far. But, Mr. President, so long as I remain here, I intend to do what I can to call attention to what seems to me to be the breaking of the oath of the President. I think, from the outset, right from the beginning, that there has been a conniving to get around the Constitution. The bill which is before us today is an effort to get around the Constitution, to blot it out, and to mislead the people. The entire tenor of this administration from the beginning has been to circumvent the Constitution and betray the oath that he took to uphold and defend the Constitution. I thank the Senator from Washington.

Mr. BONE. Mr. President, the Senator from Alabama [Mr. BLACK] has referred to a little weekly newspaper called

the "Tonganoxie Mirror", which has been quoted, I believe, in some remarks made by the Senator from Minnesota [Mr. SCHALL]. When it was quoted the other day I suggested to the Senator from Alabama that he obtain a copy of this weekly newspaper, because I would be willing to enter into a bet, despite the fact that I am not a sporting person, that along with this newspaper's flailing attack on the administration, and particularly on the power bill which is pending, we would find either a half- or a quarter-page advertisement of the Power Trust in the sheet. So, at my suggestion, a number of these newspapers were procured. Running true to form, numerous weekly newspapers in the United States pursue, as I find, the same course which many weekly newspapers in my State have pursued in times past. So at this point I am going to tell a little story which will illustrate the methods of certain newspapers in this power fight, and which, in my judgment, will generally explain why certain newspapers take the editorial position they do.

In 1924, in the State of Washington, we had a big power fight. It arose around a very simple thing. Things of the character I describe explain why power companies are building more and more public enmity against themselves. In my State of Washington two cities own great municipal power plants—magnificent, finely equipped hydraulic plants. For a great many years the people around and outside those cities have wanted to enjoy the privilege of using electric energy from these municipal plants. Under the laws of the State of Washington these cities were not permitted to sell any of their electrical energy, surplus or otherwise, outside their corporate limits, and therefore the people living in the surrounding territory had to pay the prices exacted by the Power Trust, which at that time was the Puget Sound Power & Light Co., a Stone & Webster affiliate.

To get around that condition it was suggested that we pass a very simple law permitting cities owning power plants to sell power outside of their corporate limits. There were only two cities capable of doing any great amount of harm to the Power Trust—Tacoma and Seattle—but when that suggestion was made one would have imagined, from the howl and uproar that went up from certain flabby little Power Trust newspapers of the State, whose columns were generously filled with Power Trust advertisements, that we were proposing to make common property of all the women and that the country was going soviet or bolshevistic, as has been delicately suggested and intimated here from time to time in the discussion of public-ownership proposals.

The campaign was fought in that State around that issue of the right of Tacoma and Seattle to sell a little of their output of electric power to farmers outside of the corporate limits, who were spending their good money with the merchants of those two big cities. Power-company spokesmen even resorted to the dirty and filthy charge that this effort on the part of those cities to sell a little cheap power outside to the farmers was in itself an effort to overthrow the Government of the United States, and that that sort of proposal was backed by Russian money.

One can understand why men whose sires stood on the flame-crested hills of Gettysburg, men whose forebears were with "Old Rough and Ready" at Buena Vista, and who believed those cities had a right to sell power, deeply and bitterly resented that suggestion coming from spokesmen for an outfit like Stone & Webster, whose infamous lobbyists fooling around with our Legislature in the State of Washington had become a stench in the nostrils of decency. These manipulations were highly suggestive of the lobbying which went on around the Capitol here in Washington when the holding-company bill was pending. The Power Trust of Washington in that 1924 fight made a fight in the newspapers, and one phase of that fight is the story I want to tell my colleagues here, because I think, perhaps, I have had a better close-range opportunity to study these propaganda activities than most of the Members of this body.

The propaganda editorial mill of the power crowd would send out to a weekly newspaper an editorial written in the Seattle offices of the Puget Sound Power & Light Co., the western wing of Stone & Webster, of Boston.

A clever propaganda writer would write one of these nasty editorials for the editor of a weekly paper. From an advertising agency's office in Seattle, and accompanying this "canned editorial", would go a full-page "ad", damning the municipal power people, calling down upon them the mildew of God Almighty's wrath, and asking that it descend on everybody who believed in public ownership in that State.

There would be a vicious cartoon accompanying the ad and editorial, attacking the municipal power proposal as being bolshevistic and red radicalism. Some of the arguments in these canned editorials for tired editors were on a par with some of the loose arguments against the pending utility bill. I wonder how men can formulate arguments that proclaim it a form of disloyalty to urge people to retain ownership of their own rivers and lakes. The Power Trust would say to these little editors: "If you will bunk the people of your community by running this editorial as your own, then you can run this full-page Power Trust "ad" at fat rates, but you must also run the cartoon." As a result, week after week in 1924 in the State of Washington we saw this rather ridiculous spectacle, a spectacle that casts no credit on the great independent American press which was once proclaimed as the "Archimedian lever that moves the world; the sentinel on the watch tower of liberty; the dynamics of progress."

These editors of certain weekly newspapers repeatedly ran these Power Trust "editorials" in their editorial columns, knowing at the time who prepared them. Mr. President, upon one occasion I clipped 27 of these editorials from 27 weekly newspapers in my State. Each editorial read exactly like the other one. I went around the State frequently showing those editorials to the people living in the community where the paper was published. I said, "When this little editor of your local paper published that editorial and you read it, you thought he had written it, that it had sprung full panoplied from his brain, like Minerva sprang from the brow of Olympian Jove. You thought this brilliant editorial attack came from the brain of your local editor, but he carries the humiliating thought that he had rented his editorial column to the Power Trust."

Mr. President, when a man sells his conscience down the river, he is in a bad way. No man can sell his soul and conscience, and perhaps his honest convictions, to the Power Trust and retain his self-respect. Such a shameless barter and sale of editorial opinion as we have frequently witnessed is a reproach to a noble profession. The people of my State were confronted with hundreds of such editorials written by the Power Trust which had the brazen gall to come down here and talk about lobbying—lobbying on the part of the administration! One outfit down in Oregon, Hofer by name, regularly supplied these Power Trust "canned editorials" to editors with brainfag and a great yearning for full-page Power Trust "ads."

The power concerns to which the Senator from Alabama [Mr. BLACK] referred are not going to even try to be decent. They intend to stage a political battle the like of which this country has never witnessed. The Senator from Montana [Mr. WHEELER] in his very able address on the floor of the Senate in discussing the utility bill, read a 1933 editorial from the Electrical World, one of the official organs of the Power Trust of the country. It was called "Light Up With Politics", in which editorial the organized power companies of the country and the utility holding companies brazenly boast that they are going into politics, to destroy men who dare oppose them. They frankly say that they are not going to merely finance men but they are going to put their own selected candidates in the field and send them down to the United States Senate and to the House of Representatives.

I wonder what sort of government we are going to have when that insolent outfit succeeds in its bold plan to take over the Government of the United States. In this holding-company fight we have seen a stark, horrible fear planted in the hearts of Members of Congress; fear of political death at the hands of the Power Trust, with its unlimited political slush funds. I have seen men here actually cringe, and I have had some colleagues tell me—my own colleagues in this

body, if you please!—that they feared for their political welfare in the future by reason of their votes for this utility holding-company bill. The future for the average citizen is gloomy, indeed, if this power gang can come down here and lay the lash about the shoulders of United States Senators and Representatives and make any man in this body feel a real fear.

How can we go on, how can we hope to go ahead with decent legislation, how can we continue to expect legislation free from taint and bias, when a dreadful fear is planted in the hearts of men here by an outfit that we shall surely have to meet head-on sooner or later. In God's own Providence may it come soon.

We are facing exactly what Roscoe Pound pointed out in a brilliant speech he made a few years ago before the Kentucky Bar Association. The title of that speech was "The New Feudalism." In that speech Pound pointed out that so rapid had been the increase in economic control and power through vast companies, like the holding companies, that there is nothing left for the ordinary citizen but to own a little stock in one of those companies. He can in no wise find a place for himself in our economic life; but to him, a citizen, with what amount of money he may have, all that is left is to buy some stock and thus find his place in the scheme of things.

Dean Pound said:

Today the typical man (for the city dweller, not the farmer, is the type for his time) finds his greatness not in himself and in what he does, but in the corporation he serves. If he is great, he is published to the world not as having done this or that, but as director in this company and that. If he is small, yet he shines in the reflected glory of the corporation from which he draws a salary.

In other words, there has been and there is being deliberately created in this country a new economic feudalism, if you please, Mr. President, in which the individual is being ruthlessly submerged; and I cannot for the life of me understand why men stand on the floor of this body and find even in their hearts a defense of that sinister thing.

There is one other matter to which I wish to call attention. This is a typical illustration of what power companies do in moulding public sentiment, and no wonder they can get a lot of people to write in here and demand the death of this bill.

There was a power company operating in my State, owning a distribution system in the city of Aberdeen, Wash. An investigation of that company was had with respect to expenditures of the company for political purposes and otherwise. It was known as the Grays Harbor Railway & Light Co., and what I am reading is from the report of the public service commission of my State, now the department of public works:

The report showed that the company had contributed generally to practically every community enterprise in the form of cash donations and memberships, which it charged against operation expenses and, by so doing, against the ratepayers.

Here was a company in this community boasting of its generosity, and saying, "Why, if you have public ownership of power in this city, that is not only bolshevism and communism"—such as has been indicated by some of our Members here—"and against the American form of government, but you are going to take out of this community a very generous patron of the arts, a generous contributor to charities and the like", but when the records were finally disclosed to the public it became evident that the company was merely charging these contributions against the ratepayers.

These contributions, made to some 40 community organizations, were not permissible expense items, according to the State board.

The contributions, donations, subscriptions, and gifts were made to chambers of commerce—

Now we can begin to understand why the chambers of commerce are so much interested in power bills. In my own city the power companies had several memberships in the chamber of commerce, and in every city in this country the chamber of commerce is partly underwritten in its activities by the money of the Power Trust.

Federated Industries—

That is the association of employers fighting organized labor.

Swimming pools—

They could not clean the people thoroughly enough in light rates, so they had to give them swimming pools.

Boy Scouts, American Legion—

And if there had been any old-maid scouts, they would have greased them, too. [Laughter.]

Salvation Army, Volunteers of America—

They were trying to get as close to the Deity as possible by taking care of the Salvation Army—

Several sorts of homes, school track teams—

How generous they were! "School track teams!"—

Good-will industries, fraternal organizations, and lodges—

They had to grease the Masons and the Elks and the Moose and the Knights of Columbus; and if there had been a Mohammedan lodge down there, they would have greased it, too.

While I was in that city making a speech, I noticed a man and woman sitting down in front of me, and they invited me to their home. I went into that home, and it was a very poorly furnished home. No carpets were on the floor; just little bits of linoleum with holes worn in them. When I had known that man years before, he had been a man of some means—at least, he had been able to live well. When I came into that home they turned on one light, perhaps a little 25- or 40-watt lamp, and the woman said, "You know, we do not have much light now. My husband has been out of work a long time, and we cannot turn on many lights, because the lights cost a lot of money here in Aberdeen." I looked around that home—a home smitten with poverty—and I thought of that home as I read this report, Mr. President; this report which indicates that the Power Trust, this power combine that was skinning the people of Aberdeen, was contributing to—

Practically every church of all denominations in the community, hospitals, conventions, sportsmen organizations—

They did not miss a thing—

Grays Harbor Golf Club, and the like.

Now, it was perfectly ducky and darling for them to give a contribution to the Grays Harbor Golf Club. Power Trust ethics made it perfectly right for this outfit to exact an ungodly rate for light from that little poverty-stricken home so that it could turn over a part of the loot to the Grays Harbor Golf Club, so that the bankers and the swanky boys down there might go out on the beautiful putting greens and knock their little white pills around, all at the expense of the poverty-stricken homes of Aberdeen. That is a sample of the kind of brazen gall and effrontery of a business that presumed to come down here and tell Congress—may I use the bald vernacular?—where to "head in"!

If my associates have not reached the point now where they are going to cleanse this "Augean stable", there is not much hope for the boys and girls of this country. I have a little fellow coming on. What chance is there in life for my little fellow when a gang can come down here and tell the Congress of the United States what laws it may or may not pass? The feudal system is coming back with a vengeance.

I say this in all candor and honesty to the Members who sit about me. I have talked to men in Congress, who told me that they were literally frightened to death by these power companies. Imagine men whose fathers were at Gettysburg and Antietam and Spotsylvania Court House being frightened by a business organization!

Mr. President, we boast of our traditions; we make speeches about Bunker Hill and Gettysburg and Valley Forge, but the fine fire of manly independence that surged in the breasts of our iron-blooded sires has burned out, if we cringe like whipped spaniels when the Power Trust wields its political lash and threatens independent Americans as though they were Chinese coolies.

The man who, perhaps, a few days before had spoken in grandiloquent terms of what our rugged sires have done, sits in this chair with the fear of God in his heart, afraid to vote his own honest convictions. That is being done to the Congress of the United States by the Power Trust of this country, which has the gall and the effrontery to suggest that we are Communists if we do not like their fantastic financial nightmares.

For one, I desire to say that I deeply resent that kind of business. Back of me are four generations of soldiers, and I do not want the Electric Bond & Share Co. and the Stone & Webster holding company, or any other outfit to suggest or intimate to me that because I want the people of my State to own their own rivers and lakes I am a Bolshevist.

I would build a fire of resentment in the heart of every Member of the Senate against that sort of truculent infamy. It is that kind of business that will ultimately pull the house down around the ears of the Power Trust if it persist in its efforts to control every man in public life. Men who believe in public ownership of power are quite as loyal to this Republic as a crowd that has not hesitated to corrupt public thinking, emasculate school textbooks, and aspire to complete political control of the United States.

Members of the Senate heard me read the other day the story of how the power companies had fixed the geographies in my State to twist the thinking of little children. They actually went in there and messed up the geographies of my State. Dirty? They have plumbed the depths of dubious activities in their efforts to propagandize the public.

The Senator from Minnesota [Mr. SCHALL] talks about propaganda. Great God! If this administration went on a thousand years, and employed every artifice and every strategem that it could devise, it could not come within a million miles of the Power Trust of this country in political trickery and in sheer ability to misrepresent facts.

I have seen Power Trust inspired editorials and news stories accusing men of things that never were done, and the poor devils had to take it, because they had no way to answer. The paper that was low enough to run that kind of stuff closed its columns to an answer; but, thank God, there are a lot of men in America who cannot be made to desist in answering that sort of thing.

I am sorry the Senator from Minnesota has seen fit to say some of the things he has said, but I did not rise to answer him. I say, however, that he has picked out a mighty frail reed to lean on when he picks out one of these little strumpet Power Trust sheets, full of Power Trust ads, to quote here in defense of the principle that he espouses.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 156. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.;

S. 2904. An act to prohibit the interstate transportation of prison-made products in certain cases; and

S. 3038. An act to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration Facility, Alexandria, La.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 298. An act for the relief of Jack Page; and

H. R. 617. An act for the relief of Lake B. Morrison.

The message further announced that the House had passed the bill (S. 2532) to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes, 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 resolution, in which it requested the concurrence of the Senate:

H. R. 5368. An act to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes;

H. R. 6228. An act authorizing a capital fund for the Chippewa Indian Cooperative Marketing Association;

H. R. 6361. An act to amend the Filled Milk Act;

H. R. 6512. An act to authorize the crediting of service rendered by personnel (active or retired) subsequent to June 30, 1932, in the computation of their active or retired pay after June 30, 1935;

H. R. 7575. An act to legalize a bridge across Black River on United States Highway No. 60 in the town of Poplar Bluff, Butler County, Mo.;

H. R. 7591. An act granting the consent of Congress to the cities of Donora and Monessen, Pa., to construct, maintain, and operate a bridge across the Monongahela River between the two cities;

H. R. 7620. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 7659. An act to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes;

H. R. 7809. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N. Dak.;

H. R. 7936. An act to adjust the salaries of rural letter carriers, and for other purposes;

H. R. 8002. An act to increase the compensation of letter carriers in the village delivery service;

H. R. 8209. An act temporarily to exempt refunding bonds of the government of Puerto Rico from the limitation of public indebtedness under the Organic Act; and

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 5368. An act to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 6228. An act authorizing a capital fund for the Chippewa Indian Cooperative Marketing Association; to the Committee on Indian Affairs.

H. R. 6361. An act to amend the Filled Milk Act; to the Committee on Agriculture and Forestry.

H. R. 7575. An act to legalize a bridge across Black River on United States Highway No. 60, in the town of Poplar Bluff, Butler County, Mo.;

H. R. 7591. An act granting the consent of Congress to the cities of Donora and Monessen, Pa., to construct, maintain, and operate a bridge across the Monongahela River between the two cities;

H. R. 7620. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 7659. An act to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; and

H. R. 7809. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.; to the Committee on Commerce.

H. R. 7936. An act to adjust the salaries of rural letter carriers, and for other purposes; and

H. R. 8002. An act to increase the compensation of letter carriers in the village delivery service; to the Committee on Post Offices and Post Roads.

H. R. 8209. An act temporarily to exempt refunding bonds of the Government of Puerto Rico from the limitation of public indebtedness under the Organic Act; and

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929; to the Committee on Territories and Insular Affairs.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. TYDINGS obtained the floor.

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

Mr. TYDINGS. I yield.

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

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

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

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

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

Mr. TYDINGS. Mr. President, yesterday a colloquy took place between the Senator from Alabama [Mr. BANKHEAD] and me in which some of the phases of the A. A. A. bill were discussed. To that purpose I wish to address myself this afternoon.

Before doing so, may I take the time to say that I have no general quarrel with those who are favoring these amendments—particularly Mr. Chester Davis, with whom I have a very slight acquaintance—for the reason that confronted, on the one hand, as they are, by high tariffs in our own country and high tariffs in other countries, which to some extent do not take care of the entire agricultural situation, the protagonists of this bill have been hard put to it in order, perhaps, to raise agriculture to a higher standard than that which it enjoys under the present economic set-up.

I do not wish to criticize their general objectives. In my judgment, however, tariff reform would be a better way to accomplish what appears to be the end they desire to accomplish, though that would not be an easy matter because recently all the nations of the world have passed high tariff acts. Furthermore, while the establishment of any kind of a market for agricultural products is very easy from a theoretical standpoint, it is very difficult from a practical one. So these gentlemen, being confronted with those facts, have probably attempted to do the best they could for agriculture.

Let us come to the measure now before the Senate.

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

Mr. TYDINGS. I yield.

Mr. KING. Does not the Senator believe that the policy of high tariffs, and then the attempt to meet the evils resulting from high tariffs by stimulating prices of commodities, regimentation by limiting production, imposing all sorts of impediments to free transportation, free sale, and exchange of commodities, will ultimately result in greater disadvantage to the farmers and to everybody else than if we attempted to rationalize things in conformity with the rules which prevailed when conditions were more normal?

Mr. TYDINGS. I agree with the observations of the Senator from Utah; but I did not want to be intolerant in my comment about those who represent the other side. I can see the reason for their support of this measure and other measures; I made the brief observation at the beginning of my remarks so that in what I have to say it would not be thought there was anything of a personal attack upon the measure.

Yesterday the Senator from Alabama, in arguing the "constitutionality", so called, of the price-fixing and other provisions of the bill, stated that the States had the authority to regulate intrastate commerce and that the Federal Government had the authority to regulate interstate commerce. When we came to the price-fixing provision, and I asked the Senator from Alabama under what decisions of the courts or provisions of the Constitution the price-fixing provision was upheld or permitted, he was frank in stating that there was no decision of the courts and no provision of the Constitution, unless it be the provision empowering Congress to regulate interstate and foreign commerce, under which the power to fix prices could be exercised by the Congress. In developing that argument, he said that since the States do not have the power to fix prices, obviously, the power must rest somewhere, and therefore it must rest with the Federal Government.

At the conclusion of the Senator's argument I read from the Constitution, and today I shall read several other provisions of the Constitution. The first is amendment number 9 to the Federal Constitution, which reads as follows:

> The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained—

By whom? By the States? No; "retained by the people." Amendment no. 10 reads as follows:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

There is a great body of power which the people have never surrendered, either to the National, the State, the municipal, or the county governments. The people would be foolish to surrender all the power to one governing agency or another governing agency. The people have granted only limited powers to each, the States and the National Government. Therefore it is not sound, in my judgment, to say, from the standpoint of law, first, that because a power does not reside in the States it must, forsooth, reside in the National Government, or because it does not reside in the National Government it must, forsooth, reside in the State government, because there are many powers, which I will not take the time now to detail, but with which all are familiar, which have never been surrendered either to the National or the State Governments.

State governments and the National Government are governments of limited authority. They can exercise no authority except that expressly granted in the covenant or the constitution of the respective political unit, except the inherent police powers, which give to these agencies the authority to carry out the express powers set forth in the constitution of the State or the Constitution of the National Government. So much for that.

Mr. President, there is no provision in the Federal Constitution which allows Congress to fix prices. On the contrary, there are a number of provisions, such as that a man shall not be deprived of his property without due process of law, and many others I might mention, designed to protect the individual in the possession of what is rightfully his.

In the pending bill the particular amendment on page 18, line 21, paragraph (G) the first lines, into which I will interpolate a few words, read:

> The Federal Government, or an agency of the Federal Government, shall have the power of fixing, or providing methods for fixing, minimum prices at which any such commodity or product thereof shall be sold.

I should like to ask those who maintain that the Federal Government can fix minimum prices if, by the exercise of the same power, it can fix maximum prices? I am going to assume that the answer is "yes"; that the power to fix prices gives the Federal Government, according to their philosophy and interpretation, the right to fix maximum prices as well as minimum prices. For the moment I want to digress and show those who represent agricultural communities, or communities in which raw materials are produced, what would be the effect if Congress should ever exercise such power.

Let us suppose that the large cities of the Nation obtained control of the House of Representatives; in other words, that the majority of the Members of the House of Representatives came from urban communities. According to the philosophy of those who say that Congress can fix minimum prices, and assuming that they likewise maintain that Congress can fix maximum prices, Congress could fix the price paid to every farmer in this country for his eggs, his milk, his meat, and his grain.

Mr. WHEELER. Mr. President——

Mr. TYDINGS. Mr. President, I will yield to the Senator in a moment. In other words, if Congress had the authority to fix maximum prices, as it is claimed it has the authority to fix minimum prices, Congress would become the arbiter of the maximum price for which every farmer in America could sell his products. Congress could say that the farmer should get only 40 cents a bushel for wheat, 10 cents a dozen for eggs, or 3 cents a pound for hog meat.

If Senators write this law they may think they are writing it only for a year or 2 years or for their own generation. Let me call to their attention the fact that the acts of Congress form an unbroken line of precedents. That is what they really are. Senators are carrying out a philosophy which, carried to its ultimate conclusion, may do us infinite harm and defeat the very purpose which they have in mind.

I now yield to the Senator from Montana.

Mr. WHEELER. I desire to call the attention of the Senator from Maryland to the fact that during the war we fixed the price of wheat. We fixed a maximum price of wheat for the wheat farmers, and we fixed a maximum price for many other products. I am not at all sure that it is sound philosophy to do such a thing, but I think if we should do it we would have to do it with the limitation placed upon the Congress to fix a reasonable price, and it would have to be determined whether or not it was confiscatory. The Congress of the United States has delegated to the Interstate Commerce Commission the right to fix rates in certain industries engaged in interstate commerce, but those rates must not be confiscatory. I am sure that under the Constitution we could not fix arbitrary prices which might destroy the value of any class of property, whether that of farmers, or anyone else. There is, however, some question in my mind as to whether Congress does not have power to delegate to somebody the authority to fix reasonable prices upon various commodities which are being transported in interstate commerce.

Mr. TYDINGS. I am coming to that Mr. President.

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

Mr. TYDINGS. I will yield in a minute.

Mr. BANKHEAD. I wanted to give some information which would confirm the viewpoint expressed by the Senator from Montana [Mr. WHEELER]. I read a headnote from the Nebbia case, which I quoted yesterday, on the point the Senator has just stated:

> If the law-making body within its sphere of government concludes that the conditions or practices in an industry make unrestricted competition an inadequate safeguard of the consumer's interests, produce waste harmful to the public, threaten ultimately to cut off the supply of a commodity needed by the public, or portend the destruction of the industry itself, appropriate statutes passed in an honest effort to correct the threatened consequences may not be set aside because the regulation adopted fixes prices—reasonably deemed by the legislature to be fair to those engaged in the industry and to the consuming public.

Mr. TYDINGS. I thank the Senator from Alabama.

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

Mr. TYDINGS. I yield.

Mr. GORE. The Senator from Montana [Mr. WHEELER] made reference to the fixing of the price of wheat during the World War, and inadvertently said that Congress fixed the maximum price. Congress thought it was fixing the minimum price. It turned out, however, in effect to be the price.

I should like to say a word further in confirmation of what the Senator from Maryland [Mr. TYDINGS] has said. The Food Control Act passed Congress, I believe, on the 10th of August 1917. As I recall, wheat on that day was selling in Minneapolis at $3.08. A committee was appointed to fix the price of wheat, and when it made its announcement the first of September 1917, it fixed the price at $2.20, and the farmers in Oklahoma and Kansas were obliged to take from $1.75 to $1.95 for their wheat on the farm. By that action the price fixed was nearly $1 less than the market price, and thus the wheat farmers of this country were robbed of more than a billion dollars.

Mr. President, it is a sword with two edges, and it may cut both ways.

Mr. TYDINGS. I thank the Senator from Oklahoma, and he has illustrated my general observation by exact example.

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

Mr. TYDINGS. Mr. President, I desire to conclude what I was saying, and then I shall be glad to yield to the Senator from Arizona. I have been here in Congress now for nearly 13 years, and I have heard many men stand on the floor of this body and also on the floor of the body at the other end of the Capitol, and describe the effect of price-fixing on the wheat farmer. I have heard my friend from the Northwest time and time again point out how the munition makers made millions upon millions of dollars while the farmer was not permitted to get more than a certain amount for the things he produced. Are Senators complaining against that policy, and then, in times of peace, putting it to their bosom in fond caress and giving it the sanction of their best judgment, after they have held forth all these years upon the inequities and the injustices which have been heaped upon their agricultural constituents by the very policy contained in this bill—the policy of price fixing?

I now yield to the Senator from Arizona.

Mr. ASHURST. I thank the able Senator, but I do not now wish to interrupt him.

Mr. TYDINGS. I cannot conceive of a governmental policy, even though it may be a boon and a benefit temporarily to agriculture, which, carried down the corridor of time, will heap more suffering upon the backs of those who toil than will the opening wedge of price fixing by legislative fiat as it is contained in this bill.

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

Mr. TYDINGS. I yield.

Mr. NORBECK. I doubt that the Senator understands the farmer's viewpoint. The farmer's viewpoint is that his prices are not now necessarily fixed by competition. There is much control of commodity prices by selfish interests. I should rather trust Uncle Sam than the Steel Trust; I should rather trust Uncle Sam than the Chicago Grain Exchange. The farmer is helpless. He is looking to the Government to do something in his behalf in order that he may obtain a decent return for his labor. He regards the conditions now as oppressive to him, and wishes we could go back 50 or 60 years when we had competition and everybody could in some measure get his fair share. But the farmer has been bound by the economic conditions of the present time, and he is thinking that the Government can do something for him; and, Mr. President, I think the Government has done something for him in the last 2 years. The Government has not done as much as it started out to do, but it has done something for him. The work of the A. A. A. has been measurably offset by manipulation, and by the N. R. A. decision to some extent, but nevertheless there has been some improvement of conditions for the farmer. The law is defective. Many mistakes have been made. The measure now before us is simply an effort to improve the present law, which has improved conditions for the farmers to some extent, and by means of the measure now proposed more can be done for the farmer.

Mr. TYDINGS. Mr. President, I think the Senator from North Dakota has contradicted himself. Let me show him in a few words where he has done it. The Senator has risen time and again to show how the Government, which he said he is willing to trust, during the days of the war, compelled the farmer to take less than the competitive price for his product, and has proposed legislation here to cure that condition. Now he rises and says, "Notwithstanding the fact that we tried that experiment and it cost the farmers hundreds of millions of dollars, I want to put my head into that noose again so the Government can pull it the second time." He complains, on the one hand, that the Government did not treat him right, and now he rises to say that the farmers do not mind trusting the very Government against whose actions they have so lately complained.

Mr. NORBECK. Let the Senator be fair in this matter. I have never said that anybody treated the farmers exactly right; but I said the farmers are more willing to trust the Government than they are to trust the grain exchange, the Steel Trust, or other organizations to fix their prices. That is all I said.

I know that the Democratic Party proclaims its great desire "to take profit out of war." They did not, however, take the profits out of the munitions industry; they did not take the profits out of manufactured goods; but they took the products out of the wheat farmer, the poorest-paid man in the United States. We are wont to forget that now, but I think it is time to right conditions. Let us go along; let us not stop.

Mr. TYDINGS. Mr. President, by the enactment of this bill, assuming that the courts will hold it to be constitutional, which I do not believe they will, we will be committing the Government to a policy of price fixing for agricultural commodities. I put this question to those who represent large agricultural States: Are you willing to abide by the prices fixed by the Government if we should be engaged in another war? What agriculturist on this floor is ready to rise now and say, "Yes; I am willing to have this policy as to agricultural products put into operation if we become embroiled in another war?"

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

Mr. TYDINGS. Just a moment. Before yielding for a question, I wish to know if there is any Senator in this body who will rise and answer that question in the affirmative?

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

Mr. TYDINGS. Did the Senator rise for that purpose?

Mr. WHEELER. Yes.

Mr. TYDINGS. Very well; I will yield.

Mr. WHEELER. I will say to the Senator that the farmers of the Northwest are perfectly willing, in the event of another war, to let the Government of the United States fix the price of farm commodities, providing likewise——

Mr. TYDINGS. Ah!

Mr. WHEELER. Providing likewise that the Government fixes the price that is going to be paid to the munition makers and the profits that are going to be made by them and by others. The difficulty and the complaint previously were that the Government only fixed the price of farm commodities and that it let the other industries make unlimited profits.

Mr. TYDINGS. Before answering the Senator from Montana, I should like to ask are there any other Senators from agricultural States who take the position that during the next war they are ready, representing agricultural States and speaking for their people, to have the Government fix the price of agricultural commodities? Are there any other such Senators?

Mr. MURPHY. Mr. President——

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

Mr. MURPHY. I join in the sentiment expressed by the Senator from Montana [Mr. WHEELER]. The farmers are perfectly willing to have the Government, in which they trust, fix the price of their commodities, conditioned upon the Government fixing the prices charged ordinarily by the industries supplying the things related to the progress of the war.

Mr. TYDINGS. Now, out of all the Senators who make up the body, we have two who accept the proposition, and then only on condition and qualification. I am very glad to have the two Senators make their contributions, and I should be happy to have others do likewise, for I want to know what Senators in this body are going to undertake to fix the price of the following articles in the next war: Thimbles, thread, cloth of various kinds, and textures; all kinds of leather, neckties, underwear, tin cans, solders, railroad cars, trucks, rails, crossties, coal, oil, locomotives? Where is the agency that is going to fix prices for such commodities? Does the Congress think it will be able to write a bill of such magnitude on the floor of this body?

Mr. McADOO. Mr. President——

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

Mr. TYDINGS. I will yield in just a moment. If we should assume to fix the price of all commodities used in the next war by legislative fiat, we would be here until judgment day, and then we would only be half way through the list.

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

Mr. TYDINGS. I yield first to the Senator from California, and then I will yield to the Senator from Iowa.

Mr. McADOO. Mr. President, I should like to correct what appears to be an erroneous impression on the part of some Senators as to price fixing during the World War. As will be recalled, the minimum price of wheat was fixed at $2.20 a bushel; and I may say that through the War Industries Board an attempt was made—and successfully, too—to limit the prices of many of the war munitions, not only those which were furnished to our Government but to the governments associated with us in the war. These were, however, strictly war measures.

I venture to say, Mr. President, that never in the history of this Nation, or of any other nation, was such a determined effort made to distribute equitably the burdens of carrying on war as was made during the World War, when those who were making most of the money out of the war were made to bear the highest taxes.

Mr. TYDINGS. Let me interject at that point to say to the Senator from California that I am satisfied that no Senator in discussing this proposition meant to reflect particularly on the general conduct of the war; least of all was that in our thoughts. We were simply trying to show by precedent what had been the effect on a particular commodity that stood out in any way, and we were not reflecting upon the general conduct of the war as a whole.

Mr. McADOO. I did not draw any such inference from the Senator's remarks.

Mr. TYDINGS. I do not think other Senators meant such an inference to be drawn.

Mr. McADOO. Nor do I think so. I only meant to say that I think they were in error in assuming that no effort of the kind I have described was made. We not only imposed excess-profits taxes, but taxation in almost every form and to the limit on those who could pay. I wish merely to make the matter clear, in order that discussion may be based upon the facts.

Mr. MURPHY. Mr. President——

Mr. TYDINGS. Will not my good friend from Iowa let me push on for a little while? I want to yield, and I certainly intend to yield to the Senator from Iowa, but unless I can make a little headway I will not be saying anything, because all my time will be taken up by observations by other Senators.

Mr. MURPHY. Will not the Senator yield to me for a moment?

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

Mr. MURPHY. I should like to say that there is, perhaps, a collateral circumstance in connection with the collapse of the price fixed by the Government on wheat which has not been developed. What suggests that to my mind is that in 1920, when food prices were still high, the Federal Reserve Board deliberately set about to deflate those high prices, and accomplished it by calling loans. There was no fixing

of prices, but there was a collapse of values as the result of the adoption of that policy by the Federal Reserve Board. There may have been that collateral effect also on the wheat situation.

Mr. BANKHEAD. Mr. President——

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

Mr. BANKHEAD. I do not care to engage at this time in a colloquy with the Senator; in fact, I hope he will conclude as quickly as he can. However, I think his statement a few minutes ago leaves an improper impression in the RECORD. He wanted to know what Senators here were willing, as I recall it, that the Government should fix farm prices during a war period. That led to some discussion. Then the Senator from Maryland assumed that only those who engaged in the colloquy were responsive to his proposition. I think that is entirely an unfair inference, because there may be many others here who do not care to get into this colloquy and did not respond to his invitation. In fact, the conclusion the Senator draws reminds me of the preacher who asked everybody present who wanted to go to heaven to stand up, and then he assumed that those who did not participate in the performance did not want to go to heaven.

Mr. TYDINGS. Mr. President, one of the reasons why this bill comes before the Senate is that the agriculturists feel that under the policy of tariffs which this country has adopted prices have been fixed for industrial products but have not been fixed for agricultural products. Yet, as is the case in most instances, when men complain about a condition or policy, if they find they can get some benefit from that against which they are complaining, it suddenly takes on an atmosphere of righteousness, no matter how bad it might be when they are excluded from the fruits of the particular policy.

If this bill shall give the Agricultural Administration the right to fix minimum prices, it must, forsooth, give them the right to fix maximum prices; and I venture to say that there is not one farmer on the floor who will rise and say that he is in favor of the Government of the United States fixing maximum prices for the products of the soil. There is no agricultural representative here who will advocate that agricultural products should have a maximum price. Ah, no; he is embracing this particular sophism upon the theory that always the price is going to be the minimum price; and if it shall be carried out, and the courts shall hold it to be constitutional, which I have no doubt they will not, he will live to see the day when the price fixing will not be the kind of price fixing which he thinks is going to apply in this time of depression.

Senators, you are not adopting this policy for a depression; you are not passing this law for a year; you are committing this Government to a policy which has got to affect agriculture through all the years to come.

That is one of our troubles in the national legislative body. We all look at legislation from the immediate angle rather than the ultimate angle; and thereby often we find ourselves in great difficulty. We assume that if a thing is good for 6 months or a year it will be good for a thousand years, and we justify this, that, and the other as emergency measures. There are very few measures which are good in emergencies which are not good as permanent legislation, and very few measures which are not good as permanent legislation will prove to be good if tried in an emergency. We are passing upon this bill as if it were emergency legislation. If we enter upon the field of price fixing, and the courts shall hold the action to be constitutional, aside from any legal arguments that may now be made against it, its very philosophy will come home to damn us a thousand times over in the course of 5, 10, or 15 years. Once the Government enters upon fixing the prices of everything its people produce, we shall have all the labor troubles and all the trade troubles and all the class troubles laid right here on the doorstep of the Congress.

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

Mr. TYDINGS. Yes.

Mr. MURPHY. There is something which is now damning this country. The producers are being damned and have been for a number of years.

In 1929 the national income was $82,000,000,000. Of that income, the farmers, constituting one-fourth of the population, received only 10 percent. Thirty million of our people received only 10 percent of the national wealth produced!

There is something damning the country, and this bill is an effort to correct that condition. Where shall we begin the correction? I am in entire sympathy with the views expressed by the Senator as to the necessity of opening markets abroad. If we had such markets, we would not now be concerning ourselves with this proposed legislation, which was brought into existence because of the loss of our foreign markets.

But shall we now abandon all effort to correct this condition which is resolving the farmer into a condition of perpetual want, a condition of poverty, if you please? Every attempt that has previously been made to relieve the producers affected has resulted in disaster. We can here and now carry out a pledge we made to the people when we went before them seeking their votes. We can carry out the pledge to seek to raise prices of agricultural commodities not as yet affected by our policies.

How can we correct the disparity in the distribution of national wealth? Somebody else is getting the wealth as a result of the farmer's labor, as a result of what he produces. How can we stop that? How can we begin the real distribution of wealth, which should begin at the grass roots, at the very point of production? When shall we begin it?

I shall not commit myself at this time to the principle of price fixing. I confess there is a great deal in what the Senator has said in viewing with apprehension the consequences of such a policy. But where shall we start to correct this condition which gives 30,000,000 of our people only 10 percent of the national wealth?

My philosophy is much like that of the Senator from Maryland, but I can accept the philosophy of the A. A. A. as an expedient. Yet the Senator rejects it, and I ask the Senator what he would substitute as a means of bringing a measure of prosperity back to the 30,000,000 farmers to be served by this measure in view of the conditions which exist with reference to our exports.

Mr. TYDINGS. Mr. President, the Senator will recall that about 2 months ago I brought a program to the floor of the Senate and discussed that program for about two and a half hours. In my judgment, that program would have been conducive to starting the country on the road to better prices and more work. I do not want to be diverted now to review the fundamentals of that program. I am very definite about the point, however, that if I had lost one arm in a sawmill I should not want to stick the other arm in another sawmill. I would much rather give all my attention to the arm I had left and try to save what remained and make of it the greatest possible use.

Mr. MURPHY. If I have lost my farm I am willing to try something else in an effort to get it back.

Mr. TYDINGS. Of course, the Senator is, and so am I; but I do not want to try anything anyone says I ought to try without examination to see whether it is a good thing to try. That has been the trouble. We have had any number of measures come before the Senate, as to which someone has said, "Put this through, and the depression will be ended in no time." However, I have not seen the depression disappearing at a mile-a-minute speed.

I am going to return to what I have said a dozen times, that the depression is fundamental, and any superstructure we build on top of it is not going to cure it. We have got to go back to fundamentals and straighten them out, and make the old foundation solid. It will be a slow and long process, and it is the longest way round, but we will get through much more quickly than walking illusory mirage roads which invite us with so much gusto.

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

Mr. TYDINGS. I have yielded to a dozen or more interruptions. I have done hardly anything but yield, and I should like to proceed. However, I am glad to yield to the Senator from Kentucky.

Mr. BARKLEY. This is not a facetious question. We are always being told that we should get back to fundamentals.

Mr. TYDINGS. Does the Senator want me to illustrate what I mean by "fundamentals"?

Mr. BARKLEY. No one has yet explained what is the fundamental to which he wants to get back. If the Senator would do that it would enlighten me a great deal. What are the fundamentals about which we talk so much?

Mr. TYDINGS. I shall give the Senator a few now by way of illustration.

Mr. ASHURST. Mr. President, will the Senator let me give one?

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

Mr. TYDINGS. Gladly.

Mr. ASHURST. A bill before us provides that no citizen shall have the right to inquire in court as to whether money heretofore taken from him was taken lawfully. It is proposed seriously to tax the citizen and not permit him to go into court to test the validity of the tax.

When the wild Indians captured a prisoner, tied him to the stake and tortured him, they allowed the poor prisoner privilege to cry out and writhe. We propose to torture the American taxpayer and not give him even the privilege to cry out and writhe.

One fundamental is to allow the taxpayer at least the right to writhe and cry out in his torture.

Mr. BARKLEY. Even where we would place the tax on an innumerable multitude of people?

Mr. ASHURST. Certainly the courts should determine such questions. In other words, we ought not to write a book, close it, and say, "This you shall not read. Our actions must not be reviewed by the courts. We are the people. We are the law. We are the knowledge. No court must presume to inquire into our activities."

That is one of the fundamentals to which I should like to come back.

Mr. TYDINGS. Mr. President, I thank the Senator from Arizona for his very worth-while contribution to the discussion. That is a fundamental which I have not surrendered and I do not intend to surrender it. That is one fundamental we still have and to which I am going to hold so far as I am personally concerned.

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

Mr. TYDINGS. I want to answer the Senator's question before yielding further. He asked for some fundamentals. I would not run the Government on borrowed money. I would tax and pay as I went. If I had to levy high-income taxes I would do it.

I would not waste money, I would view the depression as it is, feed the people who are unemployed and spend as little unnecessarily as I could so that the debt would be the least burdensome on the people when the time comes to pay it back. That is one good fundamental. It is as old as time itself that we cannot spend ourselves out of debt. That is another fundamental.

Another fundamental to which I hold is that we cannot increase the price of an article and increase its consumption at one and the same time. Fix the price of automobiles at $5,000 apiece and how many of the people who now are riding in automobiles would have new ones?

We seem to have a philosophy that we can increase the prices of meat and foods of all kind and at the same time increase the consumption of such commodities. It cannot be done. Today the people have stopped buying beefsteak and pork in the stores because the price has gone so high that they cannot afford to eat them. I would rather create wealth and feed the people on plenty than to create scarcity and feed the people on some substitute.

Do those instances answer the Senator's question? They are some of the fundamentals about which I feel pretty strongly.

Mr. BARKLEY. No; they do not. The Senator is evidently complaining because the price of agricultural products has increased. Does the Senator mean that we ought to have pursued a policy of doing nothing so that wheat would now be selling at 40 cents a bushel instead of 80, and pork at 3 cents a pound instead of 7 or 8 cents a pound, and that tobacco would be selling at 5 cents a pound instead of 15 or 20 cents a pound? In other words, does the Senator take the position that the Government of the United States ought not to have done anything, artificial or otherwise, temporarily to stimulate the prices of agricultural products during the depression, pending the arrival of the time when normal conditions may return and the law of supply and demand have some effect upon them?

Mr. TYDINGS. The Senator's argument is equivalent to this: Four men go in and rob a bank. They get $400 and divide it among them. Each one has $100. One man speaks up and says, "I am sorry we robbed that bank." Another man speaks up and says, "Are you not $100 better off for the moment?"

The other argument is that the farmer gets 15 cents more for any commodity he raises. That 15 cents does not come from the rich, because the rich eat very little of what the farmer produces. It comes from the masses of the people, of whom 12,000,000 are unemployed and 22,000,000 more of the total population are on the relief rolls. We paid the farmer, who had some income, at the expense of the men who was on the Government relief roll for the very necessities of life with which to keep himself and his wife and his little children alive until an opportunity to work should come.

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

Mr. TYDINGS. The Senator from Kentucky does not mean to say that the money which the farmer has received has not come out of the pockets of the people, does he?

Mr. BARKLEY. Oh, no; I do not mean to say that——

Mr. TYDINGS. Let us be frank about it.

Mr. BARKLEY. But I do mean to say that the Senator's illustration of four men robbing a bank is certainly not an analogous situation to the efforts of the Government of the United States to increase the price of agricultural products.

We have not held up anybody. We have not robbed anybody, unless all taxation is a matter of robbery. The Senator may interpret the processing tax as a robbery. Of course, it is yet to be decided whether or not the Court will hold that tax unconstitutional; but even if the Court should hold it unconstitutional, we all know that in nine hundred and ninety-nine cases out of a thousand the man who paid the tax has already passed it on to the public and it has been paid; and if he is allowed to recover from the Government and nobody can recover from him, it will constitute what the Supreme Court in the gold case described as an unjust enrichment.

Mr. BORAH. Mr. President——

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

Mr. TYDINGS. I will yield to the Senator from Idaho in just a moment.

I wish to say in all calmness that any Member of this body can go to any city or town or hamlet in his State, and can walk into the grocery store where the people who are poor buy their food; and if he finds what I have found—and I believe he will find it—he will find, in many of the stores of this Nation, that people have stopped eating meat because it is too expensive for them to eat. In the little town of Havre de Grace, of 4,500 people, the A. & P. store manager says they do not provide a stock of beef any more because so much of it goes to waste for lack of sale. I found that condition to be true generally in the stores of my town, because with the pyramiding of all these taxes—quite often unjustly—the people cannot afford to consume the quantities of food which they once consumed; and I think any Member of this body can verify that story by contacting the people in his own State, who will subscribe to what I have said.

Mr. GORE. Mr. President——

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

Mr. TYDINGS. I do.

Mr. GORE. I call the Senator's attention to the fact—he is doubtless familiar with it—that this morning the United States Circuit Court of Appeals at Boston, in the Hoosac Mills case, held the processing tax to be void.

Mr. TYDINGS. Yes; I am familiar with it.

I have been diverted from what I intended to say. I asked for the authority to fix prices under the Constitution. I have already spoken at some length on that point. I say that if we have the authority to fix minimum prices, we have the authority to fix maximum prices; and if we have the authority to fix maximum prices, we have the authority to take property without due process of law. I say that the Federal Government no more has the power to fix prices in either interstate or intrastate commerce than it has the power to go into any one State and regulate those functions which are reserved to the States or to the people thereof. This is a government of limited authority, and even its police powers permit it to go no further than the necessary force to be exerted to carry out its express powers.

