the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; without amendment (Rept. No. 1919). 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. TAYLOR of Colorado: A bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; to the Committee on Appropriations.

By Mr. CARMICHAEL: A bill (H. R. 10465) to legalize a bridge across Second Creek, Lauderdale County, Ala.; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ARENDS: A bill (H. R. 10466) granting an increase of pension to Mary Warman; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H. R. 10467) for the relief of Charles M. Haggan; to the Committee on Naval Affairs.

By Mr. CHRISTIANSON: A bill (H. R. 10468) granting a pension to William S. Morrison; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H. R. 10469) for the relief of Frank P. Boyd; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 10470) to correct the military record of Arthur E. Roberts; to the Committee on Military Affairs.

By Mr. LEE of Oklahoma: A bill (H. R. 10471) for the relief of Earnest B. Carleton; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 10472) granting a pension to Rose S. Wood; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 10473) for the relief of Homer J. Williamson; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 10474) granting a pension to Molly Akin; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 10475) granting a pension to Carrie Washburne; to the Committee on Invalid Pensions.

By Mr. STARNES: A bill (H. R. 10476) for the relief of J. H. Richards; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 10477) granting an increase of pension to Fred W. Fox; to the Committee on Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 10478) granting a pension to Sarah M. H. Nickerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10479) granting a pension to Bertha L. Wade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10480) granting a pension to Dora B. Mann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10481) granting a pension to Mary Spear; to the Committee on Invalid Pensions.

By Mr. ZIMMERMAN: A bill (H. R. 10482) granting a pension to Charles C. Bray; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

9599. By Mr. ARENDS: Petition of 141 patrons of star route 35136, in the State of Illinois, asking that legislation be enacted by Congress to increase the compensation of star-route contractors for the extension of their contracts, etc.; to the Committee on the Post Office and Post Roads.

9600. By Mr. CRAWFORD: Petition of 41 members of the Orleans (Mich.) Methodist Episcopal Church, asking Congress to enact the Capper bill (S. 541); to the Committee on Interstate and Foreign Commerce.

9601. By Mr. PFEIFER: Petition of Buskwick Democratic Club, Inc., Brooklyn, N. Y., concerning the neutrality policy; to the Committee on Foreign Affairs.

9602. By Mr. RICH: Petition of Harry L. Ryder and others of Williamsport, Pa., protesting against the Copeland food, drug, and cosmetic bill in its present form; to the Committee on Interstate and Foreign Commerce.

9603. By Mrs. ROGERS of Massachusetts: Petition of the Cambridge (Mass.) Federation of Teachers, condemning the Kramer bill to make it a crime to advocate the overthrow of the Government by force and violence; to the Committee on the Judiciary.

9604. Also, petition of the Cambridge (Mass.) Federation of Teachers, opposing the Tydings-McCormack bill; to the Committee on Military Affairs.

9605. By Mr. THOMASON: Petition of Midland County, Tex., farmers and businessmen, regarding operations of the Agricultural Adjustment Administration; to the Committee on Agriculture.

9606. By the SPEAKER: Petition of Chapter 152, Railroad Employees National Pension Association, to the Committee on the Judiciary.

SENATE

WEDNESDAY, JANUARY 22, 1936

(Legislative day of Thursday, Jan. 16, 1936)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 20, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

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

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3328. An act to provide an official seal for the United States Veterans' Administration, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6137) for the relief of the Otto Misch Co.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. RAMSPECK, and Mr. PITTENGER were appointed managers on the part of the House at the conference.

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

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 7225. An act authorizing a revolving reimbursable fund for the Lac Du Flambeau Band of Chippewa Indians in Wisconsin;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8180. An act to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries;

H. R. 8287. An act to establish an assessed valuation real-property tax in the Virgin Islands of the United States;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8940. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 9871. An act to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes;

H. R. 10104. An act to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof;

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress;

H. J. Res. 307. Joint resolution authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City; and

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6137) for the relief of the Otto Misch Co., and it was signed by the Vice President.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On January 16, 1936:

S. 85. An act for the relief of Homer H. Adams;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War;

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

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.; and

S. 3280. An act for the relief of Doris Allen.

On January 17, 1936:

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis; and

S. 2616. An act for the relief of the estate of Joseph Y. Underwood.

On January 20, 1936:

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock; and

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.

On January 21, 1936:

S. 430. An act for the relief of Anna Hathaway; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

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	Brown	Copeland	Glass
Ashurst	Bulkley	Costigan	Gore
Austin	Bulow	Couzens	Guffey
Bachman	Burke	Davis	Hale
Bailey	Byrd	Dickinson	Harrison
Bankhead	Byrnes	Dieterich	Hastings
Barbour	Capper	Donahey	Hatch
Barkley	Caraway	Duffy	Hayden
Benson	Carey	Fletcher	Holt
Bilbo	Chavez	Frazier	Johnson
Black	Clark	George	Keyes
Bone	Connally	Gerry	King
Borah	Coolidge	Gibson	La Follette

Lewis	Moore	Pope	Thomas, Okla.
Logan	Murphy	Radcliffe	Thomas, Utah
Lonergan	Murray	Reynolds	Townsend
McAdoo	Neely	Robinson	Trammell
McCarran	Norbeck	Russell	Truman
McGill	Norris	Schwellenbach	Vandenberg
McKellar	Nye	Sheppard	Van Nuys
McNary	O'Mahoney	Shipstead	Wagner
Maloney	Overton	Smith	Walsh
Minton	Pittman	Steiwer	White

Mr. LEWIS. I announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] are necessarily absent from the Senate.

Mr. AUSTIN. I announce that the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent.

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

HUEY PIERCE LONG

Mr. OVERTON. Mr. President, on the 8th day of September 1935 in the forty-second year of his life, HUEY PIERCE LONG, senior United States Senator from Louisiana, was stricken with a fatal wound and died 2 days later in Baton Rouge, the capital of the State.

He was felled by the bullet of an assassin. He was shot down in the majestic capitol which his own genius had conceived and builded. He was, by direction of the Louisiana Legislature, laid to rest within its grounds and under the shadows of its lofty spire, which rises as a mighty shaft to mark his grave.

There, "after life's fitful fever", he sleeps, beloved and revered as no other man in Louisiana's history by the great majority of her citizens.

His critics have repeatedly charged that through fear he had established a dictatorship in his State. But the multitude that gathered from Louisiana's northern hills to her southern marshes to attend the last rites and pass in procession before the funeral bier, and the tears that, unabashed, flowed down the cheeks of youth and age alike, are a complete refutation of that indictment.

Yesterday, Mr. President, was primary election day in the State of Louisiana. It was the day on which Senator LONG, if he had lived, would have offered himself for renomination to the office of United States Senator. It was the day on which the Democratic Party nominated its candidates for all elective State offices from Governor on down, and for the House of Representatives, and on which candidates were nominated to fill the unexpired term of Senator LONG and to succeed him in the United States Senate. The partial returns of that election, coming in last night and this morning, show that the Long organization candidates for the State and National offices were nominated by majorities far greater than have ever been polled by the Long organization in its remarkable record of uninterrupted victories. Why this stupendous majority in favor of the Long organization? Was it fear of Senator LONG? Was it fear of Senator LONG, alleged dictator, who 4 months ago passed into the silence and inaction of the grave? No, Mr. President, it was not this. It was the reendorsement by the splendid manhood and womanhood of Louisiana of the constructive and progressive policies of the Long organization in the State of Louisiana. It was more than this. It was a remarkable tribute of love and affection by Louisianans to their slain leader. And more than this, it was a solemn protest against the deep damnation of his assassination. And it was, furthermore, a just rebuke and warning to those who seek, through Washington, to run the State of Louisiana.

Senator LONG's enemies, Mr. President, had constantly sought, and by various methods, his political destruction. They undertook time and again to defeat him at the polls, but they failed in election after election. They tried to oust him from the governorship of Louisiana by impeachment, but they failed. They endeavored to have him expelled from the Senate of the United States, but they failed. They sought to accomplish his ruin by having him indicted in Federal and State courts, but they failed. At last, there were those who, in sheer desperation, resorted to "one man, one gun, and one bullet", and they succeeded. It took, Mr. President, the bullet of the assassin to cause the senior Senator from Louisiana to yield to his foes.

No one in the political history of our State had at his age been elected to the high offices or attained the national and international prominence held by Senator LONG. When only 37 years old he had occupied in succession the offices of chairman of the Louisiana Railroad Commission, Governor of Louisiana, and United States Senator; and at his death he was, with the possible exception of the executive heads of our greatest world powers, better known and more discussed throughout the world than any other man in public or private life.

It has been repeatedly contended by many of his critics that Senator LONG rose to political power by ruthless and unscrupulous methods. But those who make this charge, Mr. President, fail to appreciate, or else ignore, both the modern political history of Louisiana and the political career of the man they have sought to disparage. For some 25 years prior to Senator LONG's election as chief executive of Louisiana that State had been controlled by governors elected from the upper stratum of society and subservient largely to the interests of the wealthy classes. None could aspire to high office unless he was "to the manor born" and was accorded the support of a certain political organization long dominant in the affairs of the State. The politicians of this regime did nothing toward a constructive development of the State or a recognition of the rights, necessities, and hopes of the humbler classes; yet their domination of the State and its affairs seemed to be permanent and unshakable.

Against this long and firmly entrenched political aristocracy HUEY P. LONG, in 1928, unfurled his standard as candidate for Governor. He was a mere stripling; he was of humble origin; he was unschooled; he was ungrammatical; he had no organization, no power, no influence. But he came with irresistible enthusiasm and dynamic force, hurling defiance at big corporate influences and political war lords and championing with convincing sincerity the cause of what his opposition had long contemptuously derided as the "poor white trash." He was then, as he continued to be afterward, the exponent of the rights of the poor, the humble, and the lowly. He was a champion of the masses, and he had their love and confidence. He was victorious. He did—

> * * * break his birth's invidious bar,
> And grasp the skirts of happy chance,
> And breast the blows of circumstance,
> And grappled with his evil star.

And, being victorious, he ousted and kept out of power and continued to keep out of power the political lords of the old regime. That, Mr. President, was his great, unpardonable sin.

The discredited political forces became determined that nothing should be left undone to drive him from power.

Then began that ruthless warfare against Governor LONG that is perhaps without a parallel in the history of our Government. His chief measures were fought before the legislature, before the people, and in the courts. Almost every conceivable attempt was made to discredit him and his administration. He himself was held up daily to public ridicule; his character was assailed, his motives misrepresented. So unrelenting were his enemies that they sought to subject to their political boycott all those who dared support him and his State policies. Within a year after his inauguration the old-line politicians, the big dailies and certain powerful corporate interests united in an effort to drive from the Governor's chair the man they could not defeat at the polls.

Thus, Mr. President, was changed the complexion of LONG's political life and career. Before his election as Governor he said to me, with evident sincerity, that it was his ambition to give Louisiana a splendid, constructive administration, and then retire to the practice of law, which was his first and greatest love. But, in order to save himself, his friends, and associates from political annihilation, it was necessary for him to build and maintain an organiza-

tion as ruthless, perhaps, as was the opposition. To the perfection of such an organization he brought to bear the unusual combination of a genius for organizing and a mass appeal as a public speaker excelled by few, if any, of his day and generation. This body itself has witnessed the many times he has filled the Senate galleries as he rose to address the Senate, and emptied them when he resumed his seat. His greatest political asset was the affection that the common people entertained for him and the confidence that they reposed in him. They regarded him as one of them. He might be called Governor in Baton Rouge, doctor of laws at Loyola University, or Senator in Washington, but he was "Huey" to those who live down on the bayous and at the forks of the roads.

Mr. President, no man within my knowledge possessed greater political courage than did Senator LONG. He was at no time subservient to any man, set of men, or organization. He did not hesitate to enter the arena against any foe, however influential and however long entrenched in power. In his memorable senatorial campaign of 1930, immediately following his attempted impeachment as Governor, he arrayed himself against a combination of the daily press of Louisiana, the regular organization in New Orleans, and all the erstwhile political powers of his State, and succeeded in completely routing them by the greatest popular majority ever polled in Louisiana up to that time.

While it is true that in the United States Senate he put through to final passage no bill or measure, yet it may be said without exaggeration that in the 4 years of his service as a Member of this body he acquired a national following as an independent leader and established a reputation as a skillful debater excelled by none in our public life. So great had become his following that it can be said with truth that the assassin's bullet that sent him to his untimely grave likewise shot despair into the hearts of hundreds of thousands of his countrymen; for he was regarded by the common people generally as the poor man's friend and as a great apostle of the rights of the laboring classes in city and country. He was possessed of the brain, the energy, the persuasive power, and the purpose, had he lived, to have established during the many years of ordinary life expectancy that lay before him a long record of useful and splendid service to the toiling masses and the underprivileged of humanity.

When, however, Mr. President, we turn from his work in the Senate to his career as Governor of Louisiana we find that he left as Governor a record for constructive administration of a State's affairs unsurpassed by that of any other executive in our national history.

He literally lifted Louisiana out of the mud and left her with one of the finest systems of hard-surfaced and graveled roads in the United States. He abolished our toll ferries, substituting therefor magnificent toll-free bridges over the many broad rivers and bayous of Louisiana, and culminating in the great Huey P. Long Bridge that spans the Mississippi River at New Orleans.

He lifted more and more the burdens of public education from the poorer communities, equalized educational opportunities throughout Louisiana, and more than doubled the State's contribution to the cause of public education.

He enacted into law the permanent policy of distributing free of cost schoolbooks to every child in Louisiana attending school, public or private, and regardless of race, color, or creed.

He enfranchised the "poor whites" of Louisiana by repealing the poll tax prerequisite to vote.

He substantially relieved the poor man's taxes by exempting all homes up to a potential value of $2,000, and by shifting generally tax burdens from the masses to the wealthy classes.

Before LONG occupied the executive chair of Louisiana, legislatures had assembled and adjourned, Governors had come and gone in monotonous succession for over a quarter of a century, and all had left the Pelican State practically as they found it. But within the span of a few years LONG made Louisiana noted throughout the world for its spirit of progress, and studded the surface of the State with the monuments of his inspired vision, dynamic energy, and capacity for achievement.

Mr. President, he was a loyal friend—surely I may bear testimony to that fact—and he was an open foe. He fought none secretly. He battled always in the open. He was a man of strong convictions; and neither fear nor favor, nor dread of punishment, nor hope of gain, prevented the outspoken expression and advocacy of his views. There was no duplicity about him. The same opinions and sentiments that he uttered in private discourse he maintained upon the hustings and on the floor of the Senate. Shortly before his death, in the rapid fire of debate in this body, he gave the following truthful characterization of himself, eloquent in its frank simplicity:

> Mr. President, I am not undertaking to answer the charge that I am ignorant. It is true. I am an ignorant man. I have had no college education. I have not even had a high-school education. But the thing that takes me far in politics is that I do not have to color what comes into my mind and into my heart. I say it unvarnished. I say it without veneer. I know the hearts of the people because I have not colored my own. I know when I am right in my own conscience. I do not talk one way in the cloak room and another way out here. I do not talk one way back there in the hills of Louisiana and another way here in the Senate. I have one language. Ignorant as it is, it is the universal language of the sphere in which I operate. Its simplicity gains pardon for my lack of letters and education.

This deprivation of educational advantages in his youth made him especially interested throughout his political career in the cause of public education. During his administration the public schools of Louisiana received from the State more generous contributions than during the administration of any preceding Governor. He builded the Louisiana State University, a State-maintained institution, from a mediocre college into the greatest seat of learning in the South. He was its very lifeblood from the athletic field to the director's room. He had evolved and was about to put in execution a plan giving the opportunity of a collegiate education to every boy and girl in Louisiana. His death was an irreparable loss to both elementary and higher free public education in our State.

Upon his bed of death his mind dwelt unselfishly upon this great plan of collegiate training which he had conceived. His last uttered thought was a hope, a doubt, a prayer, all in one, for the students of Louisiana State University and the youth of Louisiana. "What will now become of my boys?" was the cry of anguish, the last articulate thought of the dying Senator.

Thus into life eternal passed a great soul that in its brief earthly pilgrimage struggled fiercely, sometimes, perchance, erringly, but at all times bravely, strongly, and unselfishly for the weak, the humble, and the oppressed.

"The friend of the poor" is the epitaph which, I think, he would himself have preferred to all others. It is the epitaph which hundreds of thousands of fellow Americans have bestowed upon him. It is an epitaph whose verity none may justly question.

Mr. LEWIS. Mr. President, our diplomatic history records that in 1870 the French Ambassador here at Washington committed suicide. There was at that time the conflict well known to us between France and Germany. The German Ambassador passed a fitting comment of kindness upon the dead French official. Some officer of Government, turning to him said, "How is it that you speak so highly or at all of the French Ambassador?" To which the German Ambassador responded, "After death there is no war."

Mr. President, I think the CONGRESSIONAL RECORD will disclose that the last passage which might be called a thrust of blades between the late Senator from Louisiana and opponents was between himself and myself. It was in the final moments of the last session of Congress, just at the instant of adjournment. This event is mentioned only to disclose that in wholly political matters there was a very wide variance between that eminent official of Louisiana and myself.

Mr. President, the scholars around me will recall that the Stoic, when in Latin moralizing on the duty to the dead, gave to mankind the admonition, "Of the dead speak nothing but good." The philosopher did not mean to coun-

sel that without regard to one's deserts we should say that which is good. He meant to say that in all lives there is that which some would regard good, some ill; therefore, let the speaker, whoever speaks, comment on that which to him or her is good, leaving that which is else to silence.

Mr. President, I beg to call the attention of Senators who recall this celebrated dead to the fact that in all his efforts he was a man of courage. Right or wrong, from the standpoint of any other man, he neither feared a foe nor cultivated a friend at the expense of his convictions. To that we accord title of merit and praise.

Sir, he had his loyalty to those who were his friends and allies. Unto neither of these was there a surrender or compromise. In that virtue he offers us a commendable example. He was a proof to the young Americans of the land that struggling young manhood could upon merit rise to reward and renown. The apostrophe of the eminent orator who has just closed in a fitting quotation from Tennyson upon one who "breaks his birth's invidious bar" and has risen above the barriers that barricaded his progress was eminently descriptive of the dead Senator, to his honor.

I, sir, wish to conclude by saying that there was another element in this man that was attractive to those who heard him from this body. We recall, Mr. President, from tradition, that when someone expressed doubt as to the existence of a God, speaking in the presence of Napoleon, the master Bonaparte turned his eyes to the gleaming stars of the firmament and, pointing to the lustrous moon, asked, "Who made that?" We remember that this distinguished dead rarely addressed this body without bringing to his sustenance and support quotations from the Holy Scriptures, with his allusion to the infinity of the Creator, and asserting his belief in the rewards of the hereafter to the worthy, or the punishment of those who purposely afflicted their fellow mankind. This example of his faith and his trust can well be referred to as indicative of his character. It pointed to the fact that he believed in God, and moved ever so to conduct his own life that he could be worthy of reward and to shun action that could bring divine punishment.

In all of this, sir, we may say, in conclusion, that there will be an epitaph from this honorable body to this honorable dead, "Pace humani"—"This man, may he rest in peace", ever decorated with the love of friends and sanctified with the adoration of family and kinsmen.

Mrs. CARAWAY. Mr. President, the Senator from Louisiana [Mr. OVERTON] has paid tribute where tribute is due. There are some who do not believe as he does, but there is not one in this body who does not regret that Senator LONG came to his death as he did. Only a few times in the history of this Republic have there been political assassinations. I do not recall that a Member of this body has ever before met such a death.

Senator LONG was my political friend, as evidenced by his work in my campaign for reelection. That he had little to gain if I won and much to lose in prestige should my campaign fail everyone knows. I won, and it is indicative of his greatness that I can stand here and assert that he never once presumed upon the fact of his assistance to try to influence my course in matters of legislation. He at all times showed me every courtesy and consideration, as has every Senator here.

I feel that I would be doing less than my duty if I did not at this time express my keen regret at the loss of a friend. I deeply deplore the fact that one endowed with such exceptional ability and courage, with youth, and an enthusiasm notable everywhere should no longer be here. In his fight for the rights of the people, the bone and sinew of this country, he was not always polite, but he was effective in keeping before the country the issues as he saw them.

Whether in accord with his policies or not, each Senator here must have admired the dynamic energy motivating him, the eternal youth which made him such a contradictory character. His wife and children, than whom there are none better, have lived most normal lives despite the storms raging around him, which is only another strange proof of his control of circumstances. No more fitting words can be found in writing finis to the chapter of his life than those of the poet who said:

After life's fitful fever he sleeps well.

Mr. THOMAS of Oklahoma. Mr. President, Senator LONG in his early youth lived almost in sight of my home in Oklahoma. For a time he attended the State University of my State.

Shortly after the last Congress adjourned I started for my home in Oklahoma. At St. Louis I was apprised of the attempt upon his life at Baton Rouge. When I reached Claremore, Okla., I was apprised of the death of my friend the senior Senator from Louisiana. When I reached Tulsa, Okla., I received a commission from the Senate to be one of a committee to attend his funeral. I deviated from my course, took an airplane at Tulsa, and flew to Fort Worth, Tex., in order to arrive at the Louisiana capital in time for the funeral. From Fort Worth, I took the train, but I could not reach Baton Rouge directly. I had to leave the train across the river from Baton Rouge, some 25 or 30 miles. My party was met at the train by automobiles and we started for Baton Rouge by motor. This was about 3 o'clock in the morning, the morning preceding the afternoon of his burial. As we started for Baton Rouge we found the roads at that early hour cluttered with traffic. The roads were full of conveyances, automobiles, wagons, buggies, and men and boys afoot. When we reached the ferry crossing the river at Baton Rouge the ferry was crowded. We had to wait our turn to get across the river. Upon arriving at Baton Rouge at about 5 o'clock, before it was light on that September morning, the capitol grounds were alive with people. A long line was waiting to go through the capitol to pay their last respects to the departed dead. The hotels were crowded.

During the day the crowd increased in Baton Rouge. The railway tracks were crowded for space to accommodate special trains coming for the funeral. I was advised that later in the afternoon the roads leading to the city were blocked and that traffic could not get to the city. The opposition press in Baton Rouge and in Louisiana generally in broad headlines made the statement that 100,000 people had passed through the capitol during the night and the day preceding Senator LONG's burial at 4 o'clock in the afternoon. The same press stated that 150,000 people were on the grounds when he was laid at rest on the capitol grounds.

As members of the senatorial delegation headed by my friend the Senator from Louisiana [Mr. OVERTON], and consisting of the Senator from Arkansas [Mrs. CARAWAY], and the late Senator Schall from Minnesota, when we proceeded to leave the capitol for the burial ground, which is in the center of the capitol park, and as we left the building this was the scene before us. In front of the capitol is a park some four blocks in area. As we marched from the capitol it was like entering a giant stadium. Those four blocks were covered with humanity. The streets had been lined with guards, the grounds, streets, and sidewalks were full of Louisianians. The windows on buildings surrounding those four blocks were full of people. The tops of buildings were likewise covered with humanity. I was not surprised at the estimate which was made of 150,000 people being on the capitol grounds at that time. I believe it was a reasonable estimate.

Mr. President, after the funeral services were over I had time and opportunity for making inquiries, and I began to inquire in Baton Rouge of those with whom I came in contact why this great outpouring of the citizens of Louisiana at the burial of their senior Senator. This was the information which Louisianians gave me: They said that when Mr. LONG was a candidate for Governor he promised the voters and the people of Louisiana that if he was elected Governor he would build good roads through the swamps and over the crooked trails of Louisiana, and when he was elected Governor he built the roads.

He promised when he was a candidate that he would give them schools. As Governor he gave them schools. He promised the children of Louisiana that if he was elected

Governor he would give them free textbooks. As Governor he gave them free textbooks.

He promised the people of Louisiana as a candidate that if elected he would build them bridges. As Governor he built the bridges.

He promised them hospitals. As Governor he built and improved the hospitals. Today in New Orleans I think we have perhaps one of the best hospitals in the world. It is so generally recognized.

He promised the people of Louisiana that he would raise the standards of the colleges of that State. As Governor he raised the standards of the colleges. Today Louisiana State University stands as one of the best universities in the Nation.

Mr. President, after all those promises had been made by the candidate the Governor fulfilled the promises.

I was somewhat astonished to know that Louisiana is financing those improvements by a decreased tax upon the poor and an increased tax upon the rich. Even the rich are not complaining, and the poor, of course, are delighted.

I was further somewhat surprised to know that of all the States of the American Union the credit of the State of Louisiana in the marts of trade and finance stands at the very top.

I give this, in connection with the eloquent address just made by the Senator from Louisiana [Mr. OVERTON], as an explanation of the tribute given Senator LONG by his home folks in Louisiana.

HON. HUBERT D. STEPHENS

Mr. HARRISON. Mr. President, a few days ago the President sent to the Senate the nominations of five directors of the Reconstruction Finance Corporation. All of those who are now directors of the Corporation were renominated except my former colleague, ex-Senator Hubert D. Stephens.

It will be recalled that former Senator Stephens, after a service in the House of Representatives of 10 years, voluntarily retired. When he became a candidate for the Senate it was not his wish to do so, but he yielded to the solicitation of friends and became a candidate. When he accepted the position of director of the Reconstruction Finance Corporation he told the President at that time that he would serve only for a short period.

I desire to put into the RECORD a letter from former Senator Stephens to the President expressing the wish that he be not reappointed, and the reply of the President to Senator Stephens expressing his regrets and deep appreciation of his splendid services while a member of the Reconstruction Finance Corporation.

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

JANUARY 16, 1936.

The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: A few days after I was defeated for reelection to the Senate, Senator PAT HARRISON told me that you wanted to appoint me to some position. I said to him, "I appreciate that very much, but I have no desire to be given any position."

In February 1935 I came to Washington on a business matter. While here Senator HARRISON urged me to accept an appointment. Again I told him that I was not interested. After several conversations with him I said that there was only one position that I would accept—director of the Reconstruction Finance Corporation. I also told him that I would not care to hold it very long.

You gave me the appointment. This expression of friendship and confidence was greatly appreciated. My association with the directors and with the other persons employed here has been exceedingly pleasant.

I was informed a few days ago that you had stated you would reappoint all of the directors. I deeply appreciate this further evidence of your friendship and confidence. It has never been my intention to accept a reappointment. So, I am writing to inform you of this fact.

I wish for you much happiness and success in the future.

Respectfully yours,

H. D. STEPHENS.

THE WHITE HOUSE,
Washington, January 17, 1936.

Hon. HUBERT D. STEPHENS,
Member of the Board, Reconstruction Finance Corporation, Washington, D. C.

MY DEAR HUBERT: In accepting with sincere regret your decision to retire from the Reconstruction Finance Corporation I want to express to you my deep appreciation of your loyalty and your willingness to accept the responsibilities you undertook and performed over the past year.

I know your reasons for accepting the post for a limited period only, and for that reason do not urge you to stay on.

With warm personal regards,

Cordially,

FRANKLIN D. ROOSEVELT.

RECIPROCAL TRADE AGREEMENT WITH CANADA—LETTER OF HON. CORDELL HULL, SECRETARY OF STATE

Mr. COSTIGAN. Mr. President, on November 2, 1935, a joint telegram was received by me from the Intermountain Livestock Marketing Association and the Intermountain Livestock Credit Corporation, stating:

NOVEMBER 2, 1935.

Hon. EDW. P. COSTIGAN,
Denver, Colo.:

It is rumored the State Department, Washington, considering reciprocal trade treaty with Canada which would mean lowering tariff on livestock imports. Any such measure would be extremely detrimental to livestock producers of western range States and tend to demoralize markets. Livestock men this section just getting back on their feet on basis present prevailing markets. Representing more than 10,000 livestock producers and feeders this intermountain section, we urge you oppose vigorously any contemplated action with view of lowering tariffs.

INTERMOUNTAIN LIVESTOCK MARKETING ASSN.
INTERMOUNTAIN LIVESTOCK CREDIT CORPORATION.

The message was transmitted by me to the distinguished present Secretary of State as a sample of various other messages at that time being received from representatives of western livestock producers. In my letter to the Secretary of State, I recalled recent explanations by him following similar suggestions with respect to the sanitary agreement with Argentina, stating that his earlier comments had been helpful and that any he might offer on the foregoing message would be welcome. In response to my letter of transmittal, the Secretary of State, on November 26, made a reply, in which, with characteristic directness and clearness, he presents an analysis of that agreement. The law under which the Secretary of State acted, and this detailed explanation of the careful manner in which the law is being applied are of importance, not only to members of livestock associations but to all citizens.

I ask unanimous consent that the letter of the Secretary of State, which I now present, may be properly referred and printed in the RECORD, following and as part of my remarks.

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

DEPARTMENT OF STATE,
November 26, 1935.

The Honorable EDWARD P. COSTIGAN,
210 Flat Iron Building, Denver, Colo.

MY DEAR SENATOR COSTIGAN: I was very glad to receive your letter of November 2, 1935, enclosing, as a sample of various messages received by you from representatives of western livestock producers, a telegram from the Intermountain Livestock Marketing Association and Intermountain Livestock Credit Corporation urging that no reduction be made in the duty on livestock in connection with the trade agreement with Canada.

When your letter was received the trade agreement with Canada was in the final stages of negotiation. I therefore thought it desirable to await the perfection of the agreement and the publication of its terms in order that I might be in a position to deal fully with the subject on the basis of all the details. I greatly appreciate the opportunity you have offered me of commenting upon this matter.

As you, of course, know, the full details of this agreement were published in the newspapers of Monday, November 18. The reductions in duty of interest to the domestic cattlemen are limited to the following:

(1) On cattle weighing 700 pounds or more each the duty has been reduced from 3 cents to 2 cents a pound, to apply annually to no more than three-quarters of 1 percent of the average annual total number of cattle (including calves) slaughtered in the United States during 1928 to 1932.

(2) For calves weighing less than 175 pounds each the duty has been reduced from 2½ cents a pound to 1½ cents a pound, to apply to no more than one-quarter of 1 percent of the same average annual domestic slaughter of cattle.

(3) The duty on dairy cows weighing 700 pounds or more each has been reduced from 3 cents to 1½ cents a pound, the reduction to apply to not more than 20,000 head annually.

When consideration is given to these provisions and to the circumstances to which they relate, it will be clearly seen that the limitations imposed on the imports which can benefit by these

reductions in duty assure the most ample protection to our domestic cattle producers.

Before examining more fully the provisions of the agreement regarding cattle I should like to comment upon the messages which we both received from evidently anxious domestic cattle-growing interests during the period immediately preceding the conclusion of this agreement. The anxieties which these messages express were clearly aroused by an incorrect impression of what was being done. It is not unlikely that this mistaken impression was in some way connected with the publication on September 7, 1935, of the correspondence which I exchanged with the Canadian Minister in Washington in November and December 1934 on the subject of a trade agreement. In a letter addressed to me on November 14, 1934, the Canadian Minister in Washington outlined a basis for a trade agreement proposed by his Government, which contained the suggestion that our import duties on various agricultural products, including cattle, be cut by 50 percent. In my reply of December 27 I stated, in referring to these proposals:

"* * * In communicating to you the willingness of the Government of the United States to enter upon negotiations with your Government looking to a trade agreement calculated to increase trade in both directions, I must, of course, make it clear that in advance of negotiations this Government cannot make any commitment as to whether it will be possible to agree to a reduction in the rates of duty on particular products, each of which must be carefully studied in the light of existing economic conditions before any decision can be reached."

Subsequent to this exchange of correspondence there was issued on January 21, 1935, the announcement of intention to negotiate a trade agreement with Canada, as provided for in the Trade Agreements Act of June 12, 1934, and March 11 and 18, respectively, were set as the dates for the submission of written statements and for the oral presentation of views by interested parties to the Committee for Reciprocity Information. The trade agreement which was announced by the President in his Armistice Day address on November 11, 1935, and which was formally signed on November 15, was the culmination of exhaustive preparations conducted during the intervening months. All of the agencies of the Government which regularly participate in the intensive preparations for trade-agreement negotiations, including the Departments of State, Commerce, and Agriculture, the Treasury and the Tariff Commission, cooperated in this preparatory work in order that each of the many problems involved might receive the fullest and most thorough consideration. All of the vast fund of information available from official sources, as well as the many statements and expressions of views submitted by interested persons, were painstakingly studied. During the entire course of the detailed and extended negotiations that followed the position and needs of our domestic producers were constantly borne in mind. The results of this most thorough procedure are to be seen in the agreement concluded.

The trade between the United States and Canada has always been of primary importance to both of the countries, but in the difficult years which have followed the enactment of the Hawley-Smoot Act, and the subsequent Canadian tariff increases, this trade had fallen very considerably. One of the most effective opportunities for aiding substantially in the restoration of production and employment in the United States lay in the negotiation of a trade agreement which would restore the opportunities for larger and less restricted trade between the two countries.

Because of the vital importance of the cattle trade to the Canadian prairie provinces, a concession with respect to cattle was effectively a sine qua non to any substantial trade agreement between the two countries. The difficulties which our domestic cattle producers had been experiencing were most clearly in our minds. The agreement concluded affords the evidence that the two sets of interests were not irreconcilable, and when the factual basis on which the concessions were made is fully understood this conclusion will surely be accepted by all who are willing to consider the subject reasonably and fairly.