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

Mr. TYDINGS. Not just now. I wish to finish this statement. Then I shall come back to the general argument.

It is conceded that during the war, under the exercise of the price-fixing power, the farmer was defrauded of the full competitive price of his wheat. If it be true—and I have no reason to doubt it—that in certain cases it worked to the injury of the wheat producers, are Senators willing to project this Government on a policy of price fixing which some day may see the representatives of the urban centers outnumber the rural representatives in the Federal House of Representatives? There the city people will tell our farmers the highest price they may get for the products they raise.

We are not making history for a year, Senators. We are not making history for a decade. We are starting this Government on a line of legislative philosophy which it has never before embraced in all its history. We may live to see the day when the very shield we now hold up for our protection will be beaten into a spear which will pierce the heart of agriculture all over this country.

Even as I speak, the A. A. A. has been held to be unconstitutional. I may be wrong. As I said at the beginning of my remarks, I have the greatest respect and sympathy for Mr. Chester Davis. Confronted as he was with a policy of tariffs which did not apply to agriculture except in part, with the world locked up in watertight compartments, with the farmer able to sell less and less of his products in restricted markets, Mr. Davis said, "Away with theory! I want something practical which I think, during this depression, will lift the farmers up to where they can get something like parity with those who are not employed in agriculture." I sympathize with his objective; but I believe the old, orthodox way of trying to lower the parity to agriculture in a situation where 22,000,000 people exist upon the dole of the Government—a fifth of them all—is more conducive to laying the foundation for recovery than by artificial taxation to drive up prices, which makes those who must consume less able to consume the volume necessary to take up the slack in employment.

I am not at odds with Mr. Davis' philosophy; neither am I arguing against the justice with which he comes here to plead his case. I take issue only with the method by which he seeks to accomplish the purpose he has in mind. The Federal Government is at best one of limited authority, express authority, supplemented and implemented by the police power necessary to carry out the express or implied grants of power in the Constitution. All the power it has is that, and it has no more power than that. The States, on the other hand, are likewise limited in the scope of their powers; and over in a great reservoir remains the power of the people, never given to any governmental agency, State or National, because the entire history of government shows that all governments at times are bad, and they cannot have unrestrained power without damage to the large masses who make up the population.

Therefore, as the power to fix prices never has been given to the Federal Government, either directly or indirectly, I feel that those who are embracing this measure will live to see it declared to be unconstitutional by the courts, that confusion will again come, and we shall have wasted our time on this as we have on other measures without any real, lasting, constructive good being gained for anybody.

Mr. NORRIS. Mr. President——

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

Mr. NORRIS. In the first place, let me preface my question with the statement that in no way do I desire to controvert the Senator in the assertions he is making; and I concede freely that he has a perfect right to the ideas he has expressed. I concede also that he may be right in them.

Mr. TYDINGS. And I may be wrong, I likewise concede.

Mr. NORRIS. I wish to ask the Senator to take what I believe to be the honest picture of those who are behind this bill.

First, as the Senator has said, the present Agricultural Adjustment Act has been held by the Circuit Court of Appeals to be unconstitutional. Of course, that decision is persuasive, although it is not final.

Mr. TYDINGS. That is true.

Mr. NORRIS. But, assuming that it is likely to be final, let me call the attention of the Senator to what I believe to be true, that the principal object of the pending measure is to meet that very question. If the original act shall be ultimately held unconstitutional, and if this bill circumvents the constitutional objection, the fact that the original act may be held to be unconstitutional would not be any argument against the present attempt to secure the enactment of a bill that is constitutional. I think that is a fair statement.

Mr. TYDINGS. With a qualification, I can agree with much that the Senator has said. However, I am afraid the very thing we are attempting to escape—namely, the declaration of the unconstitutionality of this measure—we are going to lose through the amendments, because we have included in the measure not regulation of milk, not regulation of interstate commerce, but price fixing.

Mr. NORRIS. The Senator will have to agree with me, I think, that the object to be attained is to increase the price of farm products.

Mr. TYDINGS. Yes; I agree with the Senator as to that.

Mr. NORRIS. The Senator has made some assertions about that which on their face, without any modification, I should not contradict. The Senator has said that we cannot reduce the cost to the consumer by increasing the cost to the producer, but while this may seem wrong, and may be entirely wrong, my theory is, and I think it is the theory of this bill and other bills like it, that we can do that very thing. The Senator, although he may say we are wrong in it, must, I think, concede—I believe he will—that in what we believe to be a method of relieving depression we ought to start with the foundation of our superstructure, and get for the producer—who, after all, is the foundation stone of our civilization——

Mr. TYDINGS. And is the farmer.

Mr. NORRIS. Yes, sir; the farmer. I wanted to make my statement a little broader than the farmer when I said "producer", but perhaps "farmer" will include it all. We ought to get for the producer a sufficient amount so that he will not be producing, at a financial loss to himself, the commodities we must have.

Is it not true that if the producer is producing at a financial loss, eventually the civilization based on such a condition must fail? Should we not start with the proposition that the foundation stone, the producer, should get a recompense for his toil?

As I understand, the theory is that when the producer gets a proper compensation for the products he raises, it makes him a consumer; he commences to buy of the factory; the factory, now idle, commences to employ men and pay them higher wages, and they will buy the products of the farm, although they will pay increased prices. If we put the price away down and have no consumers, and no employment for the consumers, it does not make any difference if the commodities are produced for nothing; the producers will eventually fail.

Mr. TYDINGS. I agree with the Senator from Nebraska on that fundamental. He says the farmer has not been getting his parity price, and I do not think he has; but I would much rather, with the least injury possible, bring the artificial prices down to a point where the farmer could trade with those who produce the commodities.

Mr. NORRIS. I agree with the Senator.

Mr. TYDINGS. I do not mean to say that that is an easy thing to do, but I am willing to work on it, although it is slow, in my judgment. In the end we will build on a real foundation, rather than have the whole country on stilts.

Mr. NORRIS. The matter is open. It seems to me that, admitting the premises, namely, that the producer is not getting enough, if this measure is not right, if this kind of legislation is wrong, then it is up to those who claim it is wrong to suggest some other remedy than the one now proposed. I am not denying that they can do so. I realize that men have different opinions about it.

Mr. TYDINGS. The Senator's position is that in the circumstances which confront him he is doing the best he can.

Mr. NORRIS. Yes; and if anyone can do any better, let us give him carte blanche and send him out to do it.

Mr. TYDINGS. I think that on this general philosophy the Senator and I could agree on what we should do in preference to what is proposed, if we could do it; but my fear is that we will never get down to a sound foundation so long as we adopt the policy of placing stilts under this, that, and the other thing. I should like to saw about 2 feet off of some of the stilts rather than put another set of stilts under the farmer.

Mr. NORRIS. I frankly concede to the Senator that I think he has pointed out a danger.

Mr. TYDINGS. Mr. President, I do not care to take up the time of the Senate any longer, except to summarize what I have said. I believe—and it is admitted freely by those who favor the bill—that there is no decision of the courts, there is no precedent, except the war-time wheat proposition, in all the history of legislation wherein Congress has ever embarked heretofore on such a far-sweeping price-fixing proposal, without restraint or control, as is set forth in the bill before us, and that, too, without any limitation, it being left absolutely within the jurisdiction of the Department of Agriculture and its agents to say what the minimum price shall be, with no yardstick, minimum or maximum, by which they must find that price. Therefore, we have not only violated our authority as to delegating power but we have an absence of authority even to hold the power and do the things ourselves.

I take the position that this is a Government of limited powers and that the people themselves hold the power to fix prices, and until the Constitution is amended, or that power is conferred on Congress, we have no right or ability at all to deal with it.

Further than that, in conclusion, even if it is legal, even if it may be temporarily good, it will be the entering wedge, and price fixing will grow on the scale on which tariffs have grown, and we will have Nation-wide campaigns of price fixing, utter confusion, class prejudice and class greed and group greed, until this body will not be able to stand up under the desire to fix this price and that price and the other price in accordance with the wishes of the group affected.

We are not passing this measure for a day or a year or a decade. If price fixing is held to be within the jurisdiction of the Congress, then we will find the need in the future to have the prices of more and more commodities fixed each and every year, and, in my opinion, it will be a Pandora's Box, the lid of which we will never be able to replace once it has been opened.

PAYMENT OF DEBT DUE BY ENGLAND THROUGH TRANSFER OF ENGLISH ISLANDS, AND NICARAGUAN CANAL TREATY

Mr. LEWIS. Mr. President, I am led to depart from the complete phase of this discussion to inject a suggestion for action which I feel is valuable to consider and important not to postpone.

I know when I touch the subject to be mentioned my honorable colleagues will have summoned to their reflection the observation of Polonius upon Hamlet—

Still harping on my daughter.

I call attention to the fact that the public press informs us that England has, in some spirit of generosity, offered to cede to Italy territory of her possession as a consideration of Italy not pressing further her territorial demands or military advance upon Ethiopia. The object of such, if it be for peace, is, of course, commendable. If it be for the service of England in her own defense or profit, it is natural and, therefore, justified.

So, sir, if England finds it agreeable to transfer her territory lying off the zone of her immediate possessions to Italy as the payment of an obligation that shall satisfy an Italian debt due and avoid conflict, I place the query before this honorable body, why should not England, in view of the debt of billions she now owes to the United States of America, not find it agreeable, upon the same theory in which she offers the territory to Italy possessed by her, to turn her attention to the fact that here in the islands of the Caribbean, adjacent to the United States, lies property, islands known as Bermuda, Barbadoes, and Jamaica, that belongs to England, for which she has no necessity as a defense to Britain, nor for the security of England. Yet, sirs, this domain is necessary to the defense of the United States.

Mr. President, I do lay down the doctrine that a free and liberal government should not allow any foreign government to have territory within a gateway from which the Nation could be assailed. Therefore, England would see the justice of a transfer to the United States, for the protection of this Government, of such land as lies adjacent to our Nation, practically in our own waters. Particularly true should this be where England, by transferring it to the United States could pay off her debt which she owes in billions to the United States. It is this debt which England declines to pay. Apparently this is for want of funds. Because of lack of funds, England not only makes no effort to pay, but in her last budget she even refuses to announce the acknowledged debt of interest. Finally, an eminent spokesman of that gracious Nation, speaking from the floor of Parliament, said there was now no further reason to mention the subject.

Mr. President, I rise to call attention to the fact that there are two situations which we now may well bring to our attention. England has these islands which can be transferred as land to the United States for the payment of the debt, where they are so segregated and, if you please, sir, so separated that they involve no central point of her government, and do not strike the main sphere of her existence. These islands, belonging to us by their very nature, and from their possession under nature, could be transferred completely to us for all the uses we could make of them, which can in no wise be inimical to England.

In addition to this, we are now on the eve of beholding the necessity of enlarging the Panama Canal. It has been discovered that it is not sufficient for the uses of our enlarging commerce. England professes to hold some form of a previous agreement with Nicaragua by which she contends her privilege to cut a canal through Nicaragua to precede any right on the part of our own Government. In this precedent England assumes the perogative to obstruct and to defeat the object of the United States to build this second canal, to cooperate as aid to the Panama Canal. England recalls that in taking the Suez Canal for her uses she forced France to yield up a conflicting claim of a parallel privilege held under grant from Egypt.

I therefore suggest that, as a further consideration in the payment of the debts which England owes us, she promptly transfer this claim of canal from Nicaragua to the United States. We have heretofore disputed the claim. For a while it stood in such a menacing attitude that we yielded our contention for the time, and adopted as a substitute the Panama Canal route. England, for and as payment of a

part of the debt which is now due us, may transfer the concession, whatever the nature may be, to the United States. From this we could at once perfect a complete title in our own behalf. From this we may construct the second and necessary canal in aid of the Panama Canal. By this we should project our commerce without obstruction, and assure something of a natural defense at the south of our Nation as well as that to the east.

I take the liberty of inviting the attention of this honorable body to the fact that the hour surrounding us is a serious one; and if it is possible that other nations shall be at war, though not at war with us, they could, nevertheless, punish us for services we may, as a neutral, give in commerce to some country at war, all in the discharge of our privilege of merchandising. The assailing nation could seize one of these islands lying at the very door of our country, and in the seizure use it as the base from which to assail America. Behold how defenseless we should be! On the other hand, in the possession of this property we could so conduct ourselves as to enable us to defend and protect this country against the very advance which all eyes now may behold as possible.

Mr. President, I rise to make this suggestion at this time because it seems that there is no effort being made on the part of these great debtors to pay the United States. I deplore to have to say, in the presence of these honorable colleagues of mine, that there seems to be a silence on the part of the eminent men of our Government looking to the enforcement of this payment. We seem inclined, for some reason, to let it lag, drawl, and linger. It is hoped by the debtor it may be something forgotten, or looked upon as a matter of an intrusion if it should be offered for further discussion.

I deplore that status. I am opposed to it. I want action. I want that action which shall enforce this payment; and if it be true that these honorable governments are unable to pay for lack of money, here I describe the property which they possess, which can be transferred to pay the debt with no injury to any and with some profit to ourselves.

Mr. President, the time has come when this country must look about her. This is the Western Hemisphere. We seem to forget it. Here, in this country, there should be an American continent of the continent of America. For that reason I tender the suggestion that it may receive in the proper quarter its due regard, that something be done looking toward an arrangement with these countries which have these islands in our waters for transferring such share of them as shall not injure other lands; but, sir, to contribute a payment upon the obligation due us, and something to the preservation and protection of the United States, the friend nation of all.

Having expressed the view, sir, and stated the policy, I trust my honorable colleagues will see from it that there is the second feature of protection of the Nicaragua Canal, and the construction of that great inlet and that avenue, so necessary to our future, and which should be now considered in such a way as will insure to us the title and opportunity which we must behold now, in a very short while, may become essential.

I am anxious for the protection of America. I am anxious for this continent to be preserved. I want the friendship of all other nations; but I ask that honor in the payment of debts due the United States which, if it cannot be done with money, may be done by such transfer of such powers at our own doors as become our rights as a Nation.

I thank the Senators for letting me indulge these views at this moment. Later I shall elaborate them to the completion of the expression defining our new policy—the continent of America as an American continent.

Mr. LEWIS subsequently said: Mr. President, with the consent of the chairman of the committee, I beg at this moment to give a notice.

A short while ago I addressed the Senate upon a certain subject, and refused further to elaborate, after having suggested my position, because of the anxiety of the chairman of the committee to conclude consideration of the pending bill. I desire to give notice that at the conclusion of the consideration of the bill I purpose to elaborate the discussion which I opened this morning, and I shall also present a resolution at what I think will be the appropriate time for its consideration.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. SMITH. Mr. President, I am very anxious that the Senate should make what disposition it chooses of this bill; but in view of the statement made by the Senator from Maryland [Mr. TYDINGS] I desire the Senate again to understand the purpose of the so-called "price-fixing section."

Anyone studying the bill will see that this price fixing is predicated upon the fact that the producers and the handlers handling at least 50 percent shall get together under a trade agreement and determine the minimum price. That is not arbitrary action on the part of the Government, but is based upon the action of the producers.

All this bill purports to do is that when agreements are reached as to a minimum price, the Federal Government, insofar as it can do so in the exercise of its delegated powers under the commerce clause, will help the farmers in good faith to carry out the contract and receive the minimum price. Of course, as was reiterated to the committee, the producers can at any time ask for a cessation of the agreement, and it will be ended at once. That was repeated and reiterated before the committee.

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

Mr. SMITH. I yield.

Mr. CONNALLY. Of course, when the producers determined upon fixing a minimum price, they would have to have some sort of vote to fix the minimum price in the whole industry.

Mr. SMITH. Yes; a minimum price for that commodity.

Mr. CONNALLY. Yes; but let us take the case of citrus fruits or anything else. When the producers once fixed that minimum price they could not unfix it unless they had another vote, could they?

Mr. SMITH. I think not.

Mr. BANKHEAD. I will say they could sign another trade agreement.

Mr. SMITH. Oh, yes; they could at any time, by a majority vote, rescind their previous action.

Mr. CONNALLY. That is what I am talking about. They would have to have another majority vote, of course, to do that.

Can the Senator from South Carolina give us any idea how long it would take in some instances? The Senator from Alabama on yesterday indicated that the minimum price could be fixed, and, if they changed their minds, in 2 days' time it could be called off. I am wondering how that can be done if it is necessary to consult everybody in an industry; and my interest in the question is as to the wisdom of fixing a minimum price for perishable commodities. While a vote was being taken, the oranges or other perishables might all rot, or the fruit might all go to the bowwows while those administering the measure were waiting on the sovereign votes of the producers.

Mr. SMITH. They can get together and fix their formula, just as is done by other trade organizations. They can, through their organization, carry out the will of the majority of the producers and fix the price as conditions may develop, just as is done by any other organization.

This is an attempt on the part of the Government to make it possible for an organization of producers to receive at least a price which they may think is a reasonable price at that time. Neither the Senator nor anyone else thinks an arbitrary price should be fixed, but it is subject to the will of the majority of the producers.

Mr. CONNALLY. Mr. President——

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

Mr. SMITH. I yield.

Mr. CONNALLY. Let me ask the Senator what would be an arbitrary price? They could fix any price they wanted to; so in this particular case it might be arbitrary, might it not?

Mr. SMITH. No; not if it were done by a vote of the majority. Suppose they all agree that they will have a minimum price. Perhaps it may be a minimum price today, but it may be changed tomorrow.

Mr. CONNALLY. That is what I am getting at. In other words, it is the Senator's idea that they will enter into some sort of an arrangement and empower some organization, or one man or a group of men, to fix the price when, if, and how they desire?

Mr. SMITH. Yes; certainly, as other trade organizations do.

Mr. CONNALLY. I was trying to get at that, because the debate has indicated that the producers themselves are going to do it.

Mr. SMITH. The producers do it; but they set up the organization which has been referred to.

What I wish to have the Senator from Texas understand is that this is an attempt to create an organization which will protect the price paid the farmer just as trade organizations protect their trades; and I do not think there would be any more common sense used in this than would be used in the trade agreements. Do the Members of the Senate desire to defeat this provision and leave the farmer where he now is? There is not a farmer in America raising the ordinary agricultural commodities which are generally marketed who has ever had one word to say in regard to the price of the thing he produces, nor have we ever fabricated or fashioned any kind of an organization which stood between the unorganized and defenseless producers of the raw material, on the one hand, and the organized purveyors of the things he needs, on the other hand.

The Senator from Texas knows, and I know——

Mr. CONNALLY. I would not be sure that I do.

Mr. SMITH. That there is not a farmer in his State who has ever fixed the price of a pound of cotton in Texas, a State which makes one-third of all the cotton grown in America. All in the world that the farmer does is to grow the crop and deliver it at the other fellow's price. I desire to ask the Senator this practical question, and also ask it of the whole Senate——

Mr. CONNALLY. I was going to try to answer the former question before the Senator asked another.

Mr. SMITH. I will give the Senator ample time to answer; but, since this occurs to me, I want to ask this body of intelligent men, if I do not insult them by using that adjective [laughter], how many merchants and manufacturers in and around the city of Washington would exist for 1 month if they had to sell their goods at the price which the purchaser put on them? That is a practical question that faces us as practical men.

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

Mr. SMITH. Yes; I yield.

Mr. BYRD. Why does not the Senator from South Carolina propose to fix the price of cotton? This bill does not propose to fix the price of cotton or the price of wheat. Why does not the Senator make an effort to fix the price of every food product if he believes in the principle of price fixing?

Mr. SMITH. That is exactly what I want done, and what I tried to do by the cooperatives; but we could not get enough farmers to come together, because there was no promise of aid. However, if the Federal Government will now say to the farmers, "So far as the Constitution will allow, if you will get together and pool your commodities, so far as we can do so constitutionally, we will aid you until you learn to walk."

Mr. BYRD. But does not the Senator realize that it is easier to fix the price of cotton than it is to fix the price of beans? He proposes to fix the price of beans which are grown in every State of the Union.

Mr. SMITH. No; I do not.

Mr. BYRD. And beans are a perishable food product; but the Senator declines to make an effort to fix the price of cotton.

Mr. SMITH. I do not know that this applies to vegetables alone. If the principle is good for one, it is good for the other.

Mr. BYRD. The bill does apply to vegetables alone, for it so says in the title. If the Senator favors price fixing, why does he not go down the line and fix the price of cotton and fix the price of wheat and fix the price of meats and of everything else which the farmer produces?

Mr. SMITH. I am not trying to get the Government to fix the price of anything.

Mr. BYRD. The Senator is advocating the bill.

Mr. SMITH. I am advocating the farmer fixing the price, as the Senator knows.

Mr. BYRD. The Senator well knows that there is nothing in this bill that gives the farmer the right to fix his prices, because the marketing agreements are made by 50 percent of the handlers, and all the farmers can do is to terminate an agreement after it has been made.

Mr. SMITH. I will read to the Senator the section. I know that there was a mistake made.

Mr. BYRD. That mistake has not been rectified as yet, either.

Mr. SMITH. It will be rectified. If the Senator wants constructively to help the farmer, he will not try to destroy a method that might help him.

Mr. BYRD. I object, Mr. President, to the Senator from South Carolina making about this bill a statement which is not correct. The bill does not give the producers the right to fix their own prices; it gives that power to 50 percent of the handlers, as the Senator well knows.

Mr. SMITH. Very well. I will read the provision to the Senator as found on page 22. It occurs under the heading "Orders With or Without Marketing Agreement."

The Senator will find under paragraph (B)—

> That the issuance of such order is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored:
>
> (i) By at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein.

Mr. BYRD. Mr. President, this is a matter which I am anxious to have accurately presented to the Senate. Will the Senator read section 8, which is the first step in the establishment of marketing agreements, whereby 50 percent of the handlers can establish a marketing agreement? The second step is if the handlers decline to do that, then 75 percent of the producers may do it. That is in the bill.

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

Mr. SMITH. I yield.

Mr. MURPHY. I think the Senator from South Carolina as well as myself have already conceded to the Senator from Virginia the acceptance of an amendment to the section to which reference has just been made providing also for the consent of two-thirds of the producers. When and if the Senator shall offer such an amendment, to that extent, as I indicated to him yesterday, there is a disposition on the part of the Senator from South Carolina, and certainly there is a disposition on my part, to accept it.

Mr. SMITH. Certainly. I asked those who were charged with the drafting of the bill why they had separated the two provisions to which the Senator from Virginia has called attention. I asked them why they had provided that if 50 percent of the handlers agreed the order as to the marketing arrangement might be made but did not include in the same section the consent of the producers. Their idea was that if they could get the consent of the handlers to handle a given product on certain terms, then it would be agreeable to the producers, for the handler was the obstruction in the way.

Let me call attention to the fact that there was a misunderstanding. When the suggestion was made by the Senator from Virginia, that there should be included the consent of the producer as well, all of them agreed and said that it would have been very much better to have included such a provision in both paragraphs. However, the chairman of

the committee honestly thought that the preceding language predicated all marketing agreements upon the action of a majority of the farmers signing the agreement.

I will say to the Senator from Virginia that wherever there is any language in this bill which throws any doubt whatever as to whether or not agreement is predicated on the consent of the farmers, I want it made clear that it must be so predicated and will offer no objection. I would not even stand on the floor as chairman of the committee to pretend to advocate the passage of this bill if I did not believe it had in it at least an effort to create a line of resistance by which the farmer could obtain at least some return for what he produces.

Mr. President, every Senator knows that the degrading influence in agriculture, that which has impoverished the farmers is their inability ever to name any price for any staple article they produce and sell.

Mr. BYRD. Mr. President, may I ask the Senator just one more question? Then I will not interrupt him further.

Mr. SMITH. I yield.

Mr. BYRD. If the Senator favors the principle of price fixing——

Mr. SMITH. By the farmer.

Mr. BYRD. Well, by the farmer or by anybody.

Mr. SMITH. I mean by the farmer.

Mr. BYRD. If the Senator favors the principle of price fixing, why not amend this bill so as to include every food product of every character and description.

Mr. SMITH. I am taking the bill as it stands, and God knows that the Senator from Virginia and every other Senator ought to help the man who produces the food we eat and the clothing we wear at least to have some say so.

Mr. BYRD. If the Senator approves price fixing, is it not his duty, holding the views he does, to move to amend this bill so as to include cotton and every other farm commodity?

Mr. SMITH. I do not want to use a term that has become universally obnoxious—price fixing. But why should not the man who is the producer of the food we eat and the raw material out of which we are clothed not be helped to name at least a reasonable return for that with which he sustains organized society?

Mr. BYRD. I agree with the Senator fully that the producer should be helped, but if the Senator thinks price fixing is the way to help him, let him move to amend the bill so as to include all other articles of food.

Mr. SMITH. Because one-sixtieth of a grain of strychnine might be a tonic is no reason why I should take a fistful. [Laughter.]

Mr. BYRD. What the Senator desires to do is to have foods and vegetables take so much strychnine that nobody will be able to eat them.

Mr. SMITH. No; but I suspect the Senator is more engaged in the production of—no, I will not make that reference.

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

Mr. SMITH. Yes.

Mr. MURPHY. In effect, have we not established a minimum price already by our loans on cotton and on corn, much money having been loaned by the Government on each of those commodities?

Mr. SMITH. But it must be understood that it is treason, it is absolutely against the law of organized society and decency to stand here and make a plea for the poor degraded wretch who feeds and clothes the world. We may talk eloquently about railroads and insurance companies and factories and organized labor, but the poor devil who today is out yonder making the wheat and the corn and raising the hogs is "Mr. Hayseed", and what right has he even to be considered by the Members of this great legislative body who fill their stomachs with the products of the farm every day and come here clothed by the products of his labor? For the shirt I now wear I paid $2.50. It is composed of 5 ounces of the simplest weave of cotton known to the manufacturer, but that cotton in the form of a shirt is sold at the rate of eight or nine dollars a pound.

Contrast that with the 8 cents a pound paid the farmer for 12 months' toil, gambling with the seasons. Anywhere from eight to twelve dollars is paid for a pound and a half of cow hide to go on your hoofs. [Laughter.] Under modern chemical processes of tanning, in 48 hours the hide is ready to be used in the manufacture of shoes; and yet it takes the rancher on the plains of the West 3 mortal years to raise a pound of hide.

We sit here and strain at a gnat and swallow a camel. Just consider the time we are losing here when we dare bring in a measure designed to help "Reuben." Oh, no, that will not do. But when it comes to a banking bill——

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

Mr. SMITH. Not right now. I am in a reasoning way and I do not wish to have my logic interrupted. [Laughter.]

A bill is going to be brought before us affecting banking, as a bill has been before us for the regulation of utilities; we have bills brought before us for many other purposes, and, oh, with what zeal they are considered. It is an everlasting and unanswerable indictment of the Members of this body that we find so great a number of protagonists for any organized industry—the implication is deadly—and yet when we begin to talk about the agricultural interests there is indifference on the part of everybody. The farmer has no lobby here. He has no organization that may directly or indirectly affect the attitude of Senators. He is numerically great, but organically disorganized. Therefore we can safely stand here and talk about the constitutional provisions which affect him in the field.

Mr. President, it is very discouraging to me. I would to God that the farmers of the country could do one of two things—organize themselves so as to be felt as a unit at the ballot box, or strike for a twelvemonth. What would happen to this country if, for the sake of his self-respect and a demonstration of his manhood and of his right to a place in organized society, the farmer should say, "If I am not to be respected, if I am not to be considered in the scheme of things, I shall withdraw from the markets. I shall not sell any food or any raw material except enough to support myself and my family." How far are our metropolitan centers from starvation? What would be the result? Yet we treat him like the nations of the earth treat disorganized China, more numerous in population than any other nation of the earth, but, with no coherence, no organization, an open door to all nations.

Cannot Senators, if they have any desire to aid, offer constructive criticism of the bill? I am disappointed in the attitude of the Senate toward the bill. If there be anything in it that will help the farmer, that can be made legal and constitutional, let us have it. Any set of ignoramuses can come here and tear down the finest building in Washington which it has taken great genius to build. Any of us can be destructive, but it takes a man of brain and character to be constructive.

Mr. President, I have made my last appeal to the Senate to treat fairly this effort on the part of the Committee on Agriculture and Forestry. I have made my last plea to preserve constructive and helpful elements of the bill. Where it is unconstitutional, let Senators suggest what can be done to make it constitutional and still preserve its efficacy so far as the farmer is concerned. But do not let us burn down our house because we think there is a rat in it.

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

Mr. SMITH. Certainly.

Mr. NORBECK. There are two objections made to the bill. The first is that it is not constitutional. The second is that it is so drawn that it is constitutional. What are we to do?

Mr. SMITH. Yes; it is as I said yesterday:

> I can and I can't; I will and I won't.
> I am damned if I do, and damned if I don't.

It does not seem to make any difference what we do.

Mr. NORBECK. I have never seen lawyers in the Senate object to anything because it was constitutional, but now they object to a bill that is so drawn as to be constitutional, and their objection seems to be based solely on that ground.

Mr. SMITH. Mr. President, I sincerely hope the Members of this body will join with us in this effort. It is a period of transition. I acknowledge, as everyone must, that the conditions are rapidly changing in the relations of the Government to the people. All the discoveries of science have changed conditions, but the fundamental principles are still here. I beg this body, instead of offering destructive and carping criticism, to get together constructively and pass a bill that will bring some hope to the hopeless millions toiling in the fields of America.

Mr. DICKINSON. Mr. President, I think there is a genuine desire on the part of every Senator to do whatever can be done for the farmer. I do not think there is any use of chasing rainbows. I do not believe there is any use of enacting legislation which is not economically sound and which will not work. I have yet to find a single solitary illustration anywhere in history which admits that price fixing will work. It may give a temporary relief for a few minutes, but in the end it always results in disaster and distress. That has been the history of price fixing all along the line.

Mr. NORBECK. Mr. President, will the Senator from Iowa yield?

Mr. DICKINSON. I yield.

Mr. NORBECK. Does the Senator refer only to Government price fixing or does he refer to the price fixing by the trusts?

Mr. DICKINSON. I am referring to Government price fixing.

Mr. NORBECK. The trusts seemed to be able to fix prices and to make them stick.

Mr. DICKINSON. I do not agree with the Senator on that point. I think prices follow the law of supply and demand. There may be some little marginal profit in it somewhere that the Senator from South Dakota does not like, but, in the end, I have found that every effort on the part of the grain exchange, or of any individual, to fix prices has always resulted in disaster and ultimately in collapse. That is the history of the board of trade at Chicago. It is the history of every other effort that has ever been made along artificial price-fixing lines.

Mr. President, I desire to consider for a few minutes the question of whether the Senate is doing a thing that should not be done in the face of the record of the legislation to date. For instance, there has just been rendered a decision in the circuit court of appeals in the city of Boston in the case of Franklin Process Co. against Hoosac Mills Corporation. I have here the brief filed by the complainant and also the brief filed in behalf of the Government. On page 48 of the brief of the receivers, I find this contention:

> The Constitution contains no clauses or provisions delegating to the United States the power to regulate, fix, or control prices or to control manufacturing, agriculture, and trade except interstate or foreign commerce. It is even more evident that it gives no power to improve the economic conditions of any class of citizens or to redistribute the wealth of the country, nor can such power be held to be implied for implied powers must clearly and directly appropriate to the carrying out of the granted powers, and such powers have never been held to exist if the connection is remote or uncertain. * * *
>
> (*United States* v. *DeWitt*, 9 Wall. 41; *Loan Asso.* v. *Topeka*, 20 Wall. 655.)
>
> It is beyond the power of the Federal Government to reclaim arid lands although there may be arid lands in need of reclamation and the Federal Government is the only organization large enough to accomplish it. Such a power is one of those reserved to the States.
>
> Citing *Kansas* v. *Colorado* (206 U. S. 49–91).

In other words, there is the main contention with reference to price fixing in a case which has just been decided in the circuit court of appeals in the city of Boston.

A press dispatch of today reads as follows:

> BOSTON, July 16.—The cotton textile and other processing taxes, under the Agricultural Adjustment Act, met the fate of the N. R. A. codes today.
>
> In the Federal circuit court of appeals here the processing taxes were declared unconstitutional on two grounds.
>
> One was that Congress had no authority to regulate the production of cotton, which is primarily under control of the States.
>
> The other ground was that the law itself is an improper delegation of authority.
>
> Judges Scott Wilson and George F. Morris concurred in the decision.
>
> Judge George H. Bingham dissented.
>
> At Washington, Government attorneys said a prompt appeal to the United States Supreme Court will be taken.

Why do we proceed to do a thing which we do not know to be within the letter of the law, and keep on amending and attempting to amend the existing law, when as a matter of fact the fundamental principle involved in this case is exactly the same as that in the Agricultural Adjustment Act as it was originally passed? And if the original law is unconstitutional by reason of the two grounds set forth, these amendments likewise would be clearly unconstitutional.

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

Mr. DICKINSON. I yield.

Mr. FRAZIER. This decision, as I understand, affects only the district in New England and, of course, will not be final until the Supreme Court shall have passed upon the matter.

Mr. DICKINSON. It affects all the processing taxes to be collected in that district, and will be a precedent for every other circuit court of appeals in the United States. Of course, it will not become national law until it shall have been passed on by the Supreme Court of the United States.

Mr. FRAZIER. Of course, the other circuit courts of appeal do not necessarily follow the precedent this court has set, nor does the Supreme Court. In the recent decision on the amendment to the Farm Bankruptcy Act passed at the last session, two district courts held it to be unconstitutional, and the Supreme Court held the other way.

Mr. DICKINSON. Oh, yes. I am perfectly familiar with the right of the courts in the different areas to reach different conclusions.

Excerpts from the decision handed down today in Boston by the United States circuit court of appeals are as follows:

> The Government contends that Congress does not seek by the act to interfere with the State's control over agriculture, inasmuch as the reduction of acreage and of production of either of the basic agricultural products depends on voluntary agreements by the producers, and the processing and floor taxes depend on the execution of such agreements to reduce production.
>
> Citing *Massachusetts* v. *Mellon* (262 U. S. 447).
>
> But it is clear, we think, under the recent decision of the Supreme Court in the Schechter Poultry Corporation case, decided May 27, 1935, that Congress at the outset has attempted to invade a field over which it has no control, since its obvious purpose, viz: to control or regulate the production of agricultural products in the several States by the methods adopted in this act, is beyond the power of Congress (*Kansas* v. *Colorado* (206 U. S. 406), *Flint* v. *Stone Tracy Co.* (220 U. S. 107)).
>
> The processing and floor taxes are not dependent on the execution of agreements to reduce acreage or production alone, but on the determination by the Secretary without any foundation other than his own opinion that the existing economic emergency demands that to accomplish the declared purpose of the act, rental or benefit payments shall be made. The imposing of the taxes automatically follows. The issue is not, as the Government contends, whether Congress can appropriate funds raised by general taxation for any purpose deemed by Congress in furtherance of the "general welfare", but whether Congress has any power to control or regulate matters left to the States and lay a special tax for that purpose.
>
> The issue of whether, under the act, there has been an unauthorized delegation by Congress of its legislative powers is decisive of the case before this court. Except as a premise for the conclusions which follow, it is unnecessary to restate what has been so often reiterated by the courts, viz: that the Federal Government is a government of enumerated powers, and Congress cannot delegate legislative powers to the executive department. The line between grants of legislative powers and the authority to perform a purely administrative function, as drawn in the decisions, may at first blush appear wavy instead of straight, notwithstanding the rule has been often definitely stated.
>
> The decree of the District Court is reversed, and the case is remanded to that court with directions to enter a decree for the appellants.

As a matter of fact, that simply gives a synopsis of the decision rendered in this case. The two grounds set forth, it seems to me, are in no way clarified by the amendments now proposed here. If the original act is unconstitutional upon the grounds stated, the original act as amended by these amendments must fail.

There have been numerous suggestions along this line. I think it was only yesterday, or the day before, that the circuit

court of appeals in Cincinnati held the act authorizing condemnation of land for subsistence homesteads to be unconstitutional, on the theory that the Government under the Constitution has no right to condemn lands for that purpose, or to use or expend public money therefor.

I remember that in the T. V. A. case a similar question arose; also, in the farm-tenant case, the Bankhead bill, with reference to the right of the Government to issue bonds guaranteed by the Government, endorsed by every taxpayer in the country, to buy land for speculative purposes, to be sold out in allotments to individuals. In other words, we are stretching and trying to write into the Constitution all along the line authority which is not there.

I read now from pages 36 and 37 of the reply brief of the United States, giving some of the views of the Government with reference to what may be done:

As a final reply to the contention of the receivers that the use of the proceeds of the processing taxes for rental and benefit payments is class legislation since they inure to the individual advantage of producers of basic agricultural commodities, the language of the court in *Coster* v. *Tidewater Co.* (18 N. J. E.), pages 518, 523, 524, is adopted:

"The legislative power is not competent to take the property of A and transfer it to B, simply for the benefit or convenience of B, because such an act has no public aspect; it concerns and affects, exclusively, the two individuals. In such case, it would be within the authority of the judiciary to pronounce such transfer unconstitutional and void. But if the sequestration of the property of A will, to a material extent, be serviceable to the public at large, whether such sequestration shall take place, must be committed, as a pure matter of discretion, to the legislature, provided such discretion be exercised in good faith, and does not rest, incontrovertibly, upon a false foundation."

In other words, it is my belief that in order to take property from A and transfer it to the general public, there must be vested in the property something of a public-interest nature. It must be of the type of transportation; it must be some type of service which is recognized as being imbued with a public interest. I do not believe it can be the mere matter of producing crops, or the mere matter of the production of any commodity, or the mere matter of the price which may be received for a commodity in one locality as against another price. Therefore, I contend that the Government, in its effort to sustain this law, is again attempting to write into the general rule of the law a condition which really is not there.

I presume there are a great many Members of the Congress who, if the roll were called today, would vote to charge the production of foodstuffs in the country with a public interest. I do not think we can do it under the Constitution. I do not believe it would be a good thing if we could do it under the Constitution, because, on the whole, I think we are trying to impose too much responsibility upon the Government. In other words, if a certain condition exists in one locality, I can see how the power of the State, the inherent power of the people themselves in that locality, will rise to a point where they will overcome that condition in their own right.

I can see how the problems of California ought not to be made the problems of Maine. I can see how the problems of Minnesota ought not to be made the problems of Florida. On the other hand, if we bring together all the problems of all those States which have to do, not only with agriculture but with all other phases of society, all the social-economic problems that can be gathered together and lay them on the doorstep of the Federal Government, we shall find that the Government is no longer able to function, and sooner or later it will fall of its own weight. That is the danger I see in many of the steps we are now taking.

Only a few days ago I secured a copy of the new book, The Liberal Tradition, by Lewis W. Douglas. There can be no partisanship so far as Mr. Douglas is concerned. He was formerly Budget Director for the present administration.

From page 52 I begin the quotation:

Expressly this language means a system of planned prices. Its implications, however, are much greater, for under it the Federal Reserve Board is practically directed to control the activities of every industry and of every productive enterprise in the United States. It must be viewed not alone and as an isolated proposal but in connection with the many other attempts to circumscribe our activities by governmental dicta and to plan our economy.

Then he gives the various efforts.

Some of the many other attempts to plan our economy may be listed as follows:

(1) The Agricultural Adjustment Administration Act and its clarifying amendments, which vest in the Executive complete power to plan agriculture and all processing of agricultural products.

(2) The National Recovery Administration, which vests in the Executive complete control of all industry and commerce.

(3) The Wagner labor bill, which centralizes control of all employer-employee relations.

(4) The Guffy coal bill, which in effect socializes coal mines.

(5) The Securities Act, which, even as amended, tends to make the United States Government the exclusive capitalist.

(6) The Social Security Act, immaturely considered, which tends to socialize all savings.

We could go much further than that. He has not itemized them all. There could be included the Bankhead Land Socialization Act, to which I have heretofore referred, and also the Tennessee Valley Authority Administration.

The question in my mind is whether or not we are laying on the doorstep of the Federal Government more responsibility than it should assume; and in the end, instead of bringing relief to the people, instead of affording a solution of any of the problems, will it not bring about a collapse that will be worse than the existing condition?

I read from page 54 of the same book:

The case is strong against the planners. Experience proves that no group, however divine may be its spark of intelligence, is able successfully to plan the various activities of men engaged in hundreds of thousands of different fields and employed in the production of hundreds of thousands of articles which go to make up our complicated modern social and economic organism.

From page 101, I read the following:

The fallacies of a planned economy, too, have been analyzed. Its complete incompatability with both freedom and equality and with the survival, existence, and growth of a vital middle class; the universal poverty which it causes; the social evils which it intensifies; the despotism which it makes inevitable. And it has been shown, also, that the present pseudo-planned economy leads relentlessly into the complete autocracy and tyranny of the collective state.

I now wish to refer to the issue of the Saturday Evening Post of today. It contains an article from which I think we can learn something. It refers to the lessons of history of years ago.

I know that there are a great many people who say we do not need to pay any attention to the signposts of history, that we can ignore them in economics, that we can ignore them in all walks of life; but usually we will find as we proceed that, unless we pay attention to the signposts of history, we fall into the very pitfalls into which the people of various other countries have heretofore fallen.

On page 36 of the Saturday Evening Post which appeared today, there appears an article by Raymond G. Carroll from which I read:

Why did the splendid, yes, magnificient, civilization of the Roman Empire sink into the blackness, the chaos, and the misery of the Middle Ages? Why did Rome prove unequal to her problems? What were the causes of her decline? In the answers to these questions are there any lessons for modern minds? Some do find them there.

The ancients had their antiquity, which we may assume to have been regarded by them with a share of the same disdain which we affect toward all the prior generations which we see massed behind us. It is not the habit of those who wear the garments of trail blazers to cast a scrutinizing eye back over remote persons and events. Yet the ancients were pretty much the same as we are.

The Roman Emperor Diocletian, in 301 A. D., promulgated an edict fixing a maximum price for provisions and other articles of commerce, and a maximum wage for every service, whether by a common laborer, an experienced lawyer, or physician. He was warned against price fixing and wage making by the abortive attempts in the same direction by the Assyrians, the Persians, and the Egyptians centuries before, but all experience was brushed aside.

There was but one penalty for a violation of the edict of Diocletian, engraved on stone and set up in every market place throughout the Roman Empire, and that was death, both for the one who asked for an excess of the official price and for the one who paid it. Deportation was an alternative penalty in

extreme extenuating cases. Trade was thus forbidden to fluctuate, exactly as now, and no allowances were made for differences of conditions of production or transportation.

What happened in Rome? The Diocletian edict, plus the commercial speculation of insiders and several bad harvests, ruined the commerce of the Empire. The depreciation of the currency that followed brought about a return to a system of barter, and Romans no longer bought and sold on credit or with the aid of money. Under Diocletian, the Senate became a political nonentity, the last traces of republican institutions disappeared and were replaced by an absolute monarchy approaching to despotism.

Mr. President, that gives some idea of what the experience has been. When we analyze the civilization of Rome we find that they had many of the things we now have; and to say that we are so much superior to them that we can avoid all the pitfalls into which they fell would be sheer egotism on our part.

Much of the article quoted has been heretofore referred to in various articles. I find something quoted here from Governor Hadley, of Missouri, which I think is well worth while. He said:

Destroying the right of private ownership of property, denying to a man of talent and ability the right to advancement or extra reward for his services, brought upon the Roman world a social, industrial, and economic break-down that was the natural result of these efforts to run counter to the inflexible rules of human nature and the inexorable laws of supply and demand. Then, as always in the history of the world, have such efforts not only failed but produced a melancholy train of misery and misfortune. Hope and ambition were banished from the hearts and minds of men.

Mr. NORBECK. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. DICKINSON. I yield.

Mr. NORBECK. Does the Senator believe that price fixing brought on the decline in the civilized world, which extended all over Europe and was not confined merely to the Roman Empire? The Senator must admit that the period referred to was one when everything was breaking down.

Mr. DICKINSON. Are we not now in a period when everything is breaking down?

Mr. NORBECK. But does the Senator attribute the breakdown in the Dark Ages to price fixing?

Mr. DICKINSON. That was one of the causes.

Mr. NORBECK. The Senator says one of the causes.

Let him be fair. That is only one of the many things that have happened to the farmers and caused their present lamentable condition.

Mr. DICKINSON. If the Senator from South Dakota thinks he is any better friend of the farmer than I am, very well.

Mr. NORBECK. I have heard the Senator from Iowa complaining here about the lack of profits for industry. I have heard him say here that industry is getting into the red on account of conditions. Are not all the Iowa farmers in the red? I have heard the Senator say nothing about that.

Mr. DICKINSON. I have mentioned that a good many times. The Senator listens when he wants to listen, and does not the rest of the time.

Mr. NORBECK. The Senator from Iowa stood for the Hoover farm relief bill. That brought a dark age in the United States among the farmers.

Mr. DICKINSON. The same thing exactly is being done under the A. A. A. The Government is lending on cotton at 12 cents, and it loaned on wheat at $1.25.

Mr. NORBECK. The difference is, I voted——

Mr. DICKINSON. Let me finish stating my position.

Mr. CONNALLY. Mr. President, I would like to have order on the other side of the Senate. [Laughter.]

Mr. DICKINSON. The collapse of civilization has never come about from one thing.

Mr. NORBECK. Exactly.

Mr. DICKINSON. I am not contending that price fixing is the only thing that helped bring about the collapse of the Roman Empire. Nor am I contending that price fixing is the one thing we ought now to avoid. I contend that there are many things we ought to avoid.

Now I shall make further reference to where we are drifting. I hold in my hand a publication dated July 15, 1935, entitled "Foreign Crops and Markets", issued weekly by the Foreign Agricultural Service, Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C.

I find there are numerous pages of this text—I do not know that there is any authority for its publication—which is given over to the Soviet agricultural program in Russia. I find, before I turn to that particular phase, that United States competitive agricultural imports are now declining. I am glad to hear that. Here, however, is one statement I wish to read. On the bottom of that page I find this statement:

The volume of imports of meat and meat products was nearly double the amount taken last year, 74,000,000 pounds this year as compared with 41,000,000 pounds for 1933–34. Most of this gain is accounted for by the increase in imports of canned beef, which have risen from 37,000,000 pounds during the 1933–34 period to 64,000,000 for the current season.

* * * * * * *

As a result of the drought and the consequent forced slaughter of thousands of head of livestock last year, there exists a large surplus of hides and skins.

As a former Member of the House, I remember that a few years ago there was, in the House of Representatives, a strenuous fight, which lasted some 4 or 6 weeks, on the question of putting a tariff on hides. We finally succeeded in putting a tariff on hides. I think we ought to try to see that the importation of hides are not again increased. We want to hold that market here in our own country.

I continue to quote:

Butter is the only item in dairy products to show much change from last year. The volume of imports of this commodity in the current July-May period was roughtly three times as large as the volume for the corresponding months of 1933–34.

Turning to page 62, I find that the importations of butter for 1934–35 were 20,956,000 pounds, as against 689,000 pounds in 1933–34. In other words, the imports were more than 26 times greater.

Mr. NORBECK. The Senator contends that we should maintain our own market for the production of hides. How does the Senator think we ought to do that?

Mr. DICKINSON. I think we could do it if we had a higher tariff on hides.

Mr. NORBECK. Has it ever occurred to the Senator that hides are not a product in themselves? Hides are a by-product. Provision first has to be made as to what to do with the carcass.

Mr. DICKINSON. As a matter of fact, we are importing a great deal of beef all the time.

Mr. NORBECK. But what percentage? The Senator quoted certain figures, but does that represent 1 percent or half of 1 percent?

Mr. DICKINSON. I could not give the Senator the percentage, but I think it is 6 percent.

Mr. NORBECK. Following one of the worst shortages of crops we have ever had.

Mr. DICKINSON. The point I desire to make to the Senate, however, is that we cannot fix the price of an animal on one product alone. It is not only the T-bone steak that is involved; it is the chuck; it is the hide; it is the hoof and the hair.

Mr. NORBECK. The Senator said that there was a great struggle in the other House on the question of a tariff on hides. Hides are not a product. Hides are just a part of the animal.

Mr. DICKINSON. I said we had a fight on putting a tariff on hides, and we had a hard time getting a tariff put on hides, and I think the Senator from South Dakota voted for it.

Mr. NORBECK. Yes; but I did not vote for the Hoover farm-relief program, and the Senator from Iowa did.

Mr. DICKINSON. The Senator from South Dakota, however, is supporting a plan which is along the same lines as one which has been tried before.

Mr. NORBECK. The Hoover farm-relief plan brought us nothing, and at the time it was before us a Senator from New

England said it was not going to bring us anything. He said: "Senator NORBECK, I am going to vote for it, although there is nothing in it except to give Uncle Sam a chance to lose some money, and he can afford to do it." He was right. The farmer got nothing out of the Hoover farm bill.

Mr. DICKINSON. Beginning at page 53, and running to page 57, I find the entire article in this Foreign Crops and Markets given up to an amplification of the scheme of agricultural control in Russia. Quoting from page 53:

The Soviet Government is confronted with the problem of organizing the harvesting campaign and gathering the crop in the shortest possible time and with a minimum loss. In former years, good crops in the field have been materially reduced through the inefficiency of harvesting operations and a noncooperative attitude among the members of certain collective farms.

Further down it is said:

A field will be considered fully harvested and cleared of grain only with the approval of the chairman of the collective farm or the manager of the state farm.

COTTON

It is expected that this year's cotton production will reach 2,342,000 bales (of 478 pounds) compared with 1,736,452 bales in 1934. For this reason the Soviet Government has been paying particular attention to the cotton crop.

We are paying a bonus in this country to keep our people from raising crops. We are imposing upon them a restriction, saying they must not raise cotton. I quote further:

The Commissariat of Agriculture of the Soviet Union must outline the chief measures concerning the cotton season. Special attention must be paid to the question of planning the entire work in the fields, labor-hours, wages, full utilization of equipment, and particularly measures which would induce the farmers to exert themselves to the best of their ability.

* * * * * * *

The immediate concern of the Soviet Government is not only to coordinate all types of harvesting work, but it is also concerned now with the delivery of grain to the state, i. e., with the fulfillment of the 1935 agricultural-procurement program.

Mr. President, instead of having ever-normal granaries over there, they have what is known as the Government production program. After the farmers have raised so much grain and turned it into the hands of the Government, they may have for their own utilization whatever amount they have left. In other words, if there is a crop failure, the farmer must turn over to the Government his entire quota before he may have any left for himself.

Continuing to quote from page 54 of this report:

The struggle for grain, for the fulfillment and overfulfillment of the grain-collection plan, remains with us a component, inseparable part of our entire work aimed toward the completion of the foundation of the Socialist economy. The grain-collection plan is the most important component part of the general national economy, which to a considerable degree determines our resources for the further development of Socialistic reconstruction.

Judging by recent official statements this pronouncement still holds true in 1935. It is for this reason that the Government is not sparing any effort this season to insure the fulfillment of the plan according to schedules already announced.

* * * * * * *

The 1935 plan is in all essentials similar to the one introduced in 1933. Its outstanding feature is the substitution of a fixed grain tax levied upon each cultivated hectare of the land for the former contract system of grain collection. The collective farmer is paid for the grain delivered in this manner at a price fixed by the state. The total of these tax obligations is determined by the area already sown.

Then the report proceeds to show how they sow and how they reap. Quoting further:

Yet another measure which aims toward a speedier delivery of grain is the provision of the resolution which eliminates any trade in grain, both by the collectivized and individual farmers, or any buying of grain by the State cooperative organizations, beginning July 1, 1935.

In other words, they are simply put out of business so far as grain production is concerned.

I continue to quote:

The trade in agricultural products may be resumed only after the grain collection plan has been completed, the farmers' obligations to the machine tractor stations discharged, and seed has been set aside for fall and spring planting.

In other words, the farmers must rent the tractor, and they must pay the rent before they may have any seed, and a certain amount is set aside for sowing in the fall of the year. This statement gives some impression of how a collectivized or socialized agriculture proceeds.

I continue to read from page 56:

The distribution of income in the collective farms in accordance with the principle of "whoever works more and better receives more", may also play an important part in bringing about a successful harvesting season. The quality of production as a most important criterion in determining the remuneration of the collective farmers is stressed in all decrees dealing with the organization of labor in the collective farms. If, for instance, a member of a collective farm plows 1 hectare (2.47 acres) in 1 working day, which is the nominal, he is credited with 1 labor-day; should he only plow one-half of a hectare in 1 working day he is credited with one-half of a labor-day; but if he plows 1½ hectares in 1 working day, he is credited with 1½ labor-days.

Such, in the main, are the measures intended to insure a successful harvesting season and a fulfillment of the procurement plan. The chief reliance of the Government seems to be not upon mere issuance of orders, drawing up of resolutions, and other forms of management on paper, but, on the contrary, upon a tendency away from administrative fiat and toward an appeal for the cooperation of the collectivized peasantry, expressed in terms of mutual economic advantage.

The strange thing is that just at the time when we are considering here an amendment to the A. A. A. Act, which is the ever normal granary plan for our country, the Department of Agriculture, through its foreign agricultural service, finds it necessary to devote about three-quarters of its weekly publication to an emphasis of what is really happening under the planning system in Soviet Russia so far as agriculture is concerned.

I do not say there is any connection between the two, except the conclusions we may draw that one plan is like the other. If we are working to that end this plan will not help the farmers of any State in the Union, but in the end will be their undoing. The farmers have been the greatest individualists and I believe are the greatest individualists we have today. They want to proceed in their own way. They do not want to have someone tell them how and when to plant and how much they may sell or how much they shall curtail their crops.

In conclusion, I want to quote from Walter Lippmann in today's New York Herald Tribune, in which he speaks about planning:

My friend, Mr. Mark Sullivan, may see in all this the deep planning of a highly intellectualized "brains trust." But to my eye it looks much more like the absence of any plan and the lack of intellectual effort, the work of tired brains, relying on their wishes and their prejudices and throwing out casual suggestions which they are too hot and bothered to think about.

For these reasons it is my hope the amendment will be rejected. In the end, I think it would be a splendid thing if the bill should be sent back to the committee whence it came for reconsideration. I do not believe, under the circumstances, that the Supreme Court can hold the A. A. A. Act, as amended, to be constitutional, and for that reason I shall vote against the amendment.

The PRESIDING OFFICER. The question is on the committee amendment on page 18, line 21.

Mr. BYRD. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Pope
Austin	Connally	Keyes	Radcliffe
Bachman	Copeland	King	Reynolds
Bailey	Costigan	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Lonergan	Schall
Barkley	Dieterich	McCarran	Schwellenbach
Bilbo	Donahey	McGill	Sheppard
Black	Duffy	McKellar	Shipstead
Bone	Fletcher	McNary	Smith
Borah	Frazier	Maloney	Townsend
Brown	George	Metcalf	Trammell
Bulkley	Gerry	Minton	Truman
Bulow	Gibson	Moore	Vandenberg
Burke	Gore	Murphy	Van Nuys
Byrd	Guffey	Murray	Wagner
Byrnes	Hale	Neely	Wheeler
Capper	Hatch	Norbeck	White
Caraway	Hayden	Norris	

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present. The question is on the committee amendment on page 18, after line 20, to insert paragraph (G).

Mr. BYRD. Mr. President, I shall detain the Senate for only a moment.

The Senator from Vermont [Mr. AUSTIN] yesterday asked a question to which at the time I was unable to respond. He asked whether or not paragraph (G), at the bottom of page 18, had anything to do with the control of the prices of milk.

In answer to that question I desire to say that that paragraph has nothing to do with the control of milk prices; and that opinion is confirmed, as I understand, by the chairman of the committee, the Senator from South Carolina [Mr. SMITH].

I am very sorry that the vote cannot be taken at the same time on paragraphs (F) and (G), as they are related. I desire to say to the Senate that in the event the committee amendment known as "paragraph (G)" shall not be agreed to, and later on the Senate shall decline to eliminate paragraph (F), I shall move to reconsider the vote on paragraph (G), because either both paragraphs should be in or both should be eliminated.

The VICE PRESIDENT. The question is on agreeing to the committee amendment designated as paragraph (G), at the bottom of page 18.

Mr. BYRD. Mr. President, as I understand, the parliamentary situation is that a vote in the negative is a vote against confirming the action of the committee.

The VICE PRESIDENT. This is a committee amendment which the Senate must vote into the bill if it is to become part of the bill.

Mr. VANDENBERG, Mr. BYRD, and Mr. NORBECK called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

Mr. BARKLEY. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Oregon has already risen for that purpose.

Mr. McNARY. It is probably of the same nature. The question, as I understand, is on agreeing to the committee amendment.

The VICE PRESIDENT. The question is on adopting the committee amendment. Those who desire the committee amendment to be adopted will vote "yea". Those opposed to it will vote "nay." The clerk will continue the calling of the roll.

The Chief Clerk resumed the calling of the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON], and therefore withhold my vote. If the Senator from Mississippi were present he would vote "yea", and if I were at liberty to vote I should vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. If he were present, he would vote "yea." I transfer my pair to the senior Senator from Delaware [Mr. HASTINGS], who would vote "nay" if present, and will allow my vote in the negative to stand.

Mr. AUSTIN. I announce the necessary absence of the Senator from Oregon [Mr. STEIWER] and the Senator from California [Mr. McADOO], who have a general pair. If the Senator from Oregon were present, he would vote "nay." I am not advised how the Senator from California would vote.

Mr. FRAZIER. My Colleague [Mr. NYE] is absent. He has a general pair with the senior Senator from Virginia [Mr. GLASS]. If my colleague were present, he would vote "yea"; and I understand the Senator from Virginia if present, would vote "nay."

Mr. BULKLEY (after having voted in the negative). I announce my general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. I understand that a special pair has been arranged for him on this question, so I will allow my vote to stand.

Mr. LEWIS. I desire to announce that the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Massachusetts [Mr. WALSH], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from Kentucky [Mr. LOGAN], the senior Senator from Louisiana [Mr. LONG], the Senator from California [Mr. McADOO], the junior Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

I wish further to announce a special pair between the Senator from Oklahoma [Mr. THOMAS] and the Senator from Wyoming [Mr. CAREY]. I am not advised how the Senator from Oklahoma would vote on this question. The Senator from Wyoming [Mr. CAREY] would vote "nay."

I wish also to announce a special pair between the Senator from Utah [Mr. THOMAS] and the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Maryland would vote "nay."

Mr. AUSTIN. I desire to announce that the Senator from Wyoming [Mr. CAREY], the Senator from Delaware [Mr. HASTINGS], the Senator from North Dakota [Mr. NYE], and the Senator from Oregon [Mr. STEIWER] are necessarily absent.

The result was announced—yeas 40, nays 38, as follows:

YEAS—40

Austin	Costigan	McGill	Reynolds
Bankhead	Duffy	McKeller	Robinson
Barkley	Frazier	Minton	Russell
Bilbo	Gibson	Murphy	Sheppard
Black	Guffey	Murray	Shipstead
Brown	Hayden	Neely	Smith
Bulow	Holt	Norbeck	Trammell
Byrnes	Johnson	Norris	Truman
Capper	La Follette	O'Mahoney	Van Nuys
Caraway	Lewis	Pope	Wheeler

NAYS—38

Adams	Chavez	Gerry	Moore
Ashurst	Clark	Gore	Radcliffe
Bachman	Connally	Hale	Schall
Bailey	Copeland	Hatch	Schwellenbach
Barbour	Davis	Keyes	Townsend
Bone	Dickinson	King	Vandenberg
Borah	Dieterich	Lonergan	Wagner
Bulkley	Donahey	McCarran	White
Burke	Fletcher	Maloney	
Byrd	George	Metcalf	

NOT VOTING—18

Carey	Hastings	Nye	Thomas, Utah
Coolidge	Logan	Overton	Tydings
Couzens	Long	Pittman	Walsh
Glass	McAdoo	Steiwer	
Harrison	McNary	Thomas, Okla.	

So the amendment of the committee was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 156. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.;

S. 2904. An act to prohibit the interstate transportation of prison-made products in certain cases;

S. 3038. An act to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration facility, Alexandria, La.;

H. R. 298. An act for the relief of Jack Page; and

H. R. 617. An act for the relief of Lake B. Morrison.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. BORAH. Mr. President, I call the attention of the Senator from South Carolina to page 16, the amendment

which yesterday I asked to have go over. We may dispose of it now. I withdraw any opposition to the amendment involving soybeans, so that may be disposed of.

Mr. SMITH. May we have a vote on it?

The VICE PRESIDENT. There was so much confusion in the Chamber that the Chair was not able to hear what the Senator said.

Mr. SMITH. On page 16 the amendment to add the word "soybean" was passed over yesterday by request.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 16, line 11, as amended.

The amendment, as amended, was agreed to.

Mr. BYRD. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BYRD. I intend to move to strike out subsection (F) at the proper time. Will it be in order at that time for me to move to reconsider the vote by which subdivision (G) was adopted? Those are related provisions. If the chairman of the committee could give me assurance that he would not object to a reconsideration of the vote in the event the Senate should strike out subdivision (F)——

The VICE PRESIDENT. The Senator is within his parliamentary right in making a motion to reconsider the vote within 2 days. If the bill is passed, after 2 days the Senator would not have the right to make such a motion.

Mr. BYRD. I will make the motion to reconsider at the proper time.

The VICE PRESIDENT. If the Senator will permit the Chair, the Chair does not believe the Senator is in a position to make a motion to reconsider, having voted on the losing side.

Mr. BYRD. I had an agreement with the chairman of the committee.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Virginia that that issue can be raised when subdivision (F) is acted upon.

Mr. BYRD. I simply wanted to serve notice on the Senate that they were related provisions.

Mr. ROBINSON. The Chair has suggested that the Senator from Virginia is not in a position to make a motion to reconsider. If subdivision (F) shall be voted out, there will be no difficulty about a reconsideration of the vote on subdivision (G); but the question as to subdivision (F) must first be disposed of, and there is no occasion now for raising the issue of reconsideration.

With the approval of the Chairman of the Committee on Agriculture and Forestry, in charge of the pending bill, I should like to submit a request for unanimous consent to limit debate during the further consideration of the bill.

I ask that debate be limited so that after the conclusion of the business of the Senate today no Senator may speak more than once nor longer than 30 minutes on the bill, nor more than once nor longer than 15 minutes on any amendment that may be pending or that may be offered.

Mr. McNARY. Mr. President, I regret that I am not in a position to consent to the proposal made by the Senator from Arkansas. There are several important amendments yet to be discussed, and they may be fully discussed. There are some Members of the Senate absent who might desire to discuss the questions, and at this time I could not consent to the proposed limitation. However, I am willing that it should be considered tomorrow sometime during the discussion of the unfinished business.

Mr. ROBINSON. I may say that I had intended offering the request yesterday. I discussed the subject with the Senator from Oregon, and understood that he was not in a position yesterday to consent to such an arrangement, but felt that he might be today. If he is not in a position to do so, if the debate is to be continued without limit, which would mean, of course, that lengthy speeches might be made on irrelevant subjects, I shall feel that it will be necessary for the Senate to continue in session longer than heretofore. We have been proceeding in a leisurely way, and we may have to change that procedure. At the suggestion of the Senator from Oregon, I spoke to a large number of Senators, and found them all in accord with the proposal I have submitted. I do not know of anyone, save the Senator from Oregon, who objects to a limitation on the debate; but, of course, the request is subject to objection, and I can make no further suggestion at this time.

Mr. McNARY. Of course, Mr. President, we all yield, and we try to yield gracefully in the face of facts. I had hoped we might come to an agreement, and I still hope so. But this is not the last day of the world. I am willing to meet this suggestion tomorrow, and will meet it fairly, as I always do meet suggestions. I am not in a position now to agree to the proposal, and I shall object.

The VICE PRESIDENT. Objection is heard, and the clerk will state the next amendment passed over.

The next amendment passed over was, on page 19, line 8, after the word "more", to insert "of the following"; and after line 10, to insert the following:

(B) Providing that (except for milk and cream to be sold for consumption in fluid form) such commodity or product thereof, or any grade, size, or quality thereof shall be sold by the handlers thereof only at prices filed by such handlers in the manner provided in such order.

Mr. KING. Mr. President, may I inquire of the chairman of the committee just what the implications are that will arise from this amendment? Does it mean that milk and all its products shall be subject to all the terms of the law?

Mr. SMITH. No; it is simply a provision for the filing of the price subject to change at any time. It is simply that the price must be filed so that the public will be advised as to the prices paid.

Mr. KING. If it is desired later that there should be some change in the assumption of control over milk, there would be no objection to returning to this for further consideration?

Mr. SMITH. Milk is excepted.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The next amendment passed over was, on page 19, in line 16, before the word "Providing", to strike out "(B)" and insert "(C)"; in the same line, after the word "the", to insert the words "appointment or"; in line 18, before the word "selection", to insert "appointment or"; in line 19, after the word "which", to strike out "among other things,"; and, in line 20, after the word "include", to insert "only"; so as to read:

TERMS COMMON TO ALL ORDERS

(7) In the case of the agricultural commodities and the products thereof specified in subsection (2) orders shall contain one or more of the following terms and conditions:

(A) Prohibiting unfair methods of competition and unfair trade practices in the handling thereof.

(B) Providing that (except for milk and cream to be sold for consumption in fluid form) such commodity or product thereof, or any grade, size, or quality thereof shall be sold by the handlers thereof only at prices filed by such handlers in the manner provided in such order.

(C) Providing for the appointment or selection by the Secretary of Agriculture, or a method for the appointment or selection, of an agency or agencies and defining their powers and duties, which shall include only the powers.

The amendment was agreed to.

Mr. COPELAND. Mr. President, the Senator from South Carolina will recall that on yesterday I suggested the insertion of some language on line 18, page 19, and I assume that because that is not a committee amendment the Senator would prefer to have it go over.

Mr. SMITH. In which line?

Mr. COPELAND. Line 18, after the word "agencies", it was agreed that there should be inserted in parentheses the words "which in the case of milk shall be a market administrator." That was agreed to yesterday, but I assume the Senator would prefer to have it go over?

Mr. SMITH. Yes.

Mr. MURPHY. I may say to the chairman of the committee that I assured the Senator from New York yesterday that, in my opinion, the chairman of the committee would have no objection to the acceptance of the amendment proposed by the Senator.

Mr. SMITH. However, as we are going through committee amendments, and this would be an amendment to the House text, I prefer that it wait.

Mr. COPELAND. Very well. I think that is only right.

The VICE PRESIDENT. The clerk will state the next committee amendment passed over.

The next amendment passed over was, on page 20, line 23, after the word "order", to insert "which is produced or marketed within the production or marketing area defined in such order"; so as to read:

ORDERS WITH MARKETING AGREEMENT

(8) Except as provided in subsection (9) of this section, no order issued pursuant to this section shall become effective until the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of not less than 50 percent of the volume of the commodity or product thereof covered by such order which is produced or marketed within the production or marketing area defined in such order have signed a marketing agreement, entered into pursuant to section 8b of this title, which regulates the handling of such commodity or product in the same manner as such order.

The amendment was agreed to.

The next amendment passed over was, on page 21, line 4, before the word "Any" strike out "(A)", and in line 11, after the word "order" to insert "which is produced or marketed within the production or marketing area defined in such order"; so as to read:

ORDERS WITH OR WITHOUT MARKETING AGREEMENT

(9) Any order issued pursuant to this section shall become effective in the event that, notwithstanding the refusal or failure of handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of more than 50 percent of the volume of the commodity or product thereof covered by such order which is produced or marketed within the production or marketing area defined in such order to sign a marketing agreement relating to such commodity or product thereof, on which a hearing has been held, the Secretary of Agriculture, with the approval of the President, determines.

Mr. KING. Mr. President, recurring to the amendment which has just been agreed to, I ask the Senator in charge of the bill what limitations are to be found in the bill with respect to the areas, the milk areas, or, for that matter, areas affecting any other commodities? Who is to determine what the area shall be? Shall it be a State, or a subdivision of a State, or several States?

Mr. SMITH. The Senator will find that on page 23 of the bill. It is to accommodate itself to those areas where similar conditions prevail, and is to accommodate itself largely to what is already the marketing area.

Mr. KING. However, I presume it is in the discretion of the Secretary of Agriculture, or whoever he may designate to carry out the provisions of the bill.

Mr. SMITH. No; I think it will be largely determined upon the consent of those affected in the area. It will be necessary to get the consent of the producers within each area before the prices can be established.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 21, lines 4 and 11.

The amendment was agreed to.

The next amendment passed over was, on page 21, line 17, before the word "that" to strike out "(1)" and insert "(A)", and in line 23, after the word "therein" to insert "which is produced or marketed within the production or marketing area specified therein"; so as to read:

(A) That the refusal or failure to sign a marketing agreement (upon which a hearing has been held) by the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of more than 50 per centum of the volume of the commodity or product thereof specified therein which is produced or marketed within the production or marketing area specified therein tends to prevent the effectuation of the declared policy of this title with respect to such commodity or product, and.

The amendment was agreed to.

The next amendment passed over was, on page 22, line 3, before the word "That", to strike out "(2)" and insert "(B)", and in line 6, after the word "or", to strike out "favored by at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged in the production for market of the commodity specified in such marketing agreement or order, or by producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market during such period" and to insert "favored:

"(i) By at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale or consumption in the marketing area specified in such marketing agreement, or order, or

"(ii) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-thirds of the volume of such commodity sold or consumed within the marketing area specified in such marketing agreement or order", so as to read:

(B) That the issuance of such order is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored;

(i) By at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale or consumption in the marketing area specified in such marketing agreement, or order, or

(ii) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-thirds of the volume of such commodity sold or consumed within the marketing area specified in such marketing agreement or order.

Mr. COPELAND. Mr. President, according to our agreement yesterday I think the chairman would be willing to change "two-thirds", in line 14, to "three-fourths"; and also, in lines 24 and 25, to strike out "two-thirds" and insert in lieu thereof "three-fourths." That was the arrangement we had on yesterday.

Mr. SMITH. The chairman of the committee was absent at that time. I do not know whether that difference is serious enough to interfere with carrying out the provisions of the bill. I offer no objection to changing "two-thirds" to "three-fourths."

Mr. COPELAND. That should be done in each instance.

The VICE PRESIDENT. The clerk will state the amendment proposed by the Senator from New York [Mr. COPELAND] to the committee amendment.

The CHIEF CLERK. On page 22, line 14, it is proposed to strike out "two-thirds" and to insert in lieu thereof "three-fourths." On the same page, lines 24 and 25, it is also proposed to strike out "two-thirds" and to insert in lieu thereof "three-fourths."

Mr. JOHNSON. Mr. President, is it proposed to change from two-thirds to three-fourths the proportion of those who shall make the marketing agreements?

Mr. COPELAND. Yes.

Mr. JOHNSON. I do not consent to that, so far as I am concerned. An increase from two-thirds to three-fourths, I submit to the chairman of the committee, ought not to be made.

Mr. SMITH. I have consulted the Department as to their experience, and they said that they would prefer the two-thirds, but, in their opinion, three-fourths would not make any material difference whatever in the agreements they have signed up thus far.

Mr. JOHNSON. Mr. President, in response permit me to say it might make a very material difference. If two-thirds, in the experience of the Department, has been the appropriate proportion which ought to be applied, and if the De-

partment also says it believes two-thirds to be the appropriate proportion, I can see no reason for increasing it to three-fourths. It would simply make more difficult the operation of the bill, and make it more difficult for those who desire to come under it to get under it.

I hope the amendment to the amendment will not be adopted.

Mr. SMITH. In justification of the position I take, I wish to say that I have stated the facts to the Senate. I will, of course, have nothing to do with the administration of this law, if enacted. However, it will be left entirely with the Senate as to whether it will agree to the three-fourths or the two-thirds. Of course the question will be put to a vote.

Mr. JOHNSON. But, Mr. President, it ought to be made perfectly plain, I think, that those who have administered the law in the past prefer the proportion of two-thirds and not the proportion of three-fourths.

Mr. SMITH. They do; that is the fact.

Mr. JOHNSON. Then I think the amendment to the amendment ought not to be adopted, because experience has demonstrated the fact, and we ought not to change it in the light of what has transpired in the days gone by.

Mr. COPELAND. Mr. President, Senators will observe on page 13, line 5, where the volume of milk is referred to, that in the House bill it says "three-fourths of the volume." The milk producers of my State do not like the bill, anyway, but they are anxious that a larger proportion of the producers should be permitted to determine what shall be done. I submit to my friend from California that, while there is not much difference between two-thirds and three-fourths, after all it means something; and yesterday, after rather full consideration, it was determined that there would be from those in charge of the bill no opposition to the change. The Senator from Iowa [Mr. MURPHY] was in charge of the bill at the time, and that was the position he took. So I appeal to the Senate to make the change from two-thirds to three-quarters.

The VICE PRESIDENT. The clerk will again state the amendment offered by the Senator from New York to the amendment of the committee.

The CHIEF CLERK. As an amendment to the committee amendment, it is proposed, on page 22, line 14, to strike out the words "two-thirds" and to insert in lieu thereof the words "three-fourths."

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

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON. This is a committee amendment. We are now considering only committee amendments which were passed over, and the amendments which were to be presented otherwise were to be presented subsequently to the determination of the committee amendments in the bill.

The VICE PRESIDENT. Let the Chair call the Senator's attention to the fact that, as the Chair understands, this is an amendment to a committee amendment.

Mr. JOHNSON. One of those which were passed over.

The VICE PRESIDENT. Yes; but the Chair does not know of any agreement to prohibit amendments to committee amendments. There was no agreement to that effect.

Mr. JOHNSON. That is quite true; but this is an amendment now offered from the floor, and the committee amendment was the one which was passed over. The right to offer the amendment, of course, rests with the Senator from New York [Mr. COPELAND], but not under the system which prevails in the consideration of the amendments.

Mr. SMITH. Mr. President, I think the Senator from California is laboring under a misapprehension. The committee amendments which were passed over certainly are subject to amendment as we reach them. The amendments to the text will come after we shall have gotten through with the committee amendments.

The VICE PRESIDENT. The Chair understands the parliamentary situation to be that in the beginning the Senator from South Carolina [Mr. SMITH] asked unanimous consent to have committee amendments considered prior to any amendments offered to perfect the bill. Later on, the Senator asked that certain amendments be passed over without prejudice; so now they come up de novo. Therefore, the Chair thinks the amendment is in order.

Mr. BORAH. Mr. President, what is the purport of this amendment? Is it proposed to increase the two-thirds to three-fourths?

Mr. COPELAND. Yes.

The VICE PRESIDENT. The Senator from New York has offered an amendment on page 22, line 14, and lines 24 and 25, to strike out the words "two-thirds" and insert the words "three-fourths."

Mr. COPELAND. Mr. President, yesterday I thought the matter was settled. Argument was made at that time. It should be kept in mind that there are two types of orders under consideration. First, there are orders in connection with the marketing agreements; second, there are orders in cases where it has been felt impossible to effect a marketing agreement. The provision for making orders in the absence of a marketing agreement is one of the most drastic authorizations of the measures. Its drastic character may be seen from the fact that such orders may be made only following the approval of the President. To stand any reasonable chance of enforcement, as I see the matter, it is obvious that the orders should be supported by a strong producer sentiment; and, therefore, the proposal is that compulsory orders shall not be made unless approved by at least three-fourths of the interested producers.

A minority less than 25 percent might well be expected to thwart any attempted regulation. That is the reason why the proposal for the concurrence of three-fourths of the producers brings the provision in harmony with the requirement under somewhat similar circumstances which I have pointed out on page 13. Certainly there is a much stronger reason for the adherence of 75 percent of the producers. I hope that the Senate will agree to what those in charge of the bill agreed to yesterday, that the number should be changed from two-thirds to three-fourths.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee which has been passed over will be stated.

The next amendment passed over was on page 23, line 14, in the subheading, to strike out "rule" and insert "application", so as to read:

Regional application.

The amendment was agreed to.

The next amendment passed over was, on page 24, line 17, after the word "Secretary", to strike out "may" and insert "shall", so as to read:

COOPERATIVE ASSOCIATION REPRESENTATION

(12) Whenever, pursuant to the provisions of this section, the Secretary is required to determine the approval or disapproval of producers with respect to the issuance of any order, or any term or condition thereof, or the termination thereof, the Secretary shall consider the approval or disapproval by any cooperative association of producers, bona fide engaged in marketing the commodity or product thereof covered by such order, or in rendering services for or advancing the interests of the producers of such commodity, as the approval or disapproval of the producers who are members of, stockholders in, or under contract with, such cooperative association of producers.

The amendment was agreed to.

The next amendment passed over was, on page 25, line 17, after the word "*Provided*" and the comma, to strike out "That no person shall be convicted under this title because of any violation of any order or of any obligation imposed in connection therewith, if such violation occurs between the date upon which such person files with the Secretary a petition, with respect to such order or obligation, as provided for in subsection (15), and 5 days after the Secretary enters a ruling thereon", and insert: "That if the court finds that a petition pursuant to subsection (15) of this section was filed and prosecuted by the defendant in good faith and not for delay, no penalty shall be imposed under this subsection for such violations as occurred between the date upon which the defendant's petition was filed with the Secretary,

and the date upon which notice of the Secretary's ruling thereon was given to the defendant in accordance with regulations prescribed pursuant to subsection (15)", so as to read:

VIOLATION OF ORDER

(14) Any handler subject to an order issued under this section, or any officer, director, agent, or employee of such handler, who violates any provision of such order (other than a provision calling for payment of a pro rata share of expenses) shall, on conviction, be fined not less than $50 or more than $500 for each such violation, and each day during which such violation continues shall be deemed a separate violation: *Provided,* That if the court finds that a petition pursuant to subsection (15) of this section was filed and prosecuted by the defendant in good faith and not for delay, no penalty shall be imposed under this subsection for such violations as occurred between the date upon which the defendant's petition was filed with the Secretary, and the date upon which notice of the Secretary's ruling thereon was given to the defendant in accordance with regulations prescribed pursuant to subsection (15).

The amendment was agreed to.

The next amendment passed over was, on page 26, line 24, after the word "business", to strike out the word "is" and insert the word "are"; on page 27, line 11, after the word "requires" and the period, to strike out "Nothing contained in this subsection (15) shall be construed to prevent, hinder, or delay the United States or the Secretary of Agriculture from pursuing the remedies provided for in section 8a (6) of this title." and insert "The pendency of proceedings instituted pursuant to this subsection (15) shall not impede, hinder, or delay the United States or the Secretary of Agriculture from obtaining relief pursuant to section 8a (6) of this title", so as to read:

PETITION BY HANDLER AND REVIEW

(15) (A) Any handler subject to an order may file a written petition with the Secretary of Agriculture, stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary of Agriculture, with the approval of the President. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(B) The district courts of the United States (including the Supreme Court of the District of Columbia) in any district in which such handler is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction in equity to review such ruling, provided a bill in equity for that purpose is filed within 20 days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the bill of complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to this subsection (15) shall not impede, hinder, or delay the United States or the Secretary of Agriculture from obtaining relief pursuant to section 8a (6) of this title. Any proceedings brought pursuant to section 8a (6) of this title (except where brought by way of counterclaim in proceedings instituted pursuant to this subsection (15) shall abate whenever a final decree has been rendered in proceedings between the same parties, and covering the same subject matter, instituted pursuant to this subsection (15).

The amendment was agreed to.

The next amendment passed over was, on page 28, line 10, before the word "specified", to strike out "as", and in line 15, after the word "order", to strike out "provided that such majority have during such representative period produced for market more than 50 percent of the volume of such commodity produced for market during such period" and insert "within the production area specified in such marketing agreement or order, or who, during such representative period, have been engaged in the production of such commodity for sale or consumption within the marketing area specified in such marketing agreement or order: *Provided,* That such majority have, during such representative period, produced for market more than 50 percent of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or have, during such representative period, produced more than 50 percent of the volume of such commodity sold or consumed in the marketing area specified in such marketing agreement or order", so as to read:

TERMINATION OF ORDERS AND MARKETING AGREEMENTS

(16) (A) The Secretary of Agriculture shall, whenever he finds that any order issued under this section, or any provision thereof, obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such order or such provision thereof.

(B) The Secretary shall terminate any marketing agreement entered into under section 8b, or order issued under this section, at the end of the then current marketing period for such commodity, specified in such marketing agreement or order, whenever he finds that such termination is favored by a majority of the producers who, during a representative period determined by the Secretary, have been engaged in the production for market of the commodity specified in such marketing agreement or order within the production area specified in such marketing agreement or order, or who, during such representative period, have been engaged in the production of such commodity for sale or consumption within the marketing area specified in such marketing agreement or order: *Provided,* That such majority have, during such representative period, produced for market more than 50 percent of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or have, during such representative period, produced more than 50 percent of the volume of such commodity sold or consumed in the marketing area specified in such marketing agreement or order, but such termination shall be effective only if announced on or before such date (prior to the end of the then current marketing period) as may be specified in such marketing agreement or order.

Mr. McNARY. Mr. President, I wish to submit an inquiry with reference to the language proposed to be stricken out on page 28, commencing in line 15.

The VICE PRESIDENT. That is the amendment which has just been stated.

Mr. McNARY. May I ask the chairman of the committee wherein there is any change made from the House text?

Mr. SMITH. The purpose of the amendment was to determine the interests both by area and by volume, by production, and by marketing area.

Mr. McNARY. The House text proceeds upon the theory that there must be 50 percent of the volume and of the quantity, and the other consideration applies that factor as well as the area?

Mr. SMITH. Yes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment passed over was, on page 29, line 16, after the word "orders", to insert a colon and the following proviso: "*Provided,* That notice of a hearing upon a proposed amendment to any order issued pursuant to section 8 (c), given not less than 3 days prior to the date fixed for such hearing, shall be deemed due notice thereof", so as to read:

PROVISIONS APPLICABLE TO AMENDMENTS

(17) The provisions of this section, section 8d, and section 8e applicable to orders shall be applicable to amendments to orders: *Provided,* That notice of a hearing upon a proposed amendment to any order issued pursuant to section 8 (c), given not less than 3 days prior to the date fixed for such hearing, shall be deemed due notice thereof."

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator from South Carolina [Mr. SMITH] if there is any limitation in the bill as to the duration of the A. A. A. Act or of the pending bill? That is to say, will they terminate contemporaneously or is there any period fixed for the termination of either?

Mr. SMITH. Mr. President, no provision is made in this bill to that end, but in section 13 of the original act there is a provision that it shall cease to be in effect when the President finds the emergency to have come to an end.

Mr. KING. Is it left entirely to the discretion of the President of the United States as to how long the measure now before us, if it shall be enacted into law, and the A. A. A. Act shall continue in force?

Mr. SMITH. The Senator must realize these are simply amendments to the original act, but in that respect they are not amendatory of the original act.

Mr. KING. I assume the Senator has accurately stated the situation, but it seems to me this would be a good time, before the fall shall have passed, to amend the original act so that it shall terminate at a given time.

Mr. SMITH. We are proceeding upon the assumption that this is emergency legislation and that recovery shall have been made and we shall have returned to normalcy, if I may use the term which sprung up during war times, these provisions will not be necessary, but we will be in such a glorious state of prosperity that our difficulties will have disappeared like mist before the sun.

Mr. KING. Of course we shall look forward with the eye of the prophet to that day and will rejoice when it shall have dawned, but notwithstanding the A. A. A. measure is predicated upon the assumption that when parity of prices had been reached between agricultural commodities and other industrial commodities, processing taxes would cease. Now I find in the bill a provision that when that happy state shall have been reached we may go on enforcing these taxes until 20 percent above parity shall have been attained, and I am not sure that even when that state shall have been attained there is any provision that when the emergency shall have passed the bill shall cease to operate or that the A. A. A. shall terminate.

Mr. GERRY. Mr. President, I should like to ask the chairman of the committee a question because I desire to have the point clear in the record and also clear in my own mind. On page 40 of the bill, beginning in line 23, it is stated that when "more than 20 percent of the fair exchange value thereof" is reached, "the rate of such tax shall be reduced * * * to such rate as equals 10 percent of the fair exchange value thereof." In other words, the tax does not continue as was originally intended, but is lowered to 10 percent of the fair exchange value. Am I correct in that understanding?

Mr. SMITH. If the Senator will read the paragraph beginning in line 3 he will understand that the benefit payments will cease when a certain stage is reached. Then the tax will be reduced to zero and pass out of existence; but where there is a temporary approach to parity and there is reason to believe it is merely temporary during the marketing year the tax may be reduced to 10 percent. If, however, for 2 months preceding the next marketing year the conditions are such as to justify the belief that the parity will be maintained, the tax will be reduced to zero, and no benefit payments made.

Mr. GERRY. But it is always left to the Department to declare that condition to have been reached.

Mr. SMITH. Yes; but it is always dependent upon the facts in the case. The facts in the case will be that when parity shall be reached and maintained, no benefit payments will be made, and therefore no tax will be levied or collected. That is provided for in the first paragraph on page 40. In the next paragraph it is provided that during a marketing period where the price reaches parity, or even above, it may be reduced, for the obvious reason that during the same marketing period prices may drop away down below parity, and otherwise no machinery and no provision whatever would be made to recoup for the benefit of the producer.

Mr. GEORGE. Mr. President, may I ask the Senator if, under these amendments, these taxes may not be continued so long as the Secretary of Agriculture or the Administrator has any obligations under the act?

Mr. SMITH. I do not understand the Senator's question.

Mr. GEORGE. So long as the Secretary or the Administrator has any obligations under the act, so long as he is called upon to perform any duty with respect to the payment of benefits, or if he is engaged in purchasing commodities to be kept in storage, as is authorized under the bill, are not the processing taxes to be continued?

Mr. SMITH. No; I think not, for this reason: I went over the language carefully, and called their attention to the fact that there was a moral as well as a legal obligation implied, and it is explicit; that where we levy a tax for the purpose of bringing the price of the produced material up to parity, when the processors and the producers have agreed upon and maintained that price or above that price, as in the case of tobacco, it is morally wrong still further to collect the tax, because the object was to raise the price to parity.

Mr. GEORGE. That is entirely true. The distinguished chairman is entirely correct; but, if he will study his bill——

Mr. SMITH. I went over those terms very carefully.

Mr. GEORGE. I understand, but I am going by the bill. If the Senator will study the bill, he will find that the processing taxes will continue until certain affirmative findings and conclusions shall have been reached by the Secretary or the Administrator, and that they may be continued notwithstanding the parity price has been attained and has been maintained during the period if there is any other obligation or any other undertaking by the Administrator which has not been discharged. So I wish it to be made perfectly clear that the purpose of the bill as it actually is written, considering all the technicalities, is to continue this tax practically indefinitely.

Mr. GERRY. Mr. President, that is what I was afraid of. The statement of the Senator from Georgia is very clear. It seems to me that the section should be made clearer, because the idea is just what the chairman of the committee has said.

Mr. SMITH. I think the Senator from Georgia has misconstrued the bill, because whenever parity shall be reached, the bill provides, not only in the paragraph under discussion, but in the one on page 5, that—

> Whenever * * * the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or
>
> The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that none of the powers conferred in subsections (2) and (3), and no combination of such powers, would, if exercised, tend to effectuate the declared policy of this title—

The tax shall cease.

Mr. GEORGE. Mr. President, that provision is found in the bill; but under the subsequent amendments which are included in the bill I do not think I can be wrong in my conclusion.

Mr. SMITH. Will the Senator call the attention of the chairman of the committee to the specific language to which he refers?

Mr. GEORGE. I shall be very glad to do so, but I had not anticipated doing so.

Mr. SMITH. There was no such understanding whatever in the discussions of the committee.

Mr. GEORGE. I am quite sure of that.

Mr. SMITH. If the Senator will find in the bill any provision under which the Secretary of Agriculture may tax the processor for some other purpose than bringing about parity, the chairman now commits himself to strike that from the bill.

Mr. GEORGE. I am glad to have the Senator say that.

Mr. GERRY. I am glad to hear that.

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

Mr. SMITH. I yield.

Mr. CONNALLY. I do not know what is in the mind of the chairman with regard to that matter; but while we probably shall have to abandon a great many of the details of the rather complex structure we now have before us, I am one who believes we are going to have to continue for a long while the processing taxes in behalf of the major agricultural crops, and the Senator from Texas favors it.

What hope have we, unless we maintain the processing taxes, that agricultural prices of themselves will maintain any fair relationship to the costs of other commodities? They did not do it before the war, and they have not done it since the war. They did it for a short time only under the influence and the stimulation of a great shortage of food supplies in Europe, because millions of men were withdrawn from productive enterprise and were killing each other.

Mr. SMITH. Is the Senator from Texas saying that he would be willing to tax the processor after the price of the commodity had reached parity, the object of the tax?

Mr. CONNALLY. No; perhaps not; but I am not in favor, simply because for a little while——

Mr. SMITH. Provision is made here——

Mr. CONNALLY. Just a moment.

Mr. SMITH. Oh, certainly; I will give the Senator all the time he wishes.

Mr. CONNALLY. I thank the Senator very much. He is generous with his time. I am very grateful to him for being allowed to talk a little while.

The moment the price reaches parity, produced probably by some temporary cause, I am not in favor of instantly abandoning the processing taxes.

Mr. SMITH. That is not in the bill. I tried to make clear that the tax would be reduced only temporarily when the price reached parity or above during a current marketing year; but if, preceding the next marketing year, conditions were such as to warrant, in the estimation of both the producers and the Department, the belief that the price would be parity or above, the tax could be reduced to zero.

Mr. CONNALLY. I thank the Senator. What I am trying to point out is this:

I have heard the Senator from South Carolina, standing upon this floor, denounce the high industrial costs, the high tariffs that the farmer has to pay. I have heard him say here within the past few days that never in the history of the world has the farmer been able to fix his own price and get what he desired for his product. What is there in the future which indicates to the mind of anyone that without some form of relief such as the Agricultural Adjustment Administration industrial costs are coming down and farm prices are going up?

No one, if he will study the history of the past, can believe that that will happen; and, so far as I am concerned, I am prepared to vote for processing taxes in behalf of the major agricultural crops whose surpluses are exported, and whose prices, therefore, are fixed in the export market. I am willing to vote for processing taxes on such products in order to equalize the spread between the high price of industrial products which the farmer has to buy and the low price of agricultural products which he has to sell.

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

Mr. CONNALLY. Just a moment. By the same process of reasoning, if the American farmer is forced by law to pay a higher price for the products of American industries in order that the men who work in those industries may receive higher wages and in order that the men who own the factories may derive higher dividends, why is it not fair for the same men who work in the factories and the same men who own the factories to pay the farmer increased costs on his product in the form of a processing tax in order that the man who labors on the farm and the man who owns the farm may get back a little of what they have been paying to the industrialists for 75 years?

I am astonished that the senior Senator from South Carolina should be opposed to that sort of a principle.

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

Mr. SMITH. Mr. President, I do not want the Senator to take me to task for doing what he is arguing against. If the price of the farmer's produce reaches a parity with the protected price or any other price of the commodities he has to buy, that is, if the farmer's dollar has a value of 100 cents as compared with what he has to buy, does the Senator think it is fair to keep on taxing the other industries to pile up an extraordinary price even above the ungodly protected price? Does he think that is fair?

Mr. CONNALLY. I will answer the Senator, but I promised to yield first to the Senator from Rhode Island.

Mr. SMITH. I do not want the Senator to misquote my statement.

Mr. CONNALLY. I will come to the Senator's suggestion if he will give me time. I will reach the Senator on the calendar.

Mr. SMITH. The Senator from South Carolina will take care of himself.

Mr. CONNALLY. The Senator from South Carolina not only takes care of himself, but of the time of everybody else.

Mr. SMITH. No, that is not a task I would assume.