In the first place the reductions made in the rates of duty are moderate. The duty on cattle weighing 700 pounds or more is to be 2 cents per pound instead of 3 cents under the Smoot-Hawley tariff, while the duty on calves weighing less than 175 pounds is to be 1½ cents per pound instead of 2½ cents. The new rates are the same for calves and for cattle over 1,050 pounds as those in force from 1922–30 under the Fordney-McCumber tariff, while for cattle between 700 and 1,050 pounds they are still one-half cent per pound, or 33⅓ percent, higher than the 1922–30 rates. It should not be forgotten in this connection that between 1913 and 1921 cattle of all weights were on the free list.

In the second place the numbers of imported cattle and calves which may benefit from these reduced rates are specifically limited. For the cattle of 700 pounds and over the reduced duties are to apply annually to no more than three-fourths of 1 percent of the average annual total number of cattle (including calves) slaughtered in the United States during 1928–32, while for the calves under 175 pounds the limit has been fixed at only one-fourth of 1 percent of this same figure. This means that the reduced rates apply to only 51,933 head of calves and 155,799 head of cattle per calendar year. Any cattle or calves which may enter the United States in any year in excess of this limitation will have to pay the Smoot-Hawley rates.

Certainly these moderate reductions in duty, limited to so small a percentage of the average annual domestic slaughter, cannot be of any appreciable injury to the domestic cattle producers. The total number of cattle and calves annually slaughtered in Canada amounts to less than one-tenth of the corresponding annual slaughter in the United States, and by the means adopted in the agreement a concession has been provided which, while of definite interest to Canada, is surrounded with such limitations as to make it of negligible significance from the point of view of our own cattle producers.

It is also to be borne in mind that, following last year's drought and the emergency measures taken in connection therewith by this Government to rescue the cattle growers from their difficult position, cattle slaughter in the United States at present and in the immediate future is below average. Under these conditions imports of cattle tend to afford some measure of assurance to the consumer.

Small as the increased imports may be in comparison to the total number of cattle annually raised in the United States, they will not be without direct benefit to American agriculture, for ordinarily they will be largely confined to feeder cattle requiring domestic feed to finish them off for the market.

My comment would be far from complete if I failed to call attention to the larger aspects of the subject by pointing out the very real benefits which the agreement, considered in its entirety, will bring to all of our agriculture, industry, and commerce, including our domestic cattle producers. The Canadian tariff concessions provided by this agreement for the benefit of our export trade will mean increased sales in Canada of a long list of our agricultural products, such as fresh and canned meats, vegetables, and fruits; the concessions obtained for our exports include tariff reductions on products of such direct interest to Colorado producers as wool, mining, and quarrying machinery, lard, lead, and zinc. Larger sales of our agricultural products to Canada will mean increased income for our agricultural producers in Colorado and other States; larger sales of our industrial products to Canada as a result of the extensive industrial concessions provided by the agreement, will mean increased production and increased pay rolls in our factories. All of this means increased purchasing power, and therefore increased consumption of all the things that our population needs and wants. It is well to bear in mind in this connection that increased purchasing power among our consumers is of particular importance to those producers whose products, such as beef, are omitted from the family table or displaced by cheaper substitutes, when the family purchasing power fails. It is not our producers for export alone but all our producers for our domestic markets, including those agricultural growers in Colorado and other States producing for domestic consumption, who stand to gain from the increased trade which this new agreement with Canada will lead to.

The small concession which we have granted on cattle, restricted as it is by its quota limitation, and preserving every necessary safeguard for our domestic cattle industry, must be considered, if its real significance is to be appreciated, in the broad light of the entire agreement of which it is a part, and of the benefits which we will derive from this agreement in the shape of hundreds of millions of dollars in increased exports, a large part of which will actually consist of agricultural exports, while the remainder of the increase will be in industrial products which through enlarged pay rolls and augmented purchasing power will inevitably redound to the further benefit of our farming and cattle-raising sections.

It is necessary thus to consider the agreement in its entirety to gain a correct appreciation of its meaning to all concerned. The essential significance of this agreement lies in the fact that it opens the way to a vastly increased exchange of goods, to hundreds of millions of dollars in increased trade, and so to that stimulation in our commercial and industrial activity, to that increase in our employment and pay rolls, to that expansion of purchases of our agricultural products of every sort, which is the central aim of our endeavors. I am convinced that such objections as have been raised against the trade agreement with Canada are largely the result of a misunderstanding of the actual facts and of a failure to appreciate their real significance, and that when the true facts are known to, and their meaning is fully understood by, those who have raised objections, most of them at least will agree that we have taken wise, prudent, and well-considered action, and that the agreement concluded with Canada lies along that path of increasing production, consumption, and trade for all concerned that is the road toward full recovery and sound prosperity.

I am very glad to have had this opportunity to make the foregoing comment, and with kindest regards, I am,

Sincerely yours,

CORDELL HULL.

REPORT ON WAR FINANCE CORPORATION (IN LIQUIDATION)

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the War Finance Corporation (in liquidation), covering the period from January 1, 1935, to December 31, 1935, which, with the accompanying papers, was referred to the Committee on Finance.

REPORT OF FEDERAL COORDINATOR OF TRANSPORTATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the fourth report of the Federal Coordinator of Transportation on transportation legislation, with the comments of the Interstate Commerce

Commission upon his recommendations, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Kentucky, expressing approval of and urging the continuance of a policy of strict neutrality on the part of the United States Government in international disputes not affecting this Nation, which was referred to the Committee on Foreign Relations.

(See concurrent resolution printed in full when presented by Mr. LOGAN on the 20th instant, p. 675 of the CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate papers in the nature of petitions numerously signed by sundry citizens of the United States, praying for the adoption of measures to end the destruction of life by war, and to lead the nations of the world toward the light of mutual tolerance and understanding, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by Chapter 152 of the Railroad Employees National Pension Association, Sunbury, Pa., favoring the adoption of a constitutional amendment restricting the power of the Supreme Court of the United States and providing for the election of the members thereof by popular vote, which were referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from Bessie L. Maygard, of Whitfield, Ala., praying for the adoption of measures for the benefit of fourth-class postmasters, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate resolutions adopted by officers and members of the Pontier Democratic Association, Inc., assembled at Jamaica, N. Y., favoring the prompt enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

Mr. CAPPER presented a petition numerously signed by members of the Woman's Christian Temperance Union of Osage, Kans., praying for the enactment of legislation to prohibit the advertising of intoxicating liquors, which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented a letter in the nature of a memorial from the Appalachian Mountain Club, Boston, Mass., remonstrating against the transfer of the Forest Service from the Department of Agriculture to another department, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the board of selectmen, of Sharon, and the selectmen of the town of Dedham, in the State of Massachusetts, favoring in the administration of Federal relief projects the granting of power to local authorities to recommend persons for employment, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by Branch No. 107, National Association of Letter Carriers, of Gloucester, Mass., favoring the enactment of legislation placing special-delivery messengers under the classified civil service after 2 years' service, which was referred to the Committee on Civil Service.

He also presented a resolution adopted by the Greater Boston (Mass.) Federation of Neighborhood Houses, favoring the formulation of a policy of American neutrality that does not penalize the victim of aggression while ostensibly preserving a state of impartial neutrality, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a petition from members of North End Post, No. 53, the American Legion, of Boston, Mass., praying for the adoption of a fair and impartial neutrality policy by the United States, which was referred to the Committee on Foreign Relations.

He also presented a declaration adopted by a convention of world psychiatrists at The Hague, Holland, in October 1935, favoring a strongly financed organization of the nations looking toward peace, which was referred to the Committee on Foreign Relations.

He also presented a paper in the nature of a memorial from the Boston Chamber of Commerce and the Maritime Association of the Boston Chamber of Commerce, in the State of Massachusetts, remonstrating against the enactment of legislation repealing the so-called long- and short-haul clause of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Springfield (Mass.) Branch of the National Association for the Advancement of Colored People, praying for the adoption of Senate Resolution 211 (submitted by Mr. VAN NUYS), authorizing an investigation in connection with certain lynchings in the United States, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Cambridge (Mass.) Federation of Teachers, protesting against the enactment of legislation abridging the freedom of speech and of the press, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from the Massachusetts Rural Letter Carriers' Association, favoring the enactment of legislation for the benefit of rural carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Cambridge (Mass.) Federation of Teachers, protesting against the enactment of legislation making it a crime, by mere utterance or publication, to incite soldiers and sailors to disobey orders, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years, reported it without amendment and submitted a report (No. 1472) thereon.

Mr. McADOO, from the Committee on Patents, to which was referred the bill (S. 3121) to vest in the register of copyrights the registration of copyright prints and labels, reported it with amendments and submitted a report (No. 1473) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. MINTON:

A bill (S. 3776) for the relief of Addison B. Hampel (with an accompanying paper); to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 3777) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on Finance.

By Mr. CAPPER:

A bill (S. 3778) granting a pension to Ella Crouse (with accompanying papers); and

A bill (S. 3779) granting a pension to Charles G. Hostutler (with accompanying papers); to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

By Mr. McKELLAR:

A bill (S. 3782) to provide for loans to farmers for crop production and harvesting, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3783) for the relief of Dr. T. J. Coble (with accompanying papers); to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3785) for the relief of Sam Larson, guardian of Margaret Larson, a minor; to the Committee on Claims.

By Mr. LOGAN:

A bill (S. 3786) for the relief of Col. J. P. Barney; to the Committee on Claims.

A bill (S. 3787) to establish a United States Administrative Court to expedite the hearing and determination of controversies with the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. POPE:

A bill (S. 3788) granting a pension to Marion Oliver; to the Committee on Pensions.

By Mr. BYRNES:

A bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; to the Committee on Commerce.

By Mr. CHAVEZ:

A bill (S. 3790) to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921; to the Committee on Claims.

A bill (S. 3791) to amend the postal laws so as to provide for a minimum salary of $5,000 a year for postmasters at central-accounting offices; to the Committee on Post Offices and Post Roads.

A bill (S. 3792) to provide for the grant of a certain concession to Jim White, discoverer and explorer of Carlsbad Cavern, N. Mex.; to the Committee on Public Lands and Surveys.

By Mr. STEIWER:

A bill (S. 3793) authorizing officers and employees of the Government to attend rifle meets at Camp Perry; to the Committee on Military Affairs.

A bill (S. 3794) to correct the naval record of John B. Dolan; to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

A bill (S. 3795) granting a pension to Matilda Davison; and

A bill (S. 3796) granting a pension to Ida S. Nolterieke; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 3797) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920; to the Committee on Indian Affairs.

By Mr. BLACK:

A joint resolution (S. J. Res. 200) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; to the Committee on Finance.

By Mr. CHAVEZ:

A joint resolution (S. J. Res. 201) to authorize under certain conditions the executive departments, independent offices, and agencies of the United States to lease lands under their jurisdiction and to grant rights-of-way over such lands; to the Committee on Public Lands and Surveys.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

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

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes; and

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes; to the Committee on Public Lands and Surveys.

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii; and

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army; to the Committee on Military Affairs.

H. R. 7225. An act authorizing a revolving reimbursable fund for the Lac du Flambeau Band of Chippewa Indians in Wisconsin; and

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress; to the Committee on Indian Affairs.

H. R. 8180. An act to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries; and

H. R. 8940. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 8287. An act to establish an assessed valuation real property tax in the Virgin Islands of the United States; to the Committee on Territories and Insular Affairs.

H. R. 8300. An act to authorize a preliminary examination of Suwanee River in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico; to the Committee on Commerce.

H. R. 9871. An act to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes; to the Committee on Foreign Relations.

H. R. 10104. An act to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the calendar.

H. J. Res. 307. Joint resolution authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City; to the Committee on the Library.

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire; to the Committee on Education and Labor.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL—AMENDMENT

Mr. BAILEY submitted an amendment intended to be proposed by him to the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which was ordered to lie on the table and to be printed.

ACCEPTANCE OF MEDALS, ETC., BY OFFICERS AND ENLISTED MEN—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 1975) authorizing certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which was ordered to lie on the table and to be printed.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H. R. ——) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page —, line —, to insert the following:

"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,500,000, to be used for the further development of the naval base at Tongue Point, Oreg.

"The Secretary of the Navy is authorized and directed to expend the appropriation of $1,500,000, made pursuant to this act, for the following purposes:

"For constructing hangars, ramps, barracks, shops, storehouses, and any other facilities required for the use and maintenance of naval aviation squadrons and their personnel;

"For dredging;

"For maintaining existing piers and shore facilities heretofore constructed;

"For enlarging existing piers and shore facilities heretofore constructed, if found necessary and desirable by the Secretary of the Navy."

THE REVISED ANNOTATED CONSTITUTION

Mr. ASHURST submitted the following concurrent resolution (S. Con. Res. 28), which was referred to the Committee on the Judiciary:

Resolved by the Senate (the House of Representatives concurring), That 5,000 additional copies of the revised annotated Constitution be printed for the use of the Congress, 1,500 copies for the Senate, and 3,500 copies for the House of Representatives, and that the Senate Committee on the Judiciary be, and it is hereby, authorized to employ a competent person to assist in bringing the same up to date, his compensation to be paid out of the contingent fund of the Senate: *Provided*, That the Public Printer shall print not more than 10,000 additional copies of said revised annotated Constitution, and offer the same for sale at the cost of printing and binding, plus 10 percent, to persons who agree not to resell or distribute the same for profit.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—ADDRESS BY SENATOR BYRNES

Mr. ADAMS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from South Carolina [Mr. BYRNES] on January 21, 1936, on the subject The Payment of the Adjusted Compensation Certificates.

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

The bonus fight is over. The bill providing for the payment at this time of the adjusted-compensation certificates held by the veterans of the World War passed the Senate yesterday by a vote of 74 to 16. Tomorrow the bill will be reported to the House. A motion will be made to concur in the Senate bill. That motion will be adopted and the bill will then go to the President for his approval or disapproval. Should the President approve it, it will immediately become the law. Should the President disapprove it, the vote in the House and the Senate clearly indicates that the bill will be passed by the Congress over the veto of the President.

Because of this situation it is interesting to know what the bill provides. Today approximately 3,750,000 veterans hold adjusted-compensation certificates issued in 1925 and maturing in 1945. These certificates are obligations of the Treasury. They are just as much part of the national debt as any other obligation. The bill which is now to become law provides that in exchange for these certificates the veterans will be given bonds of the United States for the full face value of their certificates, less any amount borrowed upon such certificates, which bonds will bear interest at 3 percent, and can be cashed by the veteran at any time he desires to receive the money. The Secretary of the Treasury will designate the places, including post offices, at which the bonds can be cashed.

There is no creation of a new debt. It is simply the payment of an old debt by the issuance of these bonds.

The bonds will be issued as of June 15, because that is the date upon which other Treasury obligations mature. The object of issuing them in the denomination of $50 is to encourage thrift on the part of the veteran who receives the bonds.

Slightly over 3,000,000 of the veterans have borrowed from the Government upon their certificates. As a result of these loans the average amount to be paid to the veterans in bonds is $525. This payment will be made by issuing to the veteran a check for $25 and ten $50 bonds. It is the belief of those of us who sponsored this legislation that if a veteran desires to pay a bill or to make a purchase he will cash one or two of these bonds and will retain the others. As an incentive to hold the bond they will receive interest at the rate of 3 percent. This 3 percent will begin to run as of June 15, 1936, the date the bond is issued. However, if a veteran cashes his bond before June 15, 1937, he will not receive the interest. For this there are good reasons. The veteran has claimed that he was entitled to payment in full in cash. If he cashes his bond, he will get just what he claims he was entitled to. However, if he exercises good judgment and holds his bonds, he will get more than he claims he was entitled to. He will get in June 1937, or any date thereafter, 3 percent on the amount due him from June 15, 1936, to date of payment.

If payment in cash were made, the money would have to be borrowed. We are simply providing that instead of paying the 3 percent to the banks or bond investors, that it should be paid to the veterans who have the good judgment to hold their certificates. It is asserted by the opponents of the measure that the 3,000,000 men who have heretofore borrowed upon their certificates will immediately cash all of their bonds. I do not believe it. These men have now reached mature years. They have children to support. I picture what will occur when the average veteran receives the average settlement of $525; a check for $25 and $500 in $50 bonds. Most of his pleasure he anticipates in showing to the family the evidence of his wealth. Just to celebrate the occasion he may make a purchase on the way home. But when he reaches there and those ten $50 bonds come into the possession of his "commanding officer", he will soon conclude that breaking the Hindenberg line was an easy task compared to getting those bonds away from her. In any event I hope I am correct and that she will hold the line and hold the bonds. Because, after all, these bonds will be as good as the Government. They will pay more interest than a savings bank, and will be better than any other bonds of the Government, because, while other bonds may sell for less than face value, these bonds can at any time be cashed for full value.

As to the effect upon the Treasury, it is evident that to the extent the bonds are held by the veterans, the less will be the drain upon the Treasury. When you remember that these obligations have to be paid in any event, the only additional charge upon the Treasury is the interest that must be paid upon the bonds. If the Government borrows upon short-term loans at the low rate of interest it has been borrowing, it will mean but a relatively small additional expenditure for interest each year from now until 1945, when these bonds become due.

I recognize that notwithstanding our effort and the efforts of the commanders of the veterans' organizations to induce veterans to hold their bonds that a large number will be cashed. The veterans are typical Americans. Some are thrifty. Some are improvident. Because this is true, it is interesting to speculate as to what those who cash their bonds will do with the money. Last fall before this bond plan was proposed, and when it was expected by the veterans that cash would be paid, the American Legion conducted a survey to ascertain how the veterans intended to spend their bonus money. Answers were received from 42,500 veterans. The study showed that 53.94 percent of the veterans expected to pay old bills. A total of 31.36 percent of the total bonus payments will be used for this purpose. Thirteen and seven one-hundredths percent of the total will go for home building and repairs. The survey indicates that 19.26 percent of the veterans will repair homes which they now own, while 4.56 percent will start construction of new homes. Furniture, rugs, electric refrigeration, oil furnaces, radios, and home equipment and furnishings will take 7.82 percent of the total paid.

The study shows that 28.5 percent of those who cash their certificates will buy clothes for their wives, while but 26.01 percent will buy a suit or overcoat for themselves. Approximately one out of four—25.88 percent—will buy clothes for their children. Investment in insurance, education, stock, bonds, and savings will receive 16.54 percent of the payments, while automobiles and trucks will be bought by approximately 10 percent of the veterans. They will spend 5.46 percent of the total sum paid them for these conveniences.

As an illustration of what this vast spending means, let me take the clothing industry into which 6.18 percent of the bonus payments will go. These payments will create, according to an estimate of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce, sufficient work to employ 30,000 to 35,000 persons for a period of 1 year.

Commander Van Zandt, of the Veterans of Foreign Wars, and Commander Harlan, of the Disabled American Veterans, who, with Commander Murphy, of the Legion, have been active in presenting the cause of the veterans, state that from their investigations they reach the same conclusion as to the intentions of the thousands of veterans who belong to those two organizations.

The bill provides that the veteran will be forgiven any interest due upon money borrowed upon his certificate since October 1, 1931. Congress authorized loans not to exceed 50 percent. Only approximately 1 percent of the interest has been paid.

Opponents of the veterans charge that this interest should not be canceled. However, the fair-minded citizen will, in my opinion, agree that there is force in the contention of the veteran that this bonus should have been paid November 11, 1918, and that he should not be charged interest upon money which should have been paid to him the day of the armistice. The opponents of the veterans, however, assert that no bonus should have ever been paid. Consider the compensation of the veteran, amounting to $30 per month. Out of this he was forced to send $15 to his dependents. He was practically forced to take out life insurance, for which he was charged $6.60 per month. He was forced to purchase Liberty bonds, for which an amount was deducted from his compensation. With what remained of his $30 he was supposed to have a good time. He was good natured about it. Upon his return, he agreed with much of the statement so often made, that the services of those who remained at home was essential to maintain an army at the front. But then he learned what had been paid for the services of those at home. He saw the compensation of the railroad companies adjusted. He saw adjusted the compensation of the contractors, who worked upon a cost-plus basis. He saw the civilian employees of the Government enjoying a bonus of $240 per year. He learned of the wages that had been received by workmen at the camps and in the shipyards, and the profits of those who were upon the farms during the war. He then concluded, and the Congress of the United States concluded, that he was entitled to a bonus.

At the close of the Revolutionary War George Washington was offered and accepted a bonus in land. Abraham Lincoln accepted a bonus. They were not ashamed to accept it, and the veterans of the United States armed forces during the World War are not ashamed to accept it.

It is said now that the mistake was made when the bonus was not paid in cash. I agree. But that was not the fault of the veteran. Critics say that when we gave them the adjusted-compensation certificates payable in 1945, it was a contract and the veteran should not violate the contract. A contract must be mutually agreed to. There was no agreement on the part of the veteran about the adjusted-compensation certificates. Congress passed the law and the veteran could take it or leave it. That is not the spirit of a contract.

When this bill is finally acted upon it is to be expected that some veterans will want their bonds the next morning. The friends of the veterans must explain to them that these bonds cannot be issued before June 15, 1936. When the original adjusted-compensation certificates were authorized by Congress in March 1924 the law provided that the certificates be issued as of January 1, 1925, because it was recognized that it would take months to prepare and issue the certificates. The accounts of 3,750,000 veterans must be credited with the interest which is canceled. Then the amount due each veteran must be determined. An application blank must be mailed to the veteran and returned by him. Approximately 35,000,000 bonds must be printed, and checks for the odd amounts must be drawn. All of this cannot be done before June 15. The veteran must be patient. After all, he must remember that June 15, 1936, is almost 9 years earlier than January 1, 1945, the date he would have received payment for his certificate.

The overwhelming vote of the Senate and House clearly represents the sentiment of the people of the United States that this question should be disposed of. The bill that is now about to become law disposes of it in an intelligent and just way, giving to the veteran an obligation of the Government which he can cash at any time but which it is to his interest to hold. It involves no charge upon the Treasury for a new venture or new activity. It involves the issuance of one obligation of the Government as a substitute for another obligation of the Government.

The enactment of this bill into law will do justice to the veterans of the World War and will cause them to feel that the sacrifices they willingly made are appreciated by the American people.

REDUCTION OF TRAFFIC ACCIDENTS

Mr. VANDENBERG. Mr. President, the Automobile Manufacturers Association of the United States is today proposing a broad program of attack upon the traffic hazards of the country. I ask that its statement be printed in the RECORD.

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

NEW YORK, January 21.—A Nation-wide effort to reduce traffic accidents in 1936, by uniting all branches of the motor industry with nationally recognized safety agencies in a coordinated working program was announced today by Alvan Macauley, president of the Automobile Manufacturers Association.

Definitely stamping highway safety as a localized problem, the campaign will have State and community appeal as the primary approach. To that end, the entire motor industry is underwriting the cost of specific projects to be sponsored by the cooperating organizations, which will provide additional impetus to their present safety activities.

ATTACK PROBLEM ON BROAD FRONT

New and supplementary activities include the stimulation of intercity safety contests, renewal of public-school safety essay and safety lesson contests, expansion of schoolboy patrol and high-school driver training work, vigorous support for law enforcement, dissemination of films, literature, and educational material in a wide range of contacts with State and local civic and fraternal groups, assistance in the training of traffic-control personnel and more effective cooperation with all agencies concerned through automobile dealers and car owners.

Paul G. Hoffman, chairman of the safety traffic committee of the Automobile Manufacturers Association, which formulated details of the broad program said that "the primary responsibility for highway safety belongs with the public officials, who are charged with the duty of building and maintaining the facilities and controlling their use." He pointed out that the chief function of private groups who represent organized public sentiment is to support the official agencies with a broad, vigorous program of public education.

ALL BRANCHES OF AUTOMOTIVE INDUSTRY UNITED

All members of the industry, including automobiles, truck, parts, and accessory makers, finance companies, and rubber manufacturers have joined in "the most comprehensive, cooperative educational program for greater safety on our streets and highways that has yet been attempted by the industry", Mr. Macauley stated.

Officials of such outstanding organizations as the following have pledged their utmost efforts in this cooperative expansion of safety education, Mr. Macauley announced: American Association of Motor Vehicle Administrators; American Association of State Highway Officials; American Automobile Association; American Legion; General Federation of Women's Clubs; Highway Education Board; International Association of Police Chiefs; National Bureau of Surety & Casualty Underwriters; National Congress of Parents and Teachers; National Grange; National Safety Council; United States Bureau of Public Roads; United States Department of Commerce; United States Office of Education.

CONTINUING CAMPAIGN VITAL

"The motor industry is keenly aware of the futility of sporadic attacks on the driver accident problem", said Mr. Macauley. "Such attacks emphasizing the morbidity and horror aspects are not effective. In fact, we are inclined to believe that they may actually add to the hazards of the situation.

"Motor manufacturers and allied interests have devoted a great deal of time and money to the safety problem. Individually, car makers have put their best efforts into building the safest possible vehicle and will continue to do so. Millions of publications have been distributed, safety films presented, and free vehicle inspections offered. Collectively, among other things, we have sponsored safety essay and lesson contests in schools, with the assistance of interested public officials. We have participated in the development of uniform traffic laws. It is apparent, however, that all concerned must redouble their efforts. Greater safety can only be achieved through concentration on all known methods of relief."

STATEMENT OF POLICY FORMULATED

Recognizing the need for sound guiding principles, the organized automobile industry some time ago crystallized its past policies by the adoption of a definite safety platform.

"This is more than a statement of policies, it is a working guide", said Mr. Macauley. "Some phases of this platform were put into effect with the industry's $54,000 grant to Harvard University for carrying on research activities, training of traffic-control personnel, and other functions of the Bureau for Street Traffic Research."

Mr. Hoffman pointed out that detailed plans of individual organizations would be announced as they complete their arrangements. They will initiate and carry out projects on their own responsibility, he said:

"At the same time, we are expanding the scope of safety activities of the Automobile Manufacturers Association", said Mr. Hoffman. "Through dealers and related groups of the industry we hope to deal constructively with this difficult problem."

Members of the Safety Traffic Committee of the Automobile Manufacturers Association, responsible for the industry's broadened activity include: Mr. Hoffman, president of the Studebaker Corporation, as chairman; Lee J. Eastman, vice president, Packard Motor Car Co.; R. P. Fohey, secretary, Chrysler Corporation; Paul W. Garrett, director of public relations, General Motors Corporation; R. P. Page, Jr., president, the Autocar Co.; Alfred Reeves, vice president and general manager, Automobile Manufacturers Association; and Norman Damon, manager of the safety divison of the association.

The safety platform, adopted a few months ago, which is given full force and effect by the latest action, follows:

1. We will continue to build vehicles with every safety factor which intensive research and engineering ingenuity makes available.
2. We will merchandise our product under circumstances which emphasize the importance of safe construction, safe maintenance, and safe use.
3. We will assist our dealers in keeping a constructive safety message before their customers and their communities.
4. We will encourage our dealers and service organizations to deliver cars, new or old, in safe driving condition, and only to persons legally entitled to use the public highways.
5. We will continue to support a sound, scientific approach to a solution of the traffic problem, believing that the same methods which have given America safe cars will protect their safe use.
6. We will work for highways of the highest quality, consistent with traffic needs, and best adjusted to the safe use of the modern vehicle.
7. We will aid in the development and application of sound traffic regulations designed to gain maximum safety from existing streets and highways.
8. We will aid the school system in protecting the young and in developing good citizens conscious of their highway duties.
9. We will assist sound educational efforts through our own channels and through cooperation with other recognized safety educational agencies working for greater safety, economy, and happiness in the use of the public highways.
10. We will cooperate with the police departments and other enforcement agencies in a vigorous selective program of traffic-law enforcement designed to remove the reckless from the highways, to curb the careless, and to protect the right of the good citizen to use the highways safely and free from molestation.

JUSTICE ROBERTS AND JUSTICE STONE

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New Republic of January 22, 1936, by John T. Flynn, entitled "Justice Roberts and Justice Stone", together with the editorial note.

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

[From the New Republic of Jan. 22, 1936]

JUSTICE ROBERTS AND JUSTICE STONE

(The following article, which takes the place of Mr. Flynn's regular department for this week, is based upon the opinion and the dissenting opinion of the Supreme Court in the A. A. A. case. The dialog reproduces faithfully, for the most part, the precise words of the two opinions; a few minor changes of a word or a phrase have been made to adapt the material to this form or to shorten it. The spectator's inquiry is introduced to clarify the obscure language of the Court on two occasions. The object of the article is to render plain and make readily available the heart of this epoch-making decision.—THE EDITORS.)

Mr. Justice ROBERTS. The Government contends that under article I, section 8, of the Constitution the Congress has the power to levy this tax (a tax on processors of farm products to pay benefits to the farmers). The clause which the Government thinks authorizes the legislation—the first clause—confers upon Congress the power "to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and promote the general welfare of the United States."

Now, as we see it, this is the great and controlling question in this case. And we approach its decision with a sense of our deep responsibility to render judgment in accordance established for the governance of all three branches of the Government.

(Observing a deprecatory grimace on the face of Mr. Justice Brandeis:)

No misunderstanding, please! We know it is sometimes said (with a glance toward Mr. Brandeis) that the Court assumes a power to overrule or control the action of the people's representatives. This is a misconception. When an act of Congress is challenged in the courts as not conforming to the constitutional mandate, the judicial branch of the Government has only one duty—to ascertain and declare whether the legislation is in accordance with or in contravention of the Constitution.

Mr. Justice STONE. True. But while the unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only restraint upon our own exercise of power is our own sense of self-restraint. For the removal of unwise laws from the statute books appeal lies not to the courts but to the ballot and the processes of democratic government. (Tense silence.)

Justice ROBERTS. Let us get on!

Hamilton maintained that the taxing and general-welfare clause confers a power separate and distinct from those later enumerated, that Congress has the power to tax and appropriate limited only by the requirement that it shall be exercised to provide for the general welfare of the United States. This Court agrees with this.

Justice STONE. Well, with the present depressed state of agriculture, which is Nation-wide, there is certainly no basis for saying that the expenditure of public money in aid of farmers is not within the specific grant of power to Congress to levy taxes "to provide for the general welfare", is there?

Justice ROBERTS. We are not now required to ascertain whether an appropriation in aid of agriculture falls within this grant of power.

Justice STONE. Then you don't decide on that point?

Justice ROBERTS. No; we do not.

Justice STONE. Then it is not denied that Congress in aid of the general welfare may make an appropriation in aid of agriculture?

Justice ROBERTS. We neither affirm nor deny.

Justice STONE. Then on what ground do you outlaw the tax?

Justice ROBERTS. There is a difference, let me remind my learned colleague, between making an appropriation "in aid of agriculture" and adopting a plan—of which the tax is merely a part—to regulate agriculture. The right to regulate agriculture is reserved to the States. It was never granted to the Federal Government. That being so, it is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted.

The power of taxation, which is expressly granted, may, of course, be adopted as a means to carry into operation another power also expressly granted. But resort to the taxing power to effectuate an end which is not within the scope of the Constitution is obviously inadmissible. This Court has held this over and over since Marshall laid it down in *McCulloch* v. *Maryland*. Therefore the taxing power may not be used to enforce a regulation of matters of State concern, with respect to which the Congress has no authority to interfere.

Justice STONE. But how is Congress regulating agriculture here?

Justice ROBERTS. Not having the power to regulate agriculture, Congress undertakes to purchase that power by paying benefits to farmers for compliance which Congress is powerless to command. Congress has no power to enforce its commands on the farmer to the ends sought by the Agricultural Adjustment Act. It must follow that it may not indirectly accomplish those ends by taxing and spending to purchase compliance.

Justice STONE. But the farmer is placed under no legal compulsion to reduce acreage.

Justice ROBERTS. That's what the Government contends, that its end is accomplished by voluntary cooperation. But it is not in fact voluntary. The farmer, of course, may refuse to comply, but the price of refusal is the loss of benefits. The amount offered is intended to be sufficient to exert pressure on him to agree to the proposed regulation.

Justice STONE. But it is threat of loss, not hope of gain, which is the essence of economic coercion.

Justice ROBERTS. The power to confer or withhold unlimited benefits is the power to coerce or destroy. If the cotton grower elects not to accept the benefits, he will receive less for his crops. Those who receive payments may be able to undersell him. The result may well be financial ruin.

Justice STONE. There is nothing to indicate that those who accepted benefits were impelled by fear of lower prices. After all, look at what actually happened. Fourteen percent of all acreage of cotton land—6,343,000 acres—refused to participate the first year and 6 percent the second. One-third of all the cotton farms in 1934 and 13 percent in 1935 did not participate.

Justice ROBERTS. The coercive purpose of the A. A. A. is not obscured by the fact that it is not perfectly successful.

Justice STONE. Well, the suggestion of coercion finds no support in the record or in the data showing the actual operation of the act. The presumption of constitutionality is not to be overturned by an assertion of its coercive effect which rests on nothing more substantial than groundless speculation.

The Constitution requires that public funds shall be spent for a defined purpose—the promotion of the general welfare. Their expenditure usually involves payment on terms which will ensure use by the recipients within the limits of the constitutional purpose. Expenditures would fail of their purpose and thus lose their constitutional sanction if the terms of payment were not such that by their influence on the action of the recipients the permitted end would be attained.

A SPECTATOR. Whoa there, Mr. Justice! Let me see if I get that. To achieve the general welfare the funds raised must be paid out by the Government to individuals, and those individuals must use the money for the purpose intended by Congress. Unless the money is spent for that purpose, the constitutional objective—the general welfare—will not be attained. Hence payments are usually made upon condition that they will be used as intended or they will lose their constitutional sanction. Therefore, payments are usually conditional.

Justice STONE. Quite right. Thank you for the translation.

Justice ROBERTS. Of course, I know it is contended that much of the total expenditure by Congress is made by appropriating money to executive officers to be spent under contracts between the Government and the individuals. But appropriation and expenditures under contracts for proper governmental purposes cannot justify contracts which are not within the Federal power.

A SPECTATOR. Pardon me, Mr. Justice Roberts. Do I understand your contention to be this: That Congress may tax and spend on declared purposes for the general welfare? And that these purposes may not be within the powers of the Federal Government under any of its special grants of power? But that if conditions are annexed to the payments of money, they must be for performance in a field over which Congress has control?

Justice ROBERTS. Precisely. And contracts for the reduction of acreage and the control of production are outside the range of that power. The Congress cannot invade State jurisdiction to compel individual action; no more can it purchase such action.

Justice STONE. Mere annexing of a condition to a payment of money by the Government cannot be called usurping regulation. The power of Congress to spend is inseparable from persuasion to action over which Congress has no control. Congress may not command that the science of agriculture be taught in the State universities. But if it would aid the teaching of that science by grants to State institutions, it is appropriate, if not necessary, that the grant be on the condition, incorporated in the Morrill Act (12 Stat. 593), that it be used for the purpose intended.

"Let the end be legitimate," said the great Chief Justice Marshall. "Let it be within the scope of the Constitution and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consistent with the letter and spirit of the Constitution, are constitutional." This cardinal guide to constitutional exposition must now be rephrased so far as the spending power of the Federal Government is concerned.

Let the expenditure be to promote the general welfare still, if it is needful in order to insure its use for the intended purpose to influence any action which Congress cannot command because within the sphere of State government, the expenditure is unconstitutional.

Congress through the Interstate Commerce Commission has set aside intrastate railroad rates. It has made and destroyed intrastate industries by raising or lowering tariffs. These results are said to be permissible because they are incidents of the commerce power and the power to levy duties on imports. The only conclusion to be drawn is that results become lawful when incident to the similarly granted power to tax and spend.

The limitation now sanctioned must lead to absurd consequences. The Government may give seeds to farmers, but may not condition the gift upon their being planted in places where they are most needed, or even planted at all.

The Government may give money to the unemployed, but may not ask that those who get shall give labor in return, or even use it to support their families. It may give money to sufferers from earthquake, fire, tornado, pestilence, or flood, but may not impose conditions—health precautions designed to prevent the spread of disease or induce the movement of population to safer or more sanitary areas.

The Government may spend its money for vocational rehabilitation, but it may not, with the consent of all concerned, supervise the process which it undertakes to aid. It may spend its

money for the suppression of the boll weevil, but may not compensate the farmers for suspending the growth of cotton in the infected areas.

It may support rural schools, but may not condition its grant by the requirement that certain standards be maintained. It may appropriate moneys to be expended by the Reconstruction Finance Corporation "to aid in financing agriculture, commerce, and industry" and to facilitate "the exportation of agriculture and other products."

Do all its activities collapse because, in order to effect the permissible purpose, in myriad ways the money is paid out upon terms and conditions which influence action of the recipients within the State, which Congress cannot command? The answer would seem plain. If the expenditure is for a national public purpose, that purpose will not be thwarted because payment is on condition which will advance that purpose.

Justice ROBERTS. We are referred to numerous types of Federal appropriations which have been made in the past and it is asserted no question has been raised to their validity. We need not stop to examine or consider them. As was said in *Massachusetts* v. *Mellon*, "as an examination of the acts of Congress will disclose, a large number of statutes appropriating or involving the expenditure of moneys for Federal purposes have been enacted and carried into effect." As the opinion points out, such expenditures have not been challenged because no remedy was open for testing their constitutionality in the courts.

But we are not here concerned with conditional appropriations. * * * By the A. A. A. the amount of the tax is expended only in payment under contracts whereby the parties bind themselves to regulation by the Federal Government. There is an obvious difference between a statute stating the conditions upon which moneys shall be expended and one expended only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced.

Justice STONE. The action which Congress induces by payments of money to promote the general welfare, but which it does not command or coerce, is but an incident to a specifically granted power, but a permissible means to a legitimate end. If appropriation in aid of a program of curtailment of agricultural production is constitutional, and it is not denied that it is, payment to farmers on condition that they reduce their crop acreage is constitutional. It is not any the less so because the farmer at his own option promises to fulfill the condition.

Justice ROBERTS. If the act before us is a proper exercise of the taxing power, then the regulation of all industry throughout the United States may be accomplished by similar exercises of the same power.

A possible result of sustaining the claimed Federal power would be that every business group which thought itself underprivileged might demand that a tax be laid on its vendors or vendees, the proceeds to be appropriated to the redress of its deficiency of income.

The expressions of the framers of the Constitution and the great commentators will be searched in vain for any suggestion that there exists in the Constitution the authority whereby every fair implication from that instrument may be subverted, the independence of the individual States obliterated, and the United States converted into a central government exercising uncontrolled police power, superseding all local control or regulation of the affairs of the States.

Justice STONE. That argument—that the power of Congress must be curtailed by judicial fiat because it may be abused by unwise use—hardly rises to the dignity of an argument. [Looking fixedly at Mr. Justice Roberts.] So may judicial power be abused.

Justice ROBERTS. Strange, it seems never to have occurred to the framers of the Constitution that the general welfare of the United States (which has aptly been termed an indestructible union of indestructible states) might be served by obliterating the constituent members of the Union.

Justice STONE. A tortured construction is not to be justified by recourse to extreme examples of reckless congressional spending which might occur if courts could not prevent expenditures which, even if they could be thought to effect any national purpose, would be possible only by action of a legislature lost to all sense of public responsibility. Such suppositions must leave unmoved any but the mind accustomed to believe that it is the business of courts to sit in judgment on the wisdom of legislative action.

Courts are not the only agency of government that must be assumed to have capacity to govern. Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty. But interpretation of our great charter of government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of the Government, or that it alone can save them from destruction, is far more likely, in the long run, "to obliterate the constituent members" of "an indestructible union of indestructible States" than the frank recognition that language even of a Constitution may mean what it says: That the power to tax and spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money.

JOHN T. FLYNN.

OLD DEAL AGAINST NEW DEAL

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD a comparative statement published in the Philadelphia Record under date of January 21, 1936, having relation to labor, agriculture, industry, commerce, securities, and public utilities in certain periods embraced in what are known as the Old Deal and the New Deal.

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

[From the Philadelphia Record of Jan. 21, 1936]

Last 3 years of the Old Deal compared with first 3 years of the New Deal

OLD DEAL					NEW DEAL				
					Labor				
Unemployment	Apr.	1, 1930	3,188,000	Advance 313%	Unemployment	Apr.	1, 1933	13,178,000	Decline 30%
	Apr.	1, 1933	13,178,000			Dec.	1, 1935	9,177,000	
					Agriculture				
Cotton	Mar.	1, 1930	15.10 cents per pound	Decline 61%	Cotton	Mar.	1, 1933	5.90 cents per pound	Advance 92%
	Mar.	1, 1933	5.90 cents per pound			Jan.	1, 1936	11.35 cents per pound	
Wheat	Mar.	1, 1930	$1.16 per bushel	Decline 59%	Wheat	Mar.	1, 1933	48 cents per bushel	Advance 111%
	Mar.	1, 1933	48 cents per bushel			Jan.	1, 1936	101.5 cents per bushel	
Corn	Mar.	1, 1930	88.40 cents per bushel	Decline 73%	Corn	Mar.	1, 1933	24.12 cents per bushel	Advance 152%
	Mar.	1, 1933	24.12 cents per bushel			Jan.	1, 1936	60.87 cents per bushel	
					Industry				
Industrial production	Jan.	1, 1930	110.4	Decline 44%	Industrial production	Jan.	1, 1933	61.4	Advance 51%
(Index: 1926=100%)	Jan.	1, 1933	61.4		(Index: 1926=100%)	Jan.	1, 1936	92.9	
Steel production	Jan.	1, 1930	2,903,012 gross tons	Decline 70%	Steel production	Jan.	1, 1933	861,034 gross tons	Advance 257%
(Month ending)	Jan.	1, 1933	861,034 gross tons		(Month ending)	Jan.	1, 1936	3,081,000 gross tons	
Auto registration	Jan.	1, 1930	161,830 units	Decline 66%	Auto registration	Jan.	1, 1933	55,105 units	Advance 326%
(Month ending)	Jan.	1, 1933	55,105 units		(Month ending)	Jan.	1, 1936	235,000 units	
					Commerce				
Wholesale prices	Jan.	1, 1930	92.5	Decline 34%	Wholesale prices	Jan.	1, 1933	61.0	Advance 33%
(Index: 1926=100%)	Jan.	1, 1933	61.0		(Index: 1926=100%)	Jan.	1, 1936	81.0	
Total exports	Jan.	1, 1930	$3,843,000,000	Decline 56%	Total exports	Jan.	1, 1933	$1,675,000,000	Advance 33%
(Year ending)	Jan.	1, 1933	$1,675,000,000		(Year ending)	Dec.	1, 1935	$2,228,000,000	
Total imports	Jan.	1, 1930	$3,061,000,000	Decline 52%	Total imports	Jan.	1, 1933	$1,450,000,000	Advance 37%
(Year ending)	Jan.	1, 1933	$1,450,000,000		(Year ending)	Dec.	1, 1935	$1,993,000,000	
					Securities				
Listed stocks	Mar.	1, 1930	60.52	Decline 75%	Listed stocks	Mar.	1, 1933	15.20	Advance 134%
(Average)	Mar.	1, 1933	15.20		(Average)	Jan.	1, 1936	35.62	
Listed bonds	Mar.	1, 1930	96.19	Decline 22%	Listed bonds	Mar.	1, 1933	74.89	Advance 22%
(Average)	Mar.	1, 1933	74.89		(Average)	Jan.	1, 1936	91.85	
					Public utilities				
Power production (Month ended)	Jan.	1, 1930	7.87 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	Advance 19%
Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours		Power production (Month ended)	Jan.	1, 1936	8.50 billion kilowatt-hours	

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

TARIFF RATES UNDER RECIPROCAL TRADE TREATIES

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement giving a comparison of the rates in effect under the previous tariffs with those in effect under the various reciprocal-trade agreements entered into by the United States with other nations.

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

SCHEDULE 1. CHEMICALS, OILS, AND PAINTS

Paragraph	Article	Rates of duty: Old rate	Rates of duty: New rate	Country
1	Acetic acid containing by weight more than 65 percent acetic acid	2 cents per pound	1¼ cents per pound	Canada.
2	Vinyl acetate and synthetic resins made in chief value therefrom	6 cents per pound+30 percent.	3 cents per pound+15 percent.	Do.
4	Amyl alcohol	6 cents per pound	4 cents per pound	Netherlands.
4	Fusel oil	do	do	Do.
5	Laundry sour	25 percent	15 percent	Do.
5	Ammonium silicofluoride	do	do	Do.
5, 23	Haarlem oil	do	do	Do.
6	Aluminum sulphate	0.2 cent or 0.375 cent per pound.	0.2 cent per pound	Belgium.
10	Copaiba balsam, natural and uncompounded, and not containing alcohol (ad valorem).	10 percent	5 percent	Brazil.
10	Tolu balsam, natural and uncompounded, and not containing alcohol (ad valorem).	do	do	Colombia.
10	Balsams, not specially provided for, natural and uncompounded, and not containing alcohol.	do	5 percent ad valorem	Honduras.
15	Caffeine	$1.25 per pound	90 cents per pound	Netherlands.
15	Theobromine	75 cents per pound	65 cents per pound	Do.
20	Chalk or whiting or paris white:			
	Dry, ground, or bolted	0.4 cent per pound	0.2 cent per pound	
	Ground in oil (putty)	0.75 cent per pound	0.5 cent per pound	Belgium.
24	Flavoring extracts containing more than 50 percent alcohol	80 cents per pound+25 percent.	60 cents per pound+18 percent.	Netherlands.
24	Flavoring extracts, and natural or synthetic fruit flavors, fruit esters, oils, and essences, all the foregoing and their conbinations, containing more than 20 percent and not more than 50 percent of alcohol.	40 cents per pound and 25 percent ad valorem.	30 cents per pound and 18 percent ad valorem.	Belgium.
27	Naphthalene which after the removal of all water present has a solidifying point of 79° C. or above.	7 cents per pound and 40 percent ad valorem.	3.5 cents per pound and 20 percent ad valorem.	Do.
29	Cobalt oxide	20 cents per pound	10 cents per pound	Canada.
29	Cobalt sulphate	10 cents per pound	5 cents per pound	Belgium.
32	Vulcanized fiber	30 per cent ad valorem	20 percent ad valorem	Sweden.
35	Ipecac natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	10 percent ad valorem	5 percent ad valorem	Brazil.
35	Ipecac, natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, and not containing alcohol.	10 percent ad valorem	5 percent ad valorem	Colombia.
35	Maté, natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	do	do	Brazil.
37	Amyl acetate	7 cents per pound	4 cents per pound	Netherlands.
41	Edible gelatin valued under 40 cents per pound	5 cents per pound+12 percent.	2½ cents per pound+12 percent.	Do.
42	Glycerin, crude	$0.008 per pound	$0.004 per pound	Cuba.
42	Refined glycerin (⅔ cent per pound differential over 1-cent rate on crude glycerin guaranteed).	2 cents per pound	1⅓ cents per pound	Netherlands.
52	Sperm oil, crude	5 cents per gallon [3]	2½ cents per gallon	Canada.
58	Distilled or essential grapefruit oil	20 percent	10 percent ad valorem	Cuba.
58	Cajeput oil	25 percent	12½ percent	Netherlands.
71	Acetylene black	20 percent	15 percent	Canada.
72	Lead pigments: White lead	2.5 cents per pound	2.1 cents per pound	Belgium
77	Lithopone containing less than 30 percent of zinc sulphide	1¾ cents per pound	1½ cents per pound	Netherlands.
81	Sodium phosphate (except pyro phosphate):			
	Containing by weight less than 45 percent of water	1.5 cents per pound	1 cent per pound	Belgium.
	Not specially provided for	0.75 cent per pound	0.5 cent per pound	Do.
83	Potato starch	2½ cents per pound	1¾ cents per pound	Netherlands.
84	Dextrine made from potato starch or potato flour	3 cents per pound	2¼ cents per pound	Do.

SCHEDULE 2. EARTHS, EARTHENWARE, AND GLASSWARE

201 (a)	Firebrick, not specially provided for	25 percent	15 percent	Canada.
202 a)	Cement floor and wall tiles:			
	Valued at not more than 40 cents per square foot	$0.08 per square foot, but not less than 40 percent ndr more than 56 per cent ad valorem.	$0.04 per square foot, but not less than 20 percent nor more than 28 percent ad valorem.	Cuba.
	Valued at more than 40 cents per square foot	48 per cent ad valorem	24 percent ad valorem	Do.
203	Lime, hydrated	12 cents per 100 pounds	8 cents per 100 pounds	Canada.
203	Lime, not specially provided for	10 cents per 100 pounds	7 cents per 100 pounds	Do.
203	Limestone, not suitable for monumental or building stone, crude	5 cents per 100 pounds	2½ cents per 100 pounds	Do.
205 (b)	Roman, portland, and other hydraulic cement or cement clinker	6 cents per 100 pounds, including weight of container.	4.5 cents per 100 pounds, including weight of container.	Belgium.
207	Feldspar, crude	50 cents per long ton [3]	35 cents per long ton	Canada.
207	Sand containing 95 percent or more of silica and not more than 9/10 of 1 percent of oxide of iron and suitable for use in the manufacture of glass.	$2 per ton	$1 per ton	Belgium.
209	Talc, steatite or soapstone, ground, etc. (except toilet preparations), valued not over $12.50 per long ton.	35 percent	25 percent	Canada.
214	Dead-burned basic refractory material containing 6 percent or more of lime and consisting chiefly of magnesia and lime.	30 percent	27½ percent	Do.
218 (f)	Engraved ornamental glassware valued over $8 per piece	60 percent ad valorem	30 percent ad valorem	Sweden.
220	Laminated glass composed of layers of glass and other material or materials, and manufactures wholly or in chief value of such glass.	do	45 percent ad valorem	Belgium.
222 (a)	Plate glass, by whatever process made: Not exceeding 384 square inches	12.5 cents per square foot	8.3 cents per square foot	Do.
222 (a)	Plate glass, by whatever process made:			
	Above that, and not exceeding 720 square inches	17 cents per square foot	11.3 cents per square foot	Do.
	Above that, and not exceeding 1,008 square inches	17.5 cents per square foot	11.7 cents per square foot	Do.
	All above that	19.75 cents per square foot	13.2 cents per square foot	Do.
	Provided, that none of the foregoing measuring one-half inch or over in thickness shall be subject to a less rate of duty than.	50 percent ad valorem	50 percent ad valorem	Do.
222 (b)	Plate glass containing a wire netting within itself:			
	Not exceeding 384 square inches	15 cents per square foot	10 cents per square foot	Do.
	Above that, and not exceeding 720 square inches	20 cents per square foot	13.2 cents per square foot	Do.
	All above that	23 cents per square foot	15.3 cents per square foot	Do.

[See footnotes at end of table]

SCHEDULE 2. EARTHS, EARTHENWARE, AND GLASSWARE—continued

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
222 (d)	Rolled, cylinder, crown, and sheet glass, not plate glass, if ground wholly or in part (whether or not polished), otherwise than for the purpose of ornamentation, or if ¼ of 1 inch or more in thickness and obscured by coloring prior to solidification.	Subject to specific duties in 222 (a) or (b) above.	Subject to specific duties in 222 (a) or (b) above.	Do.
	Provided, That none of the foregoing measuring ½ inch or more in thickness and not containing a wire netting within itself shall be subject to less than the following rates of duty:			
	If ground wholly or in part (whether or not polished) otherwise than for the purpose of ornamentation.	50 percent ad valorem	50 percent ad valorem	Do.
	If not ground wholly or in part	do	40 percent ad valorem	Do.
226	Lighthouse lenses	40 percent ad valorem, 35 percent ad valorem+10 cents per dozen pairs.	25 percent ad valorem, but not less than 17½ percent ad valorem+5 cents per dozen pairs.	Sweden.
231	Opal, enamel or cylinder glass tiles and tiling	40 percent ad valorem	30 percent ad valorem	Belgium.
234 (a)	Granite paving blocks	60 percent ad valorem	40 percent ad valorem	Sweden.
234 (a)	Granite, unmanufactured	25 cents per cubic foot	20 cents per cubic foot	Do.

SCHEDULE 3. METALS AND MANUFACTURES OF

301	Sponge iron	$2.25 per ton	$1.25 per ton	Sweden.
302 (a)	Manganese ore (including ferruginous manganese ore) or concentrates, and manganiferous iron ore, all the foregoing containing in excess of 10 percent of metallic manganese (per pound on the metallic manganese contained therein).	1 cent per pound	½ cent per pound	Brazil.
302 (d)	Ferromanganese, containing not less than 4 percent carbon on manganese content.	1⅞ cents per pound	1⅝ cents per pound [3]	Canada.
302 (f)	Ferrosilicon, containing at least 8 percent but less than 30 percent of silicon silicon.	2 cents per pound on silicon content.	1½ cents per pound silicon content.	Do.
302 (k)	High-carbon ferrochrome	2½ cents per pound on chromium content.	1¼ cents per pound on chromium content.	Sweden.
302 (k)	Low-carbon ferrochrome and chromium metal	30 percent ad valorem	25 percent ad valorem	Do.
302 (m)	Ferrotitanium, ferrovanadium, and ferrouranium	25 percent	15 percent	Canada.
303	Muck bars valued above 2½ cents per pound	0.8 cent, 1.0 cent, and 1.5 cents per pound.	0.5 cent, 0.8 cent, and 1.0 cent per pound.	Sweden.
303	Muck bars, pieces thereof except crop ends, bar iron, and round iron in coils or rods, iron in slabs, blooms, loops, or other forms less finished than iron in bars and more advanced than pig iron, except castings; all the foregoing valued at not above 1½ cents per pound.	0.3 cent per pound	0.25 cent per pound	Belgium.
304	Steel ingots, cogged ingots, blooms and slabs, by whatever process made; billets and bars, whether solid or hollow, weighing more than 30 pounds per linear foot:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Do.
	Valued above 1½ cents and not above 2½ cents per pound	0.5 cent per pound	0.375 cent per pound	Do.
304	Billets and bars, whether solid or hollow, weighing not more than 30 pounds per linear foot, and concrete reinforcement bars:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Do.
	Valued above 1½ cents and not above 2½ cents per pound	0.5 cent per pound	0.4 cent per pound	Do.
304	Unfinished steel, steel bars, sheets, and slabs valued 2½-8 cents per pound	0.8, 1.0, and 1.7 cents per pound.	20 percent ad valorem	Sweden.
304	Die blocks or blanks; shafting; pressed, sheared, or stamped shapes, not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; all descriptions and shapes of dry sand, loam, or iron molded steel castings; sheets and plates and steel not specially provided for; all the foregoing:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Belgium.
	Valued above 1½ and not above 2½ cents per pound	0.5 cent per pound	0.4 cent per pound	Do.
305 (1)	Alloy steels valued over 3½ and not over 8 cents per pound (supplemental rates on alloy steels in specified paragraphs).	8 percent ad valorem additional duty on total value of alloy steel plus specific rates on alloy contents.	4 percent additional duty on total value of alloy steel plus present specific rates on alloy contents.	Sweden.
307	Boiler or other plate iron or steel, except crucible plate steel and saw plate steel, not thinner than 109/1000ths of 1 inch, cut or sheared to shape or otherwise, or unsheared, and skelp iron or steel sheared or rolled in grooves, valued at not above 3 cents per pound.	0.5 cent per pound	0.35 cent per pound	Belgium.
308	Sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less:			
	Thinner than 109/1000ths and not thinner than 38/1000ths of 1 inch	0.45 cent per pound	0.35 cent per pound	Do.
	Thinner than 38/1000ths and not thinner than 22/1000ths of 1 inch	0.55 cent per pound	0.45 cent per pound	Do.
	Thinner than 22/1000ths and not thinner than 10/1000ths of 1 inch	0.75 cent per pound	0.60 cent per pound	Do.
	Thinner than 10/1000ths of 1 inch	0.85 cent per pound	0.70 cent per pound	Do.
	Corrugated or crimped	0.75 cent per pound	0.60 cent per pound	Do.
312	Beams, girders, joists, angles, channels, car-truck channels, tees, columns and posts, or parts or sections of columns and posts, and deck and bulb beams, together with all other structural shapes of iron or steel; any of the foregoing machined, drilled, punched, assembled, fitted, fabricated for use, or otherwise advanced beyond hammering, rolling, or casting.	20 percent ad valorem	15 percent ad valorem	Do.
314	Hoop or band iron, and hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paint or any other preparation, with or without buckles, or fastenings, for baling cotton or any other commodity.	0.25 cent per pound	0.2 cent per pound	Do.
315	Wire rods: Rivet, screw, fence, and other iron or steel wire rods, whether round, oval, or square, or in any other shape, nail rods and flat rods up to 6 inches in width ready to be drawn or rolled into wire or strips, all the foregoing in coils or otherwise, valued at not over 2½ cents per pound.	0.3 cent per pound	0.25 cent per pound	Do.
315	Wire rods:			
	Valued over 2½ and not over 4 cents per pound	0.3 cent per pound	0.3 cent per pound [4]	Sweden.
	Valued over 4 cents per pound	0.6 cent per pound	0.6 cent per pound [4]	Do.
316 (a)	Round wire, valued over 6 cents per pound	25 percent ad valorem	20 percent ad valorem	Do.
316 (a)	Flat wire and steel strips:			
	Not exceeding 1/100 inch in thickness	do	15 percent ad valorem	Do.
	From 1/100 to 1/500 inch in thickness	do	20 percent ad valorem	Do.
321	Antifriction ball and roller bearings	10 cents per pound+45 percent ad valorem.	8 cents per pound+35 percent ad valorem.	Do.
325	Anvils weighing over 5 pounds	3 cents per pound	2 cents per pound	Do.
339	Enameled ware, household utensils	5 cents per pound+30 percent ad valorem.	5 cents per pound+15 percent ad valorem.	Do.
340	Crosscut, hand, back, and saws not specially provided for, valued over 5 cents each.	20 percent ad valorem	15 percent ad valorem	Do.
340	Mill, pit, drag, and steel band saws	do	12 percent ad valorem	Do.

[See footnotes at end of table]

SCHEDULE 3. METALS AND MANUFACTURES OF—continued

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
353	Electrical cooking stoves and ranges, and parts	35 percent	25 percent	Canada.
353	Electric vacuum cleaners and motors therefor	35 percent ad valorem	35 percent ad valorem [4]	Sweden.
353	Calculating machines operated by electric motor	do	25 percent ad valorem	Do.
353	Electrical X-ray apparatus	35 percent	17½ percent	Netherlands.
354	Pocket knives with etched steel handles valued over $6 per dozen	35 cents each+55 percent ad valorem.	17½ cent seach+27½ percent ad valorem.	Sweden.
356	Machine knives	20 percent ad valorem	20 percent ad valorem [4]	Do.
361	Slip-joint pliers valued over $2 per dozen	60 percent ad valorem	40 percent ad valorem	Do.
361	Pliers other than slip-joint, valued over $2 per dozen	$1.20 per dozen+60 percent ad valorem.	$0.80 per dozen+40 percent ad valorem.	Do.
362	Files 7 inches or over	77½ cents per dozen	45 cents per dozen	Do.
365	Shotguns:			
	Valued at not more than $5 each	$1.50 each and 45 percent ad valorem.	75 cents each and 22½ percent ad valorem.	Belgium.
	Valued at more than $5 and not more than $10 each	$4 each and 45 percent ad valorem.	$2 each and 22½ percent ad valorem.	Do.
	Valued at more than $10 and not more than $25 each	$6 each and 45 percent ad valorem.	$3 each and 22½ percent ad valorem.	Do.
	Valued at more than $25 and not more than $50 each	$10 each and 45 percent ad valorem.	$5 each and 22½ percent ad valorem.	Do.
	Valued at more than $50 each	65 percent ad valorem	32½ percent ad valorem	Do.
365	Barrels for shotguns, further advanced in manufacture than rough bored only.	$4 each and 50 percent ad valorem.	$2 each and 25 percent ad valorem.	Do.
365	Stocks for shotguns, wholly or partly manufactured	$5 each and 50 percent ad valorem.	$2.50 each and 25 percent ad valorem.	Do.
365	Parts of shotguns and fittings for shotgun stocks or barrels, finished or unfinished.	50 percent ad valorem	27½ percent ad valorem	Do.
365	Shotguns imported without a lock or locks or other fittings	$10 each and 55 percent ad valorem.	$5 each and 27½ percent ad valorem.	Do.
365	Shotgun barrels, in single tubes, forged, rough bored	10 percent	5 percent ad valorem	Do.
372	Reciprocating gang-saw machines	27½ percent ad valorem	27½ percent ad valorem [4]	Sweden.
372	Calculating machines operated by hand power	do	25 percent ad valorem	Do.
372	Machines for making paper or pulp	do	20 percent ad valorem	Do.
373	Forks, hoes, and rakes, and parts thereof	15 percent ad valorem	15 percent ad valorem [4]	Do.
373	Scythes, sickles, grass hooks and corn knives	30 percent ad valorem	20 percent ad valorem	Do.
397	Kerosene or gasoline compressed-air stoves	45 percent ad valorem	25 percent ad valorem	Do.
397	Stoves, heating and cooking	do	do	Do.
397	Blow torches and incandescent lamps	do	do	Do.

SCHEDULE 4. WOOD AND MANUFACTURES OF

401	Lumber and timber:			
	Douglas fir and western hemlock	$1, tax $3	$0.50, tax $1.50	Canada.
	Reduced duty to apply to not more than 250,000 M board feet per calendar year.	Per thousand feet	Per thousand feet	
401	Lumber and timber:			
	Spruce, pine, eastern hemlock, larch and fir other than Douglas fir	$1, tax $3	$0.50, tax $1.50	Do.
1803 (1) sec. 601 (c) (6), Revenue Act of 1932.	Lumber and timber:			
	Other softwood and hardwood, not specially provided for, if not of balsa or teak.	Tax $3	Tax $1.50	Do.
404 and sec. 601 (c) (6), Revenue Act of 1932.	Mahogany in the form of sawed boards, planks, deals, and all other forms not further manufactured than sawed.	12 percent ad valorem and $2.40 per thousand board measure.	6 percent ad valorem and $1.20 per thousand feet board measure.	Cuba.
412	Ice hockey sticks of wood	33⅓ percent	20 percent	
412	Spring clothespins	20 cents per gross ad valorem	15 cents per gross	Sweden.
412	Clothespins other than spring	33⅓ percent ad valorem	25 percent ad valorem	Do.
402	Flooring of maple (except Japanese maple), birch, and beech	8 percent	4 percent	Canada.

SCHEDULE 5. SUGAR, MOLASSES, AND MANUFACTURES OF

501	Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75 sugar degrees, and all mixtures containing sugar and water, testing by the polariscope above 50 sugar degrees and not above 75.	$0.010275 per pound	$0.006165* per pound	Cuba.
	For each additional degree or fraction in proportion, shown by the polariscope.	$0.000225 per pound	$0.000135* per pound	
	NOTE.—In addition and outside of the scope of the agreement, the United States has allotted to Cuba a quota on dutiable sugar of 1,902,000 short tons during the calendar year 1934.			
503	Maple sugar	6 cents per pound [3]	4 cents per pound	Canada.

SCHEDULE 6. TOBACCO AND MANUFACTURES OF

601	Cigar wrapper tobacco:			
	Unstemmed	$2.275 per pound		
	Not later than June 30, 1936		$1.875 per pound	Netherlands.
	After June 30, 1936		$1.50 per pound	Do.
	Stemmed	$2.925 per pound		
	Not later than June 30, 1936		$2.525 per pound	Do.
	After June 30, 1936		$2.15 per pound	Do.
601	Wrapper tobacco and filler tobacco when mixed or packed with more than 35% of wrapper tobacco, if unstemmed.	$1.82 per pound	$1.50* per pound	Cuba.
601	Filler tobacco, not specially provided for:			
	If unstemmed	$0.28 per pound	$0.175* per pound	Do.
	If stemmed	$0.40 per pound	$0.25* per pound	Do.
603	Scrap tobacco	$0.28 per pound	$0.175* per pound	Do.
605	Cigars, cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers.	$3.60 per pound plus 20 percent ad valorem.	$2.25* per pound plus 12½ percent ad valorem.	Do.
	NOTE.—The quota on tobacco and tobacco products of Cuban origin imported into the United States shall not exceed 18 percent of the total quantity of tobacco and tobacco products used in the manufacture of cigars in registered factories of continental United States in the preceding calendar year.			