Mr. CONNALLY. The Senator from Texas thought he had the floor. He promised to yield, but was denied that opportunity by the Senator from South Carolina.

Mr. SMITH. I now give the Senator the opportunity.

Mr. CONNALLY. I will yield to the Senator in due process, but I reserve the right to control my own time. I now yield to the Senator from Rhode Island.

Mr. GERRY. My question was as to what provision there is in the bill to provide for the situation affecting the taxes when the price shall have reached parity. The Senator will understand that in the textile business it is very important whether or not the tax is to continue after parity shall have been reached. The Senator from Georgia seemed to have some doubt as to the interpretation of the bill. I think that should be made very clear.

Mr. CONNALLY. Let me say to the Senator from Rhode Island that I am not talking about parity as parity was defined in the bill originally. I am not prepared to say that I am going to live by that rule of parity the rest of my life. That was a standard that was fixed arbitrarily by taking a certain series of years, from 1909 to 1914. I do not know that that standard of measurement was necessarily fair at that time.

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

Mr. CONNALLY. I yield.

Mr. NORBECK. The testimony before the committee was to the effect that the parity ratio was established before farmers had Fords or had radios, and did not take into consideration those things which were then considered luxuries.

Mr. CONNALLY. That is correct.

Mr. NORBECK. So that he has to be on a lower standard of living in order to live at the parity price.

Mr. CONNALLY. The Senator from South Dakota is exactly correct. The standard of parity which we adopted was one which obtained at a time when the farmer had no artificial aids whatever. In other words, the prices were fixed, not by artificial devices, but by the natural process of things. So we adopted that, but it is not necessarily a safe and fair guide value, because at that very time the industrial interests were receiving bounties in the form of high tariffs, and the laboring men in the factories, at least in theory, were receiving higher wages because of the existence of those tariffs.

I understand the difficulties of the Senator from Rhode Island, in whose State there are textile factories. Of course, the textile mills are having to pay more for the cotton they spin because of the processing tax. That makes it more difficult for them to compete in foreign markets.

I have an amendment now pending which will be of benefit to the textile producers in that I propose that the Government shall use a part of the import revenues to pay an export bounty on the manufactured cotton, not on raw cotton, but on the articles manufactured in the textile mills, in order to aid the textile manufacturer to compete in the export trade and to some extent to repay him for the burden which is imposed upon him by the processing tax.

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

Mr. CONNALLY. I now yield to the Senator from South Carolina, if he desires.

Mr. SMITH. The point I desire to make is this: The Senator talked about taking an arbitrary date. The statisticians took the date when, in their opinion, the purchasing power of the agricultural dollar was a hundred cents. That will be maintained in all the exigencies of the subsequent marketing trend. For instance, if the thing the farmer has to buy goes up, then the parity is spread. In other words, the object of this entire proposal is to give to the farmer, in return for what he sells, the same value in dollars as he pays for the things he buys, and, of course, there is a sliding scale. We took the year when it happened that his dollar was worth exactly what the dollar of the industrialist was worth. It just happened that that was the year when there was such a parity.

Mr. CONNALLY. Mr. President, of course the Senator from South Carolina has elucidated the matter entirely, completely, and thoroughly, and the statement means just what the Senator from Texas said a moment ago, that when we adopted a standard of parity we adopted a standard in which the farmer had no artificial benefits, but one which he reached by reason of world economic laws. I am not prepared to say that for all time that is a just standard, and I am prepared to vote for a new standard whenever it appears that the farmer is entitled to that sort of a standard.

I am not attacking the Senator from South Carolina. He says the purpose of the bill is so-and-so. Of course, that is the purpose. My complaint is that it does not necessarily attain the purpose by the measures which the Senator from South Carolina proposes.

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

Mr. CONNALLY. I yield.

Mr. SMITH. Mr. President, will the Senator from North Carolina allow me a moment?

Mr. BAILEY. Certainly.

Mr. COPELAND. A parliamentary inquiry.

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

Mr. COPELAND. What is the amendment now before the Senate?

The PRESIDING OFFICER. The next amendment passed over has not been stated.

Mr. CONNALLY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor. The Senator from New York rose to propound a parliamentary inquiry.

Mr. CONNALLY. I propound a parliamentary inquiry myself. I thought when one had the floor he had to be asked to yield.

The PRESIDING OFFICER. The Senator does not have to be asked to yield when a parliamentary inquiry is propounded.

Mr. CONNALLY. I have the floor. If the Senator wants me to yield, I will yield, but I do not understand the process whereby he can take me off the floor.

Mr. COPELAND. I did not take the Senator off the floor.

The PRESIDING OFFICER. Under the Senate practice a parliamentary inquiry is equivalent to a point of order. There is no amendment before the Senate at the present time. The inquiry of the Senator from New York was equivalent to a point of order. The Chair announced that the next amendment passed over had not been stated.

Mr. CONNALLY. There is a flock of amendments pending; the whole bill is before the Senate.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. BAILEY. Mr. President——

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

Mr. BAILEY. I am making an inquiry only for information. I freely confess that I have had the very greatest difficulty in comprehending the pending bill in its details or as a whole. I have carried it around with me for several days.

On the matter of the base price, the parity price, we are all in confusion. I wish to see if we can clear it up. I may be entirely wrong.

We began in the Agricultural Adjustment Act in 1933 with the pre-war period parity, August 1909 to July 1914. That was the base and that was the standard of parity in the old act and the present law. But at the top of page 3 of the pending bill that standard is abandoned and a different standard is established. If that be true, I wish to know it; and if it be not true, I wish to be corrected; but I shall read the language. It is as follows:

> Whenever the Secretary of Agriculture has reason to believe that:
> (a) The current average farm price for any basic agricultural commodity is less than the fair exchange value thereof, or the average farm price of such commodity is likely to be less than the fair exchange value therefor for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, and—

And so forth.

It occurs to me that we are asked to establish a new standard. Are we still on the old standard of 1909 to 1914?

Mr. SMITH. Yes.

Mr. BAILEY. Then what is the meaning of this language?

Mr. SMITH. The terminology is interchangeable—"fair exchange value or parity."

Mr. BAILEY. Would that be the fair exchange value as of now or the fair exchange value as of 1909–14?

Mr. SMITH. The fair exchange value as interpreted in terms of 100 cents of the farmer's purchasing price as it was in 1924.

Mr. BAILEY. But that took as the base 1909–14. This language is without dates, but I understand the Senator now to say that the base is still 1909–14. Is that correct?

Mr. SMITH. That is correct.

Mr. CONNALLY. Mr. President, I do not care to occupy more of the time of the Senate. What I rose to do was to challenge the statement of the Senator from South Carolina and other Senators that at some time or other we had to abolish the processing taxes. It seems to me that if we are to maintain any sort of a farm program at all for the benefit of farm producers, we must maintain the processing taxes in some form, or else go into the Treasury itself. The processing taxes are the sounder and the better method, because we are making the consumers of the product pay a higher price; and the justification is that the farmer himself has been paying all his life a higher price for the commodities he has consumed. So I, for one, am prepared to vote, whenever and however it may be necessary, for a permanent system of processing taxes.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The next amendment passed over was, at the top of page 38, to insert:

> SPECIFIC TAX RATE—FLOOR STOCKS—FLAXSEED AND BARLEY
>
> (5) If at any time prior to December 31, 1937, any tax with respect to flaxseed, or barley becomes effective pursuant to proclamation as provided in subsection (a) of this section, such tax shall be levied, assessed, collected, and paid during the period from the date upon which such tax becomes effective to December 31, 1937, both inclusive, in the case of flaxseed at the rate of 35 cents per bushel of 56 pounds, and in the case of barley at the rate of 25 cents per bushel of 48 pounds. The provisions of section 16 of this title shall not apply in the case of flaxseed and barley.

Mr. McNARY. Mr. President, that opens up a very controversial question. Would the Senator from South Carolina be willing to recess at this time?

Mr. SMITH. Mr. President, we have consumed practically all of the day on matters which were of interest to those who discussed them; and while the discussion perhaps has been very illuminating, we have made very little progress. I should prefer to go on and at least try to get rid of a few more of the amendments.

Mr. McNARY. This is an amendment which will require considerable discussion. A number of the Members of the Senate are absent. It is nearly 15 minutes after 5. We have had a good day, and have progressed very well.

Mr. GEORGE. Mr. President, I suggest to the Senator from South Carolina that it is going to take some time to dispose of the amendment on page 38 relating to flaxseed. I hope the Senator will either ask for a recess now or let that amendment go over until tomorrow morning. I can assure the Senator that we cannot finish it tonight.

Mr. SMITH. Mr. President, I do not know of any time——

Mr. GEORGE. The Senator is not going to finish the bill tonight.

Mr. SMITH. I know the Senator is not going to finish the bill this afternoon, but what we are trying to do is to make as much progress as possible.

Mr. GEORGE. That is all very well; but there are many of us here who have not taken up much time on this amendment or any other amendment, and it is not fair to hold the Senate in session after 5:15 in the afternoon when it is perfectly obvious that we have now reached a portion of the bill as to which there will be considerable discussion.

The amendments which immediately follow this amendment all go to the very vitals of this whole measure. There may be other committee amendments which the Senate could take up, but it is obviously not fair to take them up this afternoon.

Mr. SMITH. Mr. President, I do not know just where the element of fairness or unfairness is.

Mr. GEORGE. It is 5:15 o'clock, and it is now past the middle of July. There are some of us who have not taken up a great deal of time in discussing any matter before the Senate, or any particular issue which may have arisen before the Senate. It seems to me that an amendment which is so important and so intricate as is this amendment might be passed over until tomorrow. I am not particularly interested in the other amendments; but I do know, and the Senator from South Carolina knows, that inasmuch as the amendment relates to the taxes and provisions relating to proceedings in court, we have reached the point in the bill where certainly some time will necessarily be consumed.

There may be other committee amendments undisposed of outside of these particular amendments. I am not familiar with them; but I make the request, which the Senator does not have to grant, that this particular amendment, paragraph (5), on page 38, go over until tomorrow morning.

Mr. McNARY. Mr. President, I simply wish to make the request, after what has been said by the Senator from Georgia, that the Senator from South Carolina consent that the Senate take a recess at this time.

Mr. SMITH. Mr. President, so far as I am concerned, the Senator knows that I am just as weary—perhaps more so—than is any other Senator here, because unfortunately I am more or less charged with the responsibility of trying to pilot this measure to its final conclusion. I am compelled to be in attendance all the time, and I desire to have the bill completed as soon as possible.

Mr. McNARY. The Senator has worked assiduously and has been kindly, and we have all tried to cooperate in the consideration of this very comprehensive bill. I think such cooperation will continue, and I am only asking that the Senate may recess at this time.

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

Mr. McNARY. I yield.

Mr. SHIPSTEAD. I wish to add my request to that of the Senator from Georgia and the Senator from Oregon that the Senator from South Carolina consent that a recess be taken at this time.

The Senator from South Carolina has worked hard today and he has done everything he could to further the passage of the bill. He says he is weary, and I desire to assure the Senator that the Senators who have not taken part in the debates are as weary as he is, possibly more so. On behalf of those who are weary—and I am sure we are in the majority—I ask the Senator from South Carolina to consent that the Senate now take a recess.

Mr. SMITH. I can appreciate what the Senator says, that some Senators not actively engaged in the debates on this particular bill are weary. They have reason to be weary.

Mr. WALSH. Mr. President, in connection with the pending bill, I desire to call the attention of the Senate to a news item published today in the Washington Evening Star, as well as in every other newspaper in the country. It relates to a decision rendered today by the United States Circuit Court of Appeals holding unconstitutional the processing taxes and the flour taxes imposed under the Agricultural Adjustment Act. I ask unanimous consent that the article in question be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

The article is as follows:

[From the Washington Evening Star of July 16, 1935]

A. A. A. TAX IS ILLEGAL, UNITED STATES APPEALS COURT IN BOSTON ASSERTS—SPLIT DECISION OF 2 TO 1 HOLDS PROCESSING, FLOOR LEVIES UNCONSTITUTIONAL—JUDGES SCORE DELEGATION OF AUTHORITY TO SECRETARY—CONGRESS FIXED NO RULES FOR HIM, BUT PERMITTED LAWS BY DECREE, TRIBUNAL DECLARES

BOSTON, July 16.—The United States Circuit Court of Appeals today held unconstitutional the processing and floor taxes imposed under the Agricultural Adjustment Act.

The court found that no such authority to impose taxes had been delegated to the Secretary of Agriculture by the Constitution or by decisions of the Supreme Court.

The Circuit Court's decision was based upon a test case brought by receivers of the Hoosac Mills, which sought recovery of $81,694.48. The decision was subscribed to by Judges Scott Wilson and George F. Morris. Judge George H. Bingham, senior justice, dissented.

The Hoosac Mills suit was one of many brought by textile corporations who sought recovery of taxes paid on constitutional grounds. It was chosen by United States attorneys as a test case to be carried to the United States Supreme Court chiefly because of the initial success of the Government in obtaining a favorable decision in the district court of Judge Elisha H. Brewster.

COLLECTION OF $700,000,000 HELD UP

Yesterday Judge Brewster had hinted that this finding might be reversed by the Circuit Court as he ordered continuation of a temporary injunction preventing collection of processing taxes from four New Bedford mills and a Fall River corporation.

The collection of some $700,000,000 of processing taxes hinges upon the question of their constitutionality.

"It is clear", said the court of appeals decision, "that the main purpose of the act is to control and regulate the production of the so-called "basic agricultural commodities" of the several States, through agreements with the producers and in consideration of what is termed "rental or benefit payments", to reduce acreage or production for market sufficient to increase the current average price of such products to that elusive point where the returns to the farmer from the production of such commodities will purchase under present conditions the same amount of industrial products that the returns to the farmer from the same products would buy in the 5-year pre-war period from July 1909 to August 1914. * * *

HEARING IN FALL SEEN

Frank J. Wideman, Assistant Attorney General in charge of tax cases, said the Hoosac case would be heard before the Supreme Court "some time in the fall * * *, in any case before the holidays."

The decision will not stop processing tax collections, Wideman said.

Two other direct tests of the A. A. A.'s constitutionality, now awaiting action of the Federal Court of Claims here, probably will be heard in October, he added.

The Hoosac Mills case may be consolidated with these two, brought by Continental Mills and Interlaken Mills in the Supreme Court hearing.

THREE APPEALS TOMORROW

About 200 suits to stop tax collections are pending. These ask injunctions, and Government attorneys contend they do not involve the constitutionality of the tax. The circuit court at Louisville will meet tomorrow to hear an appeal from three Cleveland injunction suits against the A. A. A.

Gratification at the promptness of the Boston decision was expressed by Chester C. Davis, the A. A. A. Administrator.

Davis said it probably would result in an early ruling by the Supreme Court on the taxes and the entire farm program.

Officials were quick to say that the ruling would not affect immediate progress of the adjustment programs.

CANNOT INVADE INTRASTATE FIELD

"The power of Congress to regulate interstate commerce does not authorize it to do so by taxing products either of agriculture or industry before they enter interstate commerce, or otherwise to control their production merely because their production may indirectly affect interstate commerce.

"The issue is not, as the Government contends, whether Congress can appropriate funds raised by general taxation, for any purpose deemed by Congress in furtherance of the 'general welfare', but whether Congress has any power to control or regulate matters left to the States and lay a special tax for that purpose."

The court also set forth: "The power to determine what the law shall be, what property shall be affected by taxation or regulation, and what standards shall govern the administrative officers in administering acts of Congress, has never been held to be an administrative function.

MUST LAY DOWN GUIDE

"The power to impose a tax and to determine what property shall bear a tax can only be determined by the legislative department of the Government. If Congress undertakes to lay down a guide for an administrative officer to follow in carrying out its mandates, it must be an intelligible and reasonably definite standard. * * *

"The balance between production and consumption of certain commodities or the equalizing of the purchasing power thereof between certain widely separated periods alone forms no such standard.

"If Congress has the power to control or regulate the production of agricultural products within the several States, and assess a tax on their processing or sale for that purpose, it is obviously legislative in character. Query: Then has Congress set up any definite standard for the Secretary's action in making rental or benefit payments to producers and thereby imposing a processing tax?

"NO SUCH GUIDE FOUND

"We find no definite, intelligible standard set up in the act for determining when the Secretary shall pay rental or benefit pay-

ments in order to reduce production of any particular commodity except in his own judgment as to what will effectuate the purpose of the act.

"The declaration of the emergency in the agricultural act contains no such standard for the Secretary of Agriculture to follow in entering into restrictive agreement with producers of agricultural products. It is merely a statement of conditions which, in the judgment of Congress, warranted legislative action. * * *

"Without requiring any findings to warrant his action, Congress has empowered him, in conjunction with the producers, to determine when a reduction of acreage or production of any one of the agricultural commodities which it termed basic should be resorted to to accomplish the act, when rental or benefit payments are to be made and in what amounts, and thereby to determine through the initiation of the benefit payments or rentals the consequent imposition of a tax.

"NO FACT FINDING MADE

"The Secretary made no findings of facts as to why he selected the first list of basic commodities for reducing acreage or production, and was not required to do so. He simply made a proclamation; rental and/or benefit payments are to be made with respect to cotton; and a processing tax automatically followed.

"While the amount of the reduction of acreage or production of any basic commodity under this act is done by agreements and not by a code, the purpose and the result is the same; viz, the control and regulation of a great intrastate industry. * * *

"If Congress can take over the control of any intrastate business by a declaration of an economic emergency and a public interest in its regulation, it would be difficult to define the limits of the powers of Congress or to foretell the future limitations of local self-government.

"SCHECHTER CASE CITED

"No standard or guide is here laid down to determine how the compensating tax shall be fixed or what elements shall be taken into consideration in determining the amount, except that it shall be determined by the amount necessary to prevent such disadvantage in competition. We find no decision of the Supreme Court authorizing such a delegation of power to an administrative officer.

"On the contrary, the recent decision in the Panama Refining Co. case and the Schechter Poultry Corporation case, we think, clearly condemns it as unwarranted under the Constitution.

"If Congress has invaded a field over which it has no control under the Constitution, or the Secretary has been unlawfully vested with legislative powers, the exercise of which has affected these appellants, it is not necessary to consider whether the processing and floor taxes are direct taxes, or, if excise taxes, are not uniformly laid.

"The decree of the district court is reversed and the case is remanded to that court with directions to enter a decree for the appellants."

ILLINOIS COLLECTIONS BALKED—COURT HOLDS CONSTITUTIONALITY AT LEAST APPEARS DOUBTFUL

SPRINGFIELD, ILL., July 16.—The United States District Court has ruled the Government temporarily cannot collect processing taxes from 12 firms in central and southern Illinois.

Eleven milling companies and one packing firm have been granted a temporary order restraining the Government from collecting the taxes. They claimed the A. A. A. was unconstitutional.

Judge Charles G. Briggle issued the order late yesterday declaring constitutionality at least appeared doubtful. He held that a section saying no injunction should be issued to prevent the collection of taxes did not apply because of extraordinary circumstances in the cases involved.

"The equitable powers of the court were invoked in spite of the prohibitory provisions of the section relating to injunctions, because of the character of the penalties involved for failure of the companies to pay the taxes and the multiplicity of the suits required to get refunds from the Government", Justice Briggle said.

He held the companies should pay the taxes to the clerk of the court, pending decision of the constitutionality of the act.

VIRGINIA MILLERS PROTEST

RICHMOND, VA., July 16.—Virginia millers today had joined with peanut companies of the Old Dominion in a protest against processing taxes.

Judge John Paul in district court at Harrisonburg Monday will hear petitions of the Shenandoah Milling Co. and other millers for an injunction to restrain the collector of internal revenue from collecting processing taxes on wheat ground into flour.

Other petitions have been filed by the J. M. Strickler Mills of Harrisonburg and the Natural Falls Milling Co. of Bridgewater. Judge Paul has granted a preliminary restraining order on each.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, with the approval of the Senator from South Carolina, it is my intention to move an executive session.

Mr. SMITH. I think that will be all right, Mr. President.

Mr. ROBINSON. Mr. President, 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 A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. CLARK in the chair). If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY—DISTRICT OF COLUMBIA MUNICIPAL COURT JUDGES

The legislative clerk read the nomination of Nathan Cayton, of the District of Columbia, to be judge of the municipal court, District of Columbia.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George C. Aukam, of the District of Columbia, to be judge of the municipal court, District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Ellen K. Raedy, of the District of Columbia, to be judge of the municipal court, District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

JUDGE OF THE POLICE COURT, DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Walter J. Casey, of the District of Columbia, to be judge of the police court, District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SPECIAL COUNSEL, NAVAL RESERVE NO. 1, CALIFORNIA

The legislative clerk read the nomination of John W. Preston, of California, to be special counsel.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WORKS PROGRESS ADMINISTRATION

The legislative clerk proceeded to read sundry nominations for State administrators in the Works Progress Administration.

Mr. McKELLAR. I ask unanimous consent that the nominations on the calendar for State administrators in the Works Progress Administration be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate, as in legislative session, took a recess until tomorrow, Wednesday, July 17, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 16 (legislative day of May 13), 1935

JUDGES OF THE MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Nathan Cayton to be judge of the municipal court, District of Columbia.

George C. Aukam to be judge of the municipal court, District of Columbia.

Ellen K. Raedy to be judge of the municipal court, District of Columbia.

JUDGE OF THE POLICE COURT, DISTRICT OF COLUMBIA

Walter J. Casey to be judge of the police court, District of Columbia.

SPECIAL COUNSEL, NAVAL RESERVE NO. 1, IN THE STATE OF CALIFORNIA

John W. Preston to be special counsel, naval reserve no. 1, in the State of California.

STATE ADMINISTRATORS, WORKS PROGRESS ADMINISTRATION

Thad Holt for Alabama.
W. R. Dyess for Arkansas.
Frank Y. McLaughlin for California.
Matthew J. Daly for Connecticut.
J. L. Hood for Idaho.
Wayne Coy for Indiana.
Evan Griffith for Kansas.
George H. Goodman for Kentucky.
John H. Mackall for Maryland.
Harry Lynn Pierson for Michigan.
Wayne Alliston for Mississippi.
Victor Christgau for Minnesota.
Matthew S. Murray for Missouri.
D. F. Felton for Nebraska.
William H. J. Ely for New Jersey.
Lea Rowland for New Mexico.
Lester Herzog for New York.
G. W. Coan, Jr., for North Carolina.
Thomas H. Moodie for North Dakota.
E. J. Griffith for Oregon.
Edward N. Jones for Pennsylvania.
Lawrence Pinckney for South Carolina.
M. A. Kennedy for South Dakota.
Harry S. Berry for Tennessee.
H. P. Drought for Texas.
William A. Smith for Virginia.
George H. Gannon for Washington.
J. Burleigh Cheney for Rhode Island.

POSTMASTERS

CONNECTICUT

Helen O. Gatchell, Andover.
Frank E. Hurgin, Bethel.
Lawrence T. Loftus, Broad Brook.
Pauline I. Olie, Pequabuck.
John L. Walker, Ridgefield.

GEORGIA

Essie T. Patterson, Byromville.
Jim Lou Cox Hoggard, Camilla.
Zack L. Strange, Collegeboro.
Joseph D. Holland, Nashville.
Thomas Archie Pearson, Nicholls.
William E. Fitts, Rocky Ford.
Watson K. Bargeron, Sardis.

IDAHO

Harold E. Landacre, Dubois.

IOWA

LeVerne Riggs, Cumberland.
Thomas H. Kenefick, Eagle Grove.
John B. Murphy, Fairbank.
Edward A. Kregel, Garnavillo.
Raymond A. Johnson, Latimer.
Earle F. Rex, Odebolt.
Lee E. Finders, Oelwein.
William H. Theisen, Palmer.
Francis W. Aubry, Perry.
Charles A. Alter, Persia.
Charles B. Chapman, Prescott.
Marie Eilers, Steamboat Rock.
Mack C. DeLong, Washington.
Jimmie N. Hopkins, Whiting.

KANSAS

John H. Eckhart, Almena.
Lindsey S. Haile, Howard.
Alfred L. Hastings, Thayer.

KENTUCKY

Charles A. Myers, Bandana.
Gertrude Owens, Brodhead.
Ernest Muster, East Bernstadt.
Hallie Casey, Loyall.
Harry Greene, Milburn.
Arthur K. Slaton, Slaughters.

MAINE

Charles L. Ripley, Andover.
George L. Hawes, East Corinth.
Loton R. Pitts, Naples.

MARYLAND

Claudine M. Friend, Friendsville.
Nena M. Jamison, Walkersville.

MONTANA

Mearl L. Fagg, Billings.
Joseph E. Swindlehurst, Jr., Livingston.
Mary E. Matthews, Oilmont.

NEW HAMPSHIRE

William J. Neal, Meredith.
Glea L. Rand, Plymouth.

NORTH DAKOTA

Ella M. Nevin, Bathgate.
August M. Bruschwein, Driscoll.
Everal J. McKinnon, Ross.

OREGON

Viva Todd, Cloverdale.
Thomas W. Angus, Gardiner.
Rose Mildred Chisholm, Monroe.
Harry E. Mahoney, Oakland.
Pearl A. Lawson, Riddle.
Charles A. Purcell, Troutdale.
Edward F. Kelso, Yoncalla.

SOUTH DAKOTA

Frederick S. Countryman, Canova.
Grover C. Kenworthy, Deadwood.
Bastian J. Kallemeyn, Hayti.
Robert Maley, Sr., Howard.
Frank O. Schumaker, Iroquis.
Julius Pfitzer, Java.
John Krambeck, Lead.
George W. Lawrence, Mount Vernon.
Mary A. Hurley, Lennox.
William E. Ruckle, Onida.

WASHINGTON

Felix P. La Sota, Metaline Falls.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 16, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed Heavenly Father, we pray that the spirit of the Lord may rest upon us—the spirit of wisdom and understanding, the spirit of counsel and might, the spirit of knowledge and the fear of the Lord. Do Thou keep us untroubled and unclouded by regular desire; free us from delirious fancy and help us to see through every perplexity and triumph over every assault of evil. Let the blessed divinities of patience and golden hope work in us. May obligation to our country, the subordination of self be fostered by a Christian faith. We thank Thee for a world which Thou hast made and clothed in all its glory; it is so rich in materials and opportunities. Make us altogether one in the unity of the faith and of the knowledge of the Son of God. Amen.

The Journal of the proceedings of yesterday was read and approved.

RAILWAY MAIL SERVICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to vacate the proceedings of the House by which the bill (H. R. 7506) to provide for a stenographic grade in the offices of Chief Clerk and Superintendent in the Railway Mail Service was considered and passed.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman tell us the reason for this request?

Mr. MEAD. The reason for the request is that although the bill had been amended by the Committee on Post Offices and Post Roads, the same amendment was again offered from the floor and adopted, so that the bill now carries two identical amendments, and I want to eliminate one of them.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 7506, and I shall ask the House to vacate the proceedings by which the Sweeney amendment was agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to vacate the proceedings by which the Sweeney amendment was agreed to on yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 2½ minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, much is being said now in the press, and some remarks were made on the floor of the House yesterday about the adjournment of Congress. I agree 100 percent with the very delightful optimism expressed by the distinguished and able gentleman from Georgia that Congress ought speedily to adjourn. [Applause.] If I interpret your applause correctly, it is an expression of sympathy with the sentiment rather than an expression of your intentions.

Mr. Speaker, in the first place, this is not an unusually long session of Congress. I have before me the record and I find that the long session of Congress, which this would have been had it not been for the twenty-first amendment to the Constitution, usually runs about 6 or 7 months. If there had been no such constitutional amendment this session would have adjourned along about the middle of June or 1st of July.

I am as anxious to get home as any Member of Congress. Without discussing the propriety or impropriety or the good judgment of taking up a tax bill now, the fact remains that it is up, and I address my remarks particularly to my colleagues of the majority; for, after all, the responsibility of legislation and carrying out the President's program is with us. I want to say to you, gentlemen, that to my mind it will be a major strategical blunder on our part to leave this Congress without settling one way or the other the question of the tax bill. [Applause.]

I believe that no Congress has ever passed a tax or tariff bill in an election year. I think that is correct, although I have not verified the record. I have, however, talked to some oldtimers, and I believe that is correct. If we leave this matter now we will not pass it at all. Our leader, the President of the United States, has said we must raise some additional revenue. I am not saying how it ought to be raised or what kind of a bill we ought to vote for, or whether you want to vote for a tax bill or not, but I say it is fair to us and to the American public to settle this issue now in order that the business people, the taxpayers, and the rest of the country may know what they have to face.

Mr. BLANTON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. BLANTON. If it had not been for the "lame duck" amendment, this session of Congress would have been the short session and would have adjourned sine die on March 4, 1935.

Mr. WOODRUM. That is correct.

Mr. BLANTON. So this is an extraordinarily long session.

Mr. WOODRUM. No; this would have been the long session.

Mr. BLANTON. The gentleman is incorrect. The short session always followed an election year until the "lame duck" amendment changed it.

Mr. FITZPATRICK. May I ask the gentleman if the first session of the Seventy-second Congress did not pass a nuisance-tax bill?

Mr. WOODRUM. Maybe the gentleman is correct, but I do not think we ever passed a general-tax bill in an election year.

Mr. Speaker, I am as anxious as anyone is to go home, but I appeal to my colleagues on both sides of the aisle that the business men of the country have a right to know what they will have to face in the way of taxes. You may think it is hot here in Washington right now, but I want to tell you that if we do not settle this issue it is going to be an awful sight hotter when we go back home, and in the elections next year.

[Here the gavel fell.]

WITHDRAWAL OF RIGHT TO SUE UNITED STATES ON BONDS AND SIMILAR OBLIGATIONS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that House Joint Resolution 348 may be given a privileged status on Thursday; that there may be 2 hours of general debate, to be confined to the bill and to be divided equally between myself and the gentleman from Ohio [Mr. HOLLISTER], the ranking minority member of the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, we have had several requests for time on this side. This is a very important bill, and there are many Members who believe it is vital to the integrity of the obligations of the Federal Government. For this reason I am constrained to insist that we have at least 4 hours.

Mr. STEAGALL. Will not two hours and a half be satisfactory?

Mr. WOLCOTT. That would allow only an hour and a quarter to a side. I have in mind two Members who will speak for at least an hour, and I have received requests this morning from three other gentlemen for talks ranging from 10 to 30 minutes, so I do not see how we can possibly do credit to this bill unless we have not less than 4 hours' general debate, or 2 hours on each side.

Mr. STEAGALL. Mr. Speaker, I renew my request and amend the request to make it 3 hours of general debate, to be confined to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama as amended?

Mr. SNELL. Mr. Speaker, reserving the right to object, we want to cooperate in this matter. As a matter of fact, we are against the principle of this bill; but I appreciate the fact that you have the power to bring in a rule here which would make general debate shorter if it was so desired. For this reason, and being desirous of getting a reasonable amount of time to discuss this proposition, may I ask the gentleman to make it 3½ hours?

Mr. STEAGALL. May I say to the minority leader that, to be perfectly frank, I had a reasonable basis to believe that 3 hours would be considered ample time by the minority, and I hope the gentleman will agree to 3 hours.

Mr. SNELL. We have had so many requests for time that we just cannot get through in that time.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. KNUTSON. Mr. Speaker, in view of the numerous requests for time on this side, may I suggest that the minority side be given two-thirds of the time to be allotted?

Mr. STEAGALL. Of course, I cannot agree to that.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. SNELL. Mr. Speaker, I object.

ADJOURNMENT SINE DIE

Mr. DEEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DEEN. Mr. Speaker, I desire to offer a privileged resolution, and I want to inquire whether or not I will be permitted to discuss the objections that may be offered to the resolution on any point of order which may be made against the same?

Mr. SISSON. Will the gentleman withhold his request?

Mr. DEEN. Not at this time.

The SPEAKER. The Chair cannot answer the gentleman's question at this time.

Mr. DEEN. Mr. Speaker, I offer a privileged resolution, which I send to the desk.

The Clerk read the resolution, as follows:

House Concurrent Resolution 31

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Tuesday, the 23d day of July, 1935, and when they adjourn on said day they stand adjourned sine die.

Mr. O'CONNOR. Mr. Speaker, I move to lay the resolution on the table.

The question was taken; and on a division (demanded by Mr. DEEN and Mr. SNELL) there were—ayes 111, nays 48.

Mr. SNELL. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. PARSONS. Mr. Speaker, I make the point of order there is a quorum present.

The SPEAKER. The Chair is counting. [After counting.] Two hundred and eleven Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 261, nays 87, not voting 81, as follows:

[Roll No. 127]

YEAS—261

Adair	Colmer	Eckert	Hill, Samuel B.
Amlie	Connery	Edmiston	Hobbs
Arnold	Cooley	Ellenbogen	Hook
Ayers	Cooper, Tenn.	Evans	Hope
Barden	Costello	Faddis	Houston
Beiter	Cox	Farley	Huddleston
Biermann	Cravens	Ferguson	Hull
Binderup	Crawford	Fiesinger	Imhoff
Bland	Crosby	Fitzpatrick	Jacobsen
Blanton	Cross, Tex.	Flannagan	Jenckes, Ind.
Bloom	Crosser, Ohio	Ford, Miss.	Johnson, Okla.
Boehne	Crowe	Fuller	Johnson, Tex.
Boileau	Crowther	Fulmer	Johnson, W. Va.
Boland	Cullen	Gambrill	Jones
Brooks	Cummings	Gavagan	Kee
Brown, Ga.	Daly	Gehrmann	Kelly
Brunner	Dear	Gilchrist	Kennedy, Md.
Buchanan	Delaney	Gingery	Kennedy, N. Y.
Buck	Dempsey	Goldsborough	Kenney
Buckler, Minn.	Dickstein	Gray, Ind.	Kerr
Burch	Dies	Gray, Pa.	Kloeb
Burdick	Dietrich	Green	Knutson
Caldwell	Dingell	Greenway	Kocialkowski
Cannon, Mo.	Disney	Greenwood	Kopplemann
Cannon, Wis.	Dobbins	Greever	Kramer
Carmichael	Doughton	Gregory	Lambertson
Carpenter	Doxey	Haines	Lambeth
Cartwright	Drewry	Hamlin	Lanham
Castellow	Driscoll	Hancock, N. C.	Larrabee
Celler	Driver	Harlan	Lea, Calif.
Chandler	Duffey, Ohio	Hart	Lee, Okla.
Citron	Duffy, N. Y.	Harter	Lemke
Clark, N. C.	Duncan	Healey	Lesinski
Coffee	Dunn, Miss.	Higgins, Mass.	Lewis, Colo.
Colden	Dunn, Pa.	Hildebrandt	Lewis, Md.
Cole, Md.	Eagle	Hill, Ala.	Luckey
Ludlow	O'Brien	Russell	Tolan
Lundeen	O'Connor	Ryan	Tonry
McAndrews	O'Day	Sabath	Truax
McClellan	O'Leary	Sadowski	Turner
McCormack	Parks	Sanders, La.	Umstead
McFarlane	Parsons	Sanders, Tex.	Utterback
McKeough	Patman	Sandlin	Vinson, Ga.
McLaughlin	Patterson	Sauthoff	Vinson, Ky.
McReynolds	Patton	Schaefer	Wallgren
McSwain	Pearson	Secrest	Warren
Mahon	Peterson, Fla.	Shanley	Wearin
Mansfield	Pettengill	Sirovich	Weaver
Marcantonio	Pierce	Sisson	Welch
Martin, Colo.	Pittenger	Smith, Conn.	Werner
Mason	Polk	Smith, Va.	West
Massingale	Quinn	Smith, Wash.	Whelchel
May	Rabaut	Smith, W. Va.	White
Mead	Ramsay	Snyder	Whittington
Meeks	Ramspeck	South	Wilcox
Merritt, N. Y.	Randolph	Spence	Williams
Miller	Rankin	Stack	Wilson, La.
Mitchell, Ill.	Rayburn	Steagall	Withrow
Mitchell, Tenn.	Reilly	Stefan	Wood
Montague	Richardson	Stubbs	Woodrum
Montet	Robertson	Sullivan	Young
Moran	Robinson, Utah	Taylor, Colo.	Zimmerman
Moritz	Rogers, N. H.	Taylor, S. C.	Zioncheck
Murdock	Rogers, Okla.	Terry	
Nelson	Romjue	Thomason	
Nichols	Rudd	Thompson	

NAYS—87

Allen	Ekwall	Kahn	Reed, N. Y.
Andresen	Engel	Kinzer	Rich
Arends	Englebright	Kleberg	Robsion, Ky.
Bacharach	Fenerty	Kniffin	Rogers, Mass.
Blackney	Fish	Lehlbach	Seger
Boylan	Fletcher	Lord	Short
Brewster	Focht	McLean	Snell
Buckbee	Gasque	McMillan	Sweeney
Carlson	Gearhart	Mapes	Taber
Cavicchia	Gifford	Marshall	Tarver
Christianson	Goodwin	Martin, Mass.	Taylor, Tenn.
Church	Griswold	Merritt, Conn.	Thomas
Claiborne	Guyer	Michener	Thurston
Cole, N. Y.	Gwynne	Millard	Tinkham
Cooper, Ohio	Halleck	Mott	Treadway
Culkin	Hancock, N. Y.	Palmisano	Turpin
Darrow	Hess	Peterson, Ga.	Wadsworth
Deen	Hill, Knute	Plumley	Wilson, Pa.
Dirksen	Hoeppel	Powers	Wolcott
Dockweiler	Hoffman	Ransley	Wolverton
Dondero	Holmes	Reece	Woodruff
Doutrich	Jenkins, Ohio	Reed, Ill.	

NOT VOTING—81

Andrew, Mass.	Corning	Lamneck	Schneider
Andrews, N. Y.	Darden	Lloyd	Schuetz
Ashbrook	DeRouen	Lucas	Schulte
Bacon	Ditter	McGehee	Scott
Bankhead	Dorsey	McGrath	Scrugham
Beam	Eaton	McGroarty	Sears
Bell	Eicher	McLeod	Shannon
Berlin	Fernandez	Maas	Somers, N. Y.
Bolton	Ford, Calif.	Maloney	Starnes
Brennan	Frey	Maverick	Stewart
Brown, Mich.	Gassaway	Monaghan	Sumners, Tex.
Buckley, N. Y.	Gildea	Norton	Sutphin
Bulwinkle	Gillette	O'Connell	Thom
Burnham	Granfield	Oliver	Tobey
Carter	Hartley	O'Malley	Underwood
Cary	Hennings	O'Neal	Walter
Casey	Higgins, Conn.	Owen	Wigglesworth
Chapman	Hollister	Perkins	Wolfenden
Clark, Idaho	Keller	Peyser	
Cochran	Kimball	Pfeifer	
Collins	Kvale	Richards	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Scrugham with Mr. Burnham.
Mr. Sears with Mr. Maas.
Mr. Sutphin with Mr. Higgins of Connecticut.
Mr. Cochran with Mr. Carter.
Mr. Thom with Mr. Kimball.
Mr. McGrath with Mr. Collins.
Mr. Scott with Mr. Andrew of Massachusetts.
Mr. Bulwinkle with Mr. Bacon.
Mr. Chapman with Mr. Ditter.
Mr. Maverick with Mr. Hollister.
Mr. Darden with Mr. Perkins.
Mr. Oliver with Mr. Andrews of New York.
Mr. DeRouen with Mr. Bolton.
Mr. Schuetz with Mr. Eaton.
Mr. Granfield with Mr. McLeod.
Mr. Starnes with Mr. Wolfenden.
Mr. Schulte with Mr. Stewart.
Mr. Sumners of Texas with Mr. Hartley.
Mr. Bankhead with Mr. Tobey.
Mr. Berlin with Mr. Wigglesworth.
Mr. Cary with Mr. Schneider.
Mr. Somers of New York with Mr. Kvale.
Mr. Gassaway with Mr. Walter.

Mr. Keller with Mr. Hennings.
Mr. Underwood with Mr. Pfeifer.
Mr. Gildea with Mr. Gillette.
Mr. Dorsey with Mr. Eicher.
Mr. Owen with Mr. Richards.
Mr. Monaghan with Mr. Casey.
Mrs. Norton with Mr. Bell.
Mr. Corning with Mr. Lloyd.
Mr. O'Malley with Mr. Clark of Idaho.
Mr. Maloney with Mr. O'Connell.
Mr. O'Neal with Mr. Brennan.
Mr. McGroarty with Mr. Frey.
Mr. Ford of California with Mr. Brown of Michigan.
Mr. Fernandez with Mr. McGehee.
Mr. Lamneck with Mr. Lucas.
Mr. Ashbrook with Mr. Buckley.
Mr. Beam with Mr. Peyser.

The result of the vote was announced as above recorded.

COMMITTEE ON AGRICULTURE

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution for immediate consideration.

The Clerk read as follows:

House Resolution 297

Resolved, That SCOTT W. LUCAS, of Illinois, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Agriculture.

The resolution was agreed to.

JUDICIAL NULLIFICATION

Mr. SISSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address I recently made at the Institute of Public Affairs at the University of Virginia.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I made at the Institute of Public Affairs at the University of Virginia July 10, 1935:

An exhaustive discussion of the question of the power of the Federal judiciary to pass upon the constitutionality of acts of Congress cannot, of course, be given within the limits of this address. A thorough and exhaustive discussion would involve the history from contemporary sources of the framing of the Federal Constitution in the Convention of 1787 and of the ratifying conventions held subsequently thereto in the several States. It would also include an analysis of a number of the decisions by the Supreme Court wherein the constitutionality of acts of Congress was passed upon by the Court. To go further and make the study of this question of practical value for the present and future there should be included within the study such related questions as:

Should the Supreme Court or other Federal courts have the power to nullify acts of Congress?

And the other equally important related question:

What is the remedy for the present anomalous situation in our Government wherein laws which have been in effect for a period of years, and under which men have made contracts, engaged in business, shaped their lives, may be set aside by a court?

Any such exhaustive discussion of this subject would obviously extend far beyond the limits of my address.

I am simply hoping at this time to present to you such a statement of the subject as will show it merely in outline and as may lead this body and others, where leaders of thought and those who mold public opinion meet, to give further consideration to this question which is daily becoming of greater importance to our country and which, if our present economic system and our present form of government are to be preserved, must soon be answered.

I wish in this address to make two points:

First, neither the Supreme Court nor any of the lower Federal courts have under the Constitution any right to adjudge an act of Congress unconstitutional; or in any suit between private litigants to pass upon the constitutionality of an act of Congress.

Second, the exercise or assumption of such power by the Supreme Court or other Federal courts is not only unnecessary in our system of government, but it is also positively harmful, and its continued assumption and exercise in these times constitute a danger to our form of government and our economic system, such as may at any time cause them to break down.

The proof of my first point that such power is not given to the Supreme Court or other Federal courts in the Constitution requires, of course, not only a careful reading of the Constitution itself, which may be easily done by any lawyer or other student of our Government; but also in order to determine the intention of the framers of the Constitution with respect to this power of judicial nullification, a study of the Constitutional Convention of 1787 from the contemporary sources of the history of the Convention, consisting of the notes of the Convention as kept by Madison, Pierce, King, Hamilton, and others. I regret that the limits of this address will not allow me to do much more than give you my conclusions as to the intention of the makers, gathered from such sources and from such valuable contributions to the history of the Constitution and the purposes of its makers as have been made by Jackson H. Ralston, Esq., Dr. Edward S. Corwin, professor of jurisprudence of Princeton University; Horace A. Davis, Esq., of Brookline, Mass.; Dr. James F. Lawson, of Falls Church, Va., and several others from whom I have borrowed very liberally and to whom I make my grateful acknowledgment. My conclusions, however, may be readily checked and verified from the contemporary sources which I have mentioned and may be easily disproven if in any respect they are incorrect.

I fully appreciate that this inquiry is startling in its nature to a great many of our people—even to a great many lawyers—who have acquiesced in this unwarranted assumption of power by the Federal courts and who have not subjected it to the light of the history of the framing of our Federal Constitution, the purposes of its makers, or the effects of this assumed power of nullification by the courts. I know, therefore, that in some quarters my purpose will be distorted and misrepresented, and that I shall be accused, as I aready have been in certain newspapers, of seeking to cut the heart out of the Constitution and to undermine our form of government.

I might say in reply—if reply be necessary—to those who make the charge that I am proceeding to undermine the Government, that in my denial of the right of the judges to exercise the power of nullifying acts of Congress, I am in rather respectable company. The constitutionality of the exercise of this power was denied, and the Court severely criticized for attempting to exercise it, by some of the greatest of our Presidents; notably Jefferson, Jackson, Lincoln, Grant, and Theodore Roosevelt. My colleague, Representative LEWIS, has so ably and fully covered this in his recent speech upon this subject in the House of Representatives that I shall content myself by simply calling attention to the fact that none of our great Presidents ever conceded this power, and that all of them have challenged and resisted it when it was either asserted or exercised by the Court during their respective administrations.

I feel sure, however, that it is unnecessary for me to defend myself before this body against any such charge, and that those here today will understand that I am not attacking the Supreme Court nor the Constitution. On the contrary, no one as a lawyer more fully recognizes than I the character and ability typified by the membership of the Supreme Court, not only now but generally throughout our history, as well as the usefulness and necessity of the Supreme Court in our dual scheme of government. It is my purpose to add to, not to detract from, the usefulness of the Court, and the respect that should be given to it by our people. I am trying to help preserve the Court and preserve our present form of National Government. I do not agree, however, at all with those who falsely or foolishly represent that there is anything so sacred about the Supreme Court as to make it immune to constructive criticism, or anything so immutable about each and every part of the Constitution as to condemn those of us who suggest changes—either in the form of the instrument or a broader construction of some of its provisions, either of which may be found to be necessary to meet the changed conditions of modern times.

Jefferson said that the people must from time to time "be attentive to amendments to the Constitution to make it keep pace with the advances of the age in science and experience." He added that if reformation, adding to the powers of the Government, be resisted, it is to be expected that the people will "undertake it themselves by force, their only weapon, and work it out through blood, desolation, and long-continued anarchy" (Sun Dial Letters 279, 138; S. Works 144).