[See footnotes at end of table]

SCHEDULE 7. AGRICULTURAL PRODUCTS AND PROVISIONS

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
701	Cattle weighing 700 pounds or more each	3 cents per pound	2 cents per pound	Canada.
701	Calves weighing less than 175 pounds each	2½ cents per pound	1½ cents per pound	Do.
	Reduction to apply annually to no more than ¾ of 1 percent for cattle and ¼ of 1 percent for calves, of the average annual total number of cattle (including calves) slaughtered in the United States during 1928–32.			
701	Dairy cows weighing 700 pounds or more each (duty reduced on not over 20,000 head annually).	3 cents per pound	do	Do.
707	Cream, fresh or sour (duty reduced on not over 1,500,000 gallons annually)	56.6 cents per gallon	35 cents per gallon	Do.
710	Cheddar cheese in original loaves	7 cents per pound, minimum 35 percent.	5 cents per pound, minimum 25 percent.	Do.
710	Edam and Gouda cheese	do	do	Netherlands.
711	Live poultry	8 cents per pound	4 cents per pound	Canada.
712	Chickens and guineas, dead	10 cents per pound	6 cents per pound	Do.
714	Horses, valued at not more than $150 per head	$30 per head	$20 per head	Do.
716	Honey	$0.024 per pound	$0.012* per pound	Cuba.
717 (a)	Fish, fresh or frozen (not advanced):			
	Halibut	2 cents per pound	1 cent per pound	Canada.
	Salmon	do	1½ cents per pound	Do.
	Swordfish, fresh only	do	do	Do.
	Eels	1 cent per pound	½ cent per pound	Do.
	Lake fish: Chubs, fresh water mullet, jacks, lake trout, suagers, tulli bees. white fish, and yellow pike.	do	¾ cent per pound	Do.
717(a)	Nonspecified fish, fresh or frozen	$0.008 per pound	$0.004* per pound	Cuba.
717(b)	Fish, fresh or frozen, filleted, skinned, boned, sliced, or divided into portions, not specifically provided for.	$0.02 per pound	$0.01* per pound	Do.
719	Fish, pickled or salted:			
	(1) Salmon	25 percent	20 percent	Canada.
	(5) Alewives (bulk)	1¼ cents per pound	¾ cent per pound	Do.
719 (4)	Holland herring	1 cent per pound	¾ cent per pound (net wt.)	Netherlands.
720 (a)	Smoked herring:			
	(2) Hard dry-smoked, whole or beheaded but not further advanced	1¼ cents per pound	⅝ cent per pound	Canada.
	(3) Boned, whether or not skinned	3 cents per pound	1½ cents per pound	Do.
721 (b)	Razor clams, canned	23 percent [3]	15 percent	Do.
722	Pearl barley	2 cents per pound	1 cent per pound	Netherlands.
724	Corn or maize, including cracked corn	$0.20 per bushel of 56 pounds	$0.10* per bushel of 56 pounds.	Cuba.
726	Hulled oats, unfit for human consumption	16 cents per bushel (32 pounds).	8 cents per bushel (32 pounds).	Canada.
727	Broken rice	⅝ cent per pound	5/16 cent per pound	Netherlands.
729	Wheat, unfit for human consumption	10 percent	10 percent [4]	Canada.
730	Byproduct feeds and mixed feeds dutiable at 10 percent	do	do.[4]	Do.
731	Screenings, scalpings, etc., of grains and seeds	do	do.[4]	Do.
732	Cereal breakfast foods	20 percent	15 percent	Do.
734	Apples, green or ripe	25 cents per bushel (50 pounds).	15 cents per bushel (50 pounds).	Do.
736	Fresh strawberries	1¼ cents per pound	¾ cent per pound	Do.
736	Blueberries, prepared or preserved or frozen	35 percent	25 percent	Do.
737	Cherries in their natural state	2 cents per pound	1 cent per pound	Do.
742	Hothouse grapes in bulk, crates, barrels, or other packages	25 cents per cubic foot of such bulk or the capacity of the packages according as imported.	25 cents per cubic foot of such bulk or the capacity of the packages according as imported.	Belgium.
743	Limes	$0.016 per pound	$0.008* per pound	Cuba.
743	Grapefruit, imported and entered for consumption from Aug. 1 to Sept. 30, inclusive.	$0.012 per pound	$0.006* per pound	Do.
747	Pineapples:			
	In crates	0.50 per crate of 2.45 cubic feet.	0.35 per crate of 2.45 cubic feet.	Honduras.
	In bulk	1⅛ cent each	0.009 each	Do.
747	Pineapples:			
	In crates		0.35 per crate of 2.45 cubic feet.	Haiti.
	In bulk		0.009 each	Do.
747	Pineapples:			
	In crates	$0.40 per crate of 2.45 cubic feet.	$0.20* per crate of 2.45 cubic feet.	Cuba.
	In bulk	$0.009⅛ each	$0.005* each	Do.
	Candied, crystalized, or glace	28 percent ad valorem	14 percent* ad valorem	Do.
	Otherwise prepared or preserved	$0.016 per pound	$0.008* per pound	Do.
751	All jellies, jams, marmalades (except orange marmalade), and fruit butters	28 percent ad valorem	14* percent ad valorem	Do.
752	Guavas prepared or preserved, and not specially provided for		17½ percent ad valorem	Haiti.
752	do	35 percent ad valorem	do	Honduras.
752	Mango pastes and pulps .and guava pastes and pulps	28 percent ad valorem	14* percent ad valorem	Cuba.
752	do		28 percent ad valorem	Haiti.
752	do	35 percent ad valorem	28 percent ad valorem	Honduras.
753	Flower bulbs:			
	Tulips	$6 per thousand	$3 per thousand	
	Narcissus	do	$6 per thousand	
	Crocus corms	$2 per thousand	$1 per thousand	
	All other bulbs, not specially provided for	30 percent	15 percent	Netherlands.
754	Seedlings and cuttings of rose stock	$2 per thousand	$1 per thousand	Do.
757	Cream or Brazil nuts:			
	Not shelled	1½ cents per pound	¾ cent pound	
	Shelled	4½ cents per pound	2¼ cents per pound	Brazil.
762	Castor beans	½ cent per pound	¼ cent per pound	Do.
762	do	do	do	Colombia.
762	Poppy seed	32 cents per 100 pounds	16 cents per 100 pounds	Netherlands.
763	Grass and clover seeds:			
	Alfalfa	8 cents per pound	4 cents per pound	
	Alsike clover	do	do	
	Sweet clover	4 cents per pound	2 cents per pound	
	Timothy	2 cents per pound	1 cent per pound	
	Bluegrass	5 cents per pound	2½ cents per pound	Canada.
764	Garden and field seeds:			
	Beet (except sugar beet)	4 cents per pound	3 cents per pound	
	Cabbage	12 cents per pound	6 cents per pound	
	Carrot	4 cents per pound	3 cents per pound	
	Kale	6 cents per pound	do	
	Mangelwurzel	4 cents per pound	2 cents per pound	
	Radish	6 cents per pound	3 cents per pound	
	Spinach	1 cent per pound	½ cent per pound	

[See footnotes at end of table]

SCHEDULE 7. AGRICULTURAL PRODUCTS AND PROVISIONS—continued

Paragraph	Article	Rates of duty: Old rate	Rates of duty: New rate	Country
764	Garden and field seeds—Continued.			
	Turnip	5 cents per pound	4 cents per pound	
	Rutabaga	do	do	
	Flower	6 cents per pound	3 cents per pound	
	All others, not specially provided for	do	do	Netherlands.
765	Lima beans, green or unripe, imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	$0.028 per pound	$0.014* per pound	Cuba.
769	Peas, green: Duty reduced only from July 1 to Sept. 30	3.9 cents per pound [1]	2 cents per pound	Canada.
769	Split peas	2½ cents per pound	1¼ cents per pound	Netherlands.
769	Peas, prepared or preserved in any manner, valued at 10 cents or more per pound.	2 cents per pound on entire contents of container.	1.5 cents per pound on entire contents of container.	Belgium.
771	White or Irish seed potatoes Duty reduced on not over 750,000 bushels per 12-month period beginning Dec. 1.	75 cents per 100 pounds	45 cents per 100 pounds (60 cents Dec. 1 through February).	Canada.
771	White or Irish potatoes, imported or entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.60 per 100 pounds	$0.30* per 100 pounds	Cuba.
772	Tomatoes in their natural state, imported and entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.024 per pound	$0.018* per pound	Do.
773	Turnips and rutabagas	25 cents per 100 pounds	12½ cents per 100 pounds	Canada.
774	Cucumbers, imported and entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.024 per pound	$0.012* per pound	Cuba.
774	Eggplant, imported and entered for consumption from Dec. 1 to the following Mar. 31, inclusive.	$0.012 per pound	$0.006* per pound	Do.
774	Okra, imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	40 percent ad valorem	20 percent* ad valorem	Do.
774	Peppers in their natural state imported and entered for consumption during the period from Jan. 1 to Apr. 30, inclusive.	$0.02 per pound	$0.015* per pound	Do.
774	Squash in its natural state imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	$0.016 per pound	$0.012* per pound	Do.
774	Cabbage	2 cents per pound	1½ cents per pound	Netherlands.
774	Endives in their natural state	50 percent ad valorem	35 percent ad valorem	Belgium.
775	Sauerkraut	50 percent	25 percent	Netherlands.
775	Onions, pickled in brine	35 percent	do	Do.
776	Chicory, crude	2 cents per pound	1.5 cents per pound	Belgium.
776	Prepared chicory	4 cents per pound	3 cents per pound	Netherlands.
777	Cocoa and chocolate:			
(a)	Unsweetened:			
(b)	Cocoa	3 cents per pound	1½ cents per pound	
	Chocolate	do	do	
	Sweetened:			
	Chocolate, in bars of 10 pounds or more	4 cents per pound	2 cents per pound	
	In other forms, 10 cents or more per pound	40 percent	20 percent	Do.
777 (c)	Cocao butter	25 percent	12½ percent	Do.
779	Hay	$5 short ton	$3 short ton	Canada.

SCHEDULE 8. SPIRITS, WINES, AND OTHER BEVERAGES

802	Whisky (aged not less than 4 years in wood containers)	$5 per proof gallon	$2.50 per proof gallon	Canada.
802	Rum in containers holding each 1 gallon or less		do	Haiti.
802	Rum in bottles, each containing 1 gallon or less	$4 per proof gallon	$2.50* per proof gallon	Cuba.
802	Gin	$5 per proof gallon	$2.50 per proof gallon	Netherlands.
807	Pineapples prepared or preserved in any manner containing ½ of 1 percent or more alcohol.	$4.00 per proof gallon	$2.50* per proof gallon on the alcohol contained therein in addition to any other duty.	Cuba.

SCHEDULE 9. COTTON MANUFACTURES

907	Waterproof cloth, wholly or in chief value of cotton or other vegetable fiber, whether or not in part of India rubber.	40 percent ad valorem	30 percent ad valorem	Belgium.
912	Garment labels	50 percent	25 percent	Netherlands.
921	Imitation oriental rugs, wholly or in chief value of cotton	35 percent ad valorem	20 percent ad valorem	Belgium.

SCHEDULE 10. FLAX, HEMP, AND JUTE, AND MANUFACTURES OF

1001	Flax, not hackled, valued at $340 or more per ton	1.5 cents per pound	1 cent per pound	Belgium.
1005 (a)	Sisal cordage, ¾ inch and larger in diameter	2 cents per pound	1 cent per pound	Netherlands.
1005 (a)	Sisal cordage, less than ¾ inch in diameter	2 cents per pound+15 percent.	1 cent per pound+7½ percent.	Do.
1005 (a)	Cordage, including cables, tarred or untarred, composed of 3 or more strands, each strand composed of 2 or more yarns, wholly or in chief value of sunn, or other bast fiber, but not including cordage made of jute.	2 cents per pound	1.5 cents per pound	Belgium.
1005 (b)	Cords and twines of manila, sisal, henequen, or other hard fibers	40 percent	20 percent	Netherlands.
1009 (b)	Woven fabrics, such as are commonly used for paddings or interlinings in clothing, wholly or in chief value of flax, or hemp, or of which these substances or either of them is the component material of chief value, exceeding 30 and not exceeding 120 threads to the square inch, counting the warp and filling, and weighing not less than 4½ and not more than 12 ounces per square yard.	55 percent ad valorem	40 percent ad valorem	Belgium.
1009 (c)	Woven fabrics, in the piece or otherwise, wholly or in chief value of vegetable fiber, except cotton, filled, coated, or otherwise prepared for use as artists' canvas.	45 percent ad valorem	30 percent ad valorem	Do.
1010	Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton, or of which these substances or any of them is the component material of chief value, not specially provided for.	40 percent ad valorem	do	Do.
1012	Pile fabrics of vegetable fiber other than cotton, pile partly cut	50 percent	30 percent	Netherlands.

SCHEDULE 11. WOOL AND MANUFACTURES OF

1109 (a)	Woven green billiard cloths, in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard, wholly of wool.	50 cents per pound and 50, 55, or 60 percent ad valorem.	50 cents per pound and 40 percent ad valorem.	Belgium.
1109 (b)	Wool felt	50 cents per pound +50, 55, or 60 percent ad valorem, depending on value.	50 cents per pound +25, 27½, or 30 percent ad valorem, depending on value.	Sweden.

[See footnotes at end of table]

SCHEDULE 14. PAPERS AND BOOKS

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
1402	Paperboard and wallboard not processed	10 percent ad valorem	10 percent ad valorem [4]	Sweden.
1402	Pulpboard in rolls for wallboard, not processed	10 percent	5 percent	Canada.
1405	Vegetable parchment paper by whatever name known	3 cents per pound and 15 percent ad valorem.	2 cents per pound and 10 percent ad valorem.	Belgium.
	Sensitized paper, to be used in photography	30 percent ad valorem	22½ percent ad valorem	Do.
1406	Transparencies, printed lithographically or otherwise:			
	In not more than 5 printings (bronze printing to be counted as 2 printings).	40 percent ad valorem	30 percent ad valorem	Do.
	In more than 5 printings (bronze printing to be counted as 2 printings)	50 percent ad valorem	37½ percent ad valorem	Do.
1410	Unbound prayer books, bound prayer books except those bound wholly or in part in leather, and sheets or printed pages of prayer books bound wholly or in part in leather, all the foregoing not specially provided for, if of bona fide foreign authorship.	15 percent ad valorem	7½ percent ad valorem	Do.
	All other prayer books, not specially provided for	25 percent ad valorem	12½ percent ad valorem	Do.
1404	Provided that none of the foregoing composed in chief value of india paper or bible paper shall be subjected by virtue of the first proviso of par. 1404 to a higher rate of duty than—	4 cents per pound and 15 percent ad valorem to 6 cents per pound and 20 percent ad valorem.	3 cents per pound and 10 percent ad valorem.	Do.
1407 (a)	Bristol board over 15 cents per pound and weighing 8 pounds or over per ream.	3 cents per pound plus 15 percent.	2 cents per pound plus 10 percent.	Netherlands.
1409	Strawboard and straw paper from 8/1000 to 12/1000 inch in thickness	30 percent	15 percent	Netherlands.
1409	Wrapping paper	30 percent ad valorem	25 percent ad valorem	Sweden.
1413	Ribbon fly catchers or fly ribbons in chief value of paper	35 percent ad valorem	27½ percent ad valorem	Belgium.
1413	Pulpboard in rolls for wallboard, surface stained or dyed, lined or vat-lined, embossed or printed.	$14.50 [3] short ton, minimum 15 percent, maximum 30 percent.	15 percent	Canada.
1413	Paperboard, processed	30 percent ad valorem	$14.50 ton, but not less than 15 percent.	Sweden.

SCHEDULE 15. SUNDRIES

1501 (c)	Asbestos shingles and articles in part of asbestos, if containing hydraulic cement or hydraulic cement and other material:			
	If not coated, impregnated, decorated, or colored, in any manner	0.75 cent per pound	0.60 cent per pound	Belgium.
	If coated, impregnated, decorated, or colored, in any manner	1 cent per pound	0.75 cent per pound	Do.
1502	Lacrosse sticks	30 percent	15 percent	Canada.
1502	Ice skates and parts	20 percent	do	Do.
1504	Harvest hats valued at less than $3 per dozen	25 percent	12½ percent	Netherlands.
1516	Matches in small boxes (plain stems)	20 cents per gross boxes	17½ cents per gross boxes	Sweden.
1520	Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins carroted.	35-percent ad valorem	27½ percent ad valorem	Belgium.
1525	Hair felt, made wholly or in chief value of animal hair, and manufactures of hair felt, all the foregoing not specially provided for.	25 percent or 35 percent ad valorem.	20 percent ad valorem	Do.
1529 (a)	Laces, lace fabrics, and lace articles, if exceeding 2 inches in width and made wholly by hand without the use of any machine-made material or article provided for in par. 1529 (a); articles made wholly of any of the foregoing; and articles, not wearing apparel, in part of any of the foregoing and containing no machine-made material or article provided for in par. 1529 (a); all the foregoing, finished or unfinished, however, described and provided for in par. 1529 (a):			
	Valued at more than $50 and less than $150 per pound	90 percent ad valorem	60 percent ad valorem	Do.
	Valued at $150 or more per pound	do	45 percent ad valorem	Do.
1530 (b):				
(3)	Harness or saddlery leather (bovine)	12½ percent	10 percent	Canada.
(4)	Patent leather (bovine)	15 percent	do	Do.
1541 (a)	Pipe organs (church) and parts thereof	40 percent or 35 percent [2]	25 percent	Do.
1545	Sponges commercially known as velvet	20 percent ad valorem	12 percent* ad valorem	Cuba.
1545	Nonspecified sponges	12 percent	6 percent*	Do.
1551	Photographic dry plates, not specially provided for	20 percent ad valorem	15 percent ad valorem	Belgium.
1551	Photographic films, sensitized but not exposed or developed, of every kind except motion-picture films having a width of 1 inch or more.	25 percent ad valorem	12½ percent ad valorem	Do.
1551	Motion-picture films, sensitized but not exposed or developed, having a width of 1 inch or more.	0.4 cent per linear foot	0.2 cent per linear foot of the standard width of 1⅜ inches, and all other widths of 1 inch or more shall be subject to duty in equal proportion thereto.	Do.
1552	Tobacco pipes with clay bowls and stems of material other than clay	5 cents each plus 60 percent	2½ cents each plus 30 percent	Netherlands.

[1] Margin of preference to Cuba.
[2] Presidential proclamation.
[3] Duty to be 1¼ times duty on manganese ore plus ⅜ cent; at present rate on manganese ore this amounts to 1⅝ cents.
[4] Bound against increase.

"FREE" ITEMS—RECIPROCAL TRADE AGREEMENTS

Par.	Articles	Country
1601	Sulphuric acid or oil of vitriol	Canada.
1602	Maté, natural and uncompounded and in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	Brazil.
1602	Root of ipecac, crude, natural and uncompounded, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, and not containing alcohol.	Colombia.
1602	Ipecac, natural and uncompounded and in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	Brazil.
1602	Aloes, crude	Netherlands.
1604	Agricultural implements: Plows, tooth or disk harrows, headers, harvesters, reapers, combination harvesting and threshing machines, agricultural drills and planters, mowers, horserakes, and cultivators, whether in whole or in parts, including repair parts.	Canada.
1606 (a) and (b).	Horses (subject to the provisions of par. 1616 (a) and (b))	Belgium.
1609	Gambier	Netherlands.
1616	Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand, and refuse containing not more than 15 percent of foreign matter	Canada.
1618	Bananas, green or ripe	Colombia.
1618	do	Haiti.
1618	Plantains, green or ripe	Do.
1618	Bananas, green or ripe	Honduras.
1618	Plantains, green or ripe	Do.

"FREE" ITEMS—RECIPROCAL TRADE AGREEMENTS—continued

Paragraph	Articles	Country
1619	Barks from which quinine may be extracted	Netherlands.
1623	Bread, Swedish type	Sweden.
1641	Calcium: Cyanamide or lime nitrogen	Canada.
1651	Dead or creosote oil	Belgium.
1652	Cobalt and cobalt ore	Canada.
1653	Cocoa or cacao beans, and shells thereof	Haiti.
1653	do	Brazil.
1653	do	Honduras.
1654	Coffee, except coffee imported into Puerto Rico and upon which a duty is imposed under the authority of sec. 319	Haiti.
1654	Coffee, except coffee imported into Puerto Rico	Brazil.
1654	Coffee, except coffee imported into Puerto Rico and upon which a duty is imposed under the authority of sec. 319	Colombia.
1654	do	Honduras.
1667	Sodium cyanide	Canada.
1668	Emeralds, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken, not set.	Colombia.
1670	Logwood	Haiti.
1672	Crude artificial abrasives, not specially provided for	Canada.
1681	Furs and fur skins, not specially provided for, undressed: Mink, beaver, muskrat, and wolf	Do.
1681	Undressed moleskins	Netherlands.
1684	Sisal fiber	Haiti.
1684	Kapok, not dressed or manufactured	Netherlands.
1684	Sisal, not dressed or manufactured	Do.
1685	Basic slag	Belgium.
1685	Precipitated bone of a grade used chiefly for fertilizers or chiefly as an ingredient in the manufacture of fertilizers	Do.
1685	Ammonium sulphate	Netherlands.
1686	Copal	Do.
1689	Ossein	Belgium.
1697	Gutta balata	Brazil.
1697	Gutta balata, crude	Colombia.
1697	Crude gutta percha and gutta siak	Netherlands.
1716	Wood pulp: Mechanically ground and soda, unbleached or bleached; and sulphite, bleached	Canada.
1716	Sulphate wood pulp, bleached and unbleached	Sweden.
1719	Zirconium ores or concentrates	Brazil.
1727	Babassu nuts and kernels	Do.
1728	Sarsaparilla root	Honduras.
1731	Distilled or essential caraway oil not containing alcohol	Netherlands.
1731	Distilled or essential citronella oil not containing alcohol	Do.
1732	Babassu-nut oil, expressed or extracted	Brazil.
1732	Palm oil (processing tax of 3 cents per pound bound against increase)	Netherlands.
1734	Nickel ore, nickel matte, and nickel oxide	Canada.
1743	Plaster rock (including anhydrite) and gypsum, crude	Do.
1744	Platinum, unmanufactured or in ingots, bars, sheets, or plates not less than ⅛ of 1 inch in thickness, sponge, or scrap	Colombia.
1748	Quinine sulphate and all alkaloids and salts of alkaloids derived from cinchona bark	Netherlands.
1753	Crude sago and sago flour	Do.
1756	Sea herring and smelts, fresh or frozen, whether or not packed in ice, and whether or not whole	Canada.
1760	Shingles of wood (provided, that the United States reserves the right to limit the total quantity of red cedar shingles which may be entered, or withdrawn from warehouse, for consumption during any given half of any calendar year to a quantity not exceeding 25 percent of the combined total of the shipments of red cedar shingles by producers in the United States and the imports of such shingles during the preceding half year).	Do.
1761	Lobsters, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner (including pastes and sauces), and not specially provided for.	Do.
1761	Clams, quahaugs, oysters (except seed oysters), and crabs, fresh or frozen (whether or not packed in ice), and not specially provided for	Do.
1761	Scallops, fresh but not frozen (whether or not packed in ice)	Do.
1765	Deerskins, raw	Brazil.
1765	Reptile skins, raw	Colombia.
1765	Deerskins, raw	Honduras.
1765	Reptile skins, raw	Netherlands.
1768	Ginger root, not preserved or candied, unground	Haiti.
1768 (1)	Unground cassia	Netherlands.
1768 (1)	Unground mace	Do.
1768 (1)	Unground nutmegs	Do.
1768 (1)	Unground black and white pepper	Do.
1768 (2)	Caraway seed	Do.
1772	Standard newsprint paper	Canada.
1778	Tagua nuts	Colombia.
1779	Tamarinds	Do.
1781	Tapioca, tapioca flour, and cassava	Netherlands.
1796	Carnauba wax	Brazil.
1796	Beeswax, not specially provided for	Do.
1803	Cabinet woods in the log	Do.
1803 (1)	Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; all the foregoing, if not of balsa or teak, and not specially provided for.	Canada.
1803 (2)	Logs; timber, round unmanufactured; pulpwoods; firewood, handle bolts, shingle bolts; and laths; all the foregoing, not cabinet woods, and not specially provided for.	Do.
1804	Posts, railroad ties, and telephone, trolley, electric light, and telegraph poles of cedar or other woods	Do.
1805	Pickets, palings, hoops, and staves of wood of all kinds	Do.
1806	Rattan sticks, unmanufactured	Netherlands.
1716	Sulphite wood pulp, unbleached	Sweden.

RESPONSIBILITIES AND DUTIES OF NAVAL OFFICERS—ARTICLE BY REAR ADMIRAL BELKNAP

Mr. MOORE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Rear Admiral Reginald R. Belknap, United States Navy, retired, entitled, "How Officers Must Think."

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

HOW OFFICERS MUST THINK

By Rear Admiral Reginald R. Belknap, U. S. Navy, retired

In the many contests in sports of various kinds to which people go in crowds to witness, the players on both sides are expertly trained, physically fit, and familiar with the task before them. They are ready to exert their skill and powers to best effect. Such readiness was exemplified in the fleet some years ago, when the admiral said, "We are ready for a fight or a frolic"; and again at the latest Army-Navy football game, when a charming girl, facing about toward the midshipmen's seats and thinking she caught the eye of a friend, waved her hand; whereupon the midshipmen arose as one man, with caps waving and cheerful greetings. The kind of training we are now considering is quite different, but it requires the same standard; for alertness in national defense is far more important than that complete fitness which we take for granted in the world of sport. Where the stake is a cup or a ribbon we expect readiness to the minute. In national defense the stake is many lives, even the Nation's welfare. To measure up to such a responsibility how must an officer think?

As basis in the field of the Army, General MacArthur's hearing in April 1933 before the House Committee on Military Affairs, describes the background of the National Defense Act of 1920 very instructively. With his experienced views all officers may well make themselves familiar; for none are too young to study the road already traveled, and no training can be assimilated properly without comprehending the larger pattern into which each part is to fit. Napoleon's suggestion, that a corporal's knapsack contained a marshal's baton, holds good for military training generally; for the goal of all is ability to surmount emergency, though the emergency cannot be gaged in advance. A sergeant, a captain, any officer, may suddenly succeed to responsibilities far above his experience; and duties of the staff, too, are always in possible prospect for an officer, involving the coordination, effective employment, and welfare of many units.

In order that "reasonable preparation may substitute efficiency for muddling", the National Defense Act affords "a method whereby the citizen soldier, in various degree, would obtain partial preparation, so that he could reach the battlefront prepared and ready for the crisis of an enemy's attack." And to impress the vitalness of trained officers, General MacArthur emphasizes that, if it became necessary to cut down the National Defense Act, the last element to go should be the officer corps, as "the foundation of all the system, the mainspring of the whole mechanism."

Our ghastly record of wasted life and resources, through the persistent neglect of training and other essentials of security, is not creditable to our collective intelligence. Yet indifference to preparedness was natural enough to our people, spread over a vast continent between wide oceans, feeling far removed from potential enemies, if indeed we had any to fear. In our new, expanding Nation, men's own concerns were paramount, affairs of common weal arousing little interest. The hardy self-reliance of frontier spirit dismissed the thought of national danger, as easily disposed of when the time came, if come it ever did. Assurances of no more war operated powerfully to turn our backs on each war's bitter lessons. Our eyes were blinded to them by the dazzling triumphs of returning troops; and victories, even when delayed, suggested, perhaps, the most potent of arguments, that, since always successful in spite of unpreparedness, so could we be again. Why worry over remotest of possibilities?

Unhappily for the country, added to such indifference and blindness came the active opposition of people whose general prominence lends weight to all their utterances. High standing in some civil or scientific or literary field has been accepted as authority also in international and military affairs. Woeful waste of life and treasure has resulted from their undermining influence, however well meant. When emergency comes, they are powerless to rectify their sad handiwork. Yet, not being officially responsible, they are not brought to account; seldom even held up to public reproach.

Needless to say, such reasoning has not prevailed within the military services. Since the Civil War officer training in the Army has progressed constantly, if for many years slowly. Schools and courses for officers were set up, one after another, until in 1903, 38 years after the Civil War, the teachings of that war and of subsequent wars and military administrations abroad were recognized by establishing in Washington the Army General Staff and the Army War College. Both were due to statesmanlike grasp of our country's need for them by the Secretary of War, Elihu Root.

The Army War College capped the Army system, making its training comprehend every degree of command or staff responsibility. Additional schools and courses were provided as later requirements developed, notably the Plattsburg and similar training camps before and during the war. Afterward, by the National Defense Act of 1920, the Reserve Officers' Training Corps, the citizens' military training camps, and the civilian rifle clubs became essential parts of the Army system, by which the Nation, through reasonable preparation in time, may confront emergency with a fair measure of efficiency, instead of the confusion, hurry, extravagance, and ineffectiveness of eleventh-hour improvising.

In the Navy, during 20 stagnant years after 1865, except for torpedo work and naval construction, the Naval Academy was the only school. International law, navigation, surveying, hydrography, astronomy, and electricity received considerable attention; but applied study of the art and conduct of naval warfare received little support, still less of official stimulus. Much credit is due to officers who studied and wrote professionally, and to the officers as a body for maintaining high standards with what material they had, despite its being antiquated and despite their being overage in minor duties—subordinate officers abroad meeting foreign commanders young enough to be their sons. Our countrymen, indifferent enough to the Army, mostly knew little and cared less about the Navy, if indeed they understood at all what a Navy was for. American shipping carried only 10 percent of our foreign trade, the national interest was directed inland, and friends of sea power were at a minimum.

Fortunately our Navy had in Admiral Stephen B. Luce, a seaman of highest quality, an officer of rare insight, indefatigable energy, and resolute perseverance. As a captain he had codified naval seamanship with a comprehensiveness never before attempted nor since surpassed. He had succeeded after long endeavor in firmly establishing the training of naval apprentices, as a reliable source of petty officers of distinctly American brand. And in 1884 he brought into being the Naval War College, the first school for higher naval command in any country.

Against the conservatism inherent in the seafaring profession, acceptance of the Naval War College was painfully slow. More than once its further existence was seriously threatened, even after publication of the illuminating works of Mahan. But the War with Spain wrought a great change in both services. Promotion in the Navy improved radically, the fleet was built up, technical postgraduate courses were established, and by 1913 the War College had gained firm standing.

The idea that experience and good performance in a lower grade sufficed to qualify for higher responsibilities was being called in question. It was the doctrine of the "practical" men, who called dissenters highbrow. The salty man despised the scientific. But younger, active minds were seeing more clearly, thanks to the underlying persistence of Admiral Luce, despite his 80 years. One characteristically "practical" commander, soon after taking up the college course, explaimed, "All my life I have been a boatswain! Only now do I begin to understand the duty of an officer."

Except in the lowest grade, proficiency in routine duties was seen to be not enough for those who would be more than hewers of wood and drawers of water. And this new attitude, besides impressing the importance of systematic study by all officers, led to the establishment of courses preparatory to the War College, to the greater profit there through better grounding.

And now the Army and the Navy are cultivating a better mutual understanding through the interchange of officers, as both students and instructors, in their colleges and schools. Lately a further combination has been set up at the Marine Corps base at Quantico as a school for combined expeditions. All these provisions make for effective cooperation of the several services toward their common purpose of national defense, for concerted action, and for the studious planning on which to base not only operations but also matured advice to the President and Congress.

It often appears that in the public mind, so far as interested in the subject at all, military men are regarded as narrow and arbitrary, devoting their time and attention and interest solely to the business of war in the field, seeing and able to see only from their own point of view, dwelling and counting on and perpetuating ideas and methods of the past. To whatever extent this may have been true formerly, certainly in this country it is not so now. Study and postgraduate study are the order of the day in every field, but nowhere in such high quarters as in the services. Not merely majors, colonels, and naval captains attend the war colleges but generals and admirals of 30 years' service are not above digging into arduous study there in order to keep pace with developments affecting their grave responsibilities. And the scope of officers' studies, far from being limited to war operations, tactics, and the strictly professional, embraces the background of causes and general conduct of wars, international relations, national policies, economics, trade, also history and biography. The fine arts, belles-lettres, and music are not included, but any narrow view of the officers' proper horizon is dispelled by lectures on a wide variety of subjects given by men of high attainment in civil life.

Another apparently popular misbelief is that officers' thinking is dictated by their superiors, especially by "gold-laced graybeards", generals and admirals of reactionary conservatism, imposing wooden acquiescence in the obsolete. Nothing could be farther from the truth. In our Navy especially, suggestions from all officers, and from enlisted men, too, are welcomed, and, according to their merit, are put to use and credited. Freedom and invitation for improvement are open to all to a degree unsurpassed and rarely equaled anywhere.

In the Naval War College, and similarly in the Army's College, the Army, Marine Corps, and every staff corps except chaplain are represented, as well as the naval line. Experts are present in gunnery, engineering, torpedoes, submarines, aviation, communications, and intelligence. Lecturers come from other branches of the Government, from the universities, and various fields in civil life, including an international lawyer of world-wide recognition. In the discussion of maneuvers and problems, the rank of officers does not figure, and to remove any suggestion of rank, student officers do not wear uniform. They have no military duty nor administrative or other responsibility; simply to improve their minds amid utmost freedom of thought, with every incentive to take the opportunity seriously. Originality, initiative, comment, and criticism are encouraged. And a cardinal principle is not to determine a fact by majority vote. All officers pool their knowledge and experience, to test each step as in a laboratory, and thresh out a conclusion that will stand up against rough handling.

Thus are bias and prejudice eliminated, clear reasoning cultivated, and a habit formed to follow through to a decision on which to plan and draw up instructions for action. The guiding precept is to search for the principles affecting a situation and then apply them as experience and the facts indicate to be practical. Or, as one fine officer expressed it, to plan the right thing, rightly applied, in time. The Naval Academy motto, Sea Mastery Through Knowledge, has become at the War College, Victory Through Unity, a step forward that indicates the change hoped for by Admiral Harry C. Taylor, the Navy's professional head in 1902, when he said: "We have clung too long to the idea of single ships; we shall not be strong until we learn to think in squadrons."

A fundamental of the training systems is that each course contemplates more than a single degree or field of duty. Each is a step and a support to something higher and larger, the preparation on which fulfillment of a greater responsibility will depend. For no military duty stands alone. The steersman of a ship plies a simple art, once learned and practiced to proficiency. Normally, it affects only the ship's navigation. But in the battle line the steering has far greater importance, affecting the rapidity and accuracy of the battery's fire. And in the general case of the trained men in the ranks as well as the trained officer, it becomes instinctive to have regard for his support by others on each side and also to feel responsible for the support he gives to them. His own performance and his training for it, however good in themselves, are not complete unless they fit the larger scheme.

The German Army alternated staff duty and service with troops, successively selecting those of best performances at each stage for further alternating terms of duty. The best among the staff were promoted and sent to command, and after sufficient experi-

ence with troops, the best of these came again to the staff for higher duties there. By this method the ablest men had both staff and troop experience, advancing under the strongest incentive and at the ages most favorable for development. This gave the army in every grade of command and staff work officers of thorough training and proved ability, who were also mentally and physically in their prime. In other words, the training system contemplates an officer's progress. Those of inferior capacity or application are set aside along the way.

A further gain, of utmost value, has come through the training systems, in the soundness of military advice to Government, the highest and most far-reaching duty to which an officer may be called. Where formerly the civil power had to rely in the larger military matters upon personal opinions of individual officers or on reports of occasional boards assembled for the purpose, there are now the Army General Staff and the Naval General Board. The lack of provision for competent general advice, planning, and control, before and during the Civil War, is marked by thousands of Grand Army graves all over the country and by naval records of waste or delay of effort. For similar lack, our war with Spain contrasted sadly with the Japanese campaign of only 3 years before. For the Navy's part, the Department had to improvise a Board of Strategy to coordinate its comparatively simple efforts.

But now the President and Congress have within the War and Navy Departments permanent bodies responsible for reliable advice. They are composed of officers of thorough training and mature experience, having at disposal all obtainable information, trained assistance, time, and freedom for deliberate consideration. These advisory bodies have a judicial quality, going deeply into the facts, tendencies, and probabilities, and on that evidence reaching a considered conclusion. This distinguishes their recommendations from the reports of occasional boards convened from various sources. While these are valuable, often necessary, on special subjects; for regular use, as formerly the case, they are a weak dependence. They are lacking in comprehensive grasp of all that may be involved, lack time to digest and weigh the information, lack the familiarity with one another which makes for thorough consideration, and may not be of training and experience pertinent to the subject. Perhaps most serious, they lack continuity; lack also further responsibility after rendering their report.

In still greater contrast are the personal views of individuals. All officers are responsible for advice as well as action in their respective provinces; but sometimes they are asked, and give, their opinions on matters outside their official ken, a practice for many years quite common. Getting several such opinions substantially in agreement made it possible to quote "agreement of many high officers" in support of almost anything. The fact that those officers were not fully informed nor responsible in the matter would not be mentioned. One Assistant Secretary would appeal on any subject to anyone who happened to be in his office. That was trustfulness in military men indeed. One Secretary said he could get support from some naval officer for any proposal whatever, and unfortunately it was too nearly true. It is only human to express one's views, but such willingness to give an opinion when asked, and also the pushing of pet projects, have been costly to naval efficiency and wasteful of much money. Happily these practices are in rapid decline.

These distinctions are important, for the soundness of a recommendation by the General Staff or General Board, compared with an officer's opinion, is analogous to a Supreme Court decision against an outside lawyer's hypothesis. The individual may be conscientious, and his opinion may be right as far as he knows. But consideration by the responsible staff is more searching, and its result not personal opinion but the unbiased, unprejudiced, impersonal finding of a deliberative body, officially charged as advisory and having the information, assistance, and time for investigation far beyond an individual's command. Such advice now guides the training preparation and the material expenditure in hundreds of millions to forestall or meet a crisis that may not become acute for years, but when it comes, comes quickly.

Such is the range of duty from the smallest command formation to the highest responsibility. And such is the systematic, studious, and thorough training deemed requisite for the regular service. In military contests, especially in one of national magnitude, the readiness of the reserve may be decisive; and in our country the dependence on the citizen force is very large. Is it not then incumbent on Reserve officers, collectively and singly, to qualify by every means available? At best Reservists' opportunities are meager compared with those of Regulars; yet in emergency requiring practical performance, but without benefit of the Regular's constant familiarity, the Reservist must be competent for his task. When action is at hand the period of preparation is gone by. It is for this readiness of the officer, Reserve as well as Regular, in which we have been neglectful, that the training systems are designed to provide. Success depends upon how well each officer prepares himself by serious work, wide grasp of duty, most of all by well-informed thought.

Thus, officers must think of their own work as parts of larger effort, on which depend not only the immediate objective but continued progress in an operation, in which the present task is but one step. Such grasp of a task, far from lessening the duty in hand, enhances it, requiring complete success to be attained at minimum cost; that is, with highest military efficiency; for thereby the maximum force is conserved, available for further service.

Mechanical routine and parade precision are to the public mind typical of military duty. So it is depicted by the stage and romantic books and such minutiae are not recognized as corresponding to the practicing of scales by a musician. Some machinelike requirements are indispensable also for corporate living, for cultivating self-control and most of all instinctive responsiveness. The civilian admires the neatness and cleanliness of a ship, but does not grasp what it means to present her and 1,000 crew, with every part and man in perfect turn-out, ready for critical inspection at 9 o'clock of a morning. So with the German goose-step, frequently laughed at here. When done in ranks of 50 front, over a stretch of 100 yards, it is seen to be a test of will and stamina; and officers say that a man who cannot do it well seldom becomes a reliable soldier.

The general effects of service discipline are well portrayed by the late John W. Burgess, professor of political science in Columbia University, who devoted his life to the cause of peace. As a student in Berlin University in 1873, when he expressed regret on his professor's son being called away from study for a year of military service, the old German replied:

My dear young friend, you Americans do not understand the import of this custom among us. This strenuous service is the greatest possible benefit to our country and therefore to each one who renders it. In the first place, it is a school, best possible school, of physical training. It straightens the figure, relieves the organs, makes the muscles hard and tense, and adds 10 years more to the life of our men. In the second place, it is a school of morals. At the very period of life when our young men fall under the greatest temptation to go wrong, it places them under strict discipline and guards them against drunkenness, gambling, and sexual dissoluteness. In the third place, it is a school of science and intellectual culture, in which our young men are not taught simply military drill and the manual of arms, but also languages, geography, topography, mathematics, physics, metallurgy, and engineering. In the fourth place, it is a school of manners, in which the deference exacted from inferior to superior, and from those of equal rank to each other, transforms the rudest peasant to something like a gentleman. And finally, it is a school of patriotism, in which our young men, brought together from our still loosely constructed country, learn to know each other and to throw off provincialism for nationalism.

From the outset, an officer should strive to expand his knowledge without cramping his imagination and freedom of judgment. John Ruskin, philosophical art critic and author, in no sense a military man, said in a lecture to young British Army students at Woolwich:

" * * * While for others all knowledge is often little more than a means of amusement, there is no form of science which a soldier may not at some time or other find bearing on the business of life and death * * * the fates of those who will one day be under your command hang upon your knowledge; * * * no good soldier in his old age was ever careless or indolent in his youth."

Field Marshal Earl Robertson quotes General Smith-Dorrien's training instructions:

"Modern war demands that individual intelligence should be on a high plane. Battlefields now cover such extensive areas that control by officers is very difficult; consequently noncommissioned officers and even private soldiers often find themselves left to their own resources; and it is only by being accustomed in peace training to use their common sense and intelligence that they are likely to be equal to their duties in war."

From these quotations, typical of similar expressions in numerous military works, it follows that manuals and other standard instructions are not to be taken as rigid or as complete. They are ground work, but not the whole structure. Essentially they teach the language and mark the fairway, embodying what experience has shown to be wise and profitable measures, sound and expeditious methods, with necessary caution. Their aim is to facilitate action with vigor, by removing the trammels of inexperience. As in other arts, good technique makes for good performance, and the more one masters technique, the better he qualifies for the unexpected. For mastery requires understanding what are essentials, what can be altered or omitted. The man on the spot must decide; the book is not a master but a guide.

Naval history has notable instances of this, as when Admiral Byng was tried and executed on charges growing out of too close adherence to the book. When Admiral Rodney had brought about a long-sought tactical situation for routing the enemy fleet, it was frustrated by his leading captain keeping to the book. But Nelson, off St. Vincent, not yet an admiral but grasping his admiral's purpose, went directly against the book, and brought a victory sorely needed by his country, and made his chief a peer. Training courses were meager in those days, especially in the navy; but Nelson, like Napoleon and Wellington, admitted no bounds to the knowledge and study required in their profession.

"The object of training and instruction", wrote Admiral Mahan, "is not merely to mold the individual, but to impress upon each a common type, not of action only, but of the mental and moral processes which determine action; so that within a pretty wide range there will be in a school of officers a certain homogeneousness of intellectual equipment and conviction, which will tend to cause likeness of impulse and of conduct under any set of given conditions. The formation of a similar habit of thought, and of assurance as to the right thing to do under particular circumstances, reinforces strongly the power of cooperation, which is the

essential factor in military operations. Combination and concentration, two leading ideas and objects in war, both indicate unity of energy by the harmonius working together—cooperation—of many parts.

"Obviously such harmony is not best when merely mechanical, for a mechanical mind is easily deranged in presence of the unexpected. It is the inspiration of common purpose and common understanding which, when the unexpected occurs, supplies the guiding thought to meet the new conditions and bend them to the common end. If this condition be adequately attained, the mind of the commander in chief will be omnipresent throughout his command; the most unexpected circumstances will be dealt with by his subordinates in his spirit, as surely as though he were present bodily. It is difficult to overestimate the importance of such a result."

In the second place, officers in the field must be able to think from the standpoint of the staff. This is not only for better work and cooperation in the field but also in preparation for possible detail to the staff. To most officers duty with troops is more attractive; but captains, even lieutenants of the present, may be thrust into the staff. They should recognize this now and prepare accordingly. And even if never so detailed, such training is well worth while. The staff experience of Robert E. Lee during the Mexican War was of incalculable value afterward to him as general. Wellington and Earl Roberts acknowledged their indebtedness to such experience as young officers. Without the officers' schools and War College of the Army training system the achievements of the American Expeditionary Force would have been impossible. In his report after the war, Field Marshal Haig wrote:

"The experience gained in this war alone, without the study and practice of lessons learned from other campaigns, could not have sufficed to meet the ever-changing tactics which have characterized the fighting. There was required also the sound basis of military knowledge supplied by our training manuals and staff colleges. * * * The course of the war has brought out very clearly the value of an efficient and well-trained high command, in which I include not merely commanders of higher formations but their staffs also. * * * The magnitude of our operations introduced a situation for which no precedent existed. * * * In expansion from 6 divisions to 60, many officers had to be recruited for staff appointment, from good regular officers chiefly, but also from officers of our new armies. * * * Good staff work is an essential to success in all wars."

In further comment on the importance of staff work, Colonel Henderson, in the Life of Stonewall Jackson, says:

"The influence of a good staff is seldom apparent except to the initiated. If a combination succeeds, the general gets all the credit. If it fails, he gets all the blame; and while no agents, however efficient, can compensate by their own efforts for the weakness of a conception that is radically unsound, many a brilliant plan has failed in execution through the inefficiency of the staff."

As previously alluded to, there has always been, and in the nature of human affairs always will be, a considerable number who style themselves "practical" men and who disdain the thought of study. They include fine officers, and their qualities of magnetism, force, hardihood, and personal gallantry are invaluable. Strong leaders in action, they make difficult undertakings succeed; to their courage, experience, and shrewdness in the field a higher commander may confide his daring conception. History teems with their brilliant deeds. But while indispensable in every service, they do not personify all the qualities requisite. And they know it. Even the best ones will admit that study has some value. A story is told of Marshal Blucher, known as "Marshal Vorwaerts", for his constantly urging forward; a "practical" man indeed. To the assembled officers after Waterloo he declared that he was the only man there who could kiss his own head; then put his arm around his chief of staff and kissed him on the forehead.

To the present subject of how officers must think, the application is twofold: The practical men accomplish more, the better they grasp their commander's conception; and the greatest leaders were themselves most practical.

Trafalgar exemplified the first. The attack which Nelson ordered would for a considerable period of time place his leading ships in chancery. He could dare to make his plan, because his captains were imbued with his ideas and his spirit. As for the second, Wellington was an outstanding example. As Colonel Henderson, in The Science of War, said of him:

"He was exceedingly observant both of men and things. No new discovery in science or in mechanics escaped his investigation. As he himself told one of his chief officers, it was his invariable habit to give up some hours daily to the study of his profession * * * he had not been content with the knowledge that suffices for the regimental officer; he had endeavored to qualify himself for higher things; and when his time came for greater responsibilities, he proved himself capable of bearing the weightiest burden that ever fell on a general's shoulders * * * it was by hard work, in peace as well as in war, by devotion to duty in its highest sense, by doing whatsoever his hand found to do with all his might, that Wellington not only won his battles but made his soldiers the most formidable in Europe."

And there are examples nearer home. Admiral Sims as a younger man was intensely practical, though a student of other things than the science of war. He scoffed at the Naval War College and, when ordered to take the course there, was for 6 months most recalcitrant of students. Then a light dawned upon him; he became an ardent supporter of the college, was twice its president, was an excellent commander of a destroyer force, and his command of the vast naval force in European waters was brilliant. And General Ely, on his retirement, was eulogized most highly not only for leadership in the field but also for unfailing improvement of every chance for study.

Circumstances limit the training opportunities for Reservists, but in war they will come into full responsibility. The passing years bring the younger men now ever nearer to higher duties. Now is their time for study. It is never too early to cultivate the habit, and they who could fulfill duty in the way the Nation will expect cannot afford to be only practical. Years ago, when the conduct of war in the field, the extent of operations, the variety of implements, were all much simpler than in our time, Lord Wolseley, as quoted by Von der Glotz in the Conduct of War, said:

"* * * The officer who has not studied war as an applied science, who is ignorant of modern military history, is of little use beyond the rank of captain."

That our country has never lost a war is said repeatedly; and it is true, despite repeated waste of life and treasure. Such waste is all the more regrettable, nationally, sinful, because our national wealth, material resources, men, and native intelligence and spirit are unequaled. The response of our men and the support of our women has been all that could be desired. When the time for action comes response is general and wholehearted, and success has been won at length.

For timely preparation in the quiet of peace, the appeal is not so popular. The hardest kind of work is study, yet it cannot be neglected or taken lightly if our country's record is to be kept unbroken. And we have now, under the National Defense Act and similar provisions for the Navy, opportunities and official encouragement and leading such as never before offered. At the best they contemplate a degree of preparedness which is only the minimum for a country such as ours. Their effectiveness will depend largely upon the earnest fidelity of Reserve officers voluntarily. They may have the encouragement, however, of knowing that the studious effort which the great leaders agree is essential soon becomes increasingly interesting; and it leads to that broadening of character which brought from one of that great family of diplomats, Presidents, and historians, Brooks Adams, this tribute:

"* * * I never fail to enjoy meeting officers of our services. They are the most intelligent, the least selfish, and on the whole, to my thinking, the most valuable body of men whom our civilization has ever produced."

POWER OF THE SUPREME COURT

Mr. MOORE. Mr. President, I present an article appearing in the Philadelphia (Pa.) Record of Sunday, January 12, 1936, by Dr. Edward S. Corwin, entitled "How Far Should the Power of the Supreme Court Extend?" I ask that the article may be published in the RECORD.

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

[From the Philadelphia Record of Jan. 12, 1936]

HOW FAR SHOULD THE POWER OF THE SUPREME COURT EXTEND?—ONLY TO PARTICULAR CASE IT'S DECIDING, LAW EXPERT HOLDS—TRIBUNAL AND CONGRESS BOTH "ON THE SPOT" IN CONSIDERING LIMITS OF THEIR POWER; "WILL OF THE PEOPLE" FINAL

(Dr. Corwin, outstanding authority on the Constitution and the Supreme Court, is McCormick professor of jurisprudence at Princeton. He is the author of a number of books on political science, his most recent being Twilight of the Supreme Court, which has gone into its third printing.)

By Dr. Edward S. Corwin

Aside from repealing the A. A. A., which was perhaps the great thing, the Supreme Court seems, in the A. A. A. case, to establish the proposition that the National Government cannot use its taxing power to compel a person to contribute to a special fund from which Congress may make donations to other persons on the condition that the donee agrees beforehand to do something the National Government could not otherwise require him to do.

Besides this there is an implication running through Justice Robert's opinion that the appropriation power of Congress is in some way limited by the powers of the States. This implication is strongly and convincingly attacked by Justice Stone in his admirably lucid dissenting opinion. Actually the Court seems to have laid down a doctrine, which by its own admission, it would not ordinarily be in a position to enforce.

As to the Court's apprehensions lest the spending power may be abused—when hasn't it been abused? And as Justice Stone points out, all powers are subject to abuse. Indeed, he might have carried his argument further. Congress could, by its currency powers, apparently authorize the payment of all debts in dollars not worth the hundredth part of the dollar which was loaned. It could deflate the currency even more radically than Germany did the mark some years ago. It could conscript every man, woman, and child in the country into the Army and Navy and put them under military discipline, even including the Justices of the Supreme Court. Or it could enlarge the Court to a size sufficient to include all the voters—which may be necessary sooner or later in order to restore popular government in this country.

CURBS ON COURT SUGGESTED

Many people are questioning whether the Court did not abuse its power on this occasion, as well as on some others, and proposals are pending in Congress for cutting down the Court's power.

One suggestion is an act of Congress requiring a special majority of the Justices for throwing out acts of Congress on constitutional grounds. Another is an act of Congress whereby the lower Federal courts and the Supreme Court, on appeal, would be deprived of jurisdiction over cases in which constitutional questions arise. Still another possibility is that Congress might "pack" the Court.

The power of Congress to enlarge the Court indefinitely is, of course, not questioned. Nor could it be questioned that Congress would have the power to set up an entirely new court, along the lines of the old Commerce Court, to which all questions arising under certain designated laws of Congress would be appealed finally and exclusively, including all questions of their constitutionality. For it is admitted that the appellate jurisdiction of the Supreme Court is at the mercy of Congress.

All such devices seem to me unnecessary and undesirable. What is necessary and desirable is to rid the principle of judicial review of certain ancillary doctrines that have come to adhere to it, especially the doctrine that when the Court makes an interpretation of the Constitution for the purpose of deciding a case, such interpretation must be regarded by Congress and the President as henceforth a part of the Constitution, which they are bound by their oaths to support. This is not at all in harmony with the argument upon which Chief Justice Marshall first based the right of the Court to declare an act of Congress unconstitutional.

Thus, he cited the oath which the judges are required to take to support the Constitution, and argued that it would be immoral to impose this oath upon them if they could not read the Constitution for themselves. But Congress and the President also take oaths to support the Constitution. How immoral, therefore, to impose such an oath upon them unless they can read the Constitution independently.

And in very recent years, too, the Court has carefully explained that it has no substantive power from the Constitution to set aside an act of Congress, but that it does so simply in consequence of its duty to decide cases in accordance with the law, of which the Constitution is a part. As law of the case, the Court's view of the Constitution is the Constitution, but not farther.

ATTACKED BY PRESIDENT LINCOLN

For the contrary view, which is today one of the numerous constitutional fallacies being promulgated by the American Liberty League, proslavery was largely responsible in the first instance. Realizing in 1848 that they now dominated the Court, the proslavery people started then and there the drive which culminated 9 years later in the Dred Scott case, to elevate decisions of the Supreme Court interpretative of the Constitution to a level with the Constitution itself. But, as is well known, President Lincoln, in his first inaugural, attacked this theory as utterly without basis.

"The candid citizen", Lincoln pointed out, "must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made 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. Nor is there in this any assault upon the Court or the Judges. It is a duty from which they may not shrink to decide cases properly brought before them, and it is no fault of theirs if others seek to turn their decisions to political purposes."

In short, while the Court can, and must, decide cases according to its own independent view of the Constitution, it does not in so doing decide questions.

For that matter, the Court has never regarded its past interpretations of the Constitution as binding itself. These it has abandoned by one device or another many, many times. Why, then, should they bind the national legislative power?

Discarding, therefore, this spurious gloss upon the principle of judicial review, where do we arrive?

We arrive at clear recognition that the national legislative body, Congress and the President, are vested not only with the power but with the duty to read the Constitution for themselves. To be sure, they are entitled to consult the opinions of the Court for such light as these may shed on particular questions of constitutional power; but they are not entitled to abdicate their own official function of independent judgment on the plea that such opinions are the authentic Constitution.

And being entitled and required to reach its own independent construction of the Constitution, Congress is entitled and required to frame such legislation as in its judgment the country needs and as is permitted by such independent construction of the Constitution.

IT PUTS COURT "ON THE SPOT"

But this, it will be objected, means "putting the Court on the spot." Exactly; and the Court ought to be put on the spot when it subscribes to such labored and far-fetched opinions as those upon which it based its reversal of the Railway Retirement Act and A. A. A., or when it subscribes to such ambiguous opinions as that of the Chief Justice in the poultry case.

The latter, indeed, was a virtual request by the Court to be "put on the spot"; and when he asked Congress to pass the Guffey Coal Act the President but complied with this request. He would, however, have done better to call Congress's attention to the reasonableness of doubts as to the unconstitutionality of this measure than to use the precise language he did.

And if the Court is put on the spot, so also is Congress.

In other words, the above view of the constitutional duty of Congress brings both the Court's and Congress's interpretations of the Constitution to the test of public opinion and so leaves the issue of finality to be settled by what Madison termed "the national will."

In "a government of the people, by the people, and for the people" that is just how it ought to be settled.

AMERICAN AGRICULTURE—ARTICLE FROM YANKTON (S. DAK.) PRESS

Mr. BULOW. Mr. President, I present an article appearing in the Yankton (S. Dak.) Press and Dakotan of the 18th instant entitled "A Brief Survey of Some Elemental Subjects", which I ask may be published in the RECORD.

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

[From the Yankton (S. Dak.) Press and Dakotan of Jan. 18, 1936]

A BRIEF SURVEY OF SOME ELEMENTAL SUBJECTS

Even in politics and at the beginning of what promises to be one of the most bitter of national campaigns there should be some semblance of proper decency and an adherence to truth, to such a degree, at least, as to make attacks sound plausible.

The Chicago Tribune is published in a large city; but the paper and the city itself, perhaps unfortunately for the city and the agricultural region that surrounds it, has reached its sprawling massiveness because of the greatness of the farming country of which it is the center, and both Chicago and the Tribune have lived and fattened upon the support of the farmers and must continue so to do.

But the Tribune, Chicago's representative paper, lets its special Washington writer, Arthur Sears Henning, in commenting on the recent Supreme Court decision, say:

"The Court has invalidated the A. A. A. * * * The President has bowed to the authority of the Court. * * * He has undertaken to construct a new system of restriction of agricultural production by other means than that held unconstitutional in the A. A. A. case. The new plan is based on the principle of promoting the general welfare of conservation of soil fertility. It will provide for the distribution of about $500,000,000 annually to the farmers, approximately the same amount they received under the A. A. A.

"The new project will go eventually to the Supreme Court for determination of its constitutionality, but it cannot possibly reach the Court until after the Presidential election in which the support of the farmers is essential to the reelection of Mr. Roosevelt. This subsidy is relied upon to hold the West in line for the President."

Undoubtedly the President does want "to hold the West in line." Also it is true that "the support of the farmers is essential to the reelection of Mr. Roosevelt." But it is in no sense a fair or honest inference that Mr. Roosevelt is interested in the farmers only for their votes or that he is intent upon repairing, to the best of his ability, the damage done to American agriculture by the recent Supreme Court decision by some new plan that may or may not, in its time, be unconstitutional, for the sole purpose of retaining those votes.

Mr. Roosevelt had those votes in 1932. He secured them by fair and open promises that he would do everything he could possibly do to better the deplorable condition of agriculture. He made good those promises in a remarkable degree. He honestly earned and was entitled to the support he had secured. He is now hastening into the breach that is again promising the total destruction of agriculture and is ready to continue the battle to save the farmer, no matter what it may cost him in losses in the industrial East, because, I believe, he is honestly enlisted in the fight for the forgotten producer of food and cotton crops and will win or lose with him in the contest.

Undoubtedly he expects the farmer vote. He has had it, has earned it in championing the farmer's cause, and is still in the fight front for him.

While on the subject, let me call attention to yet another political charge that is being made without any apparent effort to give the whole truth to the voters of America, and yet with every intent and purpose to influence their thinking and to control their voting.

The Liberty League in an attack January 12 on the Roosevelt proposed Budget for 1936 and 1937 charged that it provided for "the greatest orgy of peacetime spending by any nation in the history of the world." The Chicago Tribune, again, in its news story of this attack says: "The league held the first step toward Budget balancing to be abandonment of work relief and temporary substitute of relief."

It is true that the Democratic platform of 1932 promised that the National Budget should be balanced and that Roosevelt accepted that platform and promised his best endeavors to carry out its provisions. It is also true that the Budget is not balanced and that there is little hope of its being balanced in the near future unless the relief of which the league speaks is abandoned. But it is no less true that that relief is the humanitarian feeding, clothing, and keeping alive of millions of America's citizens who without this "orgy of spending" and this "unbalancing of the Budget" would have starved and been out of their misery long

ago and that conditions today have not improved enough so they can survive if the spending stops.

No political party in power and no political sophistry in a pre-election campaign can change this fact, and no administration in power can save the lives of the millions in dire need without spending money to do it. The relief had to be given if lives were to be saved. That it has changed to "work relief" is only the making of an effort to get some permanent value back to the public for the money that had to be spent in the service of suffering people.

It is true the money could have been saved and the lives lost. That alternative is still open. China has chosen that way many times in the past. Russia is said to have done so recently in her effort to build a successful communistic state. Perhaps money is the more valuable and our Government has been mistaken, but thank God it has made this error, if it is such, and pray God it will continue to make it, while hunger and human suffering can be relieved in no other way.

Later, when the terrible destruction of war has been absorbed and the mad orgy of spending and wasting of the "big bull market" of the late '20's, with its attendant destruction of the living of millions who believed the promises of Cities Service, the Van Sweringens, Mitchell, Morgan, the Wall Street bankers, insiders, promoters, and manipulators, has been somewhat replaced in slow, painful earning, is time to begin the balancing of a Budget that is going into the red a few billion a year in the effort to preserve a semblance of life in millions of human beings, ruined in large part, by that same war spending and by those hundreds of billions wiped out and utterly wasted in the uncontrolled madness of the so-called 7 fat years from 1922 to 1929.

This paper is and has been consistently Republican for 74 years, because it believes in the old-time principles of the Republican Party. But it has lived and prospered or suffered privations with the farmers of South Dakota and the Middle West. It must continue to so live or be wiped out with them.

We know, as they know, that agriculture, as an industry, is facing new conditions and must work out, with the aid of Government, an equitable, tenable position for itself; just as industry battled for subsidy, through tariffs and other methods, until it was firmly placed. We all know that relief, direct, by work, or otherwise must be continued for farmers and for others throughout the region dependent upon farming until such a position is secured and stabilized. Today these are our issues and we honestly believe the paramount issues of agriculture.

If these are the issues that have been forced upon us, then we must fight for them until we win or go down to disastrous defeat with the rest of agriculture. We must continue to support those in power, or who come into power, who are supporting agriculture and helping to solve farm problems and work them out to definitely helpful conclusions.

Here in South Dakota we cannot eat the Constitution, though we might get warmth by burning the fat out of the Liberty Leaguers who would "balance the Budget" no matter what became of human lives that must perish without food or warmth during this winter season.

W. C. LUSK.

ADDRESS BY HON. J. F. T. O'CONNOR TO AMERICAN BANKERS ASSOCIATION CONVENTION

Mr. McADOO. Mr. President, I present an address delivered by Hon. J. F. T. O'Connor, Comptroller of the Currency, before the American Bankers' Association convention, at the Roosevelt Hotel, in New Orleans, La., on November 13, 1935, which I ask may be published in the RECORD.

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

On two former occasions—in Chicago in September 1933 and in Washington in October 1934—it was my privilege to address your association. It is a pleasure to be with you again on this occasion.

The annual reports made to Congress by the Comptroller of the Currency during the past 72 years contain an interesting history of the banking conditions of the Nation. When Abraham Lincoln appointed Hugh McCullough as the first Comptroller of the Currency on May 9, 1863, under authority of the act of February 25, 1863, definite form was given to a national banking system in the United States. The Comptroller of the Currency was charged with the responsibility for chartering national banks, approving branches thereof, conversions from State to National institutions, and for the examination, liquidation, reorganization, mergers, and proper adjustment of the capital structure of national banks, as well as their general supervision. These tasks have not been light during the past 3 years. Daniel Webster said, in his famous reply to Senator Hayne, "When the mariner has been tossed for many days in thick weather, and on an unknown sea, he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course." The banking storm is now definitely over. My purpose in appearing before you today is to present an accurate picture of the national banking situation now that the storm has passed, and to recount some of the work that has been done to repair its ravages.

It will be interesting to consider first, the progress made in the reopening of conservatorship banks; secondly, the work of liquidating closed national banks; thirdly, the strengthening of the capital structure of national banks; fourthly, a summary of some of the more important amendments to the National Banking Act; and, finally, the present condition of our national banks.

General statements, when not supported by unimpeachable evidence, are of little value, and that is my justification for presenting figures in some detail in order that no possible misunderstanding can arise. Many of the statistics will be released today for the first time. They will appear later in the annual report made by my office to Congress for the year ending October 31.

The most pressing problem before the Comptroller's office after the banking holiday in March 1933, was that of dealing with 1,417 national banks which failed to reopen and were placed in conservatorship. There was due to the unsecured creditors of these banks $1,924,473,019, and there has been made available to these creditors $1,427,056,746, or 74.15 percent of the amount due. These conservatorship banks owed to secured creditors $333,066,987, of which $325,946,756, or 97.86 percent, has been made available. It is significant that 489 of these banks have paid all their creditors in full. The statistics given are for June 30, 1935, the last date for which these figures have been compiled in our office.

If the figures for secured and unsecured creditors are combined, and the amount paid is deducted, we find a total balance due creditors on June 30 of $504,536,504, or 22.34 percent of the amount due on March 16.

The next problem which challenged the attention of the Comptroller's office was the orderly liquidation of all national banks in receivership, including those closed before and after the banking holiday. There are now 1,423 banks in receivership under the Comptroller's supervision. Of these banks, 832 were placed in receivership prior to March 16, 1933, with deposits of $779,635,584, of which sum the depositors have received $420,360,305, or 53.92 percent. Subsequent to March 16, 1933, 593 of these 1,423 banks were placed in receivership with deposits at time of closing of $1,067,524,707, of which the depositors have received $631,012,603, or 59.11 percent. These figures are as of October 31, 1935.

The largest number of active receiverships in the history of the Comptroller's office was 1,568, and this was on July 19, 1934. These were reduced to 1,423 on October 31, 1935. The largest number of active receivers was 833 on June 30, 1934. There are now 655.

Since March 16, 1933, there has been distributed to depositors in receivership banks $680,227,575. This large distribution has been accomplished by the orderly liquidation of the assets of these banks, and also by obtaining loans from the Reconstruction Finance Corporation. Our receivers borrowed from the Reconstruction Finance Corporation up to October 31, 1935, the sum of $337,016,740, and have repaid $242,698,243, leaving a balance unpaid of $94,318,497, or 27.99 percent. If we take the total number of national receiverships finally liquidated from the year 1865 to October 31, 1935, inclusive, numbering 1,367, we find the average percentage of expenses to collections to be 7.47 percent. In other words, out of every dollar collected by our receivers, over 92 cents has been paid to the depositors. The percentage of cost for the year ending October 31, 1935, was 8.57. The slight increase in cost is due largely to the system of borrowing from the Reconstruction Finance Corporation. Our receivers have paid $6,412,977 in interest up to the end of October.

During the past year particular attention has been given to the disposition of real estate included among the assets of insolvent national banks. A plan has been formulated and successfully followed in a number of States which has resulted in the selling to excellent advantage of real estate owned by the insolvent national banks in such States. For the first time in the history of the Comptroller's office we have tried a new procedure which involves extensive advertising and a public sale. You will be interested in the story of the results of this procedure in Gulfport, Miss.

At Gulfport the First National Bank has been in receivership since December 1931. Gulfport has a population of approximately 16,000, and derives its principal support from tourist trade. It receives some income from shipping, and also from one large cotton compress which is in operation there, although the surrounding territory is not generally considered an agricultural section. In this trust we had 344 separate pieces of real estate, some of it city property, and some of it farm acreage, most of which was nonproductive. We were advised that it was impossible to sell any real estate in this small community, as the people had no money and there was no demand for the property. We obtained the services of an energetic real-estate salesman, who went to work with vigor and dispatch. He ran a half-page advertisement on 7 consecutive days in 12 newspapers. He advertised in the adjoining State of Louisiana and in four towns and cities adjacent to Gulfport. Ten thousand copies of a pictorial booklet were circulated by hand. Ten thousand blotters were distributed. Five thousand cards were circulated in connection with a guessing contest on the prices which would be paid for certain pieces of property. Three thousand eight hundred letters were mailed to those depositors who held certificates in the closed banks. Ninety-four large oilcloth signs, 6 feet by 4 feet, and six signs, 12 feet by 4 feet, were used, as well as 500 automobile stickers. Seventeen thousand five hundred lists containing a description of each piece of property were distributed. Sixty consecutive announcements were made over the local radio stations and seven over the New Orleans radio station, while a sound truck traveled 1,800 miles and was used to amplify the sound on the day of the sale. The cost of all this was something in excess of $7,500.

About 2,000 people gathered in the city park at 10 o'clock on the morning of the sale. The Parent-Teachers Association furnished luncheon at a small profit to that worthy organization.

The sale was adjourned an hour for dinner, and after dinner a crowd of approximately 5,000 people were present. The sale continued until 1 o'clock in the morning, when the last piece of real estate was sold, and approximately six or seven hundred people remained until the end of the sale.

What was the result? The success of the sale surprised everyone. The bids amounted to $178,672, one-third of which was required to be paid in cash and the balance in 1 or 2 years. In many instances, however, the full amount was paid. In addition, the purchasers assumed the back taxes on the property, which amounted to a total of $35,284, making the entire proceeds of the sale $213,956. Several offers were made to purchase at par the paper received. A purchaser of this paper knows that he is taking very little chance when one-third of the price of the property has already been paid. These results were obtained notwithstanding the fact that each purchaser of property knew that title did not pass at the time of the sale, as the Federal statutes require the approval of the Comptroller of the Currency and the approval of a court of competent jurisdiction.