So much for those who now call themselves "Jeffersonians", whether they are Democrats or Republicans, and who would have you believe that Jefferson opposed such extension of the national powers as might be found necessary in changing times to keep pace with changing conditions.

My first point, as stated above, is that the Supreme Court has no power, either under the expressed or implied powers of the Constitution, to adjudge unconstitutional a law passed by the legislative branch, the Congress; or, in any suit between private litigants, to pass upon the constitutionality thereof.

That the power of judicial nullification is conferred in language in the Constitution itself, no one of reputation as a lawyer, as a student of our Government and its origin will dare publicly assert, and if anyone so asserts, ask him to point out to you that part of the Constitution which either in words, or impliedly, confers upon the judicial branch of the Government power to override the legislative and, as in most cases, the executive branch of the Government. So much for the expressed power.

That I am right about this is as demonstrable as any mathematical proposition and requires only an examination of the Constitution itself.

It is equally demonstrable that no such power to the Supreme Court is implied in the Constitution or was so intended by the makers thereof or was understood by the Thirteen Original States when in their several conventions they ratified the Constitution and entered into the Federal Union.

Now, as to the intention of the framers of the Constitution:

Our Federal Constitution, in the form in which it was submitted to the 13 States, was prepared in the Constitutional Convention of 1787. That Convention, composed of delegates from 11 of the Original States, carefully and during its many weeks of deliberation, considered among other things as one of its most

important questions what check or safeguard, if any, should be provided against the passage of laws by the legislative branch of the Federal Government that were beyond the Federal powers. Various measures were from time to time proposed, some of which were brought to a vote in the Convention.

The plan to give the judicial branch alone the power to override a law passed by the legislative branch, thereby making the act of the legislative branch (approved by the executive branch as was finally decided upon in the Convention) a nullity was never, in that Convention, seriously enough considered as to bring it to a vote. After much discussion of this question it was proposed in a resolution that a council of revision should be established for the purpose of passing upon the constitutionality of laws passed by Congress. This council of revision was to be composed of the members of the judicial branch when established (now the Supreme Court) and the executive branch (now the President); in other words, to annul a law passed by Congress the concurrence was necessary, not of the Court alone, but also of the President.

This was the only proposal looking to a judicial veto that was even brought to vote by the framers of our Constitution. It was also proposed in the same resolution that in the event a law passed by Congress was decided by such council of revision to be unconstitutional that the Congress might then repass the law by a two-thirds majority of each of the branches thereof, if either the members of the judiciary or the executive disapproved, and by a three-fourths majority if both the members of the judiciary and the executive disapproved. This resolution, a much more guarded and less drastic form of judicial veto or nullification by the Court than now employed, was rejected by the convention by a vote of 8 States to 2 in favor of the Executive veto. (Madison's Notes on the Convention. Haines Doctrine of Judicial Supremacy, p. 144.)

In short, the framers of the Constitution relied in the Constitution which they presented to the Thirteen States upon the method of the well-known, so-called "checks and balances", whereby each of the two branches of Congress should be a check upon the other, both as to hasty or unwise action and also as to unconstitutionality, and whereby the Executive, the President, through his veto power, should have a check upon both. No judicial check upon unconstitutional action by the legislative branch was submitted or intended.

The advocates of judicial nullification, however, make the historical argument of long-time acquiescence and rely in effect not upon a written but upon an unwritten constitution. Relying upon the saying that the law is what the judges say it is, they go back to Chief Justice Marshall's opinion in *Marbury* v. *Madison* (1 Cranch 137), decided in 1803. They rely upon the oft-repeated statement that Marshall here asserted the power of judicial veto, and that it has never since been disputed. This case merely involved the appointment of a justice of the peace of the District of Columbia and did not, except so far as the jurisdiction of the Court was concerned, involve the constitutionality of an act of Congress. That part of Marshall's opinion in which he went out of his way to declare that the Supreme Court had the power to annul an act of Congress as being unconstitutional was pure dictum. There was no opportunity to challenge or contradict Marshall's statement except to say that it was unfounded, which Jefferson, then President, most pointedly did.

My second point, as stated above, is that the exercise or assumption of such power by the Supreme Court or other Federal courts is not only unnecessary in our system of government, but it is also positively harmful, and its continued assumption and exercise in these times constitutes a danger to our form of government and our economic system such as may at any time cause them to break down.

The power of judicial nullification was never again attempted to be exercised against any act of Congress of general application until the well-known Dred Scott decision of 1857, when the Supreme Court decided that the Missouri Compromise Act of 1820 was unconstitutional, an act which had been in effect for 37 years and in which Congress had provided that all other territory north of the southern boundary of Missouri should be kept free. The Missouri Compromise, it will be remembered, was an act passed by Congress, in carrying out a compromise entered into by Representatives in Congress from the free States and the slave States, and as between those who were opposed to the further extension of slavery into territory to be organized into States and those who did not wish at that time to have the institution of slavery interfered with. This act was passed by Congress to "insure domestic tranquillity" by preserving the Union from dissension and disseverance over the question of the extension of slavery.

This decision of the Supreme Court unnecessarily deciding an act of Congress unconstitutional, an act which had been in effect 37 years and which had been passed by Congress, to preserve the Union, in the judgment of most students of history, did more to bring on our great unnecessary Civil War than all other causes combined. None of the Southern States—no one of our sovereign States repudiated this agreement.

I venture to say that no one of the then slave States would have sought to withdraw from the agreement entered into between the two sections in 1820 in the Missouri Compromise Act. As has so frequently occurred since that time, and in recent times in our history—with great disaster to our people—it was in a suit between private litigants that this decision was made. It remained for the Supreme Court, in a political decision, unnecessarily to cause this great evil. Most students of history agree that except for the Dred Scott decision of 1857 our terrible and disastrous Civil War would never have ensued, and that the institution of slavery would gradually but eventually have fallen by its own weight.

Of this decision Abraham Lincoln said: "Somebody has to reverse that decision, and we mean to reverse it. If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court—in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

The storm of criticism following upon the Supreme Court's Dred Scott decision, as well as the Civil War as a result thereof, kept the Supreme Court from again asserting the power of judicial veto until the Legal Tender cases in 1870. The United States in order to finance the Civil War, caused in large part by the decision of the Supreme Court in the Dred Scott decision, had, by act of Congress, made the notes of the Government legal tender.

In a private suit in 1870 the Court declared the Legal Tender Act of Congress unconstitutional. Grant was President, and he not only challenged the power of the Court but he filled up the Supreme Court—i. e., "stacked" it, so to speak—so that the Court in the same year reversed itself and declared the Legal Tender Act of Congress unconstitutional. Had this decision of the Supreme Court been made during the war and been acquiesced in by the executive and legislative branches of the Government, it would have rendered the Government impotent and helpless to preserve the Union from disseverance.

In the income-tax decision of 1894 the Supreme Court for a third time adjudged an act of Congress unconstitutional, and again in making its decision exercised a legislative rather than a judicial function. Mr. Justice Field, in writing for the Court in that decision, said: "It discriminates between those who receive an income of $4,000 and those who do not; * * * whenever such a distinction is made and the law imposes a tax under it, * * * it is class legislation * * *." That there was a difference between the levy of a 5-percent tax on the income of a man receiving $4,000 or more a year and upon another man having an income scarcely large enough to furnish his family with the barest necessities of life, never occurred to the distinguished member of the Supreme Court who wrote the opinion. This decision was cured by constitutional amendment. The two former decisions of which I spoke had been cured, one by the Civil War and the other by the Court's reversal of its own decision.

The Supreme Court later (in 1906) by a 5 to 4 decision adjudged the Federal Employer's Liability Act, passed by Congress, as unconstitutional. When, sometime afterward, Congress reenacted this law, it was sustained by the Supreme Court. But in the interval there were some thousands of men killed or maimed and they or their families left without remedy through the doubtful exercise of what the Supreme Court itself declared to be its power.

In decisions during the past three decades the Supreme Court has much more frequently than during the first hundred years of our history asserted its power to nullify acts of Congress. The majority of the Court has been usually extremely zealous in safeguarding property and has, in fact, stretched the "due-process" clause extremely thin in order to safeguard property against the revenue acts passed by Congress, and in its construction of the "due-process" clause has been extremely solicitous of the right of freedom of contract in decisions involving the right of parents to sell the labor of their children, and generally in denying the power of Congress to protect women, children, and labor in general as to minimum wages and maximum hours, and has more frequently asserted and exercised the power of judicial veto.

Time does not permit me to discuss these instances in detail.

Now, I am going to be so bold as to make the statement that during the entire period of time from the first exercise of this assumed and unconstitutional power of the Supreme Court in the Dred Scot case in 1857 down to its recent decisions in the present year, in which the Court has exercised its power of nullifying acts of Congress, it will be found that in each of these the judges were exercising not a judicial function but a legislative or a sociological function.

I shall not expand this further for lack of time and also by reason of the fact that my esteemed colleague, at whose feet I have sat as a student of this subject, and whose greater research I must concede, Congressman DAVID J. LEWIS, of Maryland, who will speak to you tomorrow, will present this phase of the subject by facts and arguments which I believe are unanswerable. I am also going to be bold enough to make this assertion: That in none of the cases wherein the Supreme Court has exercised the power of judicial nullification—from the Dred Scott decision of 1857 down to its decisions of the current year—has the Court really safeguarded either the rights of the people or the rights of the States. On the contrary, it has caused such a derangement of the functions of the Government itself as have in some instances required curing either by constitutional amendment or by a reversal by the Court of its own decisions. Again let me say I am not attacking the Court either as an institution or as to its membership. The Court, during all this time, has been simply upholding the principle of stare decisis, and has been bound up in its own precedents, as Congressman LEWIS will ably demonstrate.

In support of my second point that this power is unnecessary, and is not only unnecessary, but is harmful to our scheme of government, I should like to give you the results of a comparative study of other governments, did not the limits of this address

forbid. I should feel, however, that this very cursory treatment of a subject which is deserving of the most careful consideration, would be inconclusive and ineffective in pointing to an ultimate objective or remedy if I failed to direct your attention to the fact that now, even more than ever before in our history, does the assumption of this power on the part of the Court, or the threat of its exercise at the instance of private litigants, create an anomalous and unbearable condition in our Government.

It may be urged by some that the recent decision of the Court in the Schechter case, wherein the N. R. A. was, in effect, adjudged unconstitutional, was of constructive service. It may, I think, be conceded without harm to my argument that the N. R. A. was too hastily put together and that some of its provisions were unworkable. Its codes extended to certain businesses and trades in which enforcement was either too difficult or impossible. When that act was passed the economic system of the country was on the verge of collapse. It was not beyond the bounds of possibility or of danger that the flames of revolution might sweep over us. When a fire has been started and is about to spread damage is sometimes caused to property by the fire department in quenching the fire. The Recovery Act needed to be revamped and this would have been done. I believe the Court, in the limitations placed upon interstate commerce in its decision, went much too far.

The Court recently adjudged the Railroad Retirement Act as unconstitutional. Language employed in such recent decisions of the Court threatens that the Social Security Act and other legislation—some pending and some passed by the Seventy-third Congress—will also receive the condemnation of the Court. All of these acts, such as the Railroad Retirement Act—all of the legislation now proposed and pending, such as the Social Security Act—are exercises on the part of the law-making branch of the Government of powers long exercised in other countries of the world. England, Germany, most of the self-governing dominions of Great Britain, have long carried out these purposes as functions of government, and have built up thereby bulwarks against economic insecurity and economic waste and loss.

That an act may be passed by the Congress, representing the sovereign will of a sovereign people, approved by the Executive, also representing all of the people, that men may order their businesses and their lives, make their contracts and engagements under such law for years, only to have it stricken down years later by the assumed unconstitutional exercise of power by an appointive judiciary, is, I say, an anomalous and unbearable state of affairs and one wherein we fall short of the ability to exercise the sovereign powers of a nation.

It may not always be easy to draw the line between the State powers and the national powers. I am as much of a believer in State rights as anyone. But there must be no gap between the State powers and the National powers. What concerns a single State alone within its own borders; what does not affect the rights, the interests, the well-being of the people of other States; what the State may control by its government, those things are within the powers of the States, and the National Government has no duty or right to step in. What does not fall within the limits which I have stated of the State powers, and is necessary for the general welfare of the people, must be within the national powers, exercised by the will of the people working through their elected representatives, the legislative and executive branches of the Government.

No further argument can possibly be needed to prove that the Constitution does not give, either expressly or impliedly, the power to the Supreme Court to nullify statutes passed by Congress, nor to pass upon their validity in an action between private litigants. It is easy to go further and show that this power was specifically denied.

Article III of the Constitution provides for the Federal judiciary and prescribes the jurisdiction of the Supreme Court. Let me call your attention again to the second paragraph of section 2 of article III:

"In all cases affecting ambassadors, other public ministers, and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make."

The above paragraph prescribes the whole original jurisdiction of the Supreme Court. The appellate jurisdiction is, as set forth, in such paragraph left to Congress to prescribe.

Of course, nowhere is any power given to any of the lower Federal courts to pass upon the constitutionality of an act of Congress.

If the convention had intended to give this power to the Supreme Court, apt words would, under every rule of construction applying thereto, have been used to effect such grant.

The Constitution does give the Supreme Court by article III appellate jurisdiction to pass upon the question as to whether acts passed by the legislature of a State are in conflict with the Federal Constitution.

This power is, of course, expressly granted and is necessary in our dual scheme of government to prevent a conflict between legislative acts.

In my opinion, the practice of State courts in invalidating statutes passed by the legislature thereof or passing upon the question as to whether acts of State legislatures are within the powers of such legislature, as expressed in the constitution of the State, is to be condemned. The legislature is the supreme law-making body of the State and represents the sovereign will of a sovereign people.

Needless to say, the lower Federal courts have no power under the Constitution to pass upon the constitutionality of acts of Congress, and this should at once be expressly declared by an act of Congress.

Congressman LEWIS who will speak to you tomorrow will, I understand, discuss the welfare clause of the Constitution. But to afford at least an introduction to his argument, as well as a basis for discussion today, let me say that this clause was not thrown into the Constitution as a meaningless phrase. Madison admitted that the welfare clause gave the Federal Government "a fund of power inexhaustible and wholly subversive of the equilibrium between the General and State Governments", and "all within reach of the former."

It was intended by this clause to make the Federal Government a Government of sovereign powers and able to do those things which every sovereign government must do in order to secure the safety and happiness of its citizens.

It is fitting that this discussion of what properly belongs to the national powers should be presented in Virginia, and I hope that there are some Virginians here today to consider this subject. I speak in full appreciation of the fact that we are not far from a shrine of all true Americans, where Jefferson, statesman, philosopher, and sage, so long lived, struggled, and thought. And I would remind those who cite Jefferson as an advocate of the rights of the States and who think that ends the argument that his highest aim was to secure and safeguard the rights of the people and to secure their welfare and happiness, and that if he found it necessary to effect that purpose, he would have been among the first—as he was when he did so find it necessary—to advocate an extension of the national powers sufficiently so that there should not be a no-man's land between the national powers and the State powers wherein the people might be exploited, or their dignity, happiness, and security jeopardized.

I said that this ought expressly to appeal to Virginians; because when the Virginia delegation to the Convention of 1787 arrived in Philadelphia, they came a little ahead of most of the others. That delegation was headed by Washington and included Madison, Randolph, and Mason, and that delegation prepared an outline of a plan for our National Government for discussion in the Convention, and, item by item, that plan was acted upon. As showing the power the Virginia plan proposed to confer upon Congress, I quote the following from the plan itself:

"To enjoy the legislative rights vested in Congress by the Confederation; moreover to legislate in all cases to which the separate States are incompetent, or in which the harmony of the United States may be interrupted by the exercise of individual legislation; and to negative all laws passed by the several States, contravening in the opinion of the National Legislature the articles of union."

In order finally to effectuate the purpose of this plan the welfare clause was placed in the Constitution itself.

To those who contend that it is unsafe to intrust a general power without check by an umpire, such as the Supreme Court, as a guard against the exceeding of constitutional limits, if they need authorities, I refer them again to Jefferson, Jackson, Lincoln, and the others of our great Presidents. That a power may be abused is no reason for its denial; and where, again, to paraphrase the words of Lincoln, can power be more safely lodged than in the representatives of the people, who, by their ballots, may speedily correct the abuse of its exercise. In the case of the abuse of this power by the law-making body, the people may correct it at the next election. In the case of a denial, a curtailment of a power necessary to the general welfare by this assumed unconstitutional usurpation by the Supreme Court, usually only death of a sufficient number of the members thereof can correct it.

The surest way to destroy the Constitution—our present form of government—is to give it such a rigid construction, at the same time not recognizing the general-welfare clause, as to make it too narrow and inflexible to meet modern needs. It is an old trick of the reactionaries, of those who have long fattened on special privilege, to arrogate to themselves the sole responsibility of defending established forms such as the Constitution. They profess great fear that those who would show that the Constitution is flexible enough to meet modern needs, if rightly interpreted, may elope with our beloved Constitution, while all the while they are endeavoring to keep her shackled and confined in a dungeon.

The power of judicial nullification was, at the time of the making of the Constitution, unknown among the governments of the world, then or formerly existing. Had it been the intention of the makers to grant this power to a court to nullify the acts of the law-making body, to include that in the jurisdiction of the Court, it is unthinkable that they would not have clearly and positively expressed it in language that would have been unmistakable.

"Every well-organized government has political power to provide for the general welfare of its own people" (Lawson on the general-welfare clause).

It would be strange, if it were true, that a representative democracy such as ours is less well equipped with power to provide for the general welfare than an autocracy or an oligarchy. The Parliament of England was not then, and has not been since, and is not now, subject to such limitation; and this is not, as the advocates of judicial nullification contend, because England has no

written constitution, but rather because every act of Parliament becomes a part of her constitution.

Did the framers of our Government believe that they, our people—do you believe that our people now are not to be trusted to govern themselves? Yet the argument of those who claim the existence of a constitutional sanction for judicial nullification presupposes just this. And so with those who contend that the judicial nullification or veto is necessary in our system of government.

"The argument from the possible abuse of a power against its existence or use is, in its nature, not only perilous, but, in respect to governments, would shake their very foundations." (Story's Commentaries, p. 425.)

In summary, I stand upon the following propositions, which I believe the majority of the Congress will sustain and which I believe a majority of our people will uphold when informed upon these propositions:

1. That the exercise by the Supreme Court in any suit of the power to declare an act of Congress unconstitutional, whether between private parties or otherwise, is in itself not warranted by any power conferred in the Constitution, either expressed or implied; and, therefore, such power does not legally exist under our Constitution or scheme of government.

2. That the power of judicial veto is not necessary in our scheme of government and ought not to exist.

3. That its exercise by the Supreme Court has resulted not in protecting the States or the people in their rights, but, on the contrary, has been harmful to our scheme of government and has lessened the respect of our people for their Government and Constitution and their support thereof.

4. That the remedy is that together with whatever necessary amendments clarifying the welfare clause of the Constitution or extending the national powers where needed to meet the conditions of modern times, there should be a restatement by an act of Congress of its own legislative powers, as well as of the jurisdiction of the Supreme Court with respect to its power to pass upon the constitutionality of acts of the legislative branch of the Government.

I have appended at the end of this paper a brief bibliography of the sources from which I have drawn and to which I direct your attention. Most important of all, I wish to make my most grateful acknowledgments to my colleague, Representative DAVID J. LEWIS, of Maryland, and point your attention to his discussion of the welfare clause of the Constitution, which even more clearly points you to the remedy. Congressman LEWIS' address to you and his very able speech in the House of Representatives on this subject under date of June 29, 1935, printed copies of which are available and which I am sure he will be glad to furnish, in my opinion so supplement my much briefer and more cursory argument as, that taken together, they clearly prove that our Federal Constitution, the noblest instrument of government ever conceived by the mind of man, is, when properly construed, as adequate to meet the needs of government today as it was when first ratified by the original Thirteen States.

On May 31 I introduced in the House of Representatives a resolution calling for an investigation of the legislative powers of Congress and involving therein the question of the power of the Supreme Court to pass upon the constitutionality of acts of Congress. This resolution is House Resolution 234. It has been referred to the Rules Committee, and I trust it will be reported to the House during this present session of Congress. A copy of this resolution will be furnished by me upon request to anyone who is interested or can be procured from your Member of Congress.

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UTILITY HOLDING-COMPANY BILL

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, the other day I read into the RECORD a letter which I had written to Hon. Joseph P. Kennedy, Chairman of Securities and Exchange Commission, with reference to the public-utility holding-company bill.

I have received a reply from Mr. Kennedy. In justice to him, his reply ought to be made a part of the RECORD, and I am, therefore, asking to extend my remarks by including it, and also my response to him of even date.

I trust that this correspondence may be helpful to those interested in understanding the points of difference between the House and Senate drafts with respect to section 11.

I have the highest regard for Mr. Kennedy. He is doing a splendid job with reference to the Securities Act of 1933. Under the intelligent administration which he and the other members of this Commission are giving to that act, holding companies which exist only to sell securities based on fictitious values are going to die of financial malnutrition. It has been my judgment that the Securities Act, wisely administered, will in itself make the recurrence of many of the abuses in the public-utilities field impossible. Of course, the Securities Act covers only the issuance of securities. Other abuses, such as excessive profits on intercompany transactions, not arrived at by virtue of arm's length bargaining, will be eradicated under the bill as it passed the House, which is probably the most drastic regulatory bill which has ever passed the House of Representatives.

The correspondence is as follows:

JULY 12, 1935.

MY DEAR MR. PETTENGILL: Your letter of July 10 regarding my communication with Senator WHEELER is at hand.

When Senator WHEELER requested an expression of my views on certain phases of the House bill I purposely refrained from expressing any opinion on the issues of legislative policy between the House and the Senate. Rather did my letter confine itself strictly to the practical problems of administration in three phases of the House bill.

You state that I was entirely inaccurate in saying "the phrase 'public interest' is not defined and the bill furnishes no effective standard." Let me quote you my exact words. Speaking of the Commission's task under section 11 of limiting the operations of holding companies to such numbers of integrated public-utility systems as are in the public interest, I wrote: "The phrase 'public interest' is not defined in the House bill. Thus this bill furnishes no effective standard to guide the Commission in the momentous decisions it must make as to which of the holding-company systems are to be broken up and how such process is to be effected."

After a very careful reconsideration of the House bill in the light of your letter, I am bound to adhere to my original conclusion.

In support of your contention that my statement was incorrect, you rely upon the provisions of section 1, particularly sections 1 (a) and 1 (b) and 1 (c) (referred to in your letter as subsection (6)). Let me deal with these seriatim.

(1) I am unable to comprehend in what respect section 1 (a) can be held to define "public interest" so as to furnish a standard for administering section 11. Section 1 (a) merely discloses that public-utility holding companies and their subsidiaries are affected with a national public interest because, among other things, their securities are widely distributed and their service and other contracts are performed through the mails and instrumentalities of interstate commerce and their practices affect interstate commerce and make effective State regulation impossible. It is hardly sensible to urge that a congressional declaration that a business is affected with a public interest is equivalent to a definition of the public interest which should guide the Commission in permitting or prohibiting the continuing of existent holding-company systems.

(2) Section 1 (b) declares that in view of the disclosures in the investigations conducted by the Federal Trade Commission and the House Committee on Interstate and Foreign Commerce, the national public interest and the interest of investors and consumers may be adversely affected by abuses of the holding-company systems as set forth in five subparagraphs. This recital of abuses will be helpful in determining the nature and scope of the rules and regulations which the Commission is authorized to make in order to correct abuses within limited and specified fields. But no definition of "public interest" can be drawn from these abuses which will afford to the Commission any effective standard for determining the fundamental economic policy as to the number of integrated systems a holding company should be allowed to retain.

(3) Section 1 (c) declares that when the abuses enumerated in 1 (b) become widespread the holding company, unless regulated, becomes injurious to investors, consumers and the general public. A general policy is stated interpreting the whole act to prevent these adverse effects and to eliminate the abuses of public-utility holding-company systems. But this declaration gives the Commission no practical assistance in deciding the particular problems under section 11. There is nothing in the language to which you have referred me or, for that matter, in the whole House bill which can guide the Commission in determining whether the public interest requires that a given holding-company system should embrace 1 or 10 public-utility systems.

Because of the above considerations and your failure to point out that the bill furnishes an effective standard or a definition of "public interest" for the application of section 11, I must insist, sir, that my statements to Senator WHEELER were entirely accurate.

In view of the publicity you have given your letter I assume, of course, you will be good enough to read my reply in the House.

Respectfully yours,

JOSEPH P. KENNEDY, *Chairman.*

Hon. SAMUEL B. PETTENGILL,
House of Representatives, Washington, D. C.

JULY 15, 1935.

JOSEPH P. KENNEDY,
Chairman Securities and Exchange Commission,
Washington, D. C.

DEAR MR. KENNEDY: I have your letter of July 12 written in response to my letter to you of July 10, with reference to your letter to Senator WHEELER criticizing the public-utility bill as passed by the House.

I have such a high regard for you and the splendid job you are doing that it is unpleasant for me to differ with you on this matter. I do so only in justice to our committee, who worked so tirelessly with a complex and difficult problem, and to the Members of the House who approved and ratified our work.

The issues are of great importance to the country. It is only to make more clear the differences that exist between the House and the Senate bills that justifies my writing you again.

You say the House bill furnishes "no effective standard to guide the Commission", etc. In my letter of the 10th I say that if "better standards can be defined I would welcome them."

If the emphasis is only on the adjective "effective" there does not seem much to warrant a reply from me on this point, for it is readily admitted that you have a perfect right to your opinion as to the "effectiveness" of the standard.

But when you go to the country with the flat statement that "the phrase 'public interest' is not defined in the House bill" and therefore express your "vehement" opinion that section 11 is "most unfortunate", I am bound to disagree. Section 1 (b), together with subsection (c) of the same section, is clearly in substance and legal effect a definition of the public interest. This definition may not fill your specifications of what it should be, but that there is "no" definition is, I repeat again, "entirely inaccurate."

Surely you do not require some copybook clause as, "The term 'public interest' is defined to mean," etc., or insist that a definition is only a definition if it appears in the section bearing the caption "Definitions."

Nor do I assume that you would require such standards for administrative action as the legislative fiat, "All holding companies shall be liquidated and the Commission shall execute this mandate", or "all holding companies beyond the first degree shall surrender their charters", or "Company ABC shall keep subsidiary companies D and E and sell companies F and G", or "Company MNO shall be dissolved and Company XYZ shall not be dissolved."

Such legislative standards would be "effective", but they would not be intelligent. One holding-company system in the second degree might be operated honestly and efficiently in the public interest, yet be decreed to die; and another company in the first degree be commuted for life, however dishonest and inefficient.

"Off with their heads" might be a boon to commissions, but death to investors, consumers, and employees.

The question is really whether Congress is capable of setting up definitions and standards of intelligent discrimination between what serves the public and what exploits the public.

So let us explore the bill once more for definitions and standards of the public interest.

It is an axiom of the law that courts and administrative agencies will examine the "four corners" of an act to ascertain the legislative will. For example, Chief Justice Hughes recently said, "We examine the context to ascertain if it furnishes a declaration of policy or a standard of action which can be deemed to relate to (a certain section) and thus to imply what is not there expressed." And in the same case Justice Cardozo wrote: "I deny that such a standard is lacking * * * where the act with all its reasonable implications is considered as a whole." (*Panama Refining Co.* v. *Ryan*, 293 U. S. 388, the "hot oil" case). Laws are interpreted in the light of the evils sought to be remedied.

In the original draft, in the Senate redraft, and in the House redraft the phrase "necessary or appropriate in the public interest or for the interest of investors or consumers" appears with almost wave-length frequency. Yet definitions are not attached to each of these phrases whenever they appear, whether in section 11 or elsewhere, nor do I suppose you require that to be done.

So what is the "public interest"? It is to be found by reading the entire bill, the legislative hearings and report, the hearings and report of the Federal Trade Commission, etc., and particularly by reading section 1 of the House bill, to which I have already referred. Of that section, subsection (b), (1), (2), (3), (4), (5), and subsection (c) are most important.

So that those who may care to read our correspondence may follow this discussion more intelligently, I am attaching these sections as a postscript.

Let us now examine your letter in the light of these provisions of the House bill.

You say with respect to these provisions, "This recital of abuses will be helpful in determining the nature and scope of the rules and regulations which the Commission is authorized to make in order to correct abuses within limited and specified fields."

It is clear to me that in saying this you admit that you are wrong in stating "the phrase 'public interest' is not defined in the House bill", because your statement is an admission that the "public interest" is defined for the purposes of the provisions under authority of which the rules and regulations to which you refer are to be made. And by reason of section 1 (c), if it is defined for those provisions it is defined for section 11.

It may be that you intended to say that the legislative policy thus declared would be "helpful" to the Commission in determining the rules and regulations to be prescribed with respect to the dozens of cases where the term "in the public interest" appears, but would not be "helpful" in section 11 where the term "in the public interest" also appears.

But, if so, is your position tenable?

Does not section 11 (b) of the House bill, the provision in question, operate in a limited and specified field, even though the problems are admittedly difficult? The field apparently is limited and specific enough so that those who wrote section 11 of the Senate bill felt able to determine that a holding-company system should be limited to some geographically and economically integrated public-utility system, and it seems reasonable to suppose that a competent administrator, like yourself, could form an intelligent judgment on the problems involved when guided by principles laid down by Congress.

Section 11 makes it the duty of the Commission after notice and hearing (a day in court to act on the merits of each case rather than an arbitrary sentence of death irrespective of the merits) to "limit the operations of the holding-company system. * * * to a single integrated public-utility system" (which is carefully defined in sec. 2) "except that if the Commission finds that it is not necessary in the public interest to so limit the operations of such holding-company system" the Commission shall take such action as it finds necessary "consistently with the public interest", etc.

Admitting that the problem involved in section 11 in any case may be difficult, nevertheless, in determining what is in the public interest, it seems to me that it would be at least "helpful" to the Commission to go back to the legislative policy set forth in section I (b) and read again such phrases as refer to the difficulty to appraise earning power, absence of uniform standard accounts, issuance of securities on fictitious values, paper profits from intercompany transactions, excessive charges, absence of arm's length bargaining, absence of free competition, difficulty in allocating charges, difficulty of effective State regulation, control through disproportionately small investments (pyramiding), absence of economies in management, adequacy of service, etc.

It is very much to be regretted that the House Interstate and Foreign Commerce Committee did not have the benefit of your valued criticisms until the House bill was before the Senate for action.

As you have now, however, at the invitation of Senator WHEELER, criticized the House bill "vehemently", I make you a sporting and good-faith invitation to act constructively in the matter.

Assuming that the "off with their heads" doctrine is not to prevail, will you be good enough, with the help of your counsel, to prepare a definition of the "public interest" and declaration of "effective" standards which, in your judgment, should be incorporated in the bill, and send copies to the conferees?

As I said in my first letter to you, "if better definitions of the public interest can be drawn and better standards can be defined, I would welcome them."

It is easy to criticize; hard to construct. In your reply you offer nothing constructive.

I now invite you to do so. I do so in justice to our committee and the House of Representatives.

With the highest personal regards, I am,

Very respectfully yours,

SAMUEL B. PETTENGILL,
Member of Congress.

Postscript: Section 1. (b) Upon the basis of facts disclosed by the reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.), the reports of the Committee on Interstate and Foreign Commerce, House of Representatives, made pursuant to House Resolution 59 (72d Cong., 1st sess.) and House Joint Resolution 572 (72d Cong., 2d sess.) and otherwise disclosed and ascertained, it is hereby declared that the national public interest, the interest of investors in the securities of holding companies and their subsidiary companies and affiliates, and the interest of consumers of electric energy and natural and manufactured gas, are or may be adversely affected—

(1) when such investors cannot obtain the information necessary to appraise the financial position or earning power of the issuers, because of the absence of uniform standard accounts, when such securities are issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies; when such securities are issued upon the basis of fictitious or unsound asset values and of paper profits from intercompany transactions, or in anticipation of excessive revenues from subsidiary public-utility companies; when such securities are issued by a subsidiary public-utility company under circumstances which subject such company to the burden of supporting an overcapitalized structure and tend to prevent voluntary rate reductions;

(2) when subsidiary public-utility companies are subjected to excessive charges for services, construction work, equipment, and materials, or enter into transactions in which evils result from an absence of arm's length bargaining or from restraint of free and independent competition; when service, management, construction, and other contracts involve the allocation of charges among subsidiary public-utility companies in different States so as to present problems of regulation which cannot be dealt with effectively by the States;

(3) when control of subsidiary public-utility companies affects the accounting practices and rate, dividend, and other policies of such companies so as to complicate and obstruct State regulation of such companies, or when control of such companies is exerted through disproportionately small investment;

(4) when the growth and extension of holding companies bear no relation to economy of management and operation or the integration and coordination of related operating properties; or

(5) when in any other respect there is lack of economy of management and operation of public-utility companies or lack of efficiency and adequacy of service rendered by such companies, or lack of effective public regulation, or lack of economies in the raising of capital.

(c) When abuses of the character above enumerated become persistent and wide-spread the holding company becomes an agency which, unless regulated, is injurious to investors, consumers, and the general public; and it is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to prevent the adverse effect upon the public interest and the interest of investors and consumers referred to in subsection (b), and to meet the problems and to eliminate the abuses connected with public-utility holding-company systems.

THE LOBBY INVESTIGATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, when I was testifying before the Rules Committee this morning on the lobby investigation one of the members of the committee asked me if I had any suggestions as to how they should proceed with the investigation.

Since this will probably be one of the most important investigations ever made by a committee of either the House or the Senate, and fraught with the most far-reaching consequences, I am going to suggest here a line of procedure that should be followed by both the House and the Senate investigating committees.

First. Every Member of the House and of the Senate should be invited or summoned to appear and testify on oath on the following points:

(a) As to whether or not he has been approached by any utility lobbyist or lobbyists, and if so, he should give the name or names of said lobbyists.

(b) He should be compelled to tell how much stock he or members of his immediate family own in any of these utilities, including holding companies of all kinds.

(c) Whether or not he represents any of these utilities as agent or attorney, or is a member of a firm that represents any of them, in any capacity; whether or not any member of his immediate family represents any utilities in any capacity.

(d) Whether or not he has been employed, within the last 2 years, to represent any of these utilities as agent or attorney, or has received pay from them for making speeches on the radio or elsewhere.

(e) Whether or not any utilities have written any speeches for him or her, or furnished material from which speeches have been prepared.

(f) And to furnish the committee with such evidence as he or she may have of any fraud, corruption, coercion, or other misconduct on the part of utility companies or holding companies to effect legislation pending before Congress.

Members of the House and Senate should not object to giving this information, if they are in the clear. If they are not in the clear, Congress and the country ought to know about it.

Second. The committee should subpena the utility companies shown to be involved in this lobby and compel them to produce their records, in order to ascertain just what moneys have been spent and what influences have been exerted to try to influence pending legislation; and should, if necessary, subpena telegraph companies and compel them to show who paid for the hundreds of thousands of telegrams that poured into the offices of Members of the House and Senate, who signed those telegrams, and by what authority. They should also summon the officials of these utilities, put them on the stand, and make them testify under oath as to the moneys expended and other influences exerted in order to try to influence pending legislation.

They should be required to testify and to submit their records to show the amount of money spent on newspapers, magazines, and other publications, as well as radio addresses and platform speeches.

In my opinion, they will in this way uncover the greatest slush fund, as well as the greatest saturnalia of fraud, corruption, and deceit ever known in a campaign of this kind.

Third. They should send a questionnaire to every newspaper and magazine in the country, and require the owner or editor to state on oath exactly who owns the publication, and whether or not any utility or any officer or director, attorney or agent, of any of these utilities own any interest in said newspaper or magazine.

They should also be compelled to state on oath how much stock, if any, the editor, manager, or any officer or director of said newspaper or magazine owns in any utility company, or what interest the members of their families own in any utility company. They should also be required to show on oath, what moneys have been received from any utility company for advertising or for other purposes within the last 2 years, by whom that money was paid, and for what purpose it was paid.

We ask for and demand a free press in this country, and yet the Power Trust owns or controls some newspapers in every State in the Union, some of which deliberately distort the news, deceive the public with misleading headlines or with editorials written by or at the request of these utilities. The honest newspaper or magazine publisher who is in the clear will be glad to give this information, and the others should be compelled to do so, in order that their readers may know whom those publishers serve.

Every advertising agency that assisted in this campaign of propaganda should be thoroughly investigated.

Mr. Speaker, this is the battle of the century.

It is one that affects every human being in America. The ultimate consumers of electric lights and power are being overcharged approximately $1,000,000,000 a year to feed this enormous octopus known as the "Power Trust."

Thousands of innocent investors, old men and old women whose earning days have passed, helpless widows and orphans, trusting and unsuspecting citizens who had managed to save up a few dollars—these people have been robbed and plundered by the sale of these watered stocks in the most cruel, conscienceless, and inhuman manner.

Officials have been corrupted, elections bought or stolen, legislatures have been dominated, Governors have been controlled, Senators have been influenced, Congressmen intimidated, and the President threatened by this consciousless, corrupt supergovernment, this insatiable octopus that is reaching into every State of the Union, into every county, into every municipality, and into every home, and sucking the economic lifeblood from the American people, in order that it may carry on its damnable practices and go unwhipped of justice.

The American people, by the millions, are looking to Congress with outstretched hands, appealing to us for relief. We have it in our power to give that relief, and it will be given if the members of these committees do their duty in making a thorough, full, and complete investigation.

We must not fail!

WHEAT

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, the wheat-growing sections of the United States face a rather serious situation. They have an estimated crop of 731,000,000 bushels, a do-

mestic consumption of six hundred and some million bushels, and an expected surplus of over 100,000,000 bushels.

An attack is being made upon efforts of the Government to bring the price to the farmer of wheat to parity. The processing tax may be set aside. We have pending in the Senate a House provision to appropriate $100,000,000 to assist in the disposition of surplus farm products. The price of wheat under the pressure of the present surplus is going down. The purchasing power of the farmer is still 20 percent below what it ought to be, and it may go lower. This is a situation that should challenge our most thoughtful consideration. If the farmer loses his purchasing power, the city factories cannot operate. Wheat is the chief cash-money crop of many farmers. Our problem is to see that these wheat producers get a fair return for their crop.

A number of Virginia newspapers carried a statement from me in their issue of July 15 urging Virginia wheat growers to sign wheat contracts and stating that the deadline was July 17. Investigation at the Department of Agriculture discloses that this deadline, which was announced by compliance agents in at least one Virginia county was arbitrarily fixed by them. The matter involved merely the completion of contracts entered into for the 1933, 1934, and 1935 crops. The Government is now ready to send out benefit checks to those who have complied with that contract with respect to the crop to be harvested in 1935, but before the Government can forward a benefit payment to a wheat grower he must sign what is called a "compliance contract", which is what its name indicates, a paper showing that he has complied with his agreement with the Government. Evidently compliance agents in the county in question gave to the paper published in that county a statement that July 17 was the deadline to urge contract wheat growers of the county to complete the transaction so that checks could be delivered; or else there was a misunderstanding on the part of the local compliance agents. The Department of Agriculture has fixed no deadline, but the fact remains that the sooner a contract wheat grower signs the compliance agreement the sooner he can receive his benefit payment.

The Chief of the Wheat Allotment Section of the Department of Agriculture advises me today that the Government estimates the 1935 crop at 731,000,000 bushels and domestic consumption at 625,000,000 bushels. The same agency estimates a 1935 export market for from 35,000,000 to 40,000,000 bushels. No estimate has been attempted as to the probable size of the crop to be harvested in 1936, nor the probable export market during that calendar year, but as I stated in the interview given to the Associated Press, the Department indicates that there are no present factors to indicate that the domestic price for 1936 will be above parity.

The Department, notwithstanding pending litigation over the processing tax, is proceeding with plans for the control program for the crop to be harvested in 1936. This contract has not yet been prepared, and its terms will not be announced until August. Wheat growers will probably be given until February 1936 to sign control contracts. The present Department of Agriculture plans do not contemplate any radical changes in previous wheat contracts. The minor changes now being contemplated will probably put some additional restrictions upon the big wheat-producing areas of the West and Middle West and be more liberal to the smaller wheat growers of the East.

In order that a Virginia wheat grower may determine for himself the pros and cons of a compliance contract, let us assume, for the sake of argument, that he is able to produce for the 1936 market 1,000 bushels of wheat. If he could succeed in marketing his full crop at $1.12, it would not be to his interest to sign a contract to reduce his potential crop. But if, on the other hand, after exporting 35,000,000 bushels of the 1935 crop, the United States carries over, above domestic needs, a surplus of 71,000,000 bushels, to which is added in 1936 an additional surplus of equal or greater amount, the effect undoubtedly will be to depress the domestic market. Therefore, for the sake of argument again, let us assume that the domestic price in 1936 is 65 cents per bushel. The farmer in that year who produces 1,000 bushels of wheat under a control contract will receive 65 cents per bushel plus 47 cents on his domestic allotment of 540 bushels to bring that to the parity price of $1.12. That would net him a benefit payment of $253.80.

I have supported the wheat-control plan because it gave promise of conferring benefits upon the wheat grower on a voluntary basis. No wheat grower is compelled to sign a control contract, and, as a matter of fact, while the average sign-up in the United States was 85 percent, the sign-up in Virginia on the 1933–34–35 contract was only 30 percent. On the other hand, no wheat grower can receive the special benefit offered by the Government unless he does sign and comply with the terms of his contract. Production in Virginia in 1935 is considerably above that of 1934, and we see what has happened to the price. I fear we will see the same thing happen not only in Virginia but in the Nation at large in 1936 if we continue to increase production without increasing opportunities for export.

While we have a tariff of 42 cents a bushel on wheat imported for human consumption and a 10-percent ad valorem tariff on wheat imported for livestock feed, that tariff is no real protection when the United States produces a supply above domestic requirements. The component parts of farm machinery and tools which the farmer must buy are produced and sold in the United States under a protective tariff that frequently exceeds 100 percent. As an evidence of the effectiveness of the tariff on machinery and tools, a farmer has but to compare their present price with their pre-war price, and likewise to note the value of various classes of imports during 1934. During that year our imports were as follows:

Animals and animal products	$158,580,000
Vegetable food products and beverages	467,886,000
Rubber and rubber manufactures	104,991,000
Tobacco and tobacco manufactures	28,529,000
Cotton and cotton manufactures	41,362,000
Wood and paper	181,454,000
Textiles except silk and cotton	119,678,000
Other inedible vegetable products	47,216,000
Nonmetallic minerals	86,444,000
Metals and manufactures except machinery	129,744,000
Machinery and vehicles	11,799,000
Chemicals and related products	65,126,000

It will be noted from the foregoing list, embracing hundreds of millions of dollars, the import of machinery and vehicles constituted an item of only $11,799,000.

Since, therefore, a 42-cent per bushel import tariff afforded no protection to the American wheat producer, the Government imposed upon the American consumer a processing tax of 30 cents per bushel, which, of course, is nothing more or less than a tariff to that extent for the benefit of the American farmer. It amounts to subsidizing the domestic production of wheat to the extent of over $100,000,000 a year. If the American farmer does not want that benefit, he does not have to take it, and is perfectly free to produce and sell if, as, and when he can.

I have never claimed that the present wheat-control program is either a perfect or permanent solution of our problem. The permanent solution is a restoration of foreign trade, but with all the major nations of the world except the United States—a total of 25 in number—now subsidizing the production and export of farm products, and with but a small dent having been made in foreign tariff walls, quotas, and embargoes by reciprocal trade agreements, he is more optimistic than I who believes in any quick restoration of normal foreign markets for our agricultural products.

We are, therefore, facing a fact and not a theory. The fact is that the American farmer is still 20 percent below parity in his purchasing power, with prospects of further reduction. Some help can be given a wheat grower by the present control plan, but that plan may break down in the face of a 250,000,000-bushel surplus in 1936. If the Senate concurs in the House appropriation in the A. A. A. amendment bill of approximately $100,000,000 to be expended in facilitating the export of domestic farm products, some help may be afforded in that way, unless it results in a dumping program, in which event we would be promptly met by retaliatory measures of foreign nations affected.

It should be apparent to all that our farm situation is a difficult and complicated one, but the fact remains that the present administration is making a more serious and determined effort to aid the American farmer than any previous administration in the history of the Nation.

The Republican Party, in the passage of the Hawley-Smoot tariff bill, started an international trade war from which American agriculture will not recover for many, many years.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

THE FISH DISCHARGE PETITION

Mr. PATMAN. Mr. Speaker, there is pending before the Committee on Appropriations House Joint Resolution No. 300, which provides that the Secretary of the Treasury is authorized and directed to pay the World War veterans their adjusted-service certificates according to the plan laid down in the so-called "Vinson bill" with money that has been appropriated for public works. The resolution states—

Out of the appropriation of $4,000,000,000 and the unexpended balance of appropriations made by the Seventy-third and Seventy-fourth Congresses for public works.

This resolution was filed on May 23, 1935, by Representative FISH, of New York. On July 8, 1935, Representative FISH filed a motion to discharge the Committee on Appropriations from further consideration of the resolution in order that it might be brought before the House for immediate consideration if 218 signatures can be obtained.

MONEY ALREADY ALLOTTED

I have in my hand a statement from the Treasury of the United States dated July 12, 1935. This statement is about the same as the one of July 8, 1935, and the $4,000,000,000 referred to has been allotted except $1,990,000,000. This is all the money that is remaining, unallotted, out of the $4,000,000,000 for public works.

Of the unexpended balance appropriated in 1933 for public works, referred to in the gentleman's petition, there is left only $4,000,000 unallotted. There is remaining in the other appropriation of 1934, referred to in the resolution, only $4,000,000. Therefore there is less than $2,000,000,000 remaining, unallotted, out of the $4,800,000,000 for public works.