There are financial institutions in every part of the country which have similar problems. However, their task is much easier. We were dealing with a closed institution, with property in the morgue, where title did not pass when the auctioneer's hammer dropped, and where we were not in a position to assist in financing any part of the purchase price paid. We did more than merely sell all of the real property in this trust; we recreated values in this little town, stimulated activity in real-estate sales, and created a new psychology toward investments. No one believed it could be done. No one believed it was possible to obtain over $200,000. Yet that was the result of the sale. It is anticipated that this plan will be placed in operation in other sections of the country as rapidly as the necessary details may be arranged. It has been noted that interest in the acquisition of real estate for investment purposes has revived to a considerable extent, which will, of course, materially benefit the creditors of those insolvent national banks which have substantial real-estate investments.

A few items will give you an idea of the enormity of this particular problem. We hold title to 2,404 farms, containing 480,942 acres, with an estimated gross value of $7,257,020. In addition, we have mortgages on 3,690 farms, containing 839,028 acres, with an estimated gross value of $12,665,270. We hold title to 7,347 residences with an estimated gross value of $25,481,082, and hold mortgages on 16,380 residences with an estimated gross value of $48,925,143. We have title to 2,451 business properties with an estimated gross value of $19,660,344, and we have mortgages on 2,249 pieces of business property with an estimated gross value of $22,998,078. In addition to these items, we have title to 5,002 unimproved city properties with an estimated gross value of $4,480,295, and hold mortgages on 3,885 unimproved city properties with an estimated gross value of $3,358,326. We have 917 bank buildings with an estimated value of $39,729,877, and 1,050 miscellaneous items whose estimated gross value is $7,422,139.

The third problem confronting the Comptroller's Office was the strengthening of the capital structure in our national banks. On June 30, 1932, 6,150 national banks had capital stock of $1,568,983,000, and on June 30, 1935, 5,431 national banks had capital stock of $1,813,970,000. Although this indicates a reduction of 719 in the number of national banks, or 11½ percent, there has been a net increase in the capital of $244,987,000, or 15½ percent.

The selling of preferred stock enabled many banks to carry along loans which otherwise would have been foreclosed, and in other instances made it possible for banks to extend greater credit to the community in the time of stress. Approximately 2,000 national banks sold $550,729,300 in preferred stock of which $63,318,932 was purchased locally and the balance by the Reconstruction Finance Corporation. Of this total amount, $21,417,637 has been retired, leaving $529,311,663 in preferred stock still outstanding in our national banks.

A number of measures affecting the banks of the Nation have been considered and passed by Congress since 1933. Probably the most sweeping and far-reaching was the act creating the Federal Deposit Insurance Corporation. The Board of that Corporation is composed of Hon. Leo T. Crowley, Chairman, former United States Senator Phillips Lee Goldsborough, of Maryland, and the Comptroller of the Currency. The Board is bipartisan. At your Chicago meeting in September 1933 a considerable part of my address was devoted to this measure. The statements made at that time have been more than justified. This legislation has caused millions of dollars to be brought out of hoarding and back into circulation; confidence has been restored in the safety of deposits, and the wrongs resulting from vicious propaganda against the banks have been completely overcome.

The act of Congress permitting the Reconstruction Finance Corporation to purchase preferred stock in national banks and capital debentures or notes of State banks, and the elimination of the double liability on bank shares on new common capital issued as a result of an increase in the bank's capital, has encouraged investments in these stocks. In this connection, the depositors of such banks have been given the added protection of laws which require the building up of a surplus equal to the bank's common capital, this increased surplus operating to take the place of the potential, but uncertain, protection formerly provided through assessment liability on shareholders.

Another provision made it possible for less than all the shareholders and depositors of a closed institution to reorganize and reopen such institution on a basis equitable alike to depositors and shareholders, thereby avoiding the delays and losses incident to receivership. Under this provision many institutions have been reopened and are operating today, which otherwise would have been placed in receivership.

Congress further authorized the Federal Reserve Banks and the Reconstruction Finance Corporation to make, to participate in the making of, or to give commitments with respect to loans to industry for the purpose of providing it with working capital, particularly where such industry is unable to obtain requisite financial assistance on a reasonable basis from the usual sources. As a result of the authority thus given, banks are enabled, either individually or in cooperation with the Federal Reserve Banks or the Reconstruction Finance Corporation, to extend, with the utmost safety, financial assistance under conditions where it would not otherwise be possible to make such loans.

Further assistance has been given to the borrowing public and to the banks through the insurance of mortgages and improvement loans by the Federal Housing Administration. Through the protection given to the banks by such insurance, there has been opened to them a broader field for the utilization of their cash resources, and untold benefits have been afforded to home owners.

The congressional act prohibiting the payment of interest-on-demand deposits and placing certain restrictions on the payment of time deposits has been of great benefit to the banks. During the 5 years prior to the passage of this law member banks alone paid on demand deposits $1,230,242,000, or an average of $246,048,500 per annum. The total assessment paid to the Federal Deposit Insurance Corporation to date by all insured banks in the United States during the nearly 2 years of operation is $41,031,652.85. Annual assessments under the permanent plan are estimated at $35,000,000. The practice of paying interest on demand accounts was generally condemned and denounced by the bankers, but they were powerless to correct the evil until Congress acted. This practice caused unwarranted competition between banks through the payment of high interest rates, which in turn necessitated unsound investments and loaning policies and unreasonable rates of interest to the borrower in order to earn and maintain the payment of interest on demand deposits.

Congress, further, has prohibited loans to executive officers. At the last session the time within which old loans could be paid by executive officers was extended by Congress, largely because of the favorable showing made by executive officers in paying their indebtedness to their banks.

This matter was covered fully in my testimony before the Glass subcommittee of the Senate Banking and Currency Committee in the last session. The committee accepted the recommendation to extend the time of payment. Restrictions and limitations have been placed upon banks with regard to loaning money to affiliates of such banks through the requirement that publicity be given to such relations between the banks and their affiliates. Banks have also been required to divorce their securities affiliates, and institutions which deal in or underwrite securities have been prohibited from taking deposits.

Both the depositing public and organized banking institutions have been aided by legislation designed to eliminate unregulated private banking. It is no longer lawful for anyone to engage in the banking business unregulated by either State or Federal authority. Under the Glass-Steagall Act of 1933 private banks not under State supervision were required to make reports to the Comptroller of the Currency. Five calls were made to these banks for reports of condition, the first one for June 30, 1934, the last one for June 29, 1935. As of June 29, 1935, there were 144 private banks reporting in the United States with total assets of $131,177,000 and total deposits of $68,488,000. In my annual report to Congress recommendation was made that this provision be eliminated for the reason that there seemed to be no corrective power over these banks which could be constitutionally lodged in the Comptroller. The provision was removed, and instead the private banks are required to submit to periodic examinations by the banking authority of the State and are required to make published periodic reports.

Greater latitude has been provided as to time of repayment and the character of assets on which loans may be obtained from Federal Reserve banks. This should prove to be a bulwark in times of stress.

Much has been accomplished in the light of past experiences, and, with intelligent leadership in the banking world and among our public, the causes which brought about the total collapse of the banking structure should never recur. It is a sad commentary on American leadership that 12,677 banks with $7,510,640,000 in deposits have closed during the past 12 years. Some of these failures have been due to poor management and bad investments, but, in addition, this Nation has been overbanked. A mad scramble to establish a bank opposite every gasoline station across this continent is not a situation which can be contemplated with any degree of satisfaction. For the first time in the history of banking in this country, Congress has provided a means to correct this condition by giving to the Federal Deposit Insurance Corporation the power to refuse to insure a State bank until certain conditions have been complied with and, particularly, until a necessity for the State institution has been shown.

From October 31, 1932, to October 31, 1935, only 66 primary national banks have been chartered by the Comptroller's Office; 29 for the year ending October 31, 1933; 26 for the year ending October 31, 1934; and 11 for the year ending October 31, 1935. This is the smallest number of national banks chartered in any 3-year period during the past 30 years. Prior to that time the office records were not segregated as to primary organizations as distinct from conversions or reorganizations.

We shall now consider the present condition of our national banks. Let us compare the call report for national banks for June 30, 1934, with that for June 30, 1935. Loans and investments in 1935 were $18,085,103,000, an increase of $1,038,807,000 over 1934; total assets were $26,061,065,000, an increase of $2,159,473,000; total deposits were $22,518,246,000, an increase of $2,585,586,000. If we include all banks, national, State, and private, comparing the same two periods, we find an equally favorable picture. Loans and investments on June 30, 1935, were $44,632,288,000, an increase of $1,911,641,000 over 1934; total assets were $60,393,057,000, an increase of $4,233,132,000; total deposits were $51,586,123,000, an increase of $4,961,082,000.

On December 31, 1928, national banks reported the largest amount of deposits and assets ever reported in the national banking system. Let me give you these figures as of December 31 for 1928 and the succeeding years. On December 31, 1928, total assets amounted to $30,589,156,000; for the same day in 1929 they were $28,882,483,000; in 1930, $28,799,684,000; in 1931, $24,662,286,000; in 1932, $23,310,974,000; in 1933, $21,747,483,000; in 1934, $25,629,580,000; and on June 30, 1935, they were $26,061,065,000. Total deposits on December 31, 1928, amounted to $24,347,380,000; for the same day in 1929 they were $22,773,493,000; in 1930, $22,871,646,000; in 1931, $19,244,347,000; in 1932, $18,518,107,000; in 1933, $17,589,882,000; in 1934, $21,676,303,000; and on June 30, 1935, they were $22,518,246,000.

It will be noted that total assets and total deposits continued to decrease from December 31, 1928, to December 31, 1933. They showed a marked increase on December 31, 1934, and again on June 30, 1935. On the latter date the total assets were 85.20 percent of the total assets on December 31, 1928, and the total deposits on June 30, 1935, were 92.49 percent of the December 31, 1928, figure, which was the largest in the history of the system. It should not be overlooked that on June 30, 1935, there were 2,204 less national banks than on December 31, 1928.

Probably a more significant figure is that for bills payable and rediscounts. On December 31, 1928, national banks had borrowed and were indebted in the sum of $785,309,000, and on June 30, 1935, the national banks owed $4,643,000, or less than 1 percent of the figure for December 31, 1928.

During the past year there probably has been more discussion of the earnings of banks than of any other subject connected with banking. For the year ending June 30, 1932, the national banks had a deficit of $139,780,000, or 8.91 percent based on capital; for the year ending June 30, 1933, a deficit of $218,384,000, or 14.39 percent; and for the year ending June 30, 1934, a deficit of $303,546,000, or 17.46 percent. On June 30, 1935, the situation completely changed, and there was a profit of $71,372,000, or 3.93 percent.

Nearly all of this recovery of $71,000,000 as represented in profits was obtained in the first 6 months of the present year. On December 31, 1934, the deficit was $4,893,000.

There is no more important function exercised by our national banks than the administration of trust powers. Those who create trusts in the trust departments of our national banks repose in the officers the highest confidence that one person can place in another. Here the trustor places the whole future of those dependent upon him, and, in many cases, of children unborn. Proper emphasis has not been placed upon this most important function of our banking system. When one contemplates the number of trusts, the amounts involved, and the increase in this particular branch of business, one cannot but feel that a high compliment is implied to the integrity of those entrusted with what might be called nearly sacred powers.

There are 1,578 national banks with active trust departments. They are administering 129,711 individual trusts with assets aggregating $9,251,291,947, and in addition are administering 16,801 corporate trusts, and are acting as trustees for outstanding note and bond issues amounting to $11,605,145,026. Compared with the year 1934, these figures represent a net increase of 8,577, or 6.2 percent in the number of trusts being administered; an increase of $734,740,203, or 8.6 percent, in the volume of individual trust assets under administration; and an increase of $120,683,289, or 1.05 percent, in the volume of note and bond issues outstanding for which national banks have been named as trustees.

An analysis of the $8,341,958,034 of invested trust funds belonging to the private and court trusts under administration revealed that 48.74 percent was in bonds, 29.28 percent in stocks, 7.96 percent in real-estate mortgages, 7.16 percent in real estate, and 6.86 percent consisted of miscellaneous assets. The investment of these trust funds is of the highest importance, and, therefore, this analysis, which is now given out for the first time, should be of considerable interest.

The impressive development of trust activities in national banks is further emphasized by comparing the record in 1935 with that of 1926. This comparison reflects an increase during the 9-year period of 120,459, or 462.36 percent, in the number of trusts being administered, an increase of $8,328,963,270, or 903.04 percent, in the volume of individual trust assets under administration, and an increase of $9,141,591,710, or 371.07 percent, in the volume of note and bond issues outstanding for which national banks were acting as trustees.

It has always been my custom simply to present the facts and never to make a prophecy. These facts, however, and my general knowledge of the banking situation, impel me now to predict that the present 6 months' period will be the best the banks of the Nation have enjoyed for more than 4 years.

In conclusion, permit me to express my deep appreciation of the enthusiastic and wholehearted support which the bankers of the Nation have accorded my rather inexpert efforts to outline what, in my opinion, are proper standards for bankers. The lawyers, the doctors, and members of other professions have boasted of their codes of ethics, and their boasts seem justified, for a large part of the progress these professions have made in claiming and holding public esteem is due to their adherence to a code of ethics.

The storms of yesterday have subsided; the picture presented to you today is one of hope and good faith. You have the facts. A few, no doubt, will still imitate the ostrich with its head in the sand, but the great majority of our financial leaders are looking toward clearing skies with high resolve, with courage, and with faith.

Let us go forward together, rendering a service to a mighty people, and deeply appreciative of their confidence. And may our actions vindicate their faith.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BARBOUR. Mr. President, I should like to address myself to the unfinished business, which is Senate bill 2288, being Calendar No. 654, to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Last year I submitted a minority report at the time that the committee voted out the bill favorably. I should be very glad to read that report, Mr. President. If I may say so, I think it is concise, to the point, and convincing. On the other hand, I am reluctant to take the time to read any report which has already been printed, has been on the desk of Senators, and which they have had an opportunity of reading if they cared to do so. Therefore, Mr. President, instead of reading it, I ask unanimous consent that these observations of mine which constitute the minority report on the measurement of vessels using the Panama Canal, being Calendar No. 654, be placed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

The views of the minority are as follows:

The bill (S. 2288) is sponsored by the War Department and the Canal authorities for the purpose of eliminating the United States Rules of Measurement in determining the tonnage upon which is levied the tolls for vessels transiting the Panama Canal. The bill provides that after September 1, 1936, tolls shall be assessed only on tonnage determined under the Panama Canal Rules of Measurement. These rules may be amended from time to time by Presidential proclamation without further legislative action.

The rate of tolls to be prescribed by the President may not exceed $1 per net vessel-ton as determined under these rules nor be less than 60 cents. Lower rates of tolls are made mandatory for vessels transiting the Canal in ballast, and exemption from payment is prescribed for deck loads except to the extent that they exceed 20 percent of the net vessel tonnage.

The result of the bill is to effect a marked redistribution of the toll burden between different classes of ships, and to make possible a substantial increase in the total tolls that may be collected.

In his annual report for 1933, the Governor of the Panama Canal recommended the assessment of tolls at the maximum rate authorized in this bill. However, after consideration of protests received from steamship lines, the Secretary of War advised the Committee on Interstate and Foreign Commerce of the House of Representatives, in May 1934, that if legislation similar to the bill were enacted he would recommend to the President the adoption of a toll on laden vessels of not more than 90 cents. If applied to the traffic through the Canal during the fiscal year 1934, this rate would slightly reduce the aggregate toll collections. However, it would effect a very marked redistribution in the toll burden between different classes of ships as the following table demonstrates:

Type and nationality of ship	Increase or decrease	Percentage increase or decrease	Increase or decrease per transit
Passenger ships:			
United States registry	$471,762	22	$1.371
Foreign registry	375,171	10	471
Total	846,933	15	742
Shelter-deck cargo ships (usually 3-deck ships):			
United States registry	147,229	7	349
Foreign registry	101,488	2	95
Total	248,717	4	167

Type and nationality of ship	Increase or decrease	Percentage increase or decrease	Increase or decrease per transit
Other dry-cargo ships (usually 2 or less decks):			
United States registry	[1] 92,950	[1] 3	[1] 109
Foreign registry	[1] 285,794	[1] 9	[1] 364
Total	[1] 378,744	[1] 6	[1] 231
Oil-tank ships:			
United States registry	[1] 577,910	[1] 17	[1] 913
Foreign registry	[1] 342,195	[1] 19	[1] 1,107
Total	[1] 920,105	[1] 18	[1] 977

[1] Decrease.

Thus it is apparent that even if there is no increase in the aggregate tolls collected, nevertheless the effect of the bill will be to impose large increases in the tolls of the passenger and general-cargo ships which, under present-day conditions, are least able to bear this added burden, and to effect corresponding reductions in the tolls paid by bulk carriers most of which are industrially owned and none of which have protested against the existing system.

The enormity of the burden imposed upon the leading American lines using the canal is evident from their testimony at the hearings both before this committee and the House Committee on Interstate and Foreign Commerce. In the case of one passenger and general-cargo line it was testified that the annual increase in tolls at the 90-cent rate would be $400,000 and $551,000 at the maximum rate of $1. Another line's tolls would be increased $208,000 annually at the 90-cent rate and $297,000 at the $1 rate. A third line would pay $140,000 more at the 90-cent rate and $276,000 more at the proposed maximum. Representatives of a fourth line testified that its tolls would be increased between $290,000 and $300,000 at the maximum rate.

The ships operated by these lines are among the most desirable in American merchant marine, and of the type whose operation it is most necessary to encourage in the interest of both commerce and national defense. The imposition of this large additional burden at a time when they are already suffering operating losses is entirely unwarranted, particularly as the passenger and general-cargo ships are paying more than their share of the tolls, based on weight-carrying capacities.

No sound reason has been advanced for abandoning the tonnage determined under the United States Rules of Measurements as the basis for the assessment of tolls at the Panama Canal. Our national registry rules have developed out of our maritime experience and that of other seafaring nations. Their principal object and primary purpose is to afford a fair and equitable basis for the assessment of dues and charges for the use of publicly improved and publicly maintained waterways. They are almost universally accepted throughout the world for the purpose for which they were designed. In addition, in many ports, they are accepted by private parties as a basis for the assessment of charges for use of facilities or services rendered to ships, such as drydocking, dockage, pilotage, etc. It would seem most unreasonable to assume that tonnage determined under these rules would not furnish an equally suitable basis for assessment of Panama Canal tolls.

Moreover, the bill perpetuates a dual system under which American ships will continue to be measured according to two systems of measurement, one administered by the Department of Commerce, the other by the War Department. This "dual system" of measurement creates conflicting standards with which the American shipowner is compelled to comply, and unnecessarily complicates the efficient management of his business. No other maritime nation has two sets of rules for the measurement of ships which fly its flag.

From the point of view of the Government, this system has resulted in disagreement and friction between two coordinate departments, and involves duplication of effort and overlapping of functions for which there is no reasonable justification. The enactment of the bill would perpetuate this system, which is not only inconsistent with sound organization, but violates the principles prescribed by Congress for the reorganization of executive departments, as set forth in the act approved June 30, 1932:

"TITLE IV. REORGANIZATION OF EXECUTIVE DEPARTMENTS

"DECLARATION OF POLICY

"SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

"(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

"(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

"(c) To eliminate overlapping and duplication of effort."

If the elimination of the dual system of measurement is really to be accomplished, the proper course of procedure would be to establish a single set of measurement rules under which ship tonnage could be determined for all purposes, including the payment of Canal tolls. Only in this way can overlapping functions be eliminated and administrative costs reduced. Moreover, their administration is a commercial function with which the War Department should neither be required nor expected to deal, and for this reason it should be centralized in the Bureau of Navigation of the Department of Commerce.

The proponents of this bill have cited the Suez Canal as an illustration of an improved waterway which has adopted its own rules of measurement for ascertaining tonnage upon which to assess tolls. The Suez Canal is owned and operated by a private corporation, and for this reason it cannot properly apply the measurement rules of any nation. Furthermore, its primary object is to earn as large a return as possible for its stockholders, rather than the equitable distribution of operating costs over all commercial traffic. Its success in attaining this objective is strikingly demonstrated by the fact that distributions of profits to stockholders have averaged over 200 percent annually over a period of years and that its shares are currently quoted at about 20 times the original investment. Clearly a system of measuring ships designed to yield such profits should not be accepted as the pattern for the charges to be assessed by our Government against American ships which transit through the Panama Canal.

The majority report alleges that the enactment of the bill is necessary to prevent shipowners from effecting large reductions in their tolls by making minor alterations which, without reducing the actual earning capacity of the ships, have reduced the net tonnage as determined under the United States Rules of Measurement. Instances are cited of alterations to 38 American ships during 1933 by means of which substantial reductions in tolls were effected.

In the putting forward this argument the proponents of the bill ignore these vital factors:

(1) The carrying capacity of cargo ships is materially reduced by reason of these alterations. One company which effected changes in 18 of its ships during 1933 pointed out that the weight-carrying capacity of these ships was reduced by 1,362 tons per ship as a result of these alterations, although the reduction in the United States net tonnage was only 972 tons per ship.

(2) The interpretation and administration of the United States rules rests entirely within the control of the executive department of the Government. If this administration has been lax, the remedy does not lie in setting up another set of measurement rules for the sole purpose of assessing canal tolls, which rules can be changed at will by the Chief Executive.

(3) The United States rules have been uniformly applied without discrimination, thus affording equality of opportunity to all.

The Canal authorities admit that the Panama Canal rules of measurement require modification and that unless modified an undue hardship will be suffered by certain types of ships. For this reason the President is authorized in section 2 to appoint a special committee of three to recommend such changes in the Panama Canal rules as in its judgment are necessary to provide an equitable system of levying tolls. There is no requirement in the bill that such a committee be appointed or that the rules be revised, and the basis of assessing tolls provided for in section 1 goes into effect on September 1, 1936, whether or not such revision is undertaken or made.

Obviously it is not fair to the shipowner to enact the legislation before revising the rules of measurement. Unless he knows what changes are to be made in the rules he cannot pass judgment on their fairness as applied to his fleet. No valid reason is cited why this procedure cannot be followed.

Moreover, the enactment of section 1 places unreasonable restrictions on the committee's consideration of all factors involved in an equitable system of levying tolls. For example, section 1 requires that tolls be "based on net vessel-tons of one hundred cubic feet each of actual earning capacity. * * *" This mandate would restrict the committee's consideration, to the cubical content of the ship, and would prevent its giving due consideration to weight-carrying capacity as well as to many other relevant factors which have been suggested during the course of the hearing. Should the committee ignore the restrictions imposed in section 1, and recommend a system of assessing tolls not in harmony therewith, the President is powerless to put such recommendations into effect without further legislation by Congress. The folly of authorizing an investigation into the method of assessing tolls and simultaneously prescribing a particular method without awaiting the recommendations of the investigating agency is too obvious to require further elaboration. Clearly, further legislation must logically await the result of such an investigation.

Opposition to the bill may be summarized as follows:

1. The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

2. In proportion to their weight-carrying capacities, the general-cargo and passenger ships are now paying more than their share of the toll burden.

3. The bill increases tolls on American general-cargo and passenger vessels by larger percentages than it does similar ships of foreign registry. Moreover, the reductions effected in tolls of American oil tankers are relatively smaller than those received by tankers of foreign registry.

4. Our national registry rules represent the result of our maritime experience and afford an equitable basis for charges for the use of waterways improved and maintained at public expense. There is no valid reason why they should be eliminated as a basis for assessment of Panama Canal tolls. These rules, by exempting spaces which do not contribute to the buoyancy of the ship, give due consideration to both weight-carrying capacity as well as to cubic capacity and, for this reason, afford a more equitable basis for the assessment of tolls.

5. The bill permanently establishes two conflicting systems of measurement of American vessels by separate departments of our Government. This duplication of effort is unwarranted and places in the War Department what is admittedly a commercial function—that of measuring commercial vessels.

6. The administration and interpretation of the United States Rules of Measurement is vested in the Department of Commerce, and consequently other more appropriate remedies are available for such abuses as may exist in the present system. Moreover, such alterations as the Canal authorities have complained of have had the effect of reducing the weight-carrying capacities of the ships in which such changes were made.

7. The enactment of new legislation should await the investigation authorized under section 2. The absurdity of authorizing an investigation into an equitable and just system of levying tolls and then simultaneously prescribing a particular method without awaiting the result of the investigation must be clearly apparent.

W. WARREN BARBOUR.

Mr. BARBOUR. To those who will have read the RECORD, what I am now going to say in a sense will be superfluous. For the purpose of this address, however, I do wish to add a short message, and in doing so I shall recapitulate, so to speak, the facts which I think are most pertinent and which I feel are brought out very clearly in the minority report already mentioned.

Section 1 of the bill provides for the establishment of tolls on tonnage determined under the Panama Canal rules of measurement, somewhat modified in this bill. In other words, the rules that I have referred to, as I have just said, are modified in certain respects in the bill now before the Senate.

Section 2 provides for an investigation to ascertain the best method of measurement of ships for the assessment of tolls, and a report to be made to the President 6 months prior to the effective date of section 1.

Manifestly, Mr. President, if such an investigation is to be made, permanent legislation should await the information made available by such an investigation.

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

Mr. BARBOUR. I yield.

Mr. DUFFY. I do not recall that the Senator from New Jersey was present the other day when this bill came up, but the chairman of the committee at that time announced that he intended to move that section 2 be stricken from the bill as reported out by the committee.

Mr. BARBOUR. Mr. President, I am grateful to the Senator for drawing that fact to my attention. I was not in the Senate chamber when the distinguished Senator the chairman of the committee made that observation, but it seems to me what he suggests is very definitely putting the cart before the horse, if he did make any such observation as that.

I can understand, however, why anyone who is desirous above all else of having these rates put into effect should do everything he could to avoid the investigation in the meantime, but I cannot understand the logic of first setting the rates and then making an investigation of what the rates should be and on what basis as far as this matter of measurement is concerned.

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

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

Mr. GORE. I think I can explain that to the Senator. The pending bill fixes a maximum rate of a dollar and a minimum rate of 60 cents. Those constitute the maximum and minimum fixed rates. Under this bill, if passed, the President will fix the exact tolls to be charged within those limits, between the maximum of a dollar and the minimum of 60 cents. The object of creating the committee was that their report and findings should be submitted to the President, and upon that report the President would fix the exact rates to be imposed and collected between the upper and lower rates, the maximum and the minimum.

As I suggested at the time, the shipping interests seemed to take exception to that provision and I thought were taking advantage of it to make a plea for unnecessary delay. I felt that if they objected to that provision I would consent to strike it out, which would perhaps lessen their objection. I may say, however, to the Senator that I am assured by the Canal officials that an investigation will be made even though section 2 be stricken from the bill.

Mr. BARBOUR. Mr. President, I am glad always to have heard the Senator's views, and he knows how highly I respect him and his views.

Mr. COPELAND. Mr. President, will the Senator from New Jersey yield to me?

Mr. BARBOUR. I yield very gladly.

Mr. COPELAND. I am not quite sure that I understood the Senator from Oklahoma. Did I understand him correctly to say that the only purpose of section 2 was that the committee proposed to be appointed should make an investigation to determine what the rates should be?

Mr. GORE. No; not to determine what the rates should be, but to ascertain the facts, the changes in the construction of ships since the original measure passed in 1912, and on changes also that have been made in order, I take it, to accommodate the ships to the rules and regulations of the Commissioner of Navigation; and then to lay the facts before the President, the President himself under this bill, as under the original act, to fix the tolls.

Mr. COPELAND. Mr. President——

Mr. BARBOUR. I was going to say, if I may, before I yielded again to the Senator from New York—and I will be very glad to yield again to him in a moment—that section 2 provides for an investigation to ascertain the best method of the measurement of ships for the assessment of tolls.

Mr. GORE. Yes, indeed; there are two provisions, the one referring to measurement and the other to tolls.

Mr. BARBOUR. The last is just as important as is the first.

Mr. COPELAND. It is more so.

Mr. BARBOUR. The two things are each a part of the whole equation. And it is just this fact that I was going to point out following the remarks of the Senator from Oklahoma. In other words, just what I have just now said following the inquiry of the Senator from New York.

Mr. GORE. There are two points, the rules of measurement and the rates of toll.

Mr. COPELAND. Mr. President, will the Senator from New Jersey yield further?

Mr. BARBOUR. I gladly yield.

Mr. COPELAND. If I can understand the English language, the second section provides for "a study and investigation of the rules for the measurement of vessels" as well as of the tolls to be charged.

Mr. BARBOUR. That is correct.

Mr. COPELAND. So far as I am concerned, I would welcome the enactment in the bill of the second section, because some agency of the Government ought to take time enough to study this problem with a view to the establishment of rules of measurement and rates of toll and to decide the questions in such a way as not to impose a further burden upon American shipping, which will be done if this bill shall pass in its present form.

Mr. BARBOUR. Mr. President, I agree wholeheartedly with the Senator from New York and, so far as I am concerned, if the second section of this bill were the burden of the bill itself, I would be for it rather than against it.

However, to continue, if I may, we have the United States rules of measurement for ships, which rules are applied in every conceivable case save for the one purpose of ascertaining tolls on vessels using the Panama Canal. Tolls are now assessed there in accordance with the United States rules, and there seems to exist no good reason, from my point of view, why the War Department should make a different set of rules for this one purpose than the rules prescribed by the Congress and administered by the Department of Commerce and otherwise universally applicable.

It has been said that the Suez Canal has its own set of rules for fixing tolls, and I believe that is so. The Suez Canal, however, is owned by a private corporation that pays 200 percent annually in dividends to its stockholders and is concerned solely with charging what the traffic will bear. I do not say that in a critical or invidious sense, but it is a situation which most certainly does not and should not prevail so far as the Panama Canal is concerned.

The Canal authorities maintain that if a 90-cent rate is applied the total of tolls under the proposed system will not

vary greatly from the existing total. That may be true; but let me point out, Mr. President, that the burden on various classes of ships will differ very materially. The provisions of section 1 will increase tolls on passenger ships and general cargo ships, which already pay more than any other type of ship in proportion to their weight-carrying capacity by more, as a matter of fact, than a million dollars a year, which will thus correspondingly reduce the tolls on bulk carriers, tankers, and ships of that kind. In other words, the common carriers and the producers whose commodities they transport will be penalized in the neighborhood of a million dollars annually in order to relieve the industrially owned private carriers of substantially the same amount.

I wish to say in the same breath, however, in that connection, Mr. President, that I do not mean for one moment to indicate that I feel for a moment that this proposed legislation was introduced in the interest of anybody or any type of carrier or anything of that sort. My own interest is just as much in one type of carrier as in another, and I believe there has not been any pressure brought upon anyone for any particular type of carrier. The fact remains, however, that there will be a great difference brought about and that a much greater burden will be put on what might be called in lay language the ordinary type of passenger and freight ships, and that an equal burden in tolls will be lifted from the industrially owned vessels that carry their own products or commodities.

Mr. COPELAND. Mr. President, may I ask the Senator a question at that point?

Mr. BARBOUR. Certainly.

Mr. COPELAND. If the charge is increased on the common carriers, as the Senator has just stated, who is going to pay for that? Of necessity it must be American citizens who ship goods through the canal. There will have to be imposed on them an additional tax sufficient to pay this addition to the tolls. Am I not correct in that contention?

Mr. BARBOUR. The Senator is absolutely correct.

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

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

Mr. DUFFY. In the last few years vessels have been cutting holes in their decks and bulkheads and thereby reducing, by that artificial means, the rates which they have to pay to go through the canal. Have those savings been reflected in any way by a lessening of the rates that the shippers have had to pay? I do not think that was brought out in the committee, and I am just asking for information regarding it.

Mr. BARBOUR. The Senator may be entirely correct as far as the pact is concerned. That is a very pertinent and sensible question, but I think I have just as pertinent and sensible an answer for it as far as the situation at present is concerned. The whole point being that the premise of the Senator is certainly no longer applicable since the enactment of the Coastwise Load Line Act of 1935, approved August 27, 1935. In other words, it is no longer possible to exempt any of the cargo-carrying space under the United States rules of measurement without—and this is important—at the same time affecting a corresponding reduction in the ship's weight-carrying capacity.

Mr. DUFFY. Mr. President, will the Senator yield again? I do not wish to interrupt him if it is not agreeable.

Mr. BARBOUR. I am glad to yield.

Mr. DUFFY. Is it not a fact that shipowners are continuously cutting holes in the decks of their ships because of the saving thereby accomplished? As I understand, during the last few years the Japanese have materially reduced the cost of the tolls paid by their vessels going through the Panama Canal by cutting these tonnage openings in the decks and in the bulkheads.

Mr. BARBOUR. The force of the explanation which I have just made, I thought was entirely clear, but apparently it has escaped the Senator. The answer is: If they do that, they are forced to carry less tonnage.

Mr. DUFFY. Certainly; but they would not do it if they were not thereby saving money in the aggregate; otherwise there would not be any sense in doing it.

Mr. BARBOUR. Exactly; and they do not do it any longer, because if they do it they do not gain anything by it.

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

Mr. BARBOUR. Very gladly.

Mr. COPELAND. I think the Senator from New Jersey made an effective answer. This practice on the part of the Japanese and others—perhaps by some of our own shipping—has now been thwarted by the load-line enactment. There is a limit now to what the ships may carry. The Senator from New Jersey has mentioned that all of them are on the same plane because of the limitation placed on the load line.