TREASURY STATEMENT

I insert herewith the following statement issued by the United States Treasury July 12, 1935:

Funds appropriated and allocated for recovery and relief, expenditures therefrom, and unexpended balances, July 12, 1935

Organization	Appropriations		
	Statutory and Executive allocations		
	National Industrial Recovery Act, approved June 16, 1933	Emergency Appropriation Act, 1935, approved June 19, 1934	Emergency Relief Appropriation Act, 1935, approved Apr. 8, 1935
Agricultural aid:			
Agricultural Adjustment Administration	$37,554,000.00		
Less processing tax			
Net	37,554,000.00		
Commodity Credit Corporation	3,000,000.00		
Farm Credit Administration	60,000,000.00	$146,785,000.00	
Federal Farm Mortgage Corporation			
Federal land banks:			
Capital stock			
Paid-in surplus			
Reduction in interest rates on mortgages			
Relief:			
Federal Emergency Relief Administration; Federal Surplus Relief Corporation	152,304,158.95	480,590,512.75	$545,000,000
Civil Works Administration	400,005,000.00		
Emergency conservation work	323,362,315.00	343,390,000.00	322,894,000

Funds appropriated and allocated for recovery and relief, expenditures therefrom, and unexpended balances, July 12, 1935—Con.

Organization	Appropriations		
	Statutory and Executive allocations		
	National Industrial Recovery Act, approved June 16, 1933	Emergency Appropriation Act, 1935, approved June 19, 1934	Emergency Relief Appropriation Act, 1935, approved Apr. 8, 1935
Relief—Continued.			
Department of Agriculture, relief		$92,845,000.00	
Public Works:			
Boulder Canyon project	$44,125,000.00	3,000,000.00	
Loans and grants to States, municipalities, etc	491,350,787.39	155,077,257.00	$41,893,017
Loans to railroads	199,580,506.00		
Public highways	437,141,725.00		500,000,000
River and harbor work	252,792,586.68	94,699,000.00	121,855,500
Rural Electrification Administration			75,000
Works Progress Administration			54,075,939
All other	744,895,913.06	70,862,470.00	135,170,664
Aids to home owners:			
Home-loan system:			
Home-loan bank stock			
Home Owners' Loan Corporation			
Federal savings and loan associations			
Emergency housing	33,729,500.00		186,632,000
Federal Housing Administration	1,000,000.00		
Resettlement Administration	38,918,877.95	3,389,487.25	101,650,000
Subsistence homesteads	6,811,963.10		
Miscellaneous:			
Export-Import Banks of Washington	1,250,000.00		
Federal Deposit Insurance Corporation			
Administration for Industrial Recovery	17,408,000.00	5,000,000.00	
Reconstruction Finance Corporation—direct loans and expenditures			
Tennessee Valley Authority	50,000,000.00	25,000,000.00	
Total	3,295,230,333.13	1,420,638,727.00	2,009,246,120
Unallocated funds:			
By the President		715,095.00	1,990,753,880
By Public Works Administration	4,769,666.87	4,821,178.00	
Grand total	3,300,000,000.00	1,426,175,000.00	4,000,000,000

INSUFFICIENT AMOUNT REMAINING FOR VETERANS

It will require about $2,250,000,000 to pay the veterans. It is true that the veterans will only get about $2,000,000,000, but it will require about two billion and a quarter dollars to make all the payments to the banks and to the government holding these certificates as loans. Therefore, the resolution could not be effective because there is not sufficient money remaining, unallocated, to pay the adjusted-service certificates. There is only one way that this payment can be made as proposed by Representative FISH, and that is to cause the Government to violate its promises to the people and to the cities and States where this money has been promised, and pay it to the veterans.

METHOD OF PAYMENT SECONDARY

I want to pay the veterans their certificates—it makes no difference what method you use, the method with me is secondary and always has been, but I am not going to ask that the payment be made in a way that will bring the veterans into disrepute.

Mr. KENNEY. Will the gentleman yield?

Mr. PATMAN. No; I am sorry, I cannot yield—I will yield to the gentleman from New York if in any way I misquote him or make an incorrect statement, but I will not yield to anybody else.

STEERING COMMITTEE TURNED PLAN DOWN

Our steering committee for the passage of H. R. 1 had a meeting about June 1, 1935, and we took up this very question of the money being paid to the veterans out of the Public Works fund, and we decided that it would bring the veterans into disrepute because every citizen or every representative of a city or State who could not get a project

approved would say that it was because the veterans have the money. Every needy citizen who could not get on the relief roll would say that the veterans got the money, and every needy citizen who is not getting sufficient money on relief would say that he would be getting more if the money had not gone to the veterans. Every unemployed man who could not find a job would say that he would have had a job if it was not for the fact that the veterans had taken the relief and Public Works money.

Therefore, we would be bringing the veterans into disrepute, and I am not going to ask for the payment of this debt in any way that will bring the veterans' cause into disrepute before the American people. [Applause.]

DOLE WOULD BE CONTINUED

What are the $4,000,000,000 for? It is to give three and a half million men an opportunity to work, and, therefore, if you take two and one-fourth billion and pay it to the veterans you could not give men work, and you will have to contine them on the dole.

If I wanted to continue the dole, I would not mind taking the money away and giving it to the veterans, because then the dole would have to be continued. But if I want to discontinue the dole and get the people of the country employed, who are anxious and willing to get into pay jobs I would want that $4,000,000,000 to remain intact so that the people might get the jobs.

I have here a copy of this morning's Washington Herald of Tuesday, July 16, 1935. The headline of one item is, "Delay Keeping 3,500 Men on the Dole List Here." This refers to the District of Columbia only. It is as follows:

DELAY KEEPING 3,500 MEN ON DOLE LIST HERE—NONAPPROVAL OF WORKS PROJECTS PUZZLES ALLEN; 2,780 GET JOBS HERE DURING JUNE

Delay in approval of District works projects by the Works Progress Administration and the Treasury Procurement Office is keeping 3,500 men on relief rolls here.

This disclosure came yesterday as the Department of Public Welfare announced a reduction of 2,780—720 less than the number waiting for work on submitted projects—in the District's June relief rolls.

ALLEN IN DARK

Commissioner George E. Allen, Works Progress Administrator for the District, has submitted projects totaling $2,000,000 and promising work for 2,500 relief beneficiaries. The intervening weeks have brought no word to him of the status of these projects. He said yesterday:

"I don't know what has happened to them. I have had no official information about them."

Approval would mean immediate employment of the 3,500, he said.

There is complaint made that this money is not being spent more rapidly, in order that 3,500 men here in the District might be taken off the dole and be given jobs. All right. This same newspaper is advocating paying the veterans out of Public Works, as proposed by Representative FISH. Therefore, they are advocating keeping these 3,500 men on the dole in the District, because they could not be given jobs if the veterans are given the money.

REPRESENTATIVE FISH OPPOSED TO FULL PAYMENT

I would not mind signing a petition or cooperating with my distinguished colleague from New York [Mr. FISH], simply because he belongs to another political party. It makes no difference with me, but I do think that if I am going off to cooperate with someone in the payment of these certificates, which many of us here have been waging a fight to have paid for 6 years, I want to cooperate with somebody whose every heart beat and pulse throb I know is in the interest of the payment of the adjusted-service certificates. Representative FISH is just as much entitled to his views as I am to mine. He is as honest in his conviction as I am, and I would not impugn his motives or question his sincerity, but I am going to show you that Congressman FISH has not been for the payment of the adjusted-service certificates in the past, and for that reason I am reluctant to follow such a new convert, knowing how he feels.

DEBATED WITH REPRESENTATIVE FISH

When I started this fight 6 years ago, along with other Members of this House, who was it that I was debating with all over this country? I was debating with Representative FISH. I was for the payment and he was against it. I debated with him many times in this country. He was against the payment and I was for it.

CONGRESS REFUSED FIRST FISH COMPROMISE

In 1924, when the Adjusted Service Certificate Act came up, Representative FISH appeared before the committee, and he said that he wanted to offer a compromise, the Fish compromise, which would have meant giving the veterans at that time instead of $1,000 average certificate, an $800 average certificate, reducing them $200. That was the Fish compromise. He was overridden, and Congress went ahead and passed the $1,000 certificate law.

THE SECOND FISH COMPROMISE

Then in 1931, when we got up a petition here to force consideration of the bill to pay the certificates in full and we had about the required number of signatures and they promised us a 50-percent loan on every certificate, Representative FISH came in and in effect said, "Don't let them have 50 percent, let them have 47 percent, if they will make the right kind of a pauper's oath in order to get it", and offered that as the Fish compromise plan. But his plan was overriden and we got the 50 percent for the veterans.

THE THIRD FISH COMPROMISE

In 1932 we had a petition again asking for the payment of the adjusted-service certificates and to discharge the Committee on Ways and Means. Just before the bill was to come up Representative FISH introduced a bill to reduce the interest rate from 4½ percent to 3 percent on loans, and he called it the "Fish compromise." Do not pay them all of it, just reduce the interest to 3 percent, he, in effect, said. The bill for full payment, my bill, passed the House by a majority at that time of 211 to 176, and he voted gainst it.

THE FOURTH FISH COMPROMISE

In 1934 the full-payment bill came up again, and what happened? The discharge rule was applied, it is true. On February 6, 1934, and just before the bill came up on March 12, 1934, Representative FISH offered another compromise, known as the "Fish compromise." "Don't pay them all, just reduce the interest rate to 2 percent, and that will be all right", he said by the introduction of this bill. Very well. That was in 1934. We went ahead and passed the bill, the Patman bill, in the House by a majority of 295 for to 125 against, and he voted against it. In fact, he had charge of the time in opposition to the bill and I had charge of the time in favor of it.

HE VOTED AGAINST THE 1935 BILL

In 1935 the bill comes up again and does he vote for it? No. He has never voted for it, he has always said that he was against it, and he has always said the debt is not due until 1945, and that he would never vote for this payment until the Budget is balanced. So he voted against it in 1935.

HIS PAUPER'S OATH AND DOLLAR A DAY BILL—THE FIFTH FISH COMPROMISE BILL

He has always voted against it, but there was one bill he said he would be for. This is his latest bill on this subject. If I were to start with Mr. FISH on this plan and he would want to compromise it in some way, I presume he would be in favor of the bill that he has introduced. He introduced the bill H. R. 14439 on January 26, 1933, when there was a revival of interest in favor of full payment, and it was to be known as the "Fish compromise." It is for full payment—the first time he intimated he would favor full payment—and here is the way he wants to pay it: He wants the veteran to get $30 a month of the remainder due him if he is married and has dependents and $15 a month if he is single, provided, first, that he must show that he has borrowed the limit on his certificate; second, that he has remained continuously unemployed for 180 days or that he has not made more than $1 a day during that period of time. Then he must also swear, make a pauper's oath, in which he sets forth his unemployment, his income, his assets, his dependents and so forth, and he must swear that he does not possess more than $300 worth of both real and personal property; and if he will get his neighbors, not his relatives, disinterested parties, to swear

to that, then the veteran will get $15 of his money if he is single, and the married one $30 of his money—that is, a month—for the next 6 months.

NEW PAUPER'S OATH EVERY 6 MONTHS

At the end of 6 months he will have to file a new affidavit. That affidavit must show that during the last 6 months he has not made over a dollar a day. The married veteran, if he has collected a dollar a day on his certificate, at the end of 6 months, if he has made one red cent during the preceding 6 months, he will be disqualified from drawing the money during the next 6 months. And for a single veteran who has received $15 a month, if he receives as much as 50 cents a day on an average throughout that period, he will be disqualified for the next 6 months. That is the Representative's bill that he offered as another compromise.

THE SPECIFIC PROVISIONS OF BILL

I am inserting herewith the specific provisions of Representative FISH's bill referred to:

SEC. 510. Payments of the face value as provided in section 509 of this act shall be made in monthly installments on the 15th day of each month, the first installment to fall due on the 15th day of the month in which application is filed in the Veterans' Administration, although the due date may antedate the date of application. Monthly installments shall be at the rate of $30 per month to married veterans or those with dependents and at the rate of $15 per month to all others: *Provided*, That no part of said money shall be paid to any veteran except where the following conditions have been complied with:

(a) That the applicant has already borrowed on his certificate so that his total indebtedness to the Government, including principal and interest, is at least 50 percent of the face value of his certificate.

(b) That the applicant shall have been continuously unemployed for a period not less than 180 days immediately preceding the date the application under section 509 hereof was filed in the Veterans' Administration or that his income from all sources during the same period has not averaged more than $1 per day.

(c) That the applicant does not have an interest in real or personal property in an amount in excess of $300: *Provided further*, That the administrator is hereby authorized and directed to accept the affidavits of two disinterested persons as sufficient proof of the veteran's sworn statement concerning employment, income, assets, marital status, and dependents, and all decisions of the administrator or employee duly authorized by him of questions of fact and law affecting any claimant to the benefits of sections 509, 510, and 511 of this act shall be final and conclusive.

SEC. 511. The maturity date under the provisions of sections 509 and 510 and this section shall be the date application is filed with the Veterans' Administration: *Provided*, That after six such installments have been paid the installments shall be discontinued and shall not be renewed except upon new application filed with the Veterans' Administration with supporting evidence as required for original applications in sections 509 and 510 hereof. Should no new application be filed or where because of change of financial status no further installments could be authorized under a new application, any unpaid balance of the face value as provided in sections 509 and 510 hereof shall be held by the Veterans' Administrations to the credit of the veteran and upon his death or upon the maturity date of the surrendered certificate such balance shall be paid to the estate of the veteran.

I presume he is still in favor of it. That is the second time he has brought up the pauper's oath for veterans. He brought it up in 1931 when we were trying to get them the whole amount. He said, "Give them 47 percent if they will make a pauper's oath." Now he again wants them to make a pauper's oath, and their friends and disinterested parties must swear to it, swear that they did not make over a dollar a day and have not made it for the last 6 months or they cannot draw a dime of their money. I am not in favor of legislation like that. I want to pay this money. It makes no difference to me the method of payment, but I want the money paid to the veterans in a way that it will not bring the veteran's cause into disrepute and in a way that the veterans can honorably collect their own money.

IF PART OF $4,000,000,000 TAKEN

Suppose we were to take this relief money that is remaining unallocated, where would it come from? It would come from highways and grade crossing eliminations $300,000,000; $325,000,000 would come from loans to cities. We would have to take it away from them on self-liquidating projects. We would have to take $400,000,000 away from rural rehabilitation, relief in stricken agricultural areas, irrigation and reclamation, and so forth. We would have to take $264,000,000 away from the Federal housing. We would have to take $300,000,000 away from the appropriation to take care of the white-collar workers in this country, the ones we are expecting to give jobs to take them off of the dole. The city of New York and the State of New York will profit more from that $300,000,000 than any other city or State in this Nation; yet if this resolution were to become law, all of this money I have mentioned would have to be taken away. The people would not be given an opportunity to work and make a living for themselves and their families, but they would have to remain on the dole.

Amount allocated and amount remaining

Name of project	Amount authorized in $4,000,000,000 bill	Amount allocated
Highways, roads, streets, and grade-crossing elimination	$800,000,000	$500,000,000
Federal Emergency Relief Administration, which includes loans or grants for projects to States, Territories, possessions, municipalities, and self-liquidating projects to public bodies	900,000,000	545,000,000
Rural rehabilitation and relief in stricken agricultural areas, water conservation, transmountain water diversion and irrigation, reclamation	500,000,000	101,650,000
Rural electrification	100,000,000	75,000
Housing	450,000,000	186,632,000
Assistance for educational, professional, and clerical persons (white-collar class)	300,000,000	None
Emergency conservation work, including C. C. C. camps	600,000,000	322,894,000
Sanitation, prevention of soil erosion, prevention of stream pollution, prevention of seacoast erosion, reforestation, forestation, flood control, rivers and harbors and miscellaneous projects	350,000,000	121,855,000

WHY RESOLUTION INTRODUCED

I am not going to read his speech of May 24, 1935, the day after he introduced this resolution, as disclosed in the CONGRESSIONAL RECORD of that date, because I do not have time. But he said in this speech, which is in the CONGRESSIONAL RECORD, that he wanted it paid that way because billions are being doled out of the Treasury to various groups; because the new-deal administration has repudiated most of its contracts, obligations, and pledges, but insisted on singling out the agreement made with the veterans to keep. I want to say to the gentleman that if his resolution were to become a law he would make this Government violate its contracts with the unemployed and the destitute, the cities, counties, and States that already have this money allocated to them.

WOULD MAKE GOVERNMENT VIOLATE PROMISES

Therefore, instead of carrying out a contract he would be making the Government of the United States violate a contract. He says further that he wants this resolution passed because Rex Tugwell has been allotted a billion dollars of this money to undertake further unsound and socialistic experiments. Very well. I have noticed there are no Democratic names on that petition. Out of about 46 names there are only two or three Democrats. I see why that is now. In order for a Democrat to sign that petition he must say that the administration is wasting this $4,000,000,000 in money. He must say that Dr. Tugwell is engaged in unsound and socialistic experiments, at the request of the President of the United States. He must say that the present administration has violated and repudiated most of its contracts, obligations, and pledges. The Democrats of this House must say that in order to sign this petition and be consistent.

Now, I could tell you what is behind this, but I do not have the time to do it. I wonder if the House would be interested in it? I will ask unanimous consent to proceed for 10 additional minutes as I should like to tell just what is behind it.

I ask unanimous consent, Mr. Speaker, to proceed for 10 additional minutes since I only have 2 minutes remaining.

Mr. TAYLOR of Colorado. Reserving the right to object, Mr. Speaker, if we consent to the gentleman from Texas proceeding for 10 additional minutes, the gentleman from New York [Mr. FISH] will, of course, be entitled to 10 additional minutes, and probably several other gentlemen may ask for time on the same subject. For that reason, and in the interest of orderly procedure, and because of considerable complaint that we put in so much time listening to

speeches that important business is being neglected, I feel obliged to object.

Mr. PATMAN. Will the gentleman reserve that for a moment?

Mr. TAYLOR of Colorado. Yes.

Mr. PATMAN. This House will likely be taking 3-day recesses shortly, and it occurs to me the Members ought to have a right to say something once in a while. They can do it if the leadership will bear with us. Every one of us represents 300,000 people. We are their chosen Representatives. They sent us here. I do not think the leadership of this House should make any effort to stop Members from speaking when they have plenty of time to do it. [Applause.] I say that with all due respect to the distinguished gentleman from Colorado [Mr. TAYLOR], but I think there is too much effort made in this House to stop Members from speaking, when we adjourn sometimes in the middle of the afternoon, over week ends, and 3 days at a time, and then sometimes rush a bill through under the 40-minute rule. I think the gentleman should be very considerate of the Members of the House who desire to make speeches.

Mr. TAYLOR of Colorado. Let me say to the gentleman, and to the House, that I have been in a friendly way criticized by several Members recently for not performing what they say is the official duty of the majority leader of the House, to prevent so many speeches. I have tried to be as fair and as considerate as possible of the wishes of all the Members. I believe Members are entitled to an opportunity to make a reasonable number of speeches. I think short speeches are helpful and ought to be permitted. But when the House, as the Members did yesterday, cheer to the echo a suggestion that Congress should promptly adjourn, it would seem to indicate their desire to finish the business of this session.

Mr. PATMAN. They did not vote that way, though.

Mr. TAYLOR of Colorado. We all know there are very many important matters that we ought to dispose of in a deliberate way before we can in an orderly and appropriate manner adjourn this session. This puts upon me quite a responsibility which I have no intention of evading. I should like to give more time to many gentlemen to express their views. I know they would be instructive and helpful. I would welcome an expression of the House on this matter. Personally, I am perfectly willing to allow a few short speeches every day. We might as well listen to a half dozen 5-minute speeches as to waste 40 minutes on a quorum call. I think long speeches should be deferred until we are substantially through all of the more important measures.

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. LUNDEEN. Mr. Speaker, I wish to say to the majority leader that I have heard no criticism of his leadership. So far as he is concerned, we seem to be getting along fine, and in the main we are satisfied with his leadership [applause] with the possible exception of some of the Republican minority.

PAY THE SOLDIERS' ADJUSTED-SERVICE CERTIFICATES IN CURRENCY NOW

Mr. PATMAN. Mr. Speaker, I can conceive of no more important subject than the payment of the soldiers' adjusted-service certificates, and if we spend the rest of this day until the hour we ordinarily adjourn or stay here far into the night, we would not be taking half the time we ought to be spending on this important subject. We want that bonus paid now in good United States currency. It ought not to be paid out of the Public Works or relief appropriations. [Applause.]

Mr. TAYLOR of Colorado. Let me say further that the order of business today is the consideration of the Private Calendar. There are about 400 bills on that calendar. The omnibus bill has been postponed three times. This may possibly be the last day on which it can be considered before adjournment. A great many Members have bills upon this calendar that are important to them. Therefore, for the purpose of expediting the business of the House, I feel constrained to object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I cannot yield; the gentleman objected to my request for additional time, and I only have 1 or 2 minutes. I am sorry.

Mr. Speaker, I do not have time to follow up this discussion. In conclusion, I have no suggestion to make about the method of paying the adjusted-service certificates; I want them paid, for I believe they represent an honest debt and that their payment will increase purchasing power, but I am not going to ask that these certificates be paid in a way that will bring the veterans of this country and their cause into disrepute. [Applause.]

The SPEAKER pro tempore. The gentleman from New York [Mr. FISH] is recognized for 20 minutes.

Mr. FISH. Mr. Speaker, the voice is the voice of Jacob, but the hands are Esau's. The voice is the voice of WRIGHT PATMAN, of Texas, but the hands are the hands of the Democratic organization and very probably the President of the United States.

Ever since this resolution was introduced every effort has been made to see that no single Democrat signed it. The organization has been in fear and trepidation lest the Democratic membership, hearing from home and from the veterans, would go up and sign this resolution, no. 300, now upon the Clerk's desk; so the gentleman from Texas is picked out by the organization to come here and try to persuade, as he says, as a friend of the veteran, the Democratic side at least from not taking the only opportunity they will get in the rest of this session to pay the adjusted-service certificates by signing this petition and bringing out my resolution and passing it.

It must be self-evident to everyone, of course, that it cannot be passed without Democratic votes. I believe most of the Members on the Republican side will sign it. If you want to take the responsibility, which is yours and you have the right to assume it, of blocking this resolution by preventing its coming up on the floor of the House for a vote, if you want to block the payment of the adjusted-service certificates, you on the Democratic side have the right to do it.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. No; I cannot yield; the gentleman from Texas did not yield.

Mr. Speaker, I do not propose that the gentleman from Texas, or any other Member of the House shall come before you and question my record as a friend of the veteran, a record which goes back long, long before the gentleman from Texas came to this House.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. Mr. Speaker, I decline to yield.

Mr. PATMAN. Will not the gentleman yield for a correction?

I did not question his record, I questioned his record on the payment of the adjusted-service certificates.

Mr. FISH. That is what I am talking about, and it goes back long before the gentleman came to Congress.

When President Harding was in the Executive Mansion, I, as a Republican, voted to override his veto on the adjusted service certificate bill. Later I voted again to override the veto of President Coolidge on the so-called "bonus." Still later I voted to override the veto of President Hoover to pay 50 percent of the certificates by way of loans to veterans.

I believe my record is known throughout this country among the veterans; and I do not propose to have the gentleman from Texas, who came here long after I did, get up in the House and try to muddy the waters and make out that I have not fought for the veterans in this House, when on two different occasions in my own congressional district these banker friends of the gentleman from Texas put up candidates against me in the primary because, and only because, on both those occasions I had voted to override a Republican President to put through an adjusted service certificate bill. That is my record and that record stands. (The words following were ordered taken down and on the order of the House were subsequently ordered expunged from the RECORD.)

Mr. PATMAN. Mr. Speaker, I ask that the gentleman's words be taken down.

Mr. FISH. Would the gentleman prefer——

Mr. HAMILTON. Mr. Speaker, when the gentleman is called to order he must take his seat until the matter is determined.

The SPEAKER. The gentleman from New York [Mr. FISH] will take his seat.

Mr. BLANTON. Mr. Speaker, I ask that the words of the gentleman from New York [Mr. FISH] be taken down also, to wit:

The voice is the voice of Jacob, but the hands are the hands of Esau's. The voice is the voice of WRIGHT PATMAN of Texas, but the hands are the hands of the Democratic organization, and very probably the President of the United States, and that the President of the United States and the administration had prevented Democratic Members from signing this petition and that Mr. PATMAN was picked by the administration to advise Democratic Members not to sign it.

I challenge that statement and make a point of order against same, and ask that those words be taken down.

The regular order was demanded.

The SPEAKER. The regular order is for the reporter to take down the words and for the Clerk to report them to the House, which will be done.

Mr. McFARLANE. Mr. Speaker, a further point of order. I ask that the Well of the House be cleared.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. What is the question before the House?

The SPEAKER. Certain words uttered by the gentleman from New York [Mr. FISH] have been asked to be taken down.

Mr. SNELL. What is wrong with a man expressing an opinion similar to the words uttered by the gentleman from New York, whether it reflects on one Member or another?

The SPEAKER. The Chair will pass on that matter at the proper time. It is not subject to debate, as the gentleman knows.

The Clerk will report the words.

The Clerk read the words objected to and ordered taken down.

Mr. BLANTON. Mr. Speaker, all the words objected to were not read by the Clerk. I asked that the following words used by the gentleman from New York [Mr. FISH] be taken down, to wit:

The voice is the voice of Jacob, but the hands are the hands of Esau's. The voice is the voice of WRIGHT PATMAN, of Texas, but the hands are the hands of the Democratic organization, and very probably the President of the United States. Ever since this resolution was introduced every effort has been made to see that no single Democrat signed it. The organization has been in fear and trepidation, lest the Democratic membership hearing from home and from the veterans would go up and sign this resolution so that the gentleman from Texas is picked out of the organization to come here and try to persuade the Democrats from signing.

Those are statements I challenged and asked to be taken down.

Mr. SNELL. Mr. Speaker, I make the point of order that the request of the gentleman comes too late.

The SPEAKER. The Chair thinks the gentleman from Texas is entitled to have the words taken down.

Mr. EKWALL submitted a parliamentary inquiry, which the Chair held to be not in order; and following a demand for the taking down of the words on the order of the House, the language was expunged from the RECORD.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from Oregon [Mr. EKWALL] is not in order.

Mr. PATMAN. Mr. Speaker, I ask that the words of the gentleman from Oregon [Mr. EKWALL] be taken down.

The SPEAKER. The Clerk will report the words of the gentleman from Oregon.

Mr. MILLARD. Mr. Speaker, I raise the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-three members present, a quorum.

The Clerk will report the further words of the gentleman from New York [Mr. FISH].

The Clerk read as follows:

Mr. FISH. Mr. Chairman, the voice is the voice of Jacob, but the hands are Esau's. The voice is the voice of WRIGHT PATMAN, of Texas, but the hands are the hands of the Democratic organization and very probably the President of the United States. Ever since this resolution was introduced every effort has been made to see that no single Democrat signed it. The organization has been in fear and trepidation lest the Democratic membership, hearing from home and from the veterans, would go up and sign this resolution, no. 300, now upon the Clerk's desk; so the gentleman from Texas is picked out by the organization to come here and try to persuade, so he says, as a friend of the veteran, the Democratic side at least from not taking the only opportunity they will get in the rest of this session to pay the adjusted-service certificates by signing this bill and bringing it out and passing it.

Mr. BLANTON. Mr. Speaker, I make a point of order.

Mr. SNELL. Mr. Speaker, this is not debatable.

Mr. BLANTON. I want to make a point of order.

The SPEAKER. The point of order has already been made, and the Chair is about to make a ruling.

The gentleman from New York [Mr. FISH] is reported to have made, among other statements, the following statement [reading the words objected to and asked to be taken down by the gentleman from Texas, Mr. PATMAN].

The rules of the House provide that Members of the House shall observe proper decorum in debate. This is the only way in which matters may be discussed in a sound, sensible, sane manner, and a proper conclusion arrived at. Those Members particularly who have been here for years, it seems to the Chair, should be doubly careful to strictly conform to the rule.

The rules provide that when a Member rises to interrupt another he shall address the Chair and do it respectfully and secure the consent of the Member who is talking.

There is a rule of the House which ought to be familiar to every Member of the House, particularly to those who have been here for a number of terms, which reads as follows:

When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker" and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

The reason for the adoption of that rule, of course, is perfectly obvious.

The gentleman from New York [Mr. FISH] used the word "snoop" in reference to the gentleman from Texas [Mr. PATMAN]. The Chair will read to the House the definition of the word "snoop" as it appears in Webster's New International Dictionary, and I take it this will be accepted as authentic:

Snoop: To look or pry about or into others' affairs in a sneaking way. One who snoops; a prying sneak.

The Chair thinks it very clear that the use of this word by the gentleman from New York [Mr. FISH] violated the rules of the House and therefore holds the words out of order.

The Clerk will call the first omnibus bill on the Private Calendar.

Mr. BLANTON. Mr. Speaker, I ask for a decision by the Chair on the balance of the words taken down.

Mr. PATMAN. Mr. Speaker, I ask for a decision on the words of the gentleman from Oregon.

The SPEAKER. The gentleman from Oregon [Mr. EKWALL] interposed his remarks in the form of a parliamentary inquiry and asked this question [reading the words objected to].

It is not necessary for the Chair or any Member to go to the dictionary to know what "stool pigeon" means, and the Chair thinks that is as clearly out of order, or even more so, than the remarks made by the gentleman from New York.

Mr. BLANTON. Mr. Speaker, I ask for a ruling by the Chair on the other remarks of the gentleman from New York [Mr. FISH] referring to the gentleman from Texas [Mr. PATMAN] which I had taken down and read by the clerk.

The SPEAKER. The Chair thinks, with respect to that part of his remarks, the gentleman from New York [Mr. FISH] was indulging in a little flight of oratory, and while

they may have bordered upon a violation of the rules which should govern decorum in debate, the Chair having ruled upon the statement to which the Chair has just alluded, the Chair does not think it necessary to pass on that question, especially as the objection was not raised at the time these words were uttered.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed in order.

Mr. BEITER. Mr. Speaker, I object.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the gentleman from New York may be permitted to conclude his speech in order.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FISH] be allowed to proceed in order.

Mr. HOOK. I object, Mr. Speaker.

Mr. PATMAN. Mr. Speaker, I move to expunge from the RECORD the words referred to.

The SPEAKER. Does the gentleman's motion apply also to the remarks made by the gentleman from Oregon [Mr. EKWALL]?

Mr. PATMAN. Yes; Mr. Speaker.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 151, noes 56.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York be allowed to proceed in order.

The SPEAKER. The gentleman from New York [Mr. SNELL] asks for the yeas and nays. All those in favor of taking this vote by the yeas and nays will rise and stand until counted. [After counting.] Forty-five Members have risen, a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 247, nays 75, not voting 107, as follows:

[Roll No. 128]

YEAS—247

Adair	Delaney	Houston	Owen
Amlie	Dempsey	Huddleston	Palmisano
Arnold	Dickstein	Imhoff	Parks
Ashbrook	Dies	Jacobsen	Parsons
Ayers	Dietrich	Jenckes, Ind.	Patman
Barden	Dingell	Johnson, Okla.	Patterson
Beiter	Disney	Johnson, Tex.	Patton
Bell	Dobbins	Johnson, W. Va.	Pearson
Berlin	Dondero	Jones	Peterson, Fla.
Biermann	Doughton	Kee	Peterson, Ga.
Binderup	Doxey	Kelly	Pierce
Bland	Driver	Kennedy, Md.	Polk
Blanton	Duffey, Ohio	Kennedy, N. Y.	Rabaut
Bloom	Duffy, N. Y.	Kenney	Ramsay
Boehne	Duncan	Kleberg	Ramspeck
Boland	Dunn, Miss.	Kloeb	Randolph
Boylan	Dunn, Pa.	Kniffin	Rankin
Brennan	Eagle	Kocialkowski	Rayburn
Brooks	Eckert	Kramer	Reilly
Brown, Ga.	Edmiston	Kvale	Richardson
Brunner	Ellenbogen	Lambertson	Robinson, Utah
Buchanan	Evans	Lanham	Rogers, N. H.
Buck	Faddis	Larrabee	Rogers, Okla.
Buckler, Minn.	Fiesinger	Lee, Okla.	Romjue
Burch	Fitzpatrick	Lesinski	Rudd
Caldwell	Flannagan	Lewis, Colo.	Russell
Cannon, Mo.	Fletcher	Lewis, Md.	Ryan
Carmichael	Ford, Calif.	Ludlow	Sabath
Carpenter	Ford, Miss.	Lundeen	Sadowski
Cartwright	Fuller	McAndrews	Sanders, La.
Cary	Fulmer	McClellan	Sanders, Tex.
Castellow	Gasque	McCormack	Sandlin
Celler	Gassaway	McFarlane	Sauthoff
Chandler	Gavagan	McKeough	Schaefer
Chapman	Gehrmann	McLaughlin	Secrest
Citron	Gingery	McMillan	Shanley
Claiborne	Goldsborough	McReynolds	Sirovich
Coffee	Gray, Ind.	Mahon	Sisson
Colden	Green	Mansfield	Smith, Conn.
Cole, Md.	Gregory	Martin, Colo.	Smith, Va.
Colmer	Griswold	Mason	Smith, Wash.
Connery	Haines	Massingale	Smith, W. Va.
Cooley	Hamlin	May	Snyder
Cooper, Tenn.	Hancock, N. C.	Mead	South
Costello	Harlan	Merritt, N. Y.	Spence
Cox	Hart	Miller	Stack
Cravens	Harter	Mitchell, Ill.	Steagall
Crosby	Healey	Mitchell, Tenn.	Stubbs
Cross, Tex.	Higgins, Mass.	Montet	Sullivan
Crosser, Ohio	Hildebrandt	Moritz	Tarver
Crowe	Hill, Ala.	Murdock	Taylor, Colo.
Cullen	Hill, Knute	Nelson	Taylor, S. C.
Cummings	Hill, Samuel B.	Nichols	Terry
Daly	Hobbs	O'Brien	Thomason
Dear	Hoeppel	O'Connor	Thompson
Deen	Hook	O'Leary	Tolan
Tonry	Vinson, Ky.	Werner	Williams
Truax	Wallgren	West	Wood
Turner	Walter	Whelchel	Woodrum
Umstead	Warren	White	Young
Utterback	Wearin	Whittington	Zioncheck
Vinson, Ga.	Weaver	Wilcox	

NAYS—75

Allen	Engel	Kahn	Robsion, Ky.
Andresen	Englebright	Kinzer	Rogers, Mass.
Bacharach	Fenerty	Knutson	Seger
Blackney	Fish	Lehlbach	Short
Boileau	Focht	Lord	Snell
Brewster	Gearhart	McLean	Stefan
Buckbee	Gifford	Mapes	Taber
Cannon, Wis.	Gilchrist	Marcantonio	Taylor, Tenn.
Carlson	Goodwin	Marshall	Thomas
Cavicchia	Guyer	Martin, Mass.	Thurston
Christianson	Gwynne	Michener	Tinkham
Church	Halleck	Millard	Treadway
Cole, N. Y.	Hancock, N. Y.	Mott	Turpin
Crawford	Hess	Pittenger	Wilson, Pa.
Culkin	Hoffman	Plumley	Withrow
Darrow	Holmes	Ransley	Wolcott
Dirksen	Hope	Reece	Wolverton
Doutrich	Hull	Reed, Ill.	Woodruff
Ekwall	Jenkins, Ohio	Reed, N. Y.	

NOT VOTING—107

Andrew, Mass.	Driscoll	Lloyd	Quinn
Andrews, N. Y.	Eaton	Lucas	Rich
Arends	Eicher	Luckey	Richards
Bacon	Farley	McGehee	Robertson
Bankhead	Ferguson	McGrath	Schneider
Beam	Fernandez	McGroarty	Schuetz
Bolton	Frey	McLeod	Schulte
Brown, Mich.	Gambrill	McSwain	Scott
Buckley, N. Y.	Gildea	Maas	Scrugham
Bulwinkle	Gillette	Maloney	Sears
Burdick	Granfield	Maverick	Shannon
Burnham	Gray, Pa.	Meeks	Somers, N. Y.
Carter	Greenway	Merritt, Conn.	Starnes
Casey	Greenwood	Monaghan	Stewart
Clark, Idaho	Greever	Montague	Sumners, Tex.
Clark, N. C.	Hartley	Moran	Sutphin
Cochran	Hennings	Norton	Sweeney
Collins	Higgins, Conn.	O'Connell	Thom
Cooper, Ohio	Hollister	O'Day	Tobey
Corning	Keller	Oliver	Underwood
Crowther	Kerr	O'Malley	Wadsworth
Darden	Kimball	O'Neal	Welch
DeRouen	Kopplemann	Perkins	Wigglesworth
Ditter	Lambeth	Pettengill	Wilson, La.
Dockweiler	Lamneck	Peyser	Wolfenden
Dorsey	Lea, Calif.	Pfeifer	Zimmerman
Drewry	Lemke	Powers	

So the motion was agreed to.

The following pairs were announced:

Until further notice:

Mr. McSwain with Mr. Wadsworth.
Mr. Greenwood with Mr. Merritt of Connecticut.
Mr. Drewry with Mr. Crowther.
Mr. Clark of North Carolina with Mr. Rich.
Mrs. Greenway with Mr. Cooper of Ohio.
Mr. Kerr with Mr. Ditter.
Mr. Quinn with Mr. Arends.
Mr. Zimmerman with Mr. Powers.
Mr. Wilson of Louisiana with Mr. Schneider.
Mr. Robertson with Mr. Dondero.
Mr. Lea of California with Mr. Burdick.
Mr. Farley with Mr. Wigglesworth.
Mr. Dockweiler with Mr. Lemke.
Mr. Montague with Mr. Welch.
Mr. Pettengill with Mrs. O'Day.
Mr. Driscoll with Mr. Ferguson.
Mr. Greever with Mr. Luckey.
Mr. Sweeney with Mr. Gray of Pennsylvania.
Mr. Gambrill with Mr. Lambeth.
Mr. Moran with Mr. Richards.
Mr. Somers of New York with Mr. Brown of Michigan.
Mrs. Norton with Mr. O'Neal.

The result of the vote was announced as above recorded.

Mr. PATMAN. Mr. Speaker, I move that the gentleman from New York may be permitted to proceed in order.

The motion was agreed to.

Mr. TABER. Mr. Speaker, I move that the House do now adjourn.

Mr. PATMAN. I make the point of order that the gentleman from New York has the floor and he cannot be taken off his feet.

The SPEAKER. The point of order is well taken.

Mr. FISH. Mr. Speaker, in view of the fact that the House has seen fit to expunge the use of the word "snooper", I want to say to the Speaker and to the House that it is impossible for me to proceed, because that is merely a mild, temperate, insignificant word compared with what I expected to use in the balance of my remarks. [Laughter.]

Mr. BLANTON. Mr. Speaker, I ask that those words be taken down. It is an affront to the House.

The SPEAKER. The Chair thinks that although the gentleman from New York may have intimated that he has worse remarks to make, he has not actually uttered them. The House has already ruled on what he did say.

Mr. TABER. Mr. Speaker, I have a preferential motion. I move that the House do now adjourn.

The SPEAKER. Does the gentleman from New York [Mr. FISH] yield the floor?

Mr. FISH. I have concluded, Mr. Speaker.

The SPEAKER. The gentleman from New York [Mr. TABER] moves that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. TABER) there were 49 ayes and 172 noes.

Mr. TABER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 58, nays 271, not voting 100, as follows:

[Roll No. 129]

YEAS—58

Allen	Gearhart	Lord	Seger
Bacharach	Gifford	McLean	Short
Blackney	Gilchrist	Mapes	Snell
Brewster	Goodwin	Marcantonio	Taber
Buckbee	Guyer	Marshall	Taylor, Tenn.
Carlson	Halleck	Martin, Mass.	Thomas
Cavicchia	Hancock, N. Y.	Millard	Thurston
Church	Hess	Mott	Tinkham
Crawford	Holmes	Peterson, Ga.	Treadway
Culkin	Hope	Plumley	Wadsworth
Darrow	Jenkins, Ohio	Ransley	Wilson, Pa.
Doutrich	Kahn	Reece	Wolcott
Engel	Kinzer	Reed, Ill.	Woodruff
Englebright	Lambertson	Reed, N. Y.	
Fenerty	Lehlbach	Rogers, Mass.	

NAYS—271

Adair	Dickstein	Huddleston	O'Leary
Amlie	Dies	Hull	Owen
Andresen	Dietrich	Imhoff	Palmisano
Arnold	Dingell	Jacobsen	Parks
Ashbrook	Disney	Jenckes, Ind.	Parsons
Ayers	Dobbins	Johnson, Okla.	Patman
Barden	Dockweiler	Johnson, Tex.	Patterson
Beiter	Dondero	Johnson, W. Va.	Patton
Biermann	Doughton	Jones	Pearson
Binderup	Doxey	Kee	Peterson, Fla.
Bland	Drewry	Kelly	Pettengill
Blanton	Duffey, Ohio	Kennedy, Md.	Pierce
Bloom	Duffy, N. Y.	Kennedy, N. Y.	Pittenger
Boehne	Duncan	Kenney	Polk
Boileau	Dunn, Pa.	Kleberg	Rabaut
Boland	Eagle	Kloeb	Ramsay
Boylan	Eckert	Kniffin	Ramspeck
Brennan	Edmiston	Knutson	Randolph
Brooks	Ekwall	Kocialkowski	Rankin
Brown, Ga.	Ellenbogen	Kopplemann	Rayburn
Brunner	Evans	Kramer	Reilly
Buchanan	Faddis	Kvale	Richardson
Buck	Ferguson	Lambeth	Robertson
Buckler, Minn.	Fiesinger	Lanham	Robinson, Utah
Burch	Fitzpatrick	Larrabee	Rogers, N. H.
Burdick	Flannagan	Lea, Calif.	Rogers, Okla.
Caldwell	Fletcher	Lee, Okla.	Romjue
Cannon, Mo.	Focht	Lemke	Rudd
Cannon, Wis.	Ford, Calif.	Lewis, Colo.	Russell
Carmichael	Ford, Miss.	Lewis, Md.	Ryan
Carpenter	Frey	Ludlow	Sabath
Cartwright	Fuller	Lundeen	Sadowski
Cary	Fulmer	McAndrews	Sanders, La.
Castellow	Gambrill	McClellan	Sanders, Tex.
Chandler	Gassaway	McCormack	Sandlin
Chapman	Gavagan	McFarlane	Sauthoff
Christianson	Gehrmann	McLaughlin	Schaefer
Citron	Goldsborough	McMillan	Secrest
Claiborne	Gray, Ind.	McReynolds	Shanley
Clark, N. C.	Gray, Pa.	McSwain	Sirovich
Coffee	Green	Mahon	Sisson
Colden	Greenway	Mansfield	Smith, Conn.
Cole, Md.	Greenwood	Mason	Smith, Va.
Cole, N. Y.	Gregory	Massingale	Smith, Wash.
Colmer	Griswold	May	Smith, W. Va.
Connery	Gwynne	Mead	Snyder
Cooley	Harlan	Merritt, N. Y.	South
Cooper, Tenn.	Hart	Michener	Spence
Costello	Harter	Miller	Stack
Cox	Healey	Mitchell, Ill.	Steagall
Cravens	Higgins, Mass.	Mitchell, Tenn.	Stefan
Crosby	Hildebrandt	Monaghan	Stubbs
Cross, Tex.	Hill, Ala.	Montet	Sullivan
Crowe	Hill, Knute	Moritz	Sweeney
Cullen	Hill, Samuel B.	Murdock	Tarver
Cummings	Hobbs	Nelson	Taylor, Colo.
Daly	Hoeppel	Nichols	Taylor, S. C.
Dear	Hoffman	O'Brien	Terry
Delaney	Hook	O'Connor	Thom
Dempsey	Houston	O'Day	Thomason
Thompson	Vinson, Ga.	Werner	Withrow
Tolan	Vinson, Ky.	West	Wolverton
Tonry	Wallgren	Whelchel	Wood
Truax	Walter	White	Woodrum
Turner	Warren	Whittington	Young
Turpin	Wearin	Wilcox	Zimmerman
Umstead	Weaver	Williams	Zioncheck
Utterback	Welch	Wilson, La.	

NOT VOTING—100

Andrew, Mass.	DeRouen	Keller	O'Neal
Andrews, N. Y.	Dirksen	Kerr	Perkins
Arends	Ditter	Kimball	Peyser
Bacon	Dorsey	Lamneck	Pfeifer
Bankhead	Driscoll	Lesinski	Powers
Beam	Driver	Lloyd	Quinn
Bell	Dunn, Miss.	Lucas	Rich
Berlin	Eaton	Luckey	Richards
Bolton	Eicher	McGehee	Robsion, Ky.
Brown, Mich.	Farley	McGrath	Schneider
Buckley, N. Y.	Fernandez	McGroarty	Schuetz
Bulwinkle	Fish	McKeough	Schulte
Burnham	Gasque	McLeod	Scott
Carter	Gildea	Maas	Scrugham
Casey	Gillette	Maloney	Sears
Celler	Gingery	Martin, Colo.	Shannon
Clark, Idaho	Granfield	Maverick	Somers, N. Y.
Cochran	Greever	Meeks	Starnes
Collins	Haines	Merritt, Conn.	Stewart
Cooper, Ohio	Hamlin	Montague	Sumners, Tex.
Corning	Hancock, N. C.	Moran	Sutphin
Crosser, Ohio	Hartley	Norton	Tobey
Crowther	Hennings	O'Connell	Underwood
Darden	Higgins, Conn.	Oliver	Wigglesworth
Deen	Hollister	O'Malley	Wolfenden

So the motion was rejected.