Mr. BARBOUR. Mr. President, there is one point which I intended to make a little earlier and to which I will return, though I welcome the interruptions, if I may call them such, because they are pertinent and helpful.

It has been said, I think either by the Senator from Oklahoma [Mr. GORE], or possibly in the hearings which, as a member of the committee, I attended last year, that it was the expectation and hope that because of increased business generally through the Canal there would be quite naturally a reduction in tolls; in other words, the Canal would charge less as it did more business. As a matter of fact, there is apparently no hope of any such thing. If Senators will examine the printed hearings of the joint committee on the bill at pages 29, 30, and 31, they will see that the revenues of the Canal have been mounting and not going down. The revenues in 1933 were $553,000,000; in 1934, $539,000,000; and in 1935, $549,000,000. It will be found also that there is a fixed expense of between $15,000,000 and $16,000,000 a year for interest; in other words, the debt structure expense.

I think it is fair to point out—though I do so in the same spirit in which I pointed out certain other facts, because I am not criticizing the management of the Canal in this instance—that there are many charges which are more expensive in relation to the Panama Canal than is so in relation to anything approaching a first-class port anywhere else. I refer specifically to transfer charges for moving cargoes on the docks, pumping charges in relation to tankage, and other such charges, which, if studied, will show that those who use the Canal are paying the full price for that character of service.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. I am very glad to yield.

Mr. DUFFY. The charges for the military, the forts, and all that sort of thing are not included.

Mr. BARBOUR. No. I am glad the Senator brought out that point, because in my reference to expense of the conduct of the Canal I have, I think, eliminated everything in reference to the fortifications and other Army aspects of the undertaking.

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

Mr. BARBOUR. I am glad to yield.

Mr. BONE. I note in the report of the committee that the cost of handling at the present time is about $543,000,000. Can the Senator advise whether any part of that reflects the cost of the fortifications of the Canal?

Mr. BARBOUR. No; my understanding is that it does not.

Mr. BONE. I wondered if the committee hearings indicated whether any portion of that amount is properly allocated in that way?

Mr. BARBOUR. Perhaps the Senator from Maine [Mr. WHITE] can enlighten the Senator from Washington.

Mr. WHITE. Mr. President——

Mr. BARBOUR. I yield to the Senator from Maine.

Mr. WHITE. A number of years ago a study of the cost of the Canal was made and an effort was made to arrive at that part of the cost of the Canal which should be charged to the military value of the Canal and what part should be allocated to the commercial uses of the Canal. While I do not have the exact figures in mind, I have a vague impression that it was somewhere around one-third of the costs of the Canal which are properly to be charged to its defense features and advantages. It was at least that much. The exact figures appear somewhere in the hearings.

Mr. BONE. I wondered whether the receipts of the Canal in past years have been sufficient to carry the operating costs and to provide any fund to amortize the cost of the Canal. Has there ever been any effort to set up a fund to amortize the cost of the Canal reflected in its outstanding bond issue? I only seek information.

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

Mr. BARBOUR. Gladly.

Mr. COPELAND. If I am correctly advised, the amortization fund which is set up provides for the payment of the cost of the Canal and also the cost of the military defenses.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. Certainly.

Mr. DUFFY. Surely the Senator from New York would not intentionally make an incorrect statement, but I distinctly recall the testimony was that it did not include anything that has to do with the military features of the defense of the Canal. I believe that is the fact.

Mr. COPELAND. If the Senator has the evidence, I hope he will bring it before us because that is an important matter.

Mr. BONE. Are the revenues of the Canal sufficient to carry the operating costs and provide any reasonable or safe margin over and above the operating costs?

Mr. BARBOUR. I believe the revenues are well in excess of the operating costs.

Mr. BONE. Perhaps the Senator from Oklahoma [Mr. GORE] can enlighten us. I am inclined to look upon a public operation of that sort as something that ought to be conducted as cheaply as possible, of course, having in mind always efficiency of operation, but if the revenues now and over a period of years have been sufficient to cover the elements of cost, is there any legitimate reason now for attempting to raise the rates?

Mr. GORE. Mr. President——

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

Mr. GORE. The question propounded by the Senator from Washington is pertinent. The receipts balance the Budget, running about $25,000,000 a year, about $10,000,000 of which covers the expense of operation and about $15,000,000 of which covers the capitalized value of the Canal.

Mr. BARBOUR. That is, the interest charges?

Mr. GORE. Yes. It is not the purpose of the proposed legislation to increase aggregate receipts from the operation of the Canal. Under the measure the rates are reduced from $1.20 a ton to $1 as the maximum. The aggregate receipts will be approximately the same. The Secretary of War has already announced that if this measure becomes a law he will not recommend that the President impose a maximum of $1 but will recommend a maximum of 90 cents.

The point is that under the bill all tolls will be assessed on tonnage and all ships will be required to pay the same charge on their cargo-carrying capacity, on their earning capacity. The tolls will be regulated by law and by rules and regulations issued in accordance with the law and will not be subject to the caprice and manipulation of individual shipowners and individual shipping concerns.

Was the Senator from Washington present when I made reference to the *Empress of Britain* the other day?

Mr. BONE. No; I was absent at the time.

Mr. GORE. I may merely add that when the *Empress of Britain* passes through the Suez Canal she pays a toll of $28,000 or $29,000. When the same vessel transits the Panama Canal she pays a toll of $18,900. One reason for that is that under the United States rule of measurement—not the Panama Canal rule, but the United States rule of measurement—passenger space is exempt. On that great vessel, one of the finest that sails the seas, there is a social deck comprising 3,300 tons. There was a cloak room on that deck where the passengers checked their wraps. The owners of the vessel were advised that by converting that cloak room into a so-called cabin they could lift the 3,300 tons out of the toll-paying space and make it exempt space.

Accordingly, they placed a bed in that room, with a portable washstand and chiffonier. The room has never been used for sleeping quarters and never will be so used, but under the technical rules adopted by the United States Commissioner of Navigation, that took 3,300 tons of cargo-carrying space or passenger-carrying space or social space out of the requirement to pay tolls, and excused that vessel on that one item alone of paying $4,400 each transit through the Canal to the Government of this country.

Mr. BARBOUR. Mr. President, I know the chairman of the committee, my distinguished friend from Oklahoma, will not misunderstand me if I continue. I wish to occupy only a moment more anyway.

Mr. GORE. I beg the Senator's pardon for interrupting him.

Mr. BARBOUR. That is quite all right.

In a nutshell, to sum up the matter, the actual result of section 1 would be, regardless of what we may say about it or of what our views may be in respect to the justice or injustice of that section, that the ordinary type of what I term "passenger ships" and "freight carriers", vessels that take passengers and the merchandise made by the manufacturer, the products of the farm, and others, through the Canal, is going to be burdened to the tune of about an additional million dollars, which million dollars is going to inure to the benefit of another type of ship; and that type of ship is the industrially owned vessel, such as the tanker, the ore ship, and other vessels of that kind.

Again I say, as I said before, that I am not intimating for one moment that the owners of the latter type of shipping have sought this legislation because of the relief it will accord them. I do not say for one moment either that any Senator who is interested in this bill has any such idea at all; but I do say that that is going to be the result nevertheless. I do say, as I said at the outset, that section 2 calls for an investigation not only of rates but to ascertain the best method of measurement of ships for the assessment of tolls; and when that is the very point in this whole legislation I cannot for the life of me see the logic of not having the investigation first, and then seeing what is the proper method to pursue and what are the proper tolls to charge. Why there should be this very special, unusual treatment of the general premise of measurements and tolls so far as the Panama Canal is concerned is a mystery to me.

Mr. GORE. Mr. President, I do not believe the Senator quite appreciates the purpose of this measure and the point of it.

The pending bill fixes the maximum and the minimum rates of toll for passing through the Panama Canal. The maximum rate is $1. The minimum rate is 60 cents. Between the maximum and the minimum the President is authorized to fix the tolls under this bill, as he was authorized to do under the original act.

The purpose of the proposed legislation in section 2 is to create a committee to investigate both subjects—the rules of measurement and the rates of toll—and submit that report within 6 months or within a given time after the passage of the measure. Then the President, under the general authorization in section 1, could consider the recommendations of the committee, the recommended rules, the recommended tolls, and could proceed by proclamation to fix the proper rules and the proper rates. The purpose of this is to avoid endless delay.

This measure miscarried through an opinion of the Attorney General rendered 20 years ago. Efforts have been made at every session since that time to enact this proposed legislation. Every Secretary of War has recommended its enactment. The measure has four times passed the House of Representatives. President Wilson recommended it. President Roosevelt has recommended it. It never has passed the Senate.

There will be no delay. If this measure passes, the investigation will be made by the committee. If the measure had passed as it was drawn, when the report was submitted

the President would consider the rules, the recommendations as to rates, would fix the rules and the rates, and then it would go into operation.

Those who are sponsoring this measure do not want another 20 years' delay after section 2, if it shall be passed alone, shall be acted upon, the rules recommended, and the rates recommended before we stop the discriminations that are going on, and of which advantage is being taken by shipping concerns under the existing rules and regulations.

Mr. BARBOUR. Mr. President, I am always glad to yield to the Senator from Oklahoma.

Mr. GORE. I thought the Senator had concluded.

Mr. BARBOUR. No; I was not through; but I am glad to yield to the Senator at any time.

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

Mr. BARBOUR. That is perfectly all right. I am always glad to yield to the Senator from Oklahoma.

The Senator has said that, in a sense, the meat of the coconut is that rates between one figure and another have been fixed. I do not know how they have been arrived at, and I do not know why those particular figures were fixed. I know that if we should have the examination that is proposed here, we should know whether that range is correct. It is perfectly fair to assume that it is somewhere in that range, of course; but why should we be in such terrible haste at this particular time to seize rigidly on a range of rates when we admit that there is to be an investigation to determine what the actual rate should be in respect to a study of the rules of measurement in relation to it?

Furthermore, please bear in mind that as far as a 20-year delay or a 10-year delay or any other delay is concerned, the bill calls for an investigation and a report within 6 months. It has to be within that time. Then we will know "where we are at."

Mr. President, I feel that we have gone about this whole important matter, so far as this particular bill is concerned, as I said when I began, "hind-end on", to put it bluntly. I feel that the charge that certain vessels are misinterpreting their space, so to speak, was taken care of, if they ever were doing any such thing, by the Coastwise Load Line Act of 1935, which I mentioned before. Please remember, there is no objection on my part to an examination of the question of Panama Canal tolls with a view to a possible revision up or down, so far as I am concerned.

Mr. GORE. Mr. President, I think the Senator misinterprets the effect of the Load Line Act which we passed in August last, or the rules and regulations made under it. The load line law was applied to foreign ships engaged in foreign commerce passing through the Canal as far back as 1929; and, in spite of that, all this manipulation has been under way, as I shall show again in a few minutes. It was applied to the coastwise trade, I believe, last August. The load line relates to weight, whereas tolls are imposed upon space, tonnage.

Mr. BARBOUR. Mr. President, we sometimes have our honest differences of opinion. I am sure no one can disagree about that. It does not mean that I am always right, for I am by no means always right; but I am perfectly convinced, and absolutely sincere in my conviction, that the thing to do is to make the investigation first, and limit the time as rigidly as we like within which a report shall be made. This is a very difficult subject. It is an especially technical subject. I think there are few Senators who understand it. Certainly I do not pretend to be an expert on maritime matters myself. The question is a very technical one as I have said, except in its general phases and general applications.

I very much hope, particularly after reading the minority report, of which I spoke at the beginning of my remarks, and which I took the liberty of having inserted in the RECORD—I almost wish now I had read it rather than having that done—that the Senate will feel I was justified in making the minority report, and maintaining the position I still take in relation to the proposed legislation.

Mr. BONE. Mr. President, will the Senator answer a question?

Mr. BARBOUR. I shall be very glad to do so.

Mr. BONE. What particular type, if any, of boats would be directly affected by the pending bill, or are taking advantage of the present law to make the changes the Senator from Oklahoma suggests, as to cutting holes in the deck and putting a cabin on a deck where no cabin normally would be? What type of ships are now particularly able to take advantage of the existing toll regulations?

Mr. BARBOUR. Mr. President, I do not think they can now take the advantage which they may or may not have taken heretofore. We have labored over that same question heretofore, and I think I have already answered it. The Senator from Oklahoma feels that they still can do so. I think, because of the subsequent legislation of which I have spoken, that they cannot.

To answer the Senator's question specifically, however, obviously they cannot take advantage of anything of this kind except by virtue of the type of ship involved. That is true of oil tankers or any others that are to be benefited if this bill goes through. So by the same token the only kind of a ship that has sufficient elasticity, so to speak, in its construction, to do any such thing as we have been speaking of, is the ordinary sort of ship that carries passengers and the usual freight cargo. But I reassert that these ships are not doing, and cannot do, this sort of thing any longer because of the Coastwise Load Line Act of 1935.

Mr. BONE. Mr. President, the Senator from Oklahoma referred a moment ago to the *Empress of Britain*, I believe, where a cabin for sleeping purposes was deliberately built on a deck which was ordinarily used for social purposes.

Mr. GORE. Yes.

Mr. BONE. Can the Senator advise me what there is in existing regulations that would permit the owner or owners of a vessel deliberately to do that, and thereby remove over 3,000 tons of dead weight from the operation of tolls? What sort of elastic regulations exist that permit that?

Mr. GORE. I do not wonder at the Senator's inquiry. He stated that he was not present when the bill came up a few days since. The present condition is an anomaly. It is not rational. It is not logical. It resulted from what we regard as a misinterpretation by the Attorney General of the original act of Congress.

The original law, passed in 1912, fixed a maximum of $1.25 and a minimum of 75 cents according to which tolls might be levied and collected. In other words, tolls might not exceed $1.25 per registered ton nor be less than 75 cents per registered ton.

The President was authorized to issue a proclamation fixing the rate between those two points. He did issue a proclamation fixing the toll to be charged under the Panama Canal rules at $1.20 per ton for laden vessels and 40 percent less, or 72 cents per ton, on vessels in ballast.

Some of the shipping concerns on the west coast operating lumber ships raised a question contending that the words "net registered ton" in the statute were controlling, and that they related to registered tons as ascertained and determined by the Commissioner of Navigation.

I repeat what I said the other day on that point for the information of the Senator. We have now, as a result of that opinion, two sets of rules for the measurement of vessels, one known as the United States rules, the other known as the Panama Canal rules, the latter the result of a great deal of investigation. The first set of rules of measurement, the United States rules, has been developed during the last three-quarters of a century, designed to ascertain the tonnage on which the vessel should pay taxes and should pay port charges and harbor dues in this country and in foreign ports.

Mr. BONE. Is that rule applied by the Customs Service?

Mr. GORE. Yes; it would be.

Mr. BONE. I wondered what governmental agency applied the so-called United States rules.

Mr. GORE. They have been evolved and developed by the Commissioner of Navigation; now, I believe, they call

it the Bureau of Navigation. The objective was to secure as low a tonnage registry as possible in order to reduce the port charges and harbor dues to as low a point as possible.

I may say to the Senator that commercial nations have a sort of comity in that respect. Foreign governments accept our registry when they impose charges upon our ships in entering their ports. In return we accept their registered tonnage without question when their vessels enter our ports. That has constituted a constant motive on the part of every government to reduce its registered tonnage in order to reduce the port charges, lighterage, and charges of that sort in foreign ports and in home ports.

It had no reference to the earning capacity of a ship, no reference to the cargo-carrying capacity of a ship, and the rules were designed for an entirely different object, namely, in order to cut down port charges and similar charges.

The Panama Canal rules, which were patterned largely after the Suez Canal rules, were based on the cargo-carrying capacity of the ship, were based on the earning capacity of the ship, and applied to every ship alike in accordance with its earning capacity.

I will say to the Senator, to illustrate, in addition to the instance of the *Empress of Britain*, during 17 years, running from 1915 to 1931, inclusive, the aggregate tonnage passing through the Panama Canal, according to the United States rules of measurement, were 272,000,000 tons, whereas under the Panama Canal rules of measurement they would have amounted to 331,000,000 tons.

There was a difference of 60,000,000 tons resulting from the different rules of measurement, and the United States Government lost more than $60,000,000 as a result of this dual system of measurements, which nobody intended should happen in the beginning.

During 10 years running out in 1931 the difference between the tonnage passing through the Panama Canal under the United States rules and the Panama Canal rules amounted to 52,000,000 tons, and the Government lost in the neighborhood of $60,000,000 as a result of this accidental dual system, which was not a matter of design.

During the year 1934 the total tonnage passing through the Canal under the United States rules was 24,000,000 tons. Under the Panama Canal rules it would have amounted to 31,000,000 tons. There was a difference of 7,000,000 tons, involving a loss to the United States Government of more than $8,000,000.

I will say to the Senator that he and I could have companion ships, sister ships, identical in every detail from stem to stern and from keel to topmast. I would cut a hole in the weather deck of my ship 4 feet wide and 18 feet long, cover it with a tarpaulin, and I would take out the entire deck space between that deck and the next deck below it, in some instances a space of 2,000 tons, and that tonnage, even though the space were loaded to the uttermost inch with cargo, would go through, without paying tolls. The Senator not cutting a hole in the weather deck of his ship would pay on the space between the weather deck and the next deck below, on the entire tonnage space, even though he did not have 1 pound of cargo in the space.

Mr. President, that is the monstrous anomaly that has resulted from this dual system, and the pending legislation is intended to correct that mistake, and that is its only purpose.

No ship, if this bill shall become a law, will pay more tolls than it ought to pay. Some of the ships will pay more tolls than they have been paying. A privilege will be taken away from them of which they have availed themselves by cutting a tonnage opening in the weather deck. I ought to add, for the Senator's information, that when I cut this little slot in the weather deck of my ship I could not reduce the tolls by that device alone; I would have to put a freeing port in the side of the ship near the deck below, a little contraption about 18 inches square, a flap that lets the theoretical water out when it comes through this theoretical tonnage opening above. That would not be quite enough. In addition to that I would have to put in three scupper pipes on each side about 3½ inches in diameter, to drain out the remaining parts of this theoretical water. I could close those scupper pipes with rubber or with wooden plugs, making them airtight and watertight, and I would still be within the rules and escape the tolls. But if I close them with a steel cap or with cement, then I have made a permanent sealing of the scupper pipes, and I would have to pay the tolls.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I yield.

Mr. BAILEY. I should prefer not to interrupt the Senator if he wishes to go ahead with his argument, but I have some questions to ask, which I can put to the Senator when he presents the bill. I understand the Senator is now answering questions.

Mr. GORE. Yes. One more point and I shall be glad to answer, now or later, as the Senator may choose.

Some of the commercial ships would pay more tolls than they pay now, because they have been availing themselves of the privilege to which I have referred. Some other ships of commerce would pay less than they pay now, because they have not availed themselves of this privilege. They have not cut holes in the decks of their ships; therefore they pay full tolls.

It is true, as I understand, that as a class the oil-tank vessel or the tank steamers would benefit ratably more than the others. That is not the design of the proposed legislation, as the Senator says, and the concerns owning such ships did not appear before the committee. They made no representations, so far as I know.

The reason why they will profit by the pending bill in a reduction of rates is due to the particular kind of traffic in which they are engaged. They bring oil from the west coast, they come east through the Canal laden, but as a matter of necessity they make the return trip in ballast. They have no cargoes going back, they have no earnings on the return trip to the west, and this measure will result in a lower charge on ships in ballast, which is the reason why they will profit from the legislation.

Mr. BONE. Mr. President, may I ask the Senator one more question?

Mr. GORE. Certainly.

Mr. BONE. Under the so-called United States rules, I understand the Senator suggests that shipping companies, for the purpose of using these rules for their advantage, have fixed the value of boats for taxation purposes, and that those values have been accepted. Is that the case?

Mr. GORE. I would not want to go so far as to speak on the question of taxation under the various State laws, because I am not advised as to that, but they have reduced their tonnage for the purpose of paying tolls, which to that extent has the same effect, of course.

Mr. BONE. It is a rather interesting commentary on this situation, although it would be a side issue, that the owners of a vessel may fix its value for taxation purposes. It would be a very lovely situation for the average home owner in the United States if he could do that.

Mr. GORE. That is exactly what they are doing with reference to the Panama tolls, and that is exactly what this legislation is designed to stop.

I say this to the Senator from Washington: There is a gentleman in this country who makes a business of advising shipping concerns as to how they can take advantage of the United States rules of measurement, how they can cut holes in their decks and reduce the tolls they pay to the Government of the United States. He splits the profits and the savings with the shipping companies, and I am advised that he has profited so generously that he took a trip across the sea in order to carry the glad tidings to foreign shipping companies, so that they could avail themselves of his learning and his wisdom, and could cut gashes in their decks, thus reducing the revenues received by his Government from the transit of those ships through the canal.

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

Mr. GORE. I yield.

Mr. BAILEY. I wish to ask the Senator a question on the point of his present remarks. I read on page 5 of the minority report:

The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

I should like the Senator from Oklahoma to give me his view about that statement.

Mr. GORE. First, I will say to the Senator that under our United States rules of measurement much of the passenger space does not pay any tolls at all. The stately passenger ships which ply the Canal have much of their passenger space exempted from the payment of tolls. We are the only Government on the globe which grants such a liberal concession to passenger ships. Of course, granting it to our own ships, we are obliged to grant it to the ships of other countries, and if the proposed legislation be passed it will bear more upon foreign shippers than upon our own.

I shall give a further illustration. In 1934 the Japanese concerns owned 84 ships which transited the Canal. Up to that time they had not taken advantage of these rules. They had not scuttled their decks. Two of those old vessels have lately had slight structural changes made in them which have materially reduced their tolls.

I think the Senator from Washington will be interested in this. The way in which the reduction on those two ships was effected was not by cutting holes through the decks, but they were converted from coal burners to oil burners. They carried the oil in double tanks in the bottom of the ship. That left the coal bunkers no longer in requisition for use or service. So they cut doors between the coal bunkers and the engine room. By that device alone they materially cut down the tolls which they paid.

I know that is mystifying to Senators until I make one further explanation.

These two Japanese ships—and undoubtedly the rest will follow suit—the owners of these Japanese vessels cut doors between the coal bunkers and the engine room, and that materially reduced the tolls they pay when they pass through the Panama Canal. Why? Before they cut the openings their engine rooms occupied less than 13 percent of the gross tonnage, and therefore was deducted from the cargo-carrying tonnage only to the extent of the exact percentage it constituted of the total registered tonnage. But when they cut doors beween the coal bunkers and the old engine rooms then the coal bunkers became a part of the engine room, and raised the percentage of the engine room to the entire gross tonnage above 13 percent of the total, and by that automatically and at once the vessel became entitled to an exemption of 32 percent for engine rooms and propelling space.

Why did they deduct only the actual percentage so long as it is 13 percent or less on the gross tonnage and why the moment it exceeds 13 percent they jump it up to 32 percent of the total gross tonnage and exempt that amount from the toll-paying space? That is one of the devices.

Fourteen new Japanese vessels were constructed last year and passed through the Canal for the first time in 1935. They had gotten wise to these devices. And the tonnage of those 14 vessels constructed to take advantage of those devices, under the United States rules of measurement, are only 70 percent as much as they would be if measured according to the Panama Canal rules of measurement.

Now I shall be glad to hear from the Senator from North Carolina.

Mr. BAILEY. I did not suppose the Senator was answering my question. He was continuing his argument.

Mr. GORE. Yes.

Mr. BAILEY. The question was this: On page 5 of the report of the minority I find this statement:

The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

I should like the Senator to inform me if that is correct.

Mr. GORE. I will say this to the Senator: It will raise the tolls in certain cases, but only where their ships have taken advantage of this privilege and this device, and have been paying less tolls than they ought to pay. Whether ships are going through the Canal now at a loss, I do not know.

Mr. BAILEY. I find further in the report of the hearings the general statement that the increase in the tolls of commercial cargo ships will be about $500,000 a year, whereas there would be a corresponding decrease of $500,000 a year on the industrial or tanker type of ships. Is that correct?

Mr. GORE. I would not undertake to say as to the precise figure.

Mr. BAILEY. Is that generally correct?

Mr. GORE. I will explain that. There is no way to tell how many ships, or I do not know how many ships have taken advantage of these privileges and are paying less tolls than they ought to pay. Some ships have not taken advantage of it and are paying at least in accordance with the Panama Canal rules. They are at a serious disadvantage in competition with the ships which have availed themselves of that privilege. Neither do I know nor can I approximate what the reduction would be on the tanker-ship tolls. There would undoubtedly be some reduction, not on their loaded ships, except as that applied to all loaded ships alike, but it would operate to their advantage insofar as it would take account of the fact that they make return in ballast instead of in cargo. And I think that ought to be taken into account.

Mr. BAILEY. On page 3 of the hearings I find the statement in response to a question by the senior Senator from New York [Mr. COPELAND], that the Standard Shipping Co. would get a reduction of $135,000, the Standard Oil Co. of California would get an annual reduction of $85,000, the Sun Oil Co. would get a reduction of $78,000, the Union Oil Co. of California would get a reduction of $42,000, and the miscellaneous tanker lines would get a reduction of $238,000. I think that will aggregate approximately one-half million dollars.

I should like to get a clear statement as to why there should be a great reduction of the tolls on the tanker oil-carrying ships and the great increase on the commercial ships which must carry out cotton from the Atlantic coast to the Gulf coast through the Panama Canal to the Orient. The matter comes home to me as a comparison, not absolutely or wholly but certainly for the moment as between cotton and oil.

Mr. GORE. Mr. President, under this measure, if it shall pass, there would be a fixed toll per net ton on laden ships, whether they bore cotton or whether they bore oil, whether they bore diamonds or whether they bore coal.

Mr. BAILEY. The Senator would agree that that would be a reduction in the freights or tolls on oil, under this act, and probably an increase on the freights or tolls on cotton, under this act, is that right?

Mr. GORE. There would be an increase in the tolls paid by certain ships, those which have been availing themselves of this privilege; there would be a reduction in the tolls paid by other commercial ships, such as those carrying cotton, which have not availed themselves of this device and have not been paying less tolls than they ought to pay.

Mr. BAILEY. That is to say that the other ships would be lifted up to the level, so far as tolls are concerned, of the ships, of which the Senator now speaks, carrying cotton? Is that correct?

Mr. GORE. No; the present rate is $1.20. Under this bill it could not exceed a dollar. The Secretary of War will recommend 90 cents. There will be a reduction, a general reduction, on all ships excepting those that have gone to the extreme in artificially reducing their tonnage measurement by these special devices.

Mr. BAILEY. I believe the Senator is going to agree that, while there would be a reduction, the reduction on the tank ships, oil-carrying ships, would be all out of proportion to the reduction on cotton-carrying or general-cargo-carrying ships?

Mr. GORE. Not at all. The oil-carrying ship would pay exactly the same tolls, ton for ton, that a ship carrying cotton would pay.

Mr. BAILEY. I understand that; but now let us consider the question of the transfer of a burden with which we began. According to the report and according to the statement which the Senator so far has not controverted, and with which I began this questioning by reading, there will be an increase of approximately half a million dollars in the tolls on the general-cargo ships passing through the Canal, and there will be a decrease of approximately half a million dollars in the tolls of ships of the tanker type carrying oil or ships of the industrial type. I should like to have an explanation of that.

Mr. GORE. I cannot answer categorically because I do not know on what toll basis the calculation was made, whether it was on the basis of $1.20 or $1 or 90 cents; for that reason I cannot answer categorically, but I do not hesitate to tell the Senator what I have already stated time and time again, that there would be a reduction in the aggregate tolls paid by tank ships carrying oil. That would result from the fact that when they go through the Canal loaded with oil they would pay exactly the same toll per ton as a ship passing through the Canal that carries cotton; there would be no discrimination whatever, no favoritism whatever shown to oil and no prejudice or antagonism whatever shown to cotton, they would be taxed and taxed alike, as I think they should be, but——

Mr. BAILEY. That is true now, is it not, I will ask the Senator?

Mr. GORE. No.

Mr. BAILEY. What is the difference?

Mr. GORE. Here is the point: Tank ships return through the Canal in ballast. The prevailing rate on ships in ballast is high. There will be a reduction, or it is anticipated that there will be a reduction, in the tolls imposed on ships going through the Canal in ballast. Of course, if the ship to which the Senator refers carries cotton one way through the Canal and goes back in ballast the tanker will have no advantage; the oil will have no privilege over the cotton. It just happens that a tank steamer is not adapted to carrying any other cargo than that of liquids—petroleum. So that when it delivers a cargo at Baltimore and returns to California for another load, it goes through the Canal in ballast, and it pays a high toll charge. Under this plan it is expected that the tolls levied on a ship transiting the Canal in ballast, whether a cotton ship or an oil ship, will be lower than they are now. That is the reason why the tank ships will realize some advantage from this measure. I will say to the Senator that I think some parade was made of the fact at the hearings that the ships owned by the Standard Oil Co. would receive some reductions in tolls. I think they would; I think a ship going through in ballast ought not to be taxed as much as if it were laden, as sometimes happens under the existing dual system; I think that this measure, if enacted, would bring some relief to all ships passing through the Canal in ballast, and I think it ought to do so.

Mr. BAILEY. Now, let me call the Senator's attention to the statement on page 2 of the minority report, that passenger ships under United States registry would have an increase of $471,762, or a percentage increase of 22, while passenger ships of foreign registry would have an increase of $375,171, or an increase of only 10 percent.

Will the Senator explain to me why we should adopt a measure that would place a 22-percent increase upon American passenger ships and only a 10-percent increase on foreign ships passing through the Panama Canal? If that is a fact, it is a very serious fact to me, and I should like to get more light on it.

Mr. GORE. I will say to the Senator that I think, as a general proposition, it cannot be taken as true; but that is not my only or final answer. Americans are more or less renowned—and I think justly so—for their enterprise. American shipowners have been rather enterprising in availing themselves of the privileges resulting from the dual system of measurement of their vessels, and they have been pretty free in cutting holes in the decks of their ships in order to excuse their tonnage from paying tolls.

I have here a list of 38 American ships owned by 5 different American companies which during the last year or two by cutting holes in the decks of their ships and by other devices have reduced their own tolls 24 percent. One concern—I believe the Panama Pacific Line—reduced its toll a little less than 20 percent—19.7 percent. Another concern automatically reduced its own tax 20 percent. Another concern, the Luckenbach, reduced its own tolls and paid to the Government 26 percent less than it formerly paid; and the Grace Line, in the case of four ships—and they were all saints—the *Santa Rosa*, the *Santa Elena*, the *Santa Lucia*, and one of the saints I have forgotten—cut holes in the decks of these American passenger ships owned by enterprising Americans; and so the Grace Line reduced its own tolls on its own ships by its own devices 33.9 percent and paid the Government $2 when it ought to have paid the Government $3, and would have so paid the Government but for this dual system of measurement, which permits them to bring about the reduction I have indicated. I will say to the Senator that in measuring tonnage we do not count passenger space situated above the first deck which is not a deck to the hull.

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

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

Mr. GORE. I yield.

Mr. BONE. The questions of the Senator from North Carolina interest me, because he suggests an increase in tolls. The explanation of the Senator from Oklahoma indicates, if the facts he has set forth are accurate, that it is not an increase but rather a restoration of taxes and tolls imposed under the Panama Canal rules prior to the practice of cutting holes in the decks of vessels. Is that correct?

Mr. GORE. I think the Senator from North Carolina was speaking of tolls in the aggregate. There might be an aggregate increase in tolls on certain groups of ships such as I have mentioned here. The Grace Line probably would have an increase in its tolls. I was speaking more directly of rates, and the rate per ton would be the same on all ships regardless of the cargo carried.

Mr. BAILEY. Of course we agree that the rate per ton would be the same, as it is the same under present conditions. We are not, however, talking about rates per ton. What I wish to get at is the effect of the bill. I am reading from the minority report, and I will say to the Senator I have read the majority report. The majority report certainly does not meet the facts set out in the minority report, and I wish the Senator could meet those facts.

I read just now showing that under the proposed legislation there would be an increase in the tolls paid by ships of foreign registry of only 10 percent, whereas on ships of American registry there would be an increase of 22 percent. The Senator answers that by saying that the American ships cut holes in their decks and thereby reduced their tolls 22 percent. I imagine that a shipowner is not going to cut a hole in the deck of his ship unless it is useful to the structure. I do not think that meets the situation; but let us go for the moment. I wish to call the Senator's attention——

Mr. GORE. The Senator is entirely mistaken. I have here a statement from one of our own admirals, who states that the cutting of holes, tonnage openings in the decks, impairs the safety of the ship and its structural strength.

Mr. BAILEY. That would come under the general control of the shipping laws; that would not relate to freight. The United States Government is not going to permit unsafe ships to sail the ocean.

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

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

Mr. GORE. I yield.

Mr. DUFFY. May I suggest to the Senator from North Carolina, in answer to his questions, that the charts appearing on the wall on the other side of the room show the saving to all United States vessels as compared to the saving to vessels of foreign registry? There was no dispute by either side represented at the hearings that these holes were

cut into the decks precisely for the purpose of reducing the tolls the ships had to pay, and in the few remarks which I will make later I will quote authorities showing that it does seriously interfere with the safety of a vessel. There are certain limits beyond which shipowners cannot go, but they cut these holes and then put tarpaulins over them. They cannot, however, permanently close them, or they could not get the benefit.