The Clerk announced the following additional pairs:

Mr. Celler with Mr. Cooper of Ohio.
Mr. Driver with Mr. Rich.
Mr. Crosser of Ohio with Mr. Dirksen.
Mr. Martin of Colorado with Mr. Crowther.
Mr. Hancock of North Carolina with Mr. Powers.
Mr. Montague with Mr. Robsion of Kentucky.
Mr. Haines with Mr. Kimball.
Mr. Gasque with Mr. Merritt of Connecticut.
Mr. Meeks with Mr. Schneider.
Mr. McKeough with Mr. Fish.
Mr. Deen with Mr. Lesinski.
Mr. Gingery with Mr. Hamlin.
Mr. Dunn of Mississippi with Mr. Bell.
Mr. Casey with Mr. Berlin.
Mr. Driscoll with Mr. Buckley of New York.

The result of the vote was announced as above recorded.

CONFERENCE REPORT OF SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on H. R. 7260, the social-security bill.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

Mr. McFARLANE. I object.

Mr. EKWALL. Mr. Speaker, I rise to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EKWALL. I want to know whether it is a question of whose ox is gored when remarks are made on the floor. On July 10 the gentleman from New York [Mr. O'CONNOR] used this language in speaking of the gentleman from Mississippi [Mr. RANKIN]——

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman cannot complain as to what occurred at a previous session of the House.

The SPEAKER. The Chair does not understand the point of inquiry.

Mr. RANKIN. I make the point of order, Mr. Speaker, that the gentleman from Oregon is out of order at any time during the day until a motion is made permitting him to proceed in order, for the reason that his words were stricken from the RECORD this morning.

The SPEAKER. The gentleman from Oregon is propounding a parliamentary inquiry. The Chair cannot rule upon it until he indicates what it is.

Mr. EKWALL. I just wanted to state that Mr. O'CONNOR called the gentleman from Mississippi a squirter—used language of that kind.

Mr. BLANTON. Mr. Speaker, I rise to a point of order. In the first place, that is not the language the gentleman used, and in the second place, there was no request then for taking the words down, and in the third place, what the gentleman refers to occurred on July 10.

The SPEAKER. The Chair passed on that question a few moments ago and that ruling stands.

THE PRIVATE CALENDAR

OMNIBUS BILLS

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

The Clerk called the bill (H. R. 8060) for the relief of sundry claimants, and for other purposes.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The roll call just taken discloses the presence of a quorum, and the Chair thinks the point of order is dilatory.

Mr. BLANTON. Mr. Speaker, I regret to take up any time now because of the loss of much time by the House today, but regardless of what the Speaker's ruling may be, for the preservation of the rights of certain Members who believe as I do, I make the point of order against this new rule amending clause 6 of rule XXIV, and wish to put in the RECORD my reasons for contending that these so-called "omnibus bills" are not authorized by the rules of the House of Representatives.

The simple House resolution passed by the House on March 27, 1935, does not attempt to amend any rule of the House except one single clause of one rule, to wit, clause 6 of rule XXIV. It does not attempt to repeal or set aside any existing rule of the House except clause 6 of rule XXIV, and it is a substitution only for said clause 6 of rule XXIV. I hope the Speaker will keep that in mind in passing on the matter.

I make the point of order that this amended clause 6 of rule XXIV is inoperative and does not authorize omnibus bills, because it is incomplete and does not properly provide for such omnibus bills and is inconsistent with rules still in existence and in conflict with rules that have been the rules of the House, some of them for 140 years. I call attention first to the third paragraph of clause 1 of rule XIII:

> Third. A calendar of the Committee of the Whole House to which shall be referred all bills of a private character—

That is the creation of that Private Calendar. It does not authorize any omnibus bills. Then I call attention to a portion of clause of said rule XIII, because bills on the House Calendar and Union Calendar may be put on the Consent Calendar also—

> and if objected to by three or more Members it shall immediately be stricken from the calendar, and shall not thereafter during the same session of the Congress be placed again thereon.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. O'CONNOR. What was the last reference about striking from the calendar? What rule was that?

Mr. BLANTON. That was clause 3 of rule XIII.

Mr. O'CONNOR. That pertains to the Consent Calendar.

Mr. BLANTON. I will show the connection in just a minute. If the gentleman will let me proceed in my own way I think I will take just about one-third the time I would otherwise be forced to take. I mentioned that part of clause 3 of rule XIII because under said rule, upon application, bills on the House Calendar and bills on the Union Calendar may be transferred to and also appear on the Consent Calendar.

I call attention, Mr. Speaker, to rule XIX concerning amendments:

> When a motion or proposition is under consideration a motion to amend and a motion to amend that amendment shall be in order, and it shall also be in order to offer a further amendment by way of substitute, to which one amendment may be offered, but which shall not be voted on until the original matter is perfected, but either may be withdrawn before amendment or decision is had thereon.

There has been no repeal of that rule. There has been no change of that rule. There has been no amendment of that rule. That rule still stands as a rule of the House of Representatives, adopted and in force in this Congress. Yet procedure under it, and the rights of a Member under said rule XIX, are quite different to those under this new clause 6 of rule XXIV.

Which of them are we to operate under? Are we to operate under rule XIX, which is still in full force and effect, or are we to operate under this entirely different rule, this new clause 6 of rule XXIV?

Now I want to call attention to the following part of rule XX:

> Any amendment of the Senate to any House bill shall be subject to the point of order that it shall first be considered in the Committee of the Whole House on the state of the Union if, originating in the House, it would be subject to that point.

That rule is still the rule of this House. Think of the confusion that will ensue. After we pass one of these omnibus bills, and it is unscrambled by resolving all of the House bills passed in it, into their original forms, and we send them to the Senate and the Senate should amend them by placing an entirely new amendment on a House bill carrying $100,000,000, under rule XX, we would have to consider it in the Committee of the Whole House on the state of the Union, but under this new rule—clause 6 of rule XXIV—we could consider it in the House in direct violation of rule XX, which has neither been amended nor repealed.

Now, I want to call attention to the following part of rule XXI, to wit:

> Bills and joint resolutions on their passage shall be read the first time by title and the second time in full, when, if the previous question is ordered, the Speaker shall state the question to be, Shall the bill be engrossed and read a third time? and, if decided in the affirmative, it shall be read the third time by title, unless the reading in full is demanded by a Member, and the question shall then be put upon its passage.

That rule is still in full force and effect. But its provisions relating to the engrossment of a House bill could not be followed out with regard to one of these omnibus bills, because you do not engross a bill until just before its final passage, and under clause 6 of rule XXIV these omnibus bills may embrace a number of House bills, and also a number of Senate bills, which have already been engrossed by the Senate, and under rule XXI you could not properly engross such a bill.

I call attention to the following portion of rule XXII, to wit:

> 3. All other bills, memorials, and resolutions may, in like manner, be delivered, endorsed with the names of Members introducing them, to the Speaker, to be by him referred, and the titles and references thereof and of all bills, resolutions, and documents referred under the rules shall be entered on the Journal and printed in the RECORD of the next day, and correction in case of error of reference may be made by the House, without debate, in accordance with rule XI, on any day immediately after the reading of the Journal, by unanimous consent, or on motion of a committee claiming jurisdiction, or on the report of the committee to which the bill has been erroneously referred.

That rule has not been repealed. It has not been amended. It has not been changed in any way. Yet, if you proceed under it, you could not proceed under this new clause 6 of rule XXIV.

I call attention to the following part of clause 3 of rule XXIII, which still stands as a rule of this House, unamended and unrepealed:

> All motions or propositions involving a tax or charge upon the people; all proceedings touching appropriations of money, or bills making appropriations of money or property, or requiring such appropriation to be made, or authorizing payments out of appropriations already made, or releasing any liability to the United States for money or property, or referring any claim to the Court of Claims, shall be first considered in a Committee of the Whole, and a point of order under this rule shall be good at any time before the consideration of a bill has commenced.

That is a standing rule of this House. It has been a rule of this House for many years. It has never been amended. It has never been repealed. It has never been changed by one word, I submit to the Speaker. Yet, if you proceed under it, you certainly could not proceed under this new clause 6 of rule XXIV.

We all know that in the Committee of the Whole there is generous general debate allowed, while under clause 6 of rule XXIV there is no general debate and only a few minutes allowed for amendments.

Now, in a moment I will call attention to another rule that is in direct conflict. I want to call attention first to a bill that is on this calendar, scrambled into an omnibus bill, subject to be called up today under this so-called "clause 6 of rule XXIV." Does it appropriate money? Certainly it does. It is the Minnesota fire bill this House defeated in the last session. If we pass this bill, it will require anywhere from twelve to fifteen million dollars to pay it, so our Government officials have estimated.

Mr. PITTENGER. Mr. Speaker, I make the point of order that the gentleman is not discussing the point of order. The gentleman is discussing a bill.

Mr. BLANTON. I am calling attention to a violation of the rule which I have just read.

Mr. PITTENGER. I ask for the regular order, Mr. Speaker.

Mr. BLANTON. I am calling attention to this rule XXIII, which is unamended, unrepealed, and unchanged, which says that when a bill is a charge on the people, when it appropriates money out of the people's Treasury, it shall go to the Committee of the Whole under general debate. I am showing that one of the provisions in this very bill that is on this calendar, this so-called "omnibus bill", embraces a bill which was old H. R. 3662, known as the "Minnesota fire bill", which if passed would appropriate out of the people's Treasury anywhere from twelve to fifteen million dollars, a bill that this House voted on adversely last year, and by a large majority voted it down, and then killed it.

Mr. KVALE. Mr. Speaker, I make the point of order that the gentleman is not in order.

Mr. BLANTON. That is all I have to say about that $12,000,000 bill, but I want to call attention to the fact that it does appropriate money.

Now, here is another clause of this omnibus bill, on page 7, that seeks to appropriate $331,879.25.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that the gentleman from Texas is not discussing his point of order, but is discussing the bill; and I now ask the Chair to instruct the gentleman from Texas to proceed in order.

Mr. BLANTON. The gentleman from New York may not see the relevancy of it, but I am sure the Chair does. [Laughter.]

The SPEAKER. The Chair thinks the gentleman is within his rights in referring to bills contained in this omnibus bill in discussing the point of order.

Mr. MARCANTONIO. The gentleman is discussing the contents of the bill. I think it is far-fetched.

The SPEAKER. The Chair thinks it would throw some light upon the position taken by the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, this clause of this omnibus bill would appropriate $331,879.25 out of the Public Treasury. Now, turn over to the next page of this omnibus bill. Here is a bill, old H. R. No. 4178, introduced in this Congress by the gentleman from New York [Mr. O'CONNOR], which seeks to appropriate $968,748.12, and which, for a number of years, we have prevented from passing.

Mr. KVALE. Mr. Speaker, I demand the regular order. The gentleman is not proceeding in order, but persistently violates the rules of the House. I ask that the Speaker instruct the gentleman to proceed in order.

The SPEAKER. The Chair understands the gentleman from Texas is making the point of order that this bill should be considered in the Committee of the Whole House on the state of the Union, rather than in the House, and he bases his argument upon a rule governing the consideration of bills. The gentleman from Texas, as the Chair understands, is seeking to demonstrate that the bill in question does provide for certain appropriations.

Mr. BLANTON. Certainly; yet the gentleman from Minnesota says I am violating the rules of the House, though the Speaker of the House does not say so.

The SPEAKER. The Chair will say to the gentleman from Texas, however, that he has sufficiently demonstrated the fact that the bill does carry appropriations. The Chair, however, does not want to cut the gentleman from Texas off. [Applause.]

Mr. BLANTON. Mr. Speaker, I want to make out my case in the RECORD for the future.

The SPEAKER. The gentleman will proceed.

Mr. BLANTON. Mr. Speaker, every clause of this omnibus bill takes money out of the Public Treasury, for this $968,748.12 will come out of the Public Treasury.

Mr. PITTENGER. Mr. Speaker, I make the point of order that again the gentleman is discussing bills instead of the point of order against this rule.

The SPEAKER. The Chair overrules the point of order. The Chair will hear the gentleman from Texas.

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended for 3 days.

Mr. BLANTON. The Speaker will attend to that.

The SPEAKER. The gentleman will cease interrupting.

Mr. BLANTON. The gentleman from Minnesota does not have to render me any assistance.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; I do not yield. I am not addressing myself to the gentleman from Minnesota, but to the Speaker of the House; the Speaker is to determine this question.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; I do not yield to anybody. I am addressing my point of order to the judgment of the Chair, to the unswerving, unwavering, great wisdom of the Chair. [Applause.]

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

Mr. BLANTON. Mr. Speaker, I do not yield for a parliamentary inquiry.

The SPEAKER. The gentleman from Texas declines to yield.

Mr. BLANTON. Mr. Speaker, I want to call the Chair's attention to the reason why such a rule as rule XXIII was passed by the House many years ago. It was for the protection of our constituents. It is still the rule of the House. It was to protect the taxpayers. It was to save the public money. Why, if this $968,748.12 bill in the omnibus bill should be passed by the House, it provides there could be an attorney's fee of $96,874.81. Is not that a fat-sized attorney's fee, when there has been no trial in court?

This demonstrates why, in its wisdom, the Members of the House of Representatives have put rule XXIII in their manual requiring that such bills shall be considered in the Committee of the Whole House on the state of the Union where they can be properly argued, properly debated, and properly understood by the Membership, and properly amended before they vote such large sums out of the Public Treasury into the private pockets of some individual.

Now, Mr. Speaker, I want to call the Chair's attention to another feature, clause 5 of rule XXIII of the House of Representatives, to wit:

> When general debate is closed by order of the House, any Member shall be allowed 5 minutes to explain any amendment he may offer, after which the Member who shall first obtain the floor shall be allowed to speak 5 minutes in opposition to it, and there shall be no further debate thereon, but the same privilege of debate shall be allowed in favor of and against any amendment that may be offered to an amendment; and neither an amendment nor an amendment to an amendment shall be withdrawn by the mover thereof unless by the unanimous consent of the committee.

This is a standing rule of the House and has been a rule of the House for many years. It has not been changed, it has not been repealed, it has not been amended; and it is in conflict with this so-called "change of one rule, clause 6 of rule XXIV." The rights which it safeguards to Members are curtailed and to a large extent wiped out by this new clause 6 of rule XXIV. Under which are we to operate?

I want to call attention to just a few of the Senate rules relative to Senate bills. This so-called "change of clause 6 of rule XXIV", just one clause of one rule, not only affects House bills, Mr. Speaker, but it materially affects Senate bills that are properly passed by the Senate of the United States

and messaged over to the House and properly referred to committees by the Speaker under the rules of this House, and the comity that exists between the House and the Senate, which comity has existed ever since the beginning of the Congress.

Let me first indicate to you all the references to omnibus bills in this clause 6 of rule XXIV, to show how ineffectual they are, how incomplete they are; how it leaves everything to innuendo and guess, making no provision as to how they shall be handled, and leaving everything up in the air, as it were.

Here is the first clause that relates to an omnibus bill in this general chain:

On the third Tuesday of each month, after the disposal of such business on the Speaker's table as requires reference only, the Speaker may direct the Clerk to call the bills and resolutions on the Private Calendar—

This is the first reference—

preference to be given to omnibus bills containing bills or resolutions which have previously been objected to on a call of the Private Calendar.

Nowhere in the rules of the House of Representatives is there direct provision or authority to incorporate bills objected to into an omnibus bill, except by reference and innuendo in this clause 6 of rule XXIV.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

Mr. BLANTON. Mr. Speaker, I do not yield.

The SPEAKER. The gentleman from Texas has the floor.

Mr. BLANTON. When the Chair gets ready to rule, he will exercise his own judgment.

Here is the next reference, Mr. Speaker, to omnibus bills:

Omnibus bills shall be read for amendment by paragraph—

What omnibus bills are referred to? Where has there been provision in the rules of the House creating omnibus bills or authorizing omnibus bills or providing for the way in which they shall be incorporated, how they shall be drawn, how they shall be introduced and how they shall be considered? There is not a rule existing in the House of Representatives that covers those matters. Everything is silent in the rules regarding all of those important matters. Here is the next reference:

Omnibus bills shall be read for amendment by paragraph, and no amendment shall be in order except to strike out or to reduce the amounts of money stated or to provide limitations.

Remember the standing rule of the House of Representatives read by me that every Member who rises to offer a bona fide amendment shall be heard, and that rule has not been repealed. In order to repeal a rule you have to mention that it is repealing a rule, just like it has been mentioned here that this is a substitution for clause 6 of rule XXIV. That must be done before it can take its place or before a single rule of the House of Representatives may be obliterated.

The next reference to omnibus bills is the following:

Upon the passage of any such omnibus bill, said bill shall be resolved into the several bills—

Listen to this—

and resolutions of which it is composed, such original bills and resolutions, with any amendments adopted by the House, shall be engrossed, where necessary, and proceedings thereon had as if said bills and resolutions had been passed in the House severally.

Mr. Speaker, we have a standing House rule in reference to engrossing House bills. The rule of the House of Representatives, that is unchanged, unamended, and unrepealed, is that when a House bill has been passed upon and read the second time, the Speaker says: "The question is, Shall the bill be engrossed and read the third time?" That is the rule of the House that is unamended and unchanged. That is the only rule we can go by, because this other proposition is just innuendo and conjecture.

The next reference to an omnibus bill is as follows:

In the consideration of any omnibus bills the proceedings as set forth above shall have the same force and effect as if each Senate and House bill or resolution therein contained or referred to were considered by the House as a separate and distinct bill or resolution.

Mr. Speaker, who is given the authority by a rule of this House to unscramble this omnibus bill? No authority is here given to anyone. Who is going to do the unscrambling if an omnibus bill is passed which contains both Senate and House bills, involving millions of dollars? How are you going to engross them? How are you going to unscramble them? How are you going to resolve them back into their original form? How are you going to resolve this $968,748.12 bill back into the form in which my good friend from New York, Mr. O'CONNOR, first introduced it? How are you going to get it back into its original form? Who is going to do it? Who is given the authority to do it under this so-called "rule"?

Mr. Speaker, I call attention to the fact that under the comity of the two Houses, which has existed for over 140 years, it is provided that when a Senate bill is passed by the United States Senate and messaged to the House, unless there is a House bill of similar import reported by a committee and on the calendar, it cannot be called up at all except under suspension of the rules. Under the comity of the two Houses, unless the condition exists as I mentioned a minute ago, the Speaker is compelled to refer that Senate bill to the proper committee for consideration. Under the comity that exists between the two Houses there is no committee that has the right to scramble a lot of Senate bills into one measure, together with a lot of House bills, and bring a lot of Senate and House bills on the floor and put them into the hopper under a House bill number. That has never been authorized and never will be properly authorized, unless and until it is done by a concurrent resolution which will give the Senate of the United States a right to approve of this matter.

Mr. Speaker, I do not care to use the time of my colleagues any further. They have been patient. I feel that I should extend the balance of my remarks if I am permitted to do so.

Mr. Speaker, I have some Senate rules here, and other data, that I ask unanimous consent to insert in the RECORD in connection with my remarks. If this unanimous-consent request is granted, I do not care to take any more of the time of my colleagues.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARCANTONIO. I object, Mr. Speaker.

Mr. BLANTON. All right; I will read them to the gentleman. I am glad to have him here to listen to them. I am going to teach him some of the rules of the House and Senate.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that the gentleman is not in order in making those last remarks, and I ask that those words be taken down.

Mr. BLANTON. I have said nothing that reflects on the gentleman, Mr. Speaker.

The SPEAKER. The gentleman may not interrupt the gentleman from Texas. The gentleman stated a few days ago that he was stating this case for a higher court in the event he was overruled, and the Chair feels that in all fairness he should give the gentleman from Texas an opportunity to present his side of the matter.

Mr. MARCANTONIO. Mr. Speaker, I ask that the remarks made about me be taken down.

Mr. BLANTON. I withdraw them if they have affronted my colleague.

Mr. SNELL. No; you will not withdraw them.

The SPEAKER. The gentleman will confine himself to the point of order.

Mr. MARCANTONIO. Mr. Speaker, I ask that the words be taken down.

Mr. BLANTON. I do not mind that. The Speaker will not hold them out of order.

Mr. SNELL. When the gentleman has been called to order he should take his seat.

Mr. BLANTON. I will ask the Speaker to rule whether or not when I was continually interrupted I had the right to so reply to the gentleman.

Mr. MARCANTONIO. The gentleman is not going to teach me anything. The gentleman has stated that he is going to teach me the rules of the House about which I knew nothing.

The SPEAKER. The Chair does not think those words are subject to a point of order. The gentleman from Texas will proceed in order.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that in connection with my remarks I be permitted to insert excerpts from several Senate rules.

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The gentleman will proceed.

Mr. BLANTON. I refer the Chair to the following portion of rule XXVIII of the United States Senate:

> Messages shall be sent to the House of Representatives by the Secretary, who shall previously certify the determination of the Senate upon all bills, joint resolutions, and other resolutions.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that the gentleman cannot read from any document or from any other papers.

The SPEAKER. This is for the information of the Chair, and the point of order is overruled. The gentleman from Texas will proceed in order.

Mr. EKWALL. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and two Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

Mr. McFARLANE. Mr. Speaker, a parliamentary inquiry. Can the gentleman from Oregon make a point of order, since his remarks were expunged?

The SPEAKER. The Chair is unable to answer the inquiry in the absence of a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Adair	Crosser, Ohio	Hollister	Perkins
Andrew, Mass.	Crowther	Johnson, Okla.	Peyser
Andrews, N. Y.	Culkin	Keller	Powers
Arends	Darden	Kimball	Reece
Bacon	Dear	Kniffin	Rich
Bankhead	DeRouen	Lamneck	Richards
Beam	Dirksen	Lewis, Md.	Robsion, Ky.
Berlin	Ditter	Lloyd	Sabath
Binderup	Dorsey	Lucas	Schneider
Bolton	Doutrich	Luckey	Schuetz
Brown, Mich.	Eaton	McGehee	Schulte
Buckley, N. Y.	Eicher	McGrath	Scott
Bulwinkle	Englebright	McGroarty	Scrugham
Burch	Fernandez	McLean	Sears
Burnham	Frey	McLeod	Shannon
Carter	Gambrill	McMillan	Smith, Conn.
Cartwright	Gasque	Maas	Stack
Cary	Gildea	Maloney	Starnes
Casey	Gillette	Martin, Colo.	Stewart
Celler	Goldsborough	Merritt, Conn.	Sumners, Tex.
Chapman	Granfield	Montague	Sutphin
Clark, Idaho	Gray, Pa.	Nichols	Sweeney
Clark, N. C.	Hamlin	Norton	Tobey
Cochran	Hancock, N. C.	O'Connell	Underwood
Collins	Hart	Oliver	Wigglesworth
Colmer	Hartley	O'Malley	Wilson, La.
Cooper, Ohio	Hennings	O'Neal	Wolfenden
Corning	Higgins, Conn.	Patton	

The SPEAKER. Three hundred and eighteen Members have answered to their names, a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BLANTON] may extend his remarks by including therein the citations and references that he has spoken of.

Mr. BLANTON. That is all I care to do.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. FISH. Mr. Speaker, I object.

The SPEAKER. Objection is heard, and the gentleman from Texas will proceed.

Mr. BLANTON. Mr. Speaker, one of these so-called "omnibus bills" introduced under this changed clause 6 of rule XXIV of the House has been introduced as H. R. 8524. It has taken a new calendar number, no. 622, and embraces a number of House bills and Senate bills.

It embraces Senate bill 929, an act for the relief of the Southern Products Co. This Senate bill, S. 929, takes money out of the Treasury. It was passed by the Senate in due form. The bill was duly and regularly passed by the Senate, under the rules of the Senate and in accordance with the rules of the Congress. It was duly messaged over to this House and by the Speaker duly referred to a committee, under the rules of the House. It was regularly called and regularly objected to, and now, forsooth, Mr. Speaker, the Committee on Claims, without any authority from the Senate and in violation of the standing rules of the House which have been unchanged and unamended and unrepealed, it is put into this omnibus bill, H. R. 8524,—a Senate bill put into the hopper of the House and it takes a House number, if the Chair please, and to this extent is known as a "House bill", H. R. 8524, and thereby loses its Senate identity and its Senate integrity as a bill. It is now known as "House bill 8524."

I call attention to another House bill, H. R. 8750, introduced in this House on July 2, 1935, which is another one of these so-called "omnibus bills." It has taken House Private Calendar No. 702.

The SPEAKER. How many illustrations of that kind has the gentleman?

Mr. BLANTON. I know the Chair is tired, and I will not put in any further ones, and I shall not call attention to a number of rules I wanted to cite.

The SPEAKER. The Chair has no disposition to cut off the gentleman.

Mr. BLANTON. I know the impatience of my colleagues, Mr. Speaker, and this is not in any way dilatory. I am pursuing my judgment as a Member of the House of Representatives who has believed, ever since I have been here, under my oath, in the integrity of the rules of the House, and I want to see those rules upheld with respect to the passage of legislation.

This particular House Calendar No. 702 is now H. R. 8750, embraces Senate bill No. 753, duly passed by the Senate of the United States, duly messaged over to the House, referred to the appropriate committee, duly reported here and put on the calendar, objected to, comes back into the House with a new number on the House Private Calendar, with the Senate identity lost and the Senate number lost, so far as the bill number is concerned, because it is known now as House bill H. R. 8750.

Mr. Speaker, you cannot pass legislation in that way, that takes money out of the Public Treasury. You cannot pass legislation under the rules of the House that have been in vogue for 140 years, since Congress was first created, by a simple House resolution. That is against the Senate rules and against the rules of the House. The law provides that when a bill takes money out of the Public Treasury it must go into the Committee of the Whole House, whether it is a House bill or a Senate bill. If it is a House bill, if it takes money out of the Public Treasury, it must be debated in the Committee of the Whole. If it is a Senate bill and takes money out of the Public Treasury, it must be debated in Committee of the Whole. That is the protection placed by Congress around the taxpayers' money.

Mr. Speaker, you cannot pass a simple House resolution to take any money out of the Treasury except in one way. You can take it out of the contingent fund of the House because that has been put there by legislation approved by the House and Senate and signed by the President. That is the reason you can take it out of the contingent fund.

The Senate has also a contingent fund and can take money out of that fund by a simple Senate resolution, because it was placed there by legislation properly passed by Congress and approved by the President, placing it in the Senate contingent fund.

But the Senate could not bring in a simple Senate resolution taking one penny out of the Public Treasury. The

House could not bring in a simple House resolution taking one cent out of the Federal Treasury.

Now, I call attention to a further Senate rule:

Messages shall be sent to the House of Representatives by the Secretary, who shall previously certify the determination of the Senate upon all bills, joint resolutions, and other resolutions which may be communicated to the House, or in which its concurrence may be requested.

That is the way Senate bills reach the House. When the Senate passes a Senate bill it is messaged to the House. It goes on the Speaker's table to be referred. The Senate at any time before that bill is finally passed into law can by resolution ask for the recall of their bill, ask that it be sent back to the Senate for further action before the House takes action.

How could the Senate recall its said bill, S. 753, when it has now been scrambled into and has become House bill H. R. 8750?

How could the Senate recall its bill, S. 929, when it has now been scrambled into and has become House bill H. R. 8524?

How could the Senate recall its bills when they have been broken up and scrambled together with a bunch of House bills and given a House bill number? It could not do it. Such practice would be a violation of the Senate rules and it would be a violation of the House rules.

This is an important matter and in closing I state that I have no personal feeling in it. I have tried to protect the public money in the Treasury. If the House of Representatives wants thus to vote it out, that is its business.

I do not know what the Speaker's ruling is; I imagine that following his former ruling when this rule was passed, he will probably rule against me, but I have made my record on it for the future, and if the Comptroller General rules against any of these bills after they are passed, or if any taxpayer of the United States, and there will be some, ever brings such a bill before the Supreme Court of the United States for revision and contests the legality of its passage, the legality of taking the people's money out of the Treasury in this haphazard way by a simple House resolution, then there will be a chance for the Supreme Court to render a proper decision upon it.

I submit the matter to the Speaker.

Mr. O'CONNOR. Mr. Speaker, I desire to be heard on what has been called a "point of order", but which I now brand openly and publicly as nothing more than a filibuster. We have had this filibuster all day, conducted principally by the gentleman from Texas [Mr. BLANTON] and the gentleman from New York [Mr. TABER], both of whom are self-appointed watchdogs of the Treasury, opposed to every private bill except their own.

Mr. BLANTON. Mr. Speaker, I rise to a point of order. I gave notice the other day that I would present this point of order. I leave it to the Speaker whether I have done it in sincerity.

Mr. O'CONNOR. Mr. Speaker, I insist that is not a point of order.

Mr. BLANTON. When the gentleman charges me with filibustering, it is not true.

Mr. O'CONNOR. Mr. Speaker, of 100 risings on the floor of the gentleman from Texas [Mr. BLANTON], under the guise of a "point of order", not 1 out of those 100 is a real point of order.

What is the situation here? We have a filibuster here against the consideration of private claims in an omnibus bill, and it is going to succeed.

Mr. FISH. Mr. Speaker, I want to know whether it is in order to take down the words of the gentleman from Texas when he says, "it is not true"?

Mr. O'CONNOR. Oh, I never asked anybody to take down any words that refer to me.

Mr. FISH. I ask that the words be taken down.

The SPEAKER. The gentleman is entirely too late in making his demand.

Mr. FISH. Exactly the same thing happened in my case.

The SPEAKER. The gentleman is mistaken about that. The gentleman is too late in making his request.

Mr. O'CONNOR. Mr. Speaker, I believe there has grown up in this House a mollycoddle attitude that no one can say "boo" to a Member. I cannot imagine anything that could be said about me that I would emphasize by insisting on the words being taken down. [Applause.] If they were taken down and given publicity, lots of people might agree with what had been said, many people who might not have thought of it before, but when attention was drawn to the characterization of me they might also then agree that the words were correct.

Of course, this filibuster is going to be successful, but other days are coming. As I recall the House has never adjourned in recent years without taking up all the bills on the Private Calendar and on the Consent Calendar; and that should be done. The gentleman from Texas [Mr. BLANTON] referred to a bill introduced by me, and, of course, he did so viciously.

Mr. BLANTON. Mr. Speaker, I ask that the gentleman's words be taken down. The gentleman from New York is Chairman of the Rules Committee, but he cannot get away with that. I did not do so viciously.

Mr. O'CONNOR. Mr. Speaker, I withdraw the word "viciously."

The SPEAKER. The gentleman from New York has withdrawn the remark.

Mr. O'CONNOR. Mr. Speaker, I inherited that bill from my predecessors, and everyone on the Claims Committee, and anywhere else, who has examined the bill believes it is a meritorious measure. It has been repeatedly recommended by the Government, by the Federal Reserve Board, and the Secretary of State. I have never raised one finger or uttered one word in its behalf, and to me personally it means nothing whether it passes or not, except that one of our citizens faces a great injustice at the hands of his own Government.

What does the gentleman from Texas [Mr. BLANTON] really say, if anything, in support of his alleged "point of order"? The crux of his argument is that the Committee on Rules cannot bring in a rule to change the rules of the House, and, further, that we cannot bring in a rule to change a part of a rule. He contends that while we can modify a whole rule, we cannot change a clause or a section of a rule.

The gentleman in his filibuster did not read all the rules of the House, but he might as well have done so, because there was not one section of any rule which he read that had any application whatsoever to the rule in respect to the Private Calendar, which this House, with 332 Members present, adopted by a record vote with only 40 against it, including, of course, the gentleman from Texas [Mr. BLANTON].

Now, Mr. Speaker, what does the Constitution of the United States provide? Article 1, section 5, provides:

Each House may determine the rules of its proceedings.

So well settled is that right that in *United States* v. *Ballin* (144 U. S. 1)—and I read from page 5, the court—Mr. Justice Brewer—said in discussing the validity of a rule of the House which had been attacked in the courts:

Neither do the advantages or disadvantages, the wisdom or folly, of such a rule present any matters for judicial consideration.

If the gentleman from Texas [Mr. BLANTON] is laying the foundation for a case for the Supreme Court, on the statement I just read he will not have much chance of success.

Continuing the Court said:

With the courts the question is only one of power. The Constitution empowers each House to determine its rules of proceedings. It may not, by its rules, ignore constitutional restraints or violate fundamental rights, and there should be a reasonable relation between the mode or method of proceedings established by the rule, and the result which is sought to be attained. But within these limitations all matters of method are open to the determination of the House, and it is no impeachment of the rule to say that some other way would be better, more accurate, or even more just. It is no objection to the validity of a rule that a different one has been prescribed and in force for a length of time.

For instance, during these 150 years, as the gentleman from Texas [Mr. BLANTON] alleges.

Further the Court said:

The power to make rules is not one which once exercised is exhausted. It is a continuous power, always subject to be exercised by the House, and within the limitations suggested, absolute and beyond the challenge of any other body or tribunal.

Now, that is as it should be. The Supreme Court or any other body cannot make our rules. The gentleman from Texas [Mr. BLANTON] said that the Claims Committee had not consulted another body as to what it would do with bills coming from that other body. Well, I hope the day will never come when they feel they should pay any attention whatever to that other body in proceeding under the rules of this House.

Now, Mr. Speaker, the gentleman from Texas [Mr. BLANTON] pretended to raise a "constitutional" question, with which the distinguished Speaker nor any other presiding officer has anything to do.

The gentleman from Texas [Mr. BLANTON] referred to clause 3 of rule XIII, but was careful not to say that rule related solely to Consent Calendar. He then referred to rule XIX, which has no application whatever to the question before us. He mentioned rule XX, which also has no application. He read rule XXI, which also has no application whatsoever. He laid stress on rule XXII, clause 3, which likewise has no application whatsoever. He read and reread rule XXIII, clause 3, providing for considering of bills in Committee of the Whole, when the bills appropriate money, but he well knew that every day we here consider bills in the House as in Committee of the Whole, including many bills which appropriate money, and we often bring in rules for such procedure.

He well knew that there never was a private bill appropriating money considered in Committee of the Whole in 25 years.

The Rules Committee can change the rules of this House at any time, providing a majority of the House so votes, which provides that a bill appropriating $4,000,000 or $10,000,000,000 shall be considered in the House as in Committee of the Whole. That is one of the many rules of the House which the Rules Committee can change as fast as the Rules Committee can meet and this House will approve its action.

The gentleman from Texas [Mr. BLANTON] spoke about one bill included in an omnibus bill allowing attorneys' fees above 10 percent. Of course, that provision can be amended when the bill comes before the House. That is one of the many provisions that can be amended under this omnibus bill rule.

The gentleman from Texas [Mr. BLANTON] referred to rule XXIII, clause 5, which has no application whatsoever to what we are discussing. He might just as well have referred to the rule as to the election of the Speaker as to any of the provisions of the rules to which he did refer. None were in any respect applicable.

He referred to Senate bills being included in our omnibus bills. He said incorporating Senate bills objected to here in an omnibus by a rule of the House could not be done. In all his argument he forgets that this rule is a rule of the House, adopted by the House, which changes every other rule which is inconsistent with it and which preceded it. We do not have to specifically repeal a law or a rule. If we subsequently pass a law or rule inconsistent with previous laws or rules, the subsequent rule or law prevails.

The gentleman from Texas [Mr. BLANTON] spoke about the engrossment of these bills, and, of course, he referred to House bills, because Senate bills are already engrossed. Of course, when the omnibus bill is broken down, these House bills will be engrossed.

The gentleman spoke about the method and machinery of "unscrambling" the bills. That is obviously a job for the clerks of the House. In the discussion of this rule on March 26 that was thoroughly gone into, and the methods and machinery of handling that matter were specifically pointed out.

The gentleman from Texas [Mr. BLANTON] even referred to rule XXVIII of the Senate as though a rule of that body could have any application to the proceedings of this House, when the Constitution says, "Each House may determine the rules of its proceedings." That language, by the way, is the only provision in the Constitution concerning the matter.

When the distinguished gentleman from Texas [Mr. BLANTON] graces that great forum in that new $12,000,000 Supreme Court Building over there across the street, arguing his great constitutional point on this rule, I hope he has a copy of the Constitution with him. [Laughter.]

Mr. McCORMACK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McCORMACK. May I also call the Speakers' attention to the fact that the rule governing omnibus bills, as the gentleman from New York has well said, is one of simple procedure, and preserves the identity of each Senate bill and resolution when it provides—

> That in the consideration of any omnibus bill the proceedings, as set forth, shall have the same force and effect as if each Senate and House bill or resolution therein contained or referred to, were considered by the House as a separate and distinct bill or resolution.

So that the identity of each Senate bill is preserved. This is a simple procedure to expedite action for the House, to meet a situation that confronts us, and it is clearly within the power of the House, as the gentleman has so ably argued.

Mr. O'CONNOR. The rule permits each Senate bill to be put in these omnibus bills in toto. They can then be amended, and passed, and when the omnibus bill is passed with Senate bills in it, the omnibus bill is resolved or broken down into the individual Senate bills.

This argument advanced here today by the gentleman from Texas [Mr. BLANTON] under the guise of a "point of order" which was really a filibuster, is an offense to the House of Representatives which should not be tolerated. Before we adjourn we should consider not only individual private bills, but I, for one, am willing to stand here against this filibuster or a million filibusters until we consider the omnibus bills. [Applause.]

The SPEAKER. The Chair is ready to rule.

Last Friday the gentleman from Texas [Mr. BLANTON] kindly indicated that it was his purpose to make the point of order he has raised today when the House began consideration of the so-called "omnibus private claims bill." The gentleman from Texas has served in the House for many years with distinction and is familiar with the rules of the House, and the Chair has given considerable thought to the point of order since the gentleman indicated on last Friday that it was his purpose again to raise it on this occasion.

The gentleman from Texas, in his argument today, has contended that this rule conflicts with a number of rules to which he has referred. Without passing upon the question of whether or not there is a conflict, the Chair will state that if there is a conflict the rule last adopted would control. The Chair assumes that if this rule should be found to conflict with previous rules, that the House intended, at least by implication, to repeal that portion of the previous rule with which it is in conflict.

The Chair may state that in passing upon this point of order it is not the province of the Chair, nor has the Chair any such intention, to pass upon the question of whether or not this rule is advisable or whether a better one could have been adopted.

The gentleman contends that the House may not, in the exercise of the power conferred upon it by the Constitution "to determine the rules of its proceedings", adopt a rule which has the effect of permitting an omnibus bill to contain one or more separate Senate bills as well as sundry House bills.

The Chair, in passing upon points of order, is limited by the terms of the rule which is applicable to the determination of the point of order. No one seriously questions the fact that the House did on March 27, 1935, by a majority vote adopt a resolution which had for its purpose an amendment to the rules of the House and which upon its adoption became clause 6 of rule XXIV. Although it is not necessary for the determination of the point of order for the Chair to pass upon the question as to whether the House had the power to make such a rule, the Chair will refer but briefly to two decision heretofore made—one by an eminent Speaker and one by the Supreme Court of the United States.

Mr. Speaker Blaine, in the Forty-third Congress, in passing upon a question involving the right of the House to formulate rules, said:

He (the Chair) has several times ruled that the right of each House to determine what shall be its rules is an organic right expressly given by the Constitution of the United States. * * * The House is incapable, by any form of rules, of divesting itself of its inherent constitutional power to exercise its function to determine its own rules.

The Supreme Court, speaking through Mr. Justice Brewer in *U. S.* v. *Ballin* (144 U. S. 1), said:

Neither do the advantages or disadvantages, the wisdom or folly, of * * * a rule present any matters for judicial consideration. With the courts the question is only one of power. The Constitution empowers each House to determine its rules of proceedings. It may not by its rules ignore constitutional restraints or violate fundamental rights, and there should be a reasonable relation between the mode or method of proceeding established by the rule and the result which is sought to be attained. But within these limitations all matters of method are open to the determination of the House, and it is no impeachment of the rule to say that some other way would be better, more accurate, or even more just.

It is contended now that there is no rule of the House which authorizes a Senate bill to be incorporated in a House omnibus bill. The rule itself refutes that assertion, for in the second paragraph of the rule there is this language:

On the third Tuesday of each month * * * preference (shall) be given to omnibus bills containing bills or resolutions which have previously been objected to on a call of the Private Calendar.

Also, in the fifth paragraph of the rule there is a specific reference to Senate bills that may be included in an omnibus bill. It would seem that the language used in the rule contemplated inclusion of Senate bills as well as House bills if they had been previously objected to on a call of the calendar.

There has been some concern expressed as to whether it is possible to identify the Senate bills incorporated in an omnibus House bill. This concern may be removed by merely glancing at an omnibus bill. We find there that the Senate bills carry their own number and title in a paragraph set off by itself. Inasmuch as the omnibus bill carries each individual bill included therein by its number and title, it does not seem as though too great a difficulty would be encountered for the clerks after the passage of the omnibus bill to resolve the portions thereof into their original form. That is merely a clerical undertaking which does not present any undue difficulty. The Chair would think that after the passage of an omnibus bill the Journal would show the specific action on each individual bill which had been embodied in it. A message would be sent to the Senate stating that the House had passed such and such a bill, if it be a House bill, and requesting the concurrence of the Senate therein. If it be a Senate bill, the message would merely state that the House had passed it with the attestation of the Clerk of the House, which would not be questioned by the Senate.

On March 26, 1935, when the Rules Committee reported this change of the Private Calendar rule to the House, the gentleman from Texas [Mr. BLANTON] raised a point of order against the resolution, and in passing upon that point of order the Chair said:

In disposing of a point of order it is not within the province of the Chair to consider the effect, or what may be the effect, of the passage of any rule on legislation which may be pending. After all, rules reported by the Committee on Rules must be considered and acted upon by a majority of the House, which action, of course, is controlling.

Following the decision of the Chair which held in order the resolution, there was extensive debate upon the merits of the proposed change in the rule relating to procedure on private bills. The gentleman from New York [Mr. O'CONNOR] explained the rule in minute detail. Opposition to the rule was expressed by several Members, but the House, notwithstanding the objections voiced, adopted the rule. It remains now for the Chair to pass solely on the question as to whether the House may parliamentarily proceed to the consideration of the so-called "omnibus bills" under the rule. The Chair reiterates the statement he made on March 26, that it is not within the province of the Chair to consider the effect or what may be the effect of this rule. The Chair may only look to the rule itself and direct the House to proceed in accordance with its terms.

The Chair, therefore, overrules the point of order made by the gentleman from Texas and directs the Clerk to proceed with the reading of the bill.

Mr. TRUAX. Mr. Speaker, I move that the House do now adjourn.

The motion was rejected.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LLOYD (at the request of Mr. WALLGREN), for 4 days, on account of illness.

To Mr. GILLETTE (at the request of Mr. JACOBSEN), for one week, on account of important business.

FIRST OMNIBUS CLAIMS BILL

The SPEAKER. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc.,

H. R. 396

For the relief of the Virginia Engineering Co., Inc.

That the claim of the Virginia Engineering Co., Inc., for extra costs incurred in complying with requests of the Director of the Veterans' Bureau incident to the work performed under contract of June 24, 1924, for equipping the Veterans' Bureau Hospital at Aspinwall, Pa., be referred to the Court of Claims with authority to hear and determine the same as the law and equities may require, taking into account the actual out-of-pocket expenses, if any, incurred by said company in complying with such requests as well as the loss of profits, if any, in doing the work, as requested by the Veterans' Administration: *Provided,* That the claimant shall within 90 days from the enactment hereof file in said court its petition setting forth fully its ground of claim.

With the following committee amendment:

On page 1, line 5, strike out all of page 1 and page 2, lines 1 to 9, inclusive, and insert in lieu thereof the following:

"That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of the Virginia Engineering Co., Inc., and to award just compensation for extra costs incurred in complying with requests of the Director of the Veterans' Administration incident to the work performed under contract of June 24, 1924, for equipping the Veterans' Administration Hospital at Aspinwall, Pa., and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defense of lapse of time, laches, or any statute of limitation. Suit may be instituted by the claimant at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction by virtue of the Judicial Code."

Mr. BLANTON. Mr. Speaker, I offer an amendment to the amendment. At the end of the amendment, insert what is known as the "attorneys' fees proviso", which is found at the bottom of page 3, with the exception of making it applicable to any amount that is found by the Court of Claims.

The Clerk read as follows:

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

The SPEAKER pro tempore (Mr. O'CONNOR). The gentleman from Texas is recognized for 5 minutes.

Mr. BLANTON. Mr. Speaker, this is the usual amendment that is placed in all such bills. When this matter goes to the Court of Claims, if the Court of Claims awards any amount, it is not necessary that there be a larger attorney's fee than 10 percent paid, because the whole matter has been virtually adjudicated by the committee. The evidence has been worked up. The same evidence that has been presented to the committee will be presented to the Court of Claims,

and 10 percent of the amount allowed, if any be allowed at all, will be a sufficient attorney's fee for the attorneys. I think the amendment to the amendment should be adopted.

The SPEAKER pro tempore. The question is on the amendment to the amendment offered by the gentleman from Texas [Mr. BLANTON].

The amendment to the amendment was agreed to.

The SPEAKER pro tempore. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. McFARLANE. Mr. Speaker, I rise in opposition to the bill or to strike out the last word.

The SPEAKER pro tempore. The Chair will state that a motion to strike out the last word or a so-called "pro forma" amendment is not in order under the rule.

Mr. McFARLANE. Mr. Speaker, I move to strike out the entire paragraph.

The SPEAKER pro tempore. The paragraph has not been read.

Mr. McFARLANE. I thought the Clerk had finished reading the paragraph.

The SPEAKER pro tempore. The Clerk started to read the paragraph. If the gentleman will contain himself until that is read, he then may move to strike the paragraph out.

The Clerk read as follows:

H. R. 918

For the relief of Flensburger Dampfercompagnie

That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, for payment to the Flensburger Dampfercompagnie, of Flensburg, Germany, for interest on the sum of $24,422, improperly collected from the said company by the United States Government for excess tonnage duties between November 22, 1919, and November 11, 1921, the said duties having been held by the United States Court of Claims to have been wrongfully withheld from the plaintiffs, from November 11, 1921, to August 17, 1932, when the judgment was paid, at the rate of 5 percent per annum, the sum of $13,147.17.

With the following committee amendments:

On page 3, line 5, strike out the words "that there is hereby authorized to be appropriated" and insert in lieu thereof the words "that the Secretary of the Treasury be and he is hereby authorized and directed to pay";

On page 3, line 8, strike out the words "for payment" and insert in lieu thereof the words "in full settlement of all claims against the United States"; and

On page 3, line 18, at the end of the line, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. TRUAX. Mr. Speaker, I move to strike out the paragraph just read.

The SPEAKER pro tempore. The Clerk will report the motion.

Mr. TRUAX. Mr. Speaker, I move to strike out from line 3, page 3, to line 6, page 4.

The SPEAKER pro tempore. The gentleman from Ohio moves to strike out the paragraph beginning on line 3, page 3, to line 6 on page 4, and is recognized for 5 minutes.

Mr. TRUAX. Mr. Speaker, this bill provides for the payment of the sum of $13,147.17 as interest on $24,422 improperly collected from the claimants. This claim has been heard in a most thorough manner by the Court of Claims, and after an impartial review of the very claim which is embodied in this bill the Court of Claims said that the claimants were entitled to the sum of $24,442. This amount was paid to these claimants on August 17, 1932, by the Government of the United States as payment in full of the amount that the court found to be due.

The court did not say that the claimants were entitled to any interest on this claim. The court thought, and the court held, that these claimants were paid in full and that there should be no interest collected thereon. Yet, today, the bill you are now asked to consider involves an additional payment of $13,147 as interest, and dates back to the year 1919.

This is only a sample of bills that are included in these omnibus bills, bills that have been objected to heretofore by Members of the House on the Republican side as well as on the Democratic side. The Members in this House who have given their time and have made studies of these various bills are convinced that some of the bills, of which this is one, are wholly without merit, that the claimants have been paid in full years ago, and that they have no just claim upon the Federal Treasury today.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes; I yield.

Mr. PITTENGER. If the gentleman will read the section he will see that this interest is due on a judgment that it took this country 11 years to pay. Now, why does the gentleman say the Government does not owe any interest on this money? Let us be fair in our statements to the House about bills that have been considered by the Claims Committee.

Mr. TRUAX. All right, I will answer the gentleman. If interest had been due and if interest were coming to these claimants, the court would have allowed interest at that time. They were not entitled to any interest. The Court of Claims is an official body set up to function in these very cases. The Members of Congress are not supposed to have the time or to take the time to thoroughly investigate these claims.

I hope the House will vote for my amendment.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 40, noes 65.

Mr. TRUAX. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER pro tempore (Mr. O'CONNOR). Evidently, there is not a quorum present. The call is automatic.

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and the motion was rejected.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 141, nays 143, answered "present" 2, not voting 143, as follows:

[Roll No. 131]

YEAS—141

Arnold	Fletcher	Kinzer	Pierce
Ashbrook	Focht	Kleberg	Polk
Ayers	Ford, Miss.	Kloeb	Rankin
Bacharach	Gasque	Kniffin	Ransley
Barden	Gearhart	Kocialkowski	Robsion, Ky.
Blanton	Goodwin	Lambertson	Rogers, Mass.
Buchanan	Gray, Ind.	Lambeth	Rogers, N. H.
Buckbee	Green	Lanham	Sanders, Tex.
Caldwell	Greenway	Lemke	Schaefer
Cannon, Mo.	Greenwood	Lesinski	Secrest
Cannon, Wis.	Greever	Lewis, Colo.	Smith, Conn.
Carlson	Griswold	Lord	South
Carpenter	Guyer	Ludlow	Stefan
Castellow	Haines	Lundeen	Stubbs
Church	Halleck	McClellan	Taber
Citron	Hancock, N. Y.	McFarlane	Tarver
Coffee	Hancock, N. C.	McLean	Taylor, Colo.
Colden	Harlan	Mahon	Taylor, S. C.
Colmer	Hess	Marcantonio	Taylor, Tenn.
Cooper, Tenn.	Hildebrandt	Marshall	Terry
Costello	Hill, Ala.	Martin, Mass.	Thomas
Cravens	Hill, Knute	Massingale	Thomason
Crawford	Hill, Samuel B.	Meeks	Truax
Darrow	Hook	Michener	Turner
Deen	Hope	Millard	Umstead
Dobbins	Huddleston	Miller	Utterback
Dondero	Hull	Mitchell, Tenn.	Wadsworth
Doxey	Imhoff	Moran	Wallgren
Duncan	Jenkins, Ohio	Moritz	Warren
Dunn, Miss.	Johnson, Okla.	Murdock	Wearin
Edmiston	Johnson, Tex.	Nelson	Whelchel
Faddis	Johnson, W. Va.	Owen	Whittington
Farley	Jones	Patman	Wood
Fenerty	Kahn	Patterson	Young
Flesinger	Kee	Pearson	Zioncheck

NAYS—143

Allen	Dies	Kvale	Romjue
Amlie	Disney	Lea, Calif.	Russell
Andresen	Doughton	Lehlbach	Ryan
Beiter	Drewry	Luckey	Sandlin
Blackney	Driscoll	McCormack	Sauthoff
Bland	Duffey, Ohio	McKeough	Seger
Bloom	Duffy, N. Y.	McLaughlin	Shanley
Boileau	Eckert	McReynolds	Short
Boland	Ekwall	Mapes	Smith, Va.
Boylan	Ellenbogen	Mason	Smith, W. Va.
Brennan	Engel	Maverick	Snell
Brewster	Evans	May	Snyder
Brooks	Ferguson	Mead	Steagall
Brown, Ga.	Fitzpatrick	Merritt, N. Y.	Thom
Brunner	Ford, Calif.	Monaghan	Thompson
Buck	Gehrmann	Mott	Thurston
Buckler, Minn.	Gifford	O'Brien	Tinkham
Carmichael	Gingery	O'Connor	Tolan
Cavicchia	Goldsborough	O'Day	Tonry
Celler	Gregory	O'Leary	Treadway
Chandler	Gwynne	Parsons	Turpin
Chapman	Hart	Patton	Vinson, Ky.
Christianson	Healey	Peterson, Ga.	Walter
Claiborne	Higgins, Mass.	Pettengill	Weaver
Cole, Md.	Hobbs	Pittenger	Welch
Connery	Hoeppel	Plumley	West
Cooley	Hoffman	Quinn	White
Cox	Holmes	Rabaut	Wilcox
Crosby	Houston	Ramspeck	Williams
Cross, Tex.	Jacobsen	Rayburn	Wilson, La.
Crowe	Jenckes, Ind.	Reed, Ill.	Withrow
Cullen	Kennedy, Md.	Reilly	Wolcott
Daly	Kenney	Richardson	Wolverton
Delaney	Kerr	Robertson	Woodruff
Dempsey	Knutson	Robinson, Utah	Zimmerman
Dickstein	Kramer	Rogers, Okla.	

ANSWERED "PRESENT"—2

Biermann Dunn, Pa.

NOT VOTING—143

Adair	Dietrich	Kopplemann	Randolph
Andrew, Mass.	Dingell	Lamneck	Reece
Andrews, N. Y.	Dirksen	Larrabee	Reed, N. Y.
Arends	Ditter	Lee, Okla.	Rich
Bacon	Dockweiler	Lewis, Md.	Richards
Bankhead	Dorsey	Lloyd	Rudd
Beam	Doutrich	Lucas	Sabath
Bell	Driver	McAndrews	Sadowski
Berlin	Eagle	McGehee	Sanders, La.
Binderup	Eaton	McGrath	Schneider
Boehne	Eicher	McGroarty	Schuetz
Bolton	Englebright	McLeod	Schulte
Brown, Mich.	Fernandez	McMillan	Scott
Buckley, N. Y.	Fish	McSwain	Scrugham
Bulwinkle	Flannagan	Maas	Sears
Burch	Frey	Maloney	Shannon
Burdick	Fuller	Mansfield	Sirovich
Burnham	Fulmer	Martin, Colo.	Sisson
Carter	Gambrill	Merritt, Conn.	Smith, Wash.
Cartwright	Gassaway	Mitchell, Ill.	Somers, N. Y.
Cary	Gavagan	Montague	Spence
Casey	Gilchrist	Montet	Stack
Clark, Idaho	Gildea	Nichols	Starnes
Clark, N. C.	Gillette	Norton	Stewart
Cochran	Granfield	O'Connell	Sullivan
Collins	Gray, Pa.	Oliver	Sumners, Tex.
Cole, N. Y.	Hamlin	O'Malley	Sutphin
Cooper, Ohio	Harter	O'Neal	Sweeney
Corning	Hartley	Palmisano	Tobey
Crosser, Ohio	Hennings	Parks	Underwood
Crowther	Higgins, Conn.	Perkins	Vinson, Ga.
Culkin	Hollister	Peterson, Fla.	Werner
Cummings	Keller	Peyser	Wigglesworth
Darden	Kelly	Pfeifer	Wilson, Pa.
Dear	Kennedy, N. Y.	Powers	Wolfenden
DeRouen	Kimball	Ramsay	Woodrum

So the amendment of Mr. TRUAX was rejected.

The following pairs were announced:

Until further notice:

Mr. Woodrum with Mr. Wilson of Pennsylvania.
Mr. McAndrews with Mr. Reece.
Mr. Sabath with Mr. Culkin.
Mr. Boehne with Mr. Reed of New York.
Mr. Burch with Mr. Burdick.
Mr. Cartwright with Mr. Englebright.
Mr. Fuller with Mr. Doutrich.
Mr. Fulmer with Mr. Gilchrist.
Mr. Montet with Mr. Gavagan.
Mr. Spence with Mr. Dietrich.
Mr. Parks with Mr. Binderup.
Mr. Stack with Mr. Colmer.
Mr. Driver with Mr. Ramsay.
Mr. Sirovich with Mr. Werner.
Mr. Eagle with Mr. Harter.
Mr. Rudd with Mr. Randolph.
Mr. Dear with Mr. Cummings.
Mr. Sanders of Louisiana with Mr. Nichols.
Mr. Larrabee with Mr. Peterson of Florida.
Mr. Mansfield with Mr. Sisson.
Mr. Vinson of Georgia with Mr. Gray of Pennsylvania.
Mr. Lewis of Maryland with Mr. Sadowski.
Mr. Dingell with Mr. Lee of Oklahoma.
Mr. Sullivan with Mr. Mitchell of Illinois.
Mr. McMillan with Mr. Kennedy of New York.
Mr. Flannagan with Mr. Palmisano.

The following Members changed their votes from "aye" to "no": Mr. WHITE, Mr. COX, Mr. RICHARDSON, Mr. MAY, Mr. BEITER, Mr. PARSONS, Mr. CROWE, Mr. ROBSION of Kentucky, Mr. VINSON of Kentucky, and Mr. WEAVER.

The result of the vote was announced as above recorded.

Mr. TABER. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 3, line 18, after the word "of", strike out "$13,147.17."

Mr. PITTENGER. Mr. Speaker, I make the point of order that that is the same thing we have just voted on. It is a dilatory amendment.

The SPEAKER. The Chair has no information that it has been voted upon, and overrules the point of order.

Mr. TABER. Mr. Speaker, we are just about in this situation whether or not the House is going to vote blindly or whether it is going to vote on the merits of private bills presented to us.

Frankly, I believe from what I have been able to learn, that this bill has no merit in it, because it has not been customary in connection with other private bills to pay interest. Why should we allow interest to go to German claimants where they do not pay their debts to us? [Applause.]

Mr. KNUTSON. Mr. Speaker, I challenge that statement.

The SPEAKER. If the gentleman from Minnesota desires to interrupt the gentleman from New York, he will proceed under the rules.

Mr. KNUTSON. Mr. Speaker, will the gentleman from New York yield?

Mr. TABER. I am sorry, but I cannot yield at this time. I have known a great many of these bills reported out here for American claimants without interest. Why the House should go wild and attempt to pay interest on these claims I cannot understand.

Unless this House establishes a practice of considering these bills on their merits, and voting down those that have no merits, it will break down this system which has been established by this rule right at the very start. I hope this amendment will be adopted, and that in that way you will throw out the effects of this bill and get rid of it, so that you will not destroy your rule and destroy the whole procedure. When bills have merit, they ought to be passed, be they private bills or any other, and they ought not to be considered on some wild idea but should be considered on their merits.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. TRUAX. Does not the gentleman believe, in view of the fact that this claim was fully adjudicated by the Court of Claims in 1932 at which time the court refused to allow interest, that this House has no justification for overriding that decision?

Mr. TABER. It has not, in my opinion.

Mr. LEHLBACH. Does not the gentleman draw a distinction between interest on a claim and interest on a judgment rendered by a court and a refusal to pay a judgment?

Mr. TABER. Not under such circumstances.

Mr. COSTELLO. The Court of Claims rendered this judgment on February 18, 1932. The United States paid that judgment on August 19, 1932. All the interest that could be involved would be 6 months.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. HANCOCK of New York. This amendment merely strikes out the computation and leaves in the bill "interest at the rate of 5 percent."

Mr. TABER. The amount that is to be paid is the meat of the question.

Mr. HANCOCK of New York. But the rate of interest of 5 percent remains in the bill if the gentleman's amendment is adopted.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. PITTENGER. Mr. Speaker, I rise in opposition to the amendment. I hope the House will vote down the amendment. It has voted down the motion of the gentleman from Ohio [Mr. TRUAX] to strike out the paragraph. The amendment offered by the gentleman from New York [Mr. TABER] is, in my opinion, dilatory; it is a repetition of the same thing that we voted on. I do not know of any reason why the Government of the United States should withhold money that belongs to somebody for 11 years without paying interest on it. It had the use of it all that time.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. Yes.

Mr. KNUTSON. The gentleman from New York tried to drag a red herring across the trail by impugning Germany's standing as a debtor. Will the gentleman tell the House what moneys Germany owes the American Government?

Mr. PITTENGER. I do not know of any.

Mr. KNUTSON. And I do not either.

Mr. COSTELLO. Will the gentleman tell why the Court of Claims refused to grant interest at the same time that they made the award of $24,000?

Mr. PITTENGER. I suppose because there was no authority in the jurisdiction of the court to do it.

Mr. COSTELLO. The fact is that the court did not allow it.

Mr. PITTENGER. It should have.

Mr. ROBSION of Kentucky. What did the United States withhold—money or property?

Mr. PITTENGER. Money due these people.

Mr. ROBSION of Kentucky. What did the Government do with the money during those 11 years?

Mr. PITTENGER. It had the use of it all that time. I should say that this amendment is frivolous and it is without merit. It ought to be voted down and the Claims Committee of this House ought to be backed up by the membership of the House. That is all I have to say.

The SPEAKER. The question is on the motion of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 76, noes 72.

So the amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 3, line 18, strike out all of line 18 up to the colon.

Mr. HANCOCK of New York. Mr. Speaker, the House has already declared itself as being opposed to paying interest on this claim. The amendment just adopted, offered by the gentleman from New York, only half does the job. It strikes out the total sum of interest but simply allows interest at the rate of 5 percent from November 11, 1921, to August 17, 1932.

If the House wishes to complete the job, you should vote for this amendment which eliminates the words "at the rate of 5 percent", as well as the figure "$13,000."

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The amendment was agreed to.

The Clerk read as follows:

H. R. 928

To authorize the Comptroller General of the United States to settle and adjust the claim of the George A. Fuller Co.

That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the George A. Fuller Co. for an amount not exceeding $29,808.08, as reimbursement of expenditures made and cost of work performed by the said George A. Fuller Co. in the completion, at the request of the National Surety Co., of contract W-6511-qm-621, dated July 9, 1931, with the Supreme Construction Co. for the construction of certain buildings at Fort Jay, Governors Island, N. Y., after the United States had terminated the right of the Supreme Construction Co. to proceed and the work had been taken over by the National Surety Co., as surety on the performance bond, and before said surety company was placed in the hands of a rehabilitator appointed by the Insurance Department of the State of New York. Such allowance as may be made by the Comptroller General as herein provided shall be paid from the appropriation made for the construction of the buildings in question, which are hereby made available therefor, and the payment so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States.

With the following committee amendment:

Strike out, beginning on line 10, page 4, down to and including line 6, on page 5, and insert in lieu thereof the following: "That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the George A. Fuller Co. in an amount not to exceed $29,808.08 for labor and material furnished and work performed by it in the completion of contract W-6511-qm-21, dated July 9, 1931, with the Supreme Construction Co., for the construction of certain buildings at Fort Jay, Governors Island, N. Y., subject to the requirement that the Supreme Construction Co., and its surety, the National Surety Co., or their receivers and liquidators, file with the Comptroller General of the United States their written consent to such settlement and adjustment, and subject to the further requirement that said claim, if not filed within 60 days after the date of approval of this act, shall not be received and considered by the Comptroller General of the United States. Such allowance as may be made by the Comptroller General as herein provided shall be paid from the appropriation made for the construction of the buildings in question, which is hereby made available therefor, and the payment so made shall be charged to the contractor and to the surety in the adjustment of the accounts between said companies and the United States as if the payments had been made to them."

Mr. BLANTON. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the committee amendment: On page 5, line 10, of the committee amendment, strike out "$29,808.08" and insert in lieu thereof "$808.08."

Mr. BLANTON. Mr. Speaker, this George A. Fuller Co. ought to be compelled to pursue its remedies against the company responsible to it under its contract. It has no contract with the United States. It was not employed by the United States. If you will go down the Avenue and around Washington you will see some of the largest buildings built by this Government now under construction by the George A. Fuller Co. They have made hundreds of thousands of dollars from this Government on contracts, and despite that, they come in now with a claim of $29,000 against the Government when it has no contract with the Government and the Government did not employ it, and its claim ought to be against the surety company that employed it.

Now, $29,000 is a small amount for Congress to handle, but after all it is a pretty good sum. If some of you lawyers who practice law when you go home, had a client who was being sued for $29,000 you would fight every step of the way in that court to save him from paying it if he did not owe it. You would see that the proper pleadings were there. You would file your exceptions and demurrers against improper pleadings. You would see that they made proper allegations before they got into court. You would see that an unbiased jury was selected. You would see that no evidence that was not in accordance with the law and procedure was introduced against your client. You would fight every step of the way and probably take 2 or 3 days trying that case involving $29,000.

Yet Congress, without knowing a thing in the world about the case, except from affidavits filed, would pass such a bill in a few minutes. We have a way of trying cases on affidavits here. There is not a judge on earth who would allow an ex parte affidavit to be introduced against your client in a court; affidavits, without any cross-examination by the Government or by anyone on behalf of the people back home whom you represent and I represent, whose tax money pays these claims. I have seen many hundreds of millions of dollars paid out during the years I have been here on affidavits. They have never been paid out with my consent. I have voted to stop them every time they came up. I do not believe this Congress ought to pay the George A. Fuller Co. $29,000 on this claim. I do not think they ought to pay them a cent.

Mr. TABER. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. TABER. The Comptroller General, according to page 20 of the report says "The enactment of this bill would operate to deprive the United States of its right of priority

and set-off in this case and would thus be regarded a precedent for like surrender in similar cases."

Mr. BLANTON. Certainly.

Mr. CELLER. Will the gentleman yield?

Mr. BLANTON. I am sorry, I cannot yield, as I want to use my remaining time to speak against this claim.

I ask the Speaker not to take such interruptions out of my time.

I want to be fair to everybody. If the Government of the United States justly owes anybody money, I want to see the Government pay it. But it does not owe this $29,000. It is not simply $29,000 that is involved here. Just as the gentleman from New York [Mr. TABER] has suggested, your Comptroller General, one of the most valuable men we have in the make-up of this Government, Gen. J. R. McCarl, tells you that if you pass this bill you will cost this Government many times the amount involved in this bill.

Mr. WHITE. Will the gentleman yield?

Mr. BLANTON. I am sorry; I cannot. I must use my own time. All that we can do here is to do what we think is right. I do what I think is right. I follow my judgment. I do not follow anybody's judgment but my own, except on administrative matters that are brought here, where the President says that he and his administration need it for the Government—to bring us out of this terrible depression. That is the only time I waive my judgment. But on these matters when they come up I may not vote always with the majority, but I vote my honest sentiments. I vote for what I consider to be the good of the people of the United States whom I, in part, help to represent here. We do not just represent the people of our district. The oath which I took and which you took is to represent the people of the United States in this Congress, people in every district in the 48 States of this Union.

I am not going to vote to allow this sum; I am going to vote against this Fuller bill. I was compelled to offer this pro forma amendment to enable me to speak against the bill.

Mr. CELLER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I believe the gentleman from Texas is very unfair in this entire proposition. Boiled down to its essence, we have simply the situation where a concern by the name of the Supreme Constructing Co. contracted with the Government to do some building at Fort Jay. A bond was put up by the National Surety Co. The Supreme Construction Co. got into difficulties and could not complete its contract. Under the arrangement the National Surety Co. would be compelled to go forward with the work. The National Surety Co., unfortunately, also got into difficulties after, however, it, with the knowledge of the Government, had contracted with the George Fuller Construction Co. to complete this work. The George Fuller Construction Co. devoted its time and energies and expended $29,808.08 exactly. No interest is asked. This money was spent for labor and material. The company seeks to make no profit whatever in completing this contract.

On a mere technicality the Comptroller General says that the Government has offsets against the National Surety Co. on other bonds of other buildings and other constructions, but which offsets have no relation to the Fort Jay matter or to the claimant. The National Surety Co., unfortunately, is in difficulties; its assets are being liquidated by the superintendent of insurance of the State of New York. Because the Government cannot offset against the National Surety Co. is no reason why the Government should be unjustly enriched to the disadvantage of the George A. Fuller Construction Co. The latter came forward willingly with the knowledge and approval of the Government to complete this work. Along comes the gentleman from Texas and wants to offer an insult to the intelligence of the Membership of this House by suggesting that we give this company for its labor and material—no profit whatsoever—for the completion of this work, a measly $808.08. Perhaps he wants to be smart. I say it would be ridiculous to have this amendment prevail. Certainly this company is entitled to the money it expended in the way of labor and materials even though because of this technicality the Government may lose on its other bonds with the National Surety Co. by way of being unable to offset anything that may be due by the Government through defaults of those insured by the National Surety Co.

Mr. ROBSION of Kentucky. Who hired the Fuller Co. to do the work?

Mr. CELLER. The Government hired the Fuller Co. to do the work at the instance of the National Surety Co., or rather the National Surety did the hiring with approval of the Government. The Government cannot deny approval. It stood by and offered no objection.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COSTELLO. The contract was made by the National Surety Co. with the George A. Fuller Co. The Government did not sign any contract whatsoever with the Fuller Co.

Mr. CELLER. The gentleman does not mean to imply that the George A. Fuller Co. could go to Fort Jay, put up its scaffolds, bring in labor from various parts of the country, bring in material with the Government knowing nothing about it. The Government in this way consented to have this work done and the building erected. The Government knew all about it all the time. To say that the Government knew nothing about it would be ridiculous. If the Government should take this position business concerns would not come forward in the future to advance their moneys in the way of labor and material to complete work started by some other concern.

Mr. ROBSION of Kentucky. Did the Government contract to have the George A. Fuller Co. do it?

Mr. CELLER. The Government had knowledge of it. It practically consented. Its acceptance is equivalent in justice and equity to an actual contract.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 4, beginning in line 7, strike out all down to and including line 4 on page 6.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Has the committee amendment been passed upon?

The SPEAKER. It has not.

Mr. O'CONNOR. I understand this is a motion to strike out the committee amendment.

Mr. CELLER. It strikes out all of the committee amendment.

Mr. O'CONNOR. The committee amendment should be passed on; the Members should be given an opportunity to vote on the committee amendment.

The SPEAKER. The committee amendment undertakes to insert. The gentleman from California moves to strike out all of the committee amendment. The Chair thinks, therefore, that it is a preferential motion.

Mr. COSTELLO. Mr. Speaker, I think we should clearly understand the facts involved in this case. The Government entered into a contract for the building of a hospital at Fort Jay on Governors Island. The contracting company filed a bond through the National Surety Co. The company failed. The Government went to the National Surety Co. and asked them whether they wished to have the Government take over the completion of the hospital building or whether the National Surety Co. itself would take over the work. The National Surety Co. agreed to take over the work and engaged the services of the George A. Fuller Co.

The Federal Government did not contract with George A. Fuller & Co. at any time in these proceedings. Subsequently the National Surety Co. got into financial difficulties, and as a result the insurance commissioner of the State of New York took over its affairs. Under these circumstances the hospital building was completed, and the sum of $37,467.50 remains in the Treasury to pay off the balance due contractors. Now this bill is going to authorize payment to the George A. Fuller Co. in the sum of $29,808.08 by the Federal

Government, before all other claimants. There is no privity of contract between the Fuller Co. and the United States Government. If there is an agreement at all, it lies between the United States Government and the insurance commissioner of the State of New York.

Mr. Speaker, there are five objections to the passage of this bill. First, the United States is by law entitled to priority of payment of its claims where the debtor is insolvent. In this case the surety company owes the United States, however, more than the United States owes the surety company. Secondly, other subcontractors have rights equal to, if not superior to, those of the Fuller Co. Third, by passing this bill we operate to deprive the United States of its right of priority and set-off, which would be used as a precedent for a like surrender of rights in similar cases. In other words, the United States Government has a right to offset the $37,467.50 we owe to the insurance company against the amount which the insurance company owes the Government. If we pass this bill, we waive those rights and establish a precedent which I think would be very bad legislation. Fourth, by passing this bill, it might deprive other creditors of the insurance company, not connected with this hospital construction work at all, of their just pro rata share of such amount as might be found to be due to the surety company.

In other words, this money should be paid to the surety company. There are other claimants besides this contractor who have claims against the surety company. We are not in position to judge of those claims. The claimants are not before us; yet we are going to pay one of the claimants $29,808.08. Fifth, there is some question as to whether the surety company might not still recover the amount which we would pay by this bill to the Fuller Co. when a final adjustment is made between the United States Government and the surety company. In other words, we are not sure but what the insurance company may come back to the Congress, even though we pay the Fuller Co. $29,808.08, and demand payment of that amount of money to the insurance company.

Mr. CELLER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, may I say in answer to what the gentleman has just stated, that there is the moral equivalent privity of contract because you cannot stand idly by and accept the benefits conferred by someone else and then say you are not bound.

At Fort Jay the Army officers superintended this work; they supervised the work. These Army officers are the arms, the agents of the Government. They saw this building erected and completed by this claimant. It does not now lie in the mouth of the Government, as it would not lie in the mouth of any other contender, now that it has taken the benefits; to say there is not privity of contract it would be a sort of legalized robbery. The minute the Government consented to have this work done under these circumstances it is bound as though by contract.

Mr. McCORMACK. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. After the contract was made by the Fuller Co. with the insurance company, did the insurance company go into receivership before the contract was completed?

Mr. CELLER. That is correct.

Mr. McCORMACK. Therefore the Fuller Co. did not have to complete the work?

Mr. CELLER. It did not have to do it at all. They only agreed to do this work because the Government officials begged them to complete the work after the surety company hired claimant to do the work.

Mr. McCORMACK. When the insurance company went into the hands of a receiver there was some uncompleted work which the Fuller Co. did not have to complete?

Mr. CELLER. The gentleman is correct.

Mr. McCORMACK. And the Fuller Co. went ahead and completed the work at their own expense?

Mr. CELLER. Yes. In fact, further, there was allotted and set aside something like $37,000, which the Government is ready and willing to pay out. It wants the authority from this body to pay this money. The money is there.

Mr. Speaker, there is no danger of double payment. You are conjuring up a fear that cannot exist. I certainly would not vote for a double payment. Should any entity come before us at a subsequent period with a fantastic bill asking us to pay again, certainly we are not going to consent to that, and because of that imaginary fear we should not deprive this company of the money which it expended for labor and material.

Mr. MASSINGALE. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I want to vote right on this matter. I should like to have the gentleman explain, if he can, why the Comptroller General recommended that we not pay this claim?

Mr. CELLER. Because of the technicality I referred to in my previous remarks, namely, that the Government would not have an offset against the National Surety Co. But those offsets arise out of probably hundreds of other transactions, hundreds of other buildings, and the guaranteeing of hundreds of other contractors. Just because of that technicality it would be highly unjust to deprive this company of these thousands of dollars which they have advanced. Remember that no profit is asked in connection with this matter. No interest is asked. It is only money advanced for labor and material by this company that came forward out of the goodness of its heart and finished this work.

Mr. Speaker, I want to read this statement made by the committee. The committee states this accurately:

1. The contract has been completed and accepted; the United States has obtained all that it contracted to receive, but it has not paid out the agreed contract price in exchange for labor and material furnished.

2. It is due only to a matter of form that the Government has not disbursed either all or part of the contract balance of $37,467.50 remaining to the credit of this contract. If the Government had completed the contract for the account of the surety, such part of the balance as was necessary to effect completion of the work would have been expended. It is urged, therefore, that it is due to a pure matter of form in that the surety having elected to complete the contract, that the Government is still holding money on account of the contract balance.

Under those circumstances, I again implore the Members of this House not to deprive the Fuller Co. of that which is justly due it, the twenty-nine-odd thousand dollars.

To get the record accurate I insert in my remarks a complete statement prepared for me by the counsel of the claimant, Mr. Leo T. Kessam, a distinguished lawyer, who represented, ably and well, our Judiciary Committee in the receivership investigation:

Under date of July 9, 1931, a contract was executed by the United States of America (contract no. W-6511-qm-621) and the Supreme Construction Co., Inc., a New York corporation, for the construction of a hospital at Fort Jay, Governors Island, N. Y.; the contract price being $331,600, with extras aggregating $31,446.60, making a total contract price to be paid by the Government of $363,046.60. On or about July 10, 1931, the National Surety Co. executed a public contractor's performance bond, standard Government form, in relation to this contract. Under date of January 19, 1933, the Government terminated the contractor's right to proceed, and informing the surety of this default, inquired as to whether the surety wished to proceed with the work or to have the Government complete it for their account. Such notice and inquiry to the surety is contained in a letter dated January 19, 1933, written by Maj. John D. Kilpatrick, Quartermaster Corps, constructing quartermaster, at room 510, 39 Whitehall Street, and is as follows:

"Inclosed herewith for your information, formal notice of default of the Supreme Construction Co., Inc., on their contract with the Government for the construction of one hospital at Fort Jay, Governors Island, N. Y., taking effect as of today.

"Immediate advice is requested as to whether the National Surety Co. elects to proceed with the completion of the work, or agrees to the Government's completing the work for the surety's account."

On January 20, 1933, the surety advised the Government that it elected to exercise its right to complete the work. Thereafter the National Surety Co. made a contract in writing with my client, George A. Fuller Co., for the completion of this contract and accordingly thereafter, and as a result of the work done by

my client, the contract was completed and formally accepted by the Government as of June 20, 1933.

By virtue of an order of the Supreme Court of the State of New York, signed by Mr. Justice Edward J. Gavegan, and dated April 29, 1933, the superintendent of insurance of the State of New York was authorized and directed to forthwith take possession of the property of the National Surety Co. and to conduct its business pursuant to the provisions of article XI of the insurance law of the State of New York. The superintendent of insurance, acting by his duly authorized agents, requested the George A. Fuller Co. to continue with the work of completing the hospital pursuant to the terms of their contract with the National Surety Co. and advised the George A. Fuller Co. that the moneys due it under its contract would be paid in full, if they would continue their work, just as soon as the balance of the contract price was paid by the Government to the surety. Thereupon the Fuller Co. continued with the work and subsequently completed it in strict conformity with the original Government specifications and as a result thereof the contract was completed and as before stated, the work formally accepted by the Government.

Upon the completion of the original contract between the Government and the Supreme Construction Co., Inc., a contract balance in the amount of $37,467.50, remained, which is arrived at as follows:

Original contract price	$331,600.00
Approved extras	31,446.60
Total contract price	363,046.60
Paid by Government prior to default	325,579.10
Unpaid balance	37,467.50

Upon the completion of the contract between the Fuller Co. and the surety, the former, which had received certain payments under its contract wich the surety, was entitled to receive the sum of $29,808 08. In support of the statement herein that the Superintendent of Insurance agreed to see that the Fuller Co. was paid out of the moneys set aside for this contract by the Government and that the balance due to it is the sum stated herein, reference is made to an original letter from the assistant special deputy superintendent of insurance, Bertram H. Bratney, dated January 29, 1934, which original letter is attached hereto (exhibit "B"), and wherein the assistant special deputy superintendent of insurance in charge of the rehabilitation of the National Surety Co. consents that the Government may pay directly to Fuller this sum of $29,808.08, out of the contract balance remaining to the credit of the original contract in this matter.

We must consider this letter as a claim and demand that the United States pay to the George A. Fuller Co., out of the proceeds in its possession and to the credit of the above-described contract, the sum of $29,808.08. This claim is based as follows:

I. THE CONTRACT BALANCE OF $37,467.50 IS AVAILABLE TO PAY THIS CLAIM

The contract has been completed and accepted; the United States had obtained all that it contracted to receive, but it has not paid out the agreed contract price in exchange for labor and material furnished. The Government has not seen fit to pay the balance of the contract price to the National Surety Co. and it is presumed that this payment is postponed at this time because of certain alleged indebtedness of that surety company to the Government under other bonds. While it is conceded that the Government may exercise the right of set-off it has been held that there is a duty on the part of the Government of establishing the legality of the set-off and the bringing of court proceedings for that purpose, as the validity of the set-off cannot be otherwise determined.

Richmond, Fredericksburg & Potomac Railroad Co. v. *McCarl* (63 Fed. (2d) 203; 61 App. D. C. 290).

However, up to the present so far as the claimant knows, the Government has not judicially determined any definite amount of set-off as against the National Surety Co. and, accordingly, at the present time and in view of the fact that the National Surety Co., acting by authorized agents of the superintendent of insurance (exhibit B), have consented that this payment be made to this claimant, there is presently no legal objection to the payment.

II. AS A MATTER OF FAIRNESS AND EQUITY THIS CLAIM SHOULD BE PAID

(a) It is only due to a matter of form that the Government has not disbursed either all or part of the contract balance, $37,467.50, in payment of the cost of completing this work, after the default of the original contractor. The Government, through its contracting officer, Maj. John D. Kilpatrick, gave to the surety an option to determine whether it, the surety, should complete the work, or whether the surety preferred to have the Government complete the work for the account of the surety. (See Major Kilpatrick's letter quoted already.) No one will dispute the fact that if the Government had completed the work as it had a legal right to do, it would have long before this disbursed such part of the contract balance as represented the cost of completion. Consequently, it may be urged that due to a pure matter of form, in that the surety elected to complete the contract, that the Government is still holding this contract balance and, in fact, had the Government contracted with this claimant instead of the surety for doing the very same thing, viz., completing this defaulted contract, the Government would now already have paid the claim asserted herein.

(b) As is indicated by the present laws, it will be conceded that the Government is anxious to protect persons or corporations who have furnished labor or materials used in the construction or repair of any public buildings or public work. Surely it may be properly urged here, that every known equity must be in favor of this claimant who has furnished labor and material to the Government for which it has not been paid and for which, through no fault of its own, it cannot be paid except through redress to the funds available and in possession of the Government for this particular purpose.

III. THE COMPTROLLER GENERAL OF THE UNITED STATES HAS THE AUTHORITY TO PAY THIS CLAIM

(a) As a matter of law: As set forth in point I this payment may be properly made as a matter of law because "there is no present judicial determination as to set-off which would as a matter of law perhaps prohibit payment.

(b) As a Matter of Equity: Chapter 334, of the Laws of 1928, approved April 10, 1928, and contained in vol. 45 of the United States Statutes at page 413, provides as follows:

"*Be it enacted, etc.*, That when there is filed in the General Accounting Office a claim or demand against the United States that may not lawfully be adjusted by the use of an appropriation heretofore made, but which claim or demand, in the judgment of the Comptroller General of the United States, contains such elements of legal liability or equity as to be deserving of the consideration of the Congress, he shall submit the same to the Congress by a special report containing the material facts and his recommendation thereon."

Under this statute, surely, if the Comptroller General shall find that the claim of the George A. Fuller Co., as herein set forth may not lawfully be adjusted, certainly if he shall find deserving elements of legal liability or equity, then through the medium of this statute, he has the opportunity of assisting this claimant.

Because of this unusual situation in which the claimant finds itself and because of the fact that the Government has had the advantage of the labor and material furnished by the claimant, and because the claimant is in this position due to no fault of its own and without other remedy, it is sincerely and respectfully urged that this claim be given careful consideration and attention and it is further respectfully urged that this claim be allowed as stated.

The SPEAKER. The question is on the motion of the gentleman from California to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 79, noes 43.

Mr. CELLER. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. Evidently there is not a quorum present.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 298. An act for the relief of Jack Page; and

H. R. 617. An act for the relief of Lake B. Morrison.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 156. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.;

S. 2904. An act to prohibit the interstate transportation of prison-made products in certain cases; and

S. 3038. An act to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration facility, Alexandria, La.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p. m.), the House adjourned until tomorrow, Wednesday, July 17, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

425. A letter from the Secretary of War, transmitting, pursuant to section 1 of the River and Harbor Act approved January 21, 1927, the Flood Control Act approved May 31, 1924, and the River and Harbor Acts approved March 3, 1925, and July 3, 1930, a letter from the Chief of Engineers, United States Army, dated July 11, 1935, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Guadalupe River, Tex., and channel in San Antonio Bay to connect with

the Intracoastal Waterway, for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 238); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

426. A letter from the Secretary of War, transmitting a draft of a bill for the relief of the heirs of Burton S. Adams; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 2793. A bill to amend the provisions of laws relating to appointment of postmasters; without amendment (Rept. No. 1533). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 8369. A bill relating to laborers in the Railway Mail Service and motor-vehicle employees of the Postal Service; without amendment (Rept. No. 1534). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on World War Veterans' Legislation. H. R. 4513. A bill to authorize payment of claims for unauthorized emergency treatment of World War veterans; without amendment (Rept. No. 1535). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 8790. A bill to amend section 6 of the act of February 28, 1925; without amendment (Rept. No. 1536). Referred to the Committee of the Whole House on the state of the Union.

Mr. SANDERS of Texas: Committee on Ways and Means. House Joint Resolution 335. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Texas Centennial Exposition and celebrations to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 1537). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOBBINS. Committee on the Post Office and Post Roads. S. 1439. An act amending the postal laws to include as second-class matter religious periodicals publishing local information; without amendment (Rept. No. 1538). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOBBINS: Committee on the Post Office and Post Roads. H. R. 8730. A bill to provide special rates of postage on reading matter and sound-reproduction records for the blind; with amendment (Rept. No. 1539). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 8851. A bill to amend the Packers and Stockyards Act, 1921; without amendment (Rept. No. 1541). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULLEN: A bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. HUDDLESTON: A bill (H. R. 8871) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GREGORY: A bill (H. R. 8872) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah*; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 8873) to provide further for membership on the Board of Visitors, United States Military Academy; to the Committee on Military Affairs.

Also, a bill (H. R. 8874) to increase the efficiency of the Medical Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 8875) to clarify section 104 of the Revised Statutes (U. S. C., title II, sec. 194); to the Committee on the Judiciary.

By Mr. MURDOCK: A bill (H. R. 8876) to impose an excise tax on certain sodium products imported from foreign countries; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 8877) to prevent obstruction and burdens upon interstate trade and commerce in motion-picture films and to prevent the restraint upon the free competition in the production, distribution, and exhibition of motion-picture films, copyrighted or not copyrighted, and to prevent the further monopolization of the business of producing, distributing, and exhibiting motion-pictures by prohibiting blind booking and block booking of motion-picture films and by prohibiting the arbitrary allocation of such films by distributors to theaters in which they or other distributors have an interest, direct or indirect, and by prohibiting the arbitrary refusal to book or sell such films to exhibitors in which they have no such interest; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH: A bill (H. R. 8878) to amend the act of July 15, 1932, establishing a Board of Indeterminate Sentence and Parole for the District of Columbia; to the Committee on the District of Columbia.

By Mr. DOBBINS: Joint resolution (H. J. Res. 352) authorizing the issuance of a special stamp to commemorate the seventieth anniversary of the organization of the Grand Army of the Republic; to the Committee on the Post Office and Post Roads.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 353) making an appropriation for the rehabilitation of certain mine rescue cars; to the Committee on Appropriations.

By Mr. WALLGREN: Joint resolution (H. J. Res. 354) to establish a commission to formulate a national policy relative to benefits for veterans and their dependents, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. MONTET: Joint resolution (H. J. Res. 355) authorizing the President, through the Secretary of War, to modify certain contracts of lease; to the Committee on Military Affairs.

By Mr. DEEN: Concurrent resolution (H. Con. Res. 32) authorizing the President of the Senate and the Speaker of the House to sign enrolled bills; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. COLE of New York: A bill (H. R. 8879) granting an increase of pension to C. Cordelia Strong; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 8880) for the relief of William H. Ruth; to the Committee on Military Affairs.

Also, a bill (H. R. 8881) for the relief of Louis Vauthier and Francis Dohs; to the Committee on Military Affairs.

By Mrs. GREENWAY: A bill (H. R. 8882) granting an increase of pension to Eva Elliott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8883) for the relief of Lt. Robert A. J. English, United States Navy; to the Committee on Naval Affairs.

By Mr. MARTIN of Colorado: A bill (H. R. 8884) for the relief of Mrs. Ollie Myers; to the Committee on Naval Affairs.

By Mr. ROBINSON of Utah: A bill (H. R. 8885) granting a pension to Susan Turner; to the Committee on Pensions.

PETITIONS, ETC.

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

9156. By Mr. HART: Memorial of New Jersey State Legislature, approved June 27, 1935, memorializing Congress to reduce the present Federal taxes on distilled spirits; to the Committee on Ways and Means.

9157. By Mr. JOHNSON of Texas: Petition of G. H. Ingram, Easterly, Tex., favoring House bill 8652; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JULY 17, 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 motion of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 16, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that the Senator from Louisiana [Mr. LONG] and the Senator from Utah [Mr. THOMAS] are unavoidably detained from the Senate.

Mr. VANDENBERG. I repeat the announcement that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent on account of illness.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 7506) to provide for a stenographic grade in the offices of Chief Clerk and Superintendent in the Railway Mail Service, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 884) for the relief of Lt. Comdr. G. C. Manning, and it was signed by the Vice President.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate papers in the nature of petitions from several citizens of Gaithersburg, Md., praying for the enactment of House bill 6990, providing a 40-hour week in the Postal Service, which were ordered to lie on the table.

He also laid before the Senate the petition of the "Needy Veterans' Bonus Army", signed by Royal W. Robertson, commander, California; James J. McGrath, lieutenant commander, Pennsylvania, and other citizens, praying for the prompt enactment of the joint resolution (H. J. Res. 300) authorizing and directing the payment of the adjusted-service certificates to the World War veterans out of the appropriations for public works, which was referred to the Committee on Finance.

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

A joint memorial to the distinguished President of the United States and Hon. Harry Hopkins, Federal Works Progress Director for the United States, and the Honorable J. L. Hood, works progress director for the State of Idaho

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

Whereas many of the irrigated sections of Idaho have become overrun with noxious weeds, such as wild morning glory and Canadian thistle; and

Whereas due to the economic conditions of our country during the last few years, it has been impossible to furnish State or Federal aid to assist in the eradication of such noxious weeds; and

Whereas the noxious-weed menace is the most serious menace confronting Idaho agriculture today, it having severely impaired, and, in many cases, actually destroyed our farms; and

Whereas this menace has achieved such proportions that the farmers, the counties, and the State of Idaho seem helpless in the face of it: Now, therefore, be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we respectfully urge upon the President of the United States, the Honorable Harry Hopkins, in his official capacity, and the Honorable J. L. Hood, works progress director for Idaho, that they seriously consider the making of an allocation from the Works Progress Administration for the purpose of putting men to work combating the noxious-weed menace that now threatens to destroy much of the valuable farm lands of the State of Idaho; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Honorable President Franklin Delano Roosevelt, to the Honorable Harry Hopkins, and the Honorable J. L. Hood, Public Works director for Idaho, Congressman D. Worth Clark, Congressman Compton I. White, Senator James P. Pope, and Senator William E. Borah.

Joint memorial

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

We, your memorialists, the Senate and House of Representatives of the State of Idaho, in legislative session, duly and regularly assembled, most respectfully present the following preamble and resolution, to wit:

Whereas there have heretofore been available certain emergency funds for the retirement of submarginal farm land and the development of this poor land for a better economic and social use; and

Whereas the administrative program and policy of the Government has recently been changed so that insufficient funds are at present available for the further purchase and development of such submarginal lands; and

Whereas the conditions within the State of Idaho are such that the retirement of such poor farm lands from cultivation is necessary for the permanent rehabilitation of stranded farm families, the adequate administration of the Taylor Grazing Act, the consolidation of scattered holdings of Federal, State, and county lands, the reduction of the costs of public services, and the rational development of land resources: Now, therefore, be it

Resolved by the Senate of the State of Idaho (the house of representatives concurring), That we most respectfully urge upon the Congress of the United States that the Congress make sufficient appropriation for the continuance and necessary expansion of the purchase and better economic development of submarginal lands.

RECIPROCAL TRADE AGREEMENTS AFFECTING MANGANESE

Mr. McCARRAN. I ask leave to have inserted in the RECORD a release of correspondence from the American Manganese Producers' Association bearing on the subject of the proposed or existing reciprocal trade agreement between this country and Russia.

I also ask leave to have inserted in the RECORD an article from the Washington Times of July 15 bearing on the same subject, under the caption "Steel Imports Blamed in United States Labor Loss."

There being no objection, the matters were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

AMERICAN MANGANESE PRODUCERS ASSOCIATION,
Washington, D. C., July 15.

"The back-door methods of the State Department in negotiating foreign-trade pacts, to the destruction of American industry, must be stopped", J. Carson Adkerson, president of the American Manganese Producers Association, declared today.