Mr. BAILEY. The shipowner may cut holes in the deck of his vessel, to use that expression, but I imagine that it would have to be something more than a hole for the purpose of conforming a vessel to the law and thereby getting a reduced rate. I do not think, on its face, that that savors at all of fraud; that may be a very sound thing. However, my point is that we would be increasing the rate on American ships and decreasing the rate on foreign ships.

I wish to call attention to the second item in the table, relative to "shelter-deck cargo ships", and I see the increase on American ships would be 7 percent and the increase on foreign ships would be but 2 percent.

We go all the way down through the table. There are the facts. I should like to have them thoroughly discussed and I should like to know just why we should at this stage be placing additional burdens upon ships of American registry passing through the American Panama Canal.

Mr. GORE. I stated as a generalization that I think the lines read by the Senator could not be accepted as correct. It is possible to except groups of ships here and there and reach that conclusion. That may be true in some instances. However, I have a statement showing that certain groups of American ships during a given period cut down their tolls $900,000 and foreign ships cut theirs down $1,300,000. Eighty-four of the old type Japanese ships measured by the United States rules aggregated for the several transits 1,100,000 tons on which they paid tolls, and on the basis of the Panama rules would have paid on 1,400,000 tons. They saved the tolls on 300,000 tons.

If there is any difference at all it is due to the fact that the foreigners have not availed themselves of this privilege to the same extent as our own vessel owners, because if this measure is passed and becomes a law, foreign and American ships will pay on exactly the same basis, a dollar a ton or 90 cents a ton or 60 cents a ton on their cargo-carrying space. There will be no discrimination, as there should not be under the treaties under which the Panama Canal was constructed. If there be any apparent discrimination it is due to the fact that the vessels which will pay the increased rates have simply gone further or gone faster in exempting their own tonnage from the tolls.

Mr. BARKLEY. Mr. President, before the Senator yields the floor I wish to ask him a question.

Mr. GORE. Very well.

Mr. BARKLEY. When I was a Member of the House of Representatives I was a member of the committee which had charge of all Panama Canal legislation and I was somewhat familiar with the method of measuring vessels for passage through the Canal. The other day in a private conversation I was told by a man who claims to know—and I am not passing on the question of whether he does or not—that the effect of this bill would be to decrease the rate at which oil tankers could go through the Canal, and to increase the rate at which all ordinary freight carriers could go through the Canal.

I have no prejudice against any type of American ship. I am intensely concerned in the development and maintenance of an American merchant marine. Would the effect of the bill be to the disadvantage of the ordinary American freighter which is engaged in attempting to carry American products to the markets of the world, and especially to South America, as compared, for instance, to any other type of vessel, with particular reference to oil tankers?

Mr. GORE. The Senator was probably out of the Chamber at the time that point was pretty thoroughly discussed.

Mr. BARKLEY. Yes; I was out of the Chamber.

Mr. GORE. I can answer the Senator in a sentence. Under this measure every vessel under our flag, no matter what it carries, and every foreign vessel, no matter what it carries, when it goes through the Panama Canal laden will pay exactly the same toll per ton. There will be no discrimination between our own ships. There will be no discrimination between our own ships and foreign ships. They will all pay exactly the same tolls on their tonnage, the same rates. That is the object of the legislation. Under the existing law there are instances where a ship pays exactly the same tolls when it passes through the Canal in ballast as when it passes through with cargo.

There will be some reduction on tank ships, on oil ships, resulting from the fact that they come laden from the west coast to the east coast and, owing to their peculiar type of structure and cargo, are obliged to make return trips in ballast. Under this bill the tolls for ships passing through the Canal in ballast will be reduced as compared with the present law, rules, and regulations. To that extent only it will operate to reduce the tolls of tank ships, but any other vessels passing through the Canal in ballast will enjoy the same privileges and the same tolls as tankers passing through in ballast.

Mr. BARKLEY. I supposed, judging from the Senator's remarks, that a larger portion of oil tankers come back through the Canal in ballast than of ordinary freighters which seek to bring back freight.

Mr. GORE. I think the tankers return in ballast, necessarily. It is a burden which they have been bearing heretofore under the tolls which have heretofore prevailed.

Mr. BARKLEY. The Senator's contention is that it is an incidental effect because of the particular type of ship and the circumstances under which it returns and is not due to a design to favor one type over another.

Mr. GORE. The tankers returning in ballast have been penalized under the existing system. They will be relieved from that penalty in the future. That is what it amounts to.

Mr. BONE. Mr. President——

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

Mr. GORE. Certainly.

Mr. BONE. Were any figures made available to the committee which might indicate the possible gross revenues under this bill were it enacted into law and under the existing system of collecting tolls?

Mr. GORE. It is the general purpose under this bill so to regulate the tolls as merely to realize sufficient revenue to pay the operating expenses of the canal and to pay the carrying charges on the indebtedness. There is no purpose to increase the aggregate receipts of the canal. That is not the point at all. It is intended merely to iron out the inequalities.

Mr. WALSH. Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of the debate on the subject of Panama Canal tolls, at the conclusion of the remarks of the Senator from Oklahoma [Mr. GORE], telegrams which I have received from some persons interested in the port of Boston.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Without objection, it is so ordered.

The telegrams are as follows:

BOSTON, MASS., *January 14, 1936.*

Hon. DAVID I. WALSH,
United States Senator:

Understand unanimous consent has been obtained for vote on Senator GORE's Panama Canal tolls bill. Also that amendment will be proposed to eliminate section 2, which provides for appointment of commission to completely investigate before any legislation is enacted. It is our view that, in order to protect New England shipping port and industrial interests, section 1, providing for assessment of proposed tolls, when bill is enacted, should be eliminated and section 2, which delays assessment of proposed tolls pending investigation by commission, should be retained. May I bespeak your careful consideration accordingly when bill comes up for vote?

FRANK S. DAVIS,
Manager, Maritime Association of the Boston Chamber of Commerce.

BOSTON, MASS., *January 14, 1936.*

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

Informed Senate vote imminent on Senator GORE's Panama Canal tolls bill. Believe further investigation by commission, as suggested in section 2, essential before assessment proposed tolls. Boston Port Authority, representing Commonwealth of Massachusetts and city of Boston, favors retention of section 2 and elimination section 1, which provides for application proposed tolls when bill enacted. Request your consideration our viewpoint when bill comes to vote.

RICHARD PARKHURST,
Vice Chairman, Boston Port Authority.

BOSTON, MASS., *January 17, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

It is for the best interest of the port of Boston that you oppose Panama Canal toll bill (S. 2288). Would appreciate your strongest opposition to this bill from the floor if possible.

ROSCOE H. PRIOR.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, and it was signed by the Vice President.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. DUFFY. Mr. President, I have before me a chart of which I shall make use in the few remarks I shall submit as soon as I can get the floor in my own right. The chart shows that the rates of toll for the Panama Canal will be fixed by this proposed legislation at approximately what they were in the years 1934 and 1935. The tables will show that if the rates go into effect as expected under this bill, the tolls paid by all ships will be considerably less than they have been heretofore up to 1935. The tables will also show that the tolls which will be imposed will in several instances be less than paid prior to the time the structure of certain ships was manipulated by cutting holes in their decks.

Mr. BONE. Is it to be assumed that there will be adequate revenues to finance the operation of the Canal, its operating overhead, and take care of the funded debt by amortization?

Mr. DUFFY. That is why the Secretary of War has recommended the 90-cent rate to go into effect. There is a leeway of which the President can take advantage if he so desires, but he will probably take the recommendation of the Secretary of War.

Mr. BONE. I am wondering if any suggestion has ever been made to amortize the outstanding funded debt of the Canal. Has a suggestion of that kind ever been made or is it the purpose of Congress to maintain perpetually that debt structure intact? I think some step ought to be taken by Congress to amortize that frightful debt structure so that ultimately there may be a tremendous reduction in tolls through the Canal. There never can be any reduction in tolls if we are not going to amortize any of this debt.

Mr. COPELAND. Mr. President, if I am not entirely mistaken, the present tolls on the Canal are sufficient to maintain and operate it, and also to amortize the original expenditure, including expenditures for military purposes.

Mr. BONE. I cannot find any information here, and seemingly none is available, to indicate whether or not any part of the capital structure is ever going to be retired. The outstanding bonds are now used as a basis for currency in the national bank system.

Mr. FLETCHER. Mr. President, there is provision at present for the creation of a sinking fund.

Mr. BONE. There is no evidence of it. Certainly a consideration so important as that ought not to be obscured here. Members of this body ought to know whether or not the Government will ever undertake that to amortize and retire the debt.

Mr. GORE. Mr. President, I will say that the plan was more general, not a fixed and concrete policy to amortize the capital cost of the Canal. It was assumed that in a hundred years amortization would take place. The last figures I saw had reduced the period to 85 years.

A portion of the original bonds issued and sold to construct the Canal bore interest at the rate of 2 percent annually, while others bore 3 percent, the bonds aggregating $134,000,000, and the Canal has been realizing, over and above the cost of operation, about 3 percent. Last year, I believe, the return was only 2.85 percent, but it has not been reduced to a fixed and concrete policy to set aside a certain portion of the receipts as a sinking fund to amortize the debt in the long run. The authorities have gone on the theory that they were realizing generally a little over 3 percent on the capitalized value and that that would amortize the debt.

Mr. BONE. Of course, the trouble with the tolls is that in the tolls is reflected the amount necessary to preserve intact the present capital structure. If that shall continue indefinitely, and no effort shall be made to amortize out any of it, we shall perpetuate to future generations the burden about which we have had all this discussion. Senators have occupied the floor talking about the size of the tolls, and what a burden they are upon commerce, and yet apparently no effort ever has been made to eliminate the one thing which leads to all this discussion at this time. I am astounded that some fund has not been set apart to pay off these bonds.

Mr. GORE. No; the Senator is mistaken about the purpose and object of the proposed legislation. The purpose and object of it is to obviate and get rid of these discriminations and inequalities.

I appreciate the importance of the point the Senator has made. As I suggested a moment ago, the Government has proceeded on the theory, and a good deal of the time on the fact, that it was realizing 3 percent and a little more on the capitalized cost of the Canal, and that the carrying charges on the bonds was about 2 percent, and that the difference might be treated as a sinking fund which would ultimately amortize the capital cost. It has not been set aside as a sinking fund in a definite and concrete policy of that sort.

Mr. KING. Mr. President, I desire to ask the Senator from Oklahoma whether he is entirely accurate in stating that the receipts from the operation of the Canal have been sufficient, year in and year out, to return 3 percent or even 2 percent upon the invested capital of three or four hundred million dollars.

Mr. GORE. Generally they have been; yes. Last year, I believe, the receipts dropped below 3 percent. I think the return in that year was approximately 2.80 percent upon the invested capital. I have forgotten the fraction.

Mr. KING. Did the Senator take into account the cost of operating the Canal?

Mr. GORE. Oh, yes. The operating cost is about $10,000,000. The capitalized cost of the Canal is $540,000,000. One hundred and thirty-four million dollars, as heretofore stated, was raised by the sale of bonds. It is the plan to realize enough revenue to pay the $10,000,000 of operating cost and to realize $15,000,000, in addition to cover the carrying charge and, if you please, a return or amortization charge on the capital cost of the Canal.

Mr. KING. May I ask the Senator another question? What have been the gross returns year by year since the Canal was put into operation?

Mr. GORE. Last year the gross return was, I believe, between $25,000,000 and $26,000,000. I think perhaps at the bottom of the depression it dropped down 1 year to $19,000,000; but I speak from memory.

Mr. KING. One other question: It is not considered, is it, that the railroad which is operated in connection with the Canal is a part of the Canal system in the sense that if any amortization plan should be set up the cost of operating the railroad, together with the cost of construction of the railroad, would be considered as a part of the general scheme?

Mr. GORE. I am speaking now rather offhand; but my understanding is that the $10,000,000 to cover operating cost does include the operation of the railroad and all the costs, including the government of the zone as well.

Mr. KING. My understanding is that the railroad, taken alone, if it may be segregated from the cost of operating the Canal, realizes a loss of 1 percent annually. That is to say, the cost of operating the railroad with a large number of employees thereon is greater than the amount received for services in connection with the railroad.

Mr. GORE. The Senator may be right. I do not know.

Mr. COPELAND. Mr. President, I should like to make a brief reply to the Senator from Washington [Mr. BONE]. I happened to be a member of the subcommittee which gave consideration to a bill similar to this one in 1930. In the hearings on that bill, at page 49, are found the figures which answer the question propounded by the Senator from Washington. I shall not give them in extenso, but they seem to show that a continuing effort has been made, through amortization, to wipe out the capital debt.

Mr. BONE. The report of the committee seems to indicate that there is now charged to the Canal approximately $542,000,000. There must have been steady accretions to the capital account. I do not know how much is outstanding in the way of these 2-percent bonds, nor is it indicated anywhere in the report that any of the bond issue has been retired.

Mr. COPELAND. One of the great complaints of those who have studied the Canal problem is the fact that in the attempted amortization, payment was made not alone for the Canal itself, but for the military additions made at the time of construction, and those which have since been made.

Mr. WHITE. Mr. President, I think anyone considering the subject will have to concede that the Senator from Oklahoma [Mr. GORE] is accurate in the statement that there have been anomalies and inconsistencies and perhaps inequities in the administration and in the levying and collection of Panama Canal tolls. I am generally familiar with them; but to me, speaking very generally, they seem relatively unimportant. The changes that have been made in ship construction and the superstructure of ships have in no instance, so far as my knowledge goes or so far as the testimony before the committee indicates, violated the laws of the United States with respect to the construction of vessels, or the laws of any other nation whose ships have passed through the Canal.

The changes which have been made, in no respect whatsoever depart from the provisions for the safety of life at sea laid down by international convention. Changes have been made, manifestly, and no one can controvert the fact, for the purpose of reducing the tolls paid by vessels in the transit of the Canal; but, so far as I am concerned, so long as the income from the Canal is sufficient to meet the carrying charges of the Canal, I welcome toll reduction, for I see in a reduction of tolls the possibility of a reduction in freight charges, which are a burden upon the commercial interests of the United States and upon all persons who utilize service by water in the movement of their commodities to the markets of the world and of the United States. I see no harm in, and indeed I wholly approve, all efforts of vessel owners to reduce tolls so long as those efforts have due regard for the safety of life at sea, due regard for the laws of the United States and for the laws of other maritime nations. When that is done I conceive it proper for them to endeavor to reduce the tolls paid in the transit of the Canal.

Mr. President, two purposes are assigned for the introduction and report of the proposed legislation. It is said, and it is true, that the bill is designed to do away with the dual system of measurement in vogue at the canal, and to have tolls through the canal based on the earning capacity of vessels moving through that great structure.

Before the completion of the canal, the United States had its long-established system for the measurement and registration of its vessels, a system still in force, and that will continue in force in the event the proposed legislation is passed; a system recognized by all the nations and authorities of the world, and a system which, as I have said, will remain in force after the proposed legislation shall have been enacted.

In 1911, Congress by law authorized tolls for the use of the Canal to be established and to be based upon registered tonnage, net or gross, or on displacement tonnage or otherwise; but it further provided that tolls on ships of commerce should not exceed $1.25 per net registered ton and should not be less than 75 cents per net registered ton.

Somewhat later the Attorney General ruled that in fixing these maximum and minimum rates Congress used the term "net registered tonnage" as defined by the statute and as determined by the Department of Commerce. The Attorney General further held that if in a particular instance tolls exceeded such maximum of $1.25 per net registered ton they would be illegal to the extent of that excess, and if they fell below the minimum of 75 cents per net registered ton then such minimum per net registered ton must be the legal rate and must be collected.

As the result of this decision, Canal authorities felt it necessary to determine net registered tonnage of all vessels, foreign and domestic, transiting the Canal, under both the Panama Canal rules and under the general registry rules of the United States, and, as I have already indicated, it limited the rates the President could apply.

There have been instances in which vessel changes have resulted in reduced tolls. Some inconvenience has resulted to the Canal authorities, but no substantial harm has resulted either to the United States or to the commercial interests of the United States or of the world.

These changes have not adversely affected the revenues of the Canal. The interest on the bonds and the maintenance charges of the Canal, including that part of the cost chargeable to its military value, amount to about $24,000,000 or $25,000,000 a year. For the years 1928, 1929, and 1930 the tolls collected amounted to about $27,000,000 a year, or substantially in excess of the carrying charges, and no one doubts that in normal times the system complained of will meet the carrying cost of the Canal. In those circumstances I see no reason why effort should not be made to reduce these tolls and these charges levied upon the commerce of the United States.

This dual system exists only at the Canal. It is complained of only by Canal authorities. This complaint might justify a change; it does not, however, justify what is proposed in the pending legislation.

I invite the attention of the Senate to precisely what the bill before us proposes to do. First of all, it works a redistribution of the toll burden. Using the rates which it has been said will be put into effect under the bill, that is, the 90-cent rate and the 54-cent rate, there would be a decrease in tolls in the amount of $754,900, and there would be an increase in tolls on other classes of vessels in the amount of $706,000.

On its face, this would show a decrease of approximately $50,000 a year in the tolls collected, but the important and significant thing is, where does the increase fall, and who is the beneficiary of the decreases which would result from this changed system?

I invite attention to the evidence presented by the proponents of the legislation before the committee as it appears in the hearings. Assuming the 90-cent rate which it is said the Secretary of War will put into effect as the maximum, and assuming the 54-cent rate, which it is said will be the lower rate, it is shown that a group of tankers made up of ships belonging to a subsidiary of the Standard Oil Co. of New Jersey, the Standard Oil Co. of California, the Sun Oil Co., the Union Oil Co. of California, and some other

miscellaneous tanker lines, would receive the benefit of a decrease in tolls under the proposed system of $578,000 a year.

There is another tabulation in this hearing, showing another group of ships which would have the tolls reduced. That tabulation shows a reduction in the aggregate of $176,900; and I notice with interest in that category of ships that a subsidiary of the Bethlehem Steel Co. would receive a reduction of more than $63,000. I note also that another industrial carrier, the United Fruit Co., would receive a reduction in tolls under the proposed classification and method of measurement.

These are the beneficiaries of this proposed change. Who is it who will bear the increases which will result? I state again that I am taking the testimony introduced into the record by the proponents of the legislation. There is a small group of ships, some six lines, all commercial vessels—and I am reading from page 4 of the record—whose tolls will be increased to the extent of $231,000 or a little more. There is another group of cargo and passenger ships whose tolls will be increased, even upon the basis which it is said will be put into effect, $475,000. So that the net result of the changes will be that these industrial carriers, the subsidiaries of the oil companies and the Bethlehem Steel Co. and the United Fruit Co., will secure benefits exceeding $700,000, and the common carriers of the Nation transporting the commodities of the people of the United States, moving the cotton of the South through the Canal to the East, and all the other things which move from the farms and the industries of our Nation, which pay tolls to common carriers—those carriers will feel an added burden of something like $706,000. That is the first and the outstanding result of the changes proposed in the legislation.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Maine yield to the Senator from Wisconsin?

Mr. WHITE. For a question.

Mr. DUFFY. Does the Senator agree to the statement that, if there is to be any increase by reason of this legislation being enacted into law, the particular lines about which he has been talking will be paying less in toll charges under the proposed new law than they paid before they started manipulating their vessels by cutting holes and changing the structure?

Mr. WHITE. I cannot answer that question and do not care what the answer is. I am not in favor of any system if it can be avoided which will increase the tolls of common carriers moving through this Canal, because I see in increased tolls the probability of increased freight rates, and I see in such increased rates an added burden to the industrial and to the agricultural life of the Nation.

Mr. DUFFY. Will the Senator yield further?

Mr. WHITE. I yield.

Mr. DUFFY. A number of these lines have saved a considerable amount by making these structural changes. Has the Senator heard of these lines passing any saving to the people who ship cargoes in those vessels?

Mr. WHITE. I think the proposed legislation has been hanging over them ever since the changes were made, and I do not blame them very much, under the threat of this measure, for not reducing their tolls.

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

Mr. WHITE. I yield.

Mr. COPELAND. I should like to ask the Senator from Wisconsin if he has any doubt, if this legislation shall be enacted and higher tolls shall be charged, that there will be passed on certainly the higher expense of operating through the Canal, even though the people up there did not get the benefit of the lower rate for the reasons suggested by the Senator?

Mr. DUFFY. If the Senator from Maine will permit, the answer is that in the aggregate there is going to be a reduction on United States ships going through this Canal.

Mr. COPELAND. Yes; when we count oil tankers and steel carriers and private carriers and foreign vessels there will be a decrease, but the ships carrying the apples and citrus fruit and other products of the Pacific coast through the Canal and the ships carrying cotton and other products from the Atlantic coast through the Canal will pay more after this bill shall be enacted. It is inevitable.

Mr. DUFFY. I will answer the Senator in my own time.

Mr. WHITE. Mr. President, I next invite the attention of the Senate to other specific criticisms which may properly be directed toward this proposed legislation. The first section of the bill provides in the first instance that tolls shall be based on net vessel tons of 100 cubic feet each of actual earning capacity.

That is the principle laid down for the determination of tolls. Then the legislation destroys the principle and the effectiveness of it by, first, exempting deck loads from tolls, and, second, by providing a very much lower rate to vessels moving through the canal in ballast.

No one can be sure what amount in dollars is involved in exempting deck loads in ballast, but it is substantial.

The evidence and common knowledge tell us that when cargo is carried in deck space it contributes to the earning capacity of the ship. There are ships today carrying as much cargo on deck as below deck. I contend moreover that is unwise in the extreme, to incorporate such a provision because it makes a direct contribution to greater hazard at sea.

There is a committee of the Senate, I think under the chairmanship of the Senator from New York [Mr. COPELAND], undertaking a study, at the direction of the Senate, of methods by which hazards at sea may be reduced to a minimum, and I venture the assertion that if this matter were referred to that special committee of the Senate, charged with the study of those things which contribute to the safety of life at sea and safety of cargo at sea, with a unanimous voice they would say that any scheme or any method which induces the loading of decks is a dangerous practice to be encouraged, and this proposed legislation is subject to the infirmity, in that, as I have said, no tolls would be charged on the deck space used in the transportation of cargoes.

This proposed rule of basing the toll upon the tons of earning capacity of the vessel is again repudiated by the provision of section 1, that the toll on vessels in ballast shall be less than the rate of toll for vessels with passengers or cargo. How much less the toll shall be the section does not state, nor does it provide for the determination of this lesser rate by any rule or by any method or by any person. It simply says that there shall be a lesser rate of toll on vessels moving in ballast. There is no statutory definition, there is no statutory limit of the amount of reduction, and no rule by which anyone can determine what it shall be, and with no authority in any particular person to determine it.

If any deduction from the established rate is to be accorded because a vessel is in ballast, why should there not be a graduated scale of toll based on the proportion of her earning space occupied by cargo? To illustrate, why should we give a reduced rate to a 3,000-ton ship moving in ballast and charge another ship having 10,000 tons of earning capacity for the full 10,000 tons of capacity even though she has but a hundred tons of cargo on board?

I mentioned, in speaking of the general effect of these proposed rules, that the industrial carriers would be the chief beneficiaries thereof. These carriers, as a matter of fact, are largely tankers. I again emphasize that the oil tankers in larger degree than any other ships move through the Canal in ballast one way. So that the chief beneficiary of this reduced rate for the ship in ballast will be largely the tankers of the great oil companies.

There is one other comment I wish to make. The proposed rule is based on net vessel tons of 100 cubic feet of actual earning capacity. This refers only to space devoted to cargo. It ignores completely the weight of cargo a ship can carry, and so disregards actual earning capacity of a vessel. It is perfectly obvious that two vessels may have the same net tons of 100 cubic feet and at the same time have widely different earning capacities. A substantial part of the world's commerce consists of weight cargo, and a

rule which ignores the weight-carrying capacity of the ship does not reflect her earning capacity. This may be illustrated by a vessel loaded with lumber and another loaded with ore. The first boat may have her entire space below deck filled without settling the vessel to her load-line marks. Her decks may be completely filled before the vessel is sunk to her load line. This vessel carrying this type of cargo may load to every vessel ton and earn thereon. An ore carrier may be submerged to the depth permitted by our load-line law with only one-half of her measurement capacity utilized. Yes under this bill, ignoring as it does this factor of weight, this ore vessel would be required to pay on her full measurement earning capacity. A proposed system ignoring this weight factor is not sound.

Mr. President, a further and to me a fatal objection to the bill is found in its uncertainty. I have in mind the assurance which has been given the Senate that a 90-cent rate and a 54-cent rate is fixed by the statute, but it does not work out that way when we analyze the language of the bill. It lays down no definite rule for the fixing of tolls. In the present law there is a definite maximum and a certain minimum of legal charge. The toll may not exceed $1.25 a net registered ton; it may not be less than 75 cents per net registered ton. Such a ton is defined by statute. In the pending bill the charge is to be based on net vessel tons of earning capacity determined not by a statutory rule but by rules prescribed by the President and as amended from time to time by him. Here is no certainty of charge. The tolls will move up or down in accordance with no statutory provision or of statutory rule, but they will vary as the President without guide or restraint varies his rules of measurement.

Mr. President, conceding the inequalities and confusion of results under existing practice, I still insist that the legislation before us does not meet the problem. If adopted, there will be continued the inequities already alluded to. There will still be dual systems of measurement throughout the world; there will be multiplied complaints and new injustices.

It seems to me there is only one sensible course. This is a problem of great complexity. It was said this morning that this matter had been before the Congress for 20 years of time, and that is true, in one form or another. But in that 20 years of time, so far as my knowledge goes, no one but the Canal authorities have urged the enactment of this pending provision. Over and over again the Canal authorities have come here with a different form of legislation, a different method proposed to meet this situation, and this is only the last child of their minds.

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

Mr. WHITE. I yield.

Mr. WAGNER. I wish to ask the Senator whether there were any hearings before the committee relative to this proposed legislation?

Mr. WHITE. There were hearings before the Committee on Interoceanic Canals. There have been no hearings so far as I know before any committee having responsibility for the commercial interests of the United States, having responsibility for the shipping interests of the United States.

Mr. WAGNER. I understand that jurisdiction is really within the Committee on Commerce of the Senate, and I wondered whether there had been any hearings held by that committee.

Mr. WHITE. There have not been any hearings held by the Committee on Commerce. There were members of the Committee on Commerce who were invited to sit in with the Committee on Interoceanic Canals in these hearings, and I believe I did so.

Mr. WAGNER. I have received some complaints from constituents of mine that they did not have an opportunity to present their views, and they are very much opposed to this measure and feel that if enacted it will be destructive of their industry.

Mr. WHITE. In my opinion it will be harmful to the general commerce of the United States. The confusion that is complained of will be confounded. In view of the changing views of the Canal authorities in respect to the legislation they want, the sensible thing for us to do is to eliminate section 1 from the bill and write into law section 2, which authorizes the appointment of a committee to study this whole problem and to make its recommendations and have a study of the problem made, have the judgment of the shipping interests of the United States with respect to what should be done, and then bring before Congress a bill which meets the situation, if it can be met—one which will respond to the commercial interest of the United States. This bill does not do so, in my opinion.

Mr. FLETCHER. Mr. President, in answer to the inquiry of the Senator from New York [Mr. WAGNER], I will say that there were joint hearings on the bill before the Committee on Interoceanic Canals and a Subcommittee on Merchant Marine of the Committee on Commerce. The hearings are printed.

Mr. DUFFY. Mr. President, I have heard some discussion today in the Senate as to whether the shippers of oil or the shippers of cotton would be discriminated against. I assure Senators that there is neither cotton nor oil produced in my State. I have no such interest, and I knew nothing about this legislation until I sat as a member of the Committee on Interoceanic Canals in the hearings on the bill.

I was somewhat surprised to hear the Senator from Maine [Mr. WHITE] say that no one else had advocated this measure. Perhaps he is technically correct in saying "this particular measure", but I am informed that similar measures have passed four times through the House of Representatives. I am informed that Presidents heretofore have asked for the passage of similar legislation, at least starting with President Wilson, and I have in my hand extracts from letters from various Secretaries of War, Mr. Garrison, Mr. Baker, Mr. Weeks, Mr. Hurley, and Secretary Dern, all of them urging the enactment of at least similar legislation, and to save the time of the Senate I ask unanimous consent that these extracts from letters or communications from the various Secretaries of War be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXTRACTS FROM LETTERS OF SECRETARIES OF WAR RECOMMENDING PASSAGE OF BILLS PROVIDING FOR THE MEASUREMENT OF VESSELS AT THE PANAMA CANAL SO THAT TOLLS WILL BE PAID UNDER THE PANAMA CANAL RULES ONLY

On February 1, 1915, in a letter to the chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Secretary of War Lindley M. Garrison recommended the passage of bill H. R. 20899, stating: "With either of the above amendments the bill would meet my approval, although, as indicated, I feel that the first-mentioned amendment would be more satisfactory."

On February 15, 1915, in a letter to the chairman, Committee on Appropriations, United States Senate, Secretary of War Garrison requested that section 3, relating to Panama Canal measurement rules, be reinserted in the sundry civil bill, H. R. 21318, stating: "I enclosed herewith a copy of a letter addressed to me by the President under date of February 15, which I think indicates clearly the present status of the subject of collection of tolls for vessels passing through the Panama Canal and shows the difficulty under which we are working, which difficulty would have been cured if the proposed section 3 were passed."

On January 22, 1916, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Garrison, with regard to bill H. R. 6832, stated: "I quote below a modification of section 1 of the bill referred to, which modification I feel will meet the situation more completely than the wording of the bill as referred to me. * * * There is great need for this legislation * * *."

On July 13, 1916, in a letter to the chairman, Senate Committee on Interoceanic Canals, Secretary of War Baker stated: "I have the honor to invite your attention to the difficulties at present being experienced by the Panama Canal authorities in connection with the levying of tolls on vessels using the Canal, which would seem to require remedial legislation by Congress at the earliest possible date."

On January 23, 1917, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Baker, with regard to bill H. R. 9818, stated: "I sincerely hope that it will be possible for you to bring the matter before Congress in such a way that it may realize the gravity of the situation and speedily enact appropriate remedial legislation."

On February 7, 1919, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Baker, with regard to bill S. 831, stated: "I would again urge the enactment of legislation during the present session of Congress to remedy these matters. Senate bill 831 fully covers the subject."

On February 7, 1919, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Baker, with regard to bill H. R. 1655, stated: "I would again urge the enactment of legislation during the present session of Congress to remedy these matters. House bill 1655 fully covers the subject."

On March 1, 1920, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Baker stated: "I desire to invite your attention again to the urgent necessity of legislation regarding the method of measuring vessels in connection with levying Panama Canal tolls. A bill (H. R. 7015) passed House of Representatives on October 1, 1919, which would overcome the existing difficulties if it were enacted into law."

On June 6, 1921, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Weeks stated: "A bill (H. R. 250) entitled 'Governing the tolls to be paid at the Panama Canal' was recently introduced in the House of Representatives by Mr. Denison, which, if enacted into law, would remedy the present unfortunate situation."

On June 13, 1921, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated, with regard to bill H. R. 250: "It is respectfully requested that you take steps to introduce a similar bill in the Senate, so that this subject can be given early consideration by your committee, for if this bill were enacted into law it would remedy the present unfortunate situation."

On January 29, 1924, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated: "This matter is extremely important from the standpoint of equitable and efficient administration of the rules governing the collection of Panama Canal tolls. * * * I would request that you introduce a bill in the Senate substantially in the form submitted, and trust that your committee will give early and favorable consideration to the bill."

On January 29, 1924, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Weeks advised that same as quoted in the foregoing paragraph.

On February 17, 1925, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated: "I desire to urge that every effort be made to have H. R. 7762 reported to the Senate and passed before the expiration of the present Congress."

On February 25, 1925, in a letter to the chairman, Senate Committee on Commerce, Secretary of War Weeks, with regard to bill H. R. 7762, stated: "It is also understood that the Committee on Commerce will hold hearings on this bill on the 26th instant, and I trust that every effort will be made to have it reported in the Senate and passed before the expiration of the present Congress."

On March 21, 1930, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Hurley stated: "I concur in the governor's comments contained in his report of March 5 on H. R. 9587, as modified by the remarks contained in his radiogram of March 19, regarding H. R. 10583, which was substituted for H. R. 9587, and I favor the pending bill."

On April 8, 1930, in a letter to the chairman, Senate Committee on Commerce, Secretary of War Hurley, with regard to bill H. R. 10583, stated: "I strongly favor the passage of the pending legislation."

On February 6, 1934, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Dern, with regard to bill S. 2517, stated: "I recommend the passage of the pending legislation in order to remedy a situation which requires early correction as, with each year's delay, further inequities are developing."

On May 26, 1934, in a letter to Hon. JOSEPH T. ROBINSON, United States Senate, Secretary of War Dern stated: "I earnestly request your assistance in securing the enactment at this session of Congress of bill S. 2517 or the similar bill H. R. 7667, to provide for the measurement of vessels using the Panama Canal."

On May 26, 1934, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Dern, with regard to bill S. 2517, stated: "I earnestly recommend that prompt action be taken thereon by the Committee on Interoceanic Canals. It is very desirable that this legislation be enacted at the present session of the Congress."

On May 24, 1935, in a letter to Hon. JOSEPH T. ROBINSON, United States Senate, Secretary of War Dern stated: "I am again, as I did last year when you favorably responded, requesting your assistance in securing the enactment at this session of Congress of bill S. 2288, "To provide for the measurement of vessels using the Panama Canal."

Mr. DUFFY. The bill before us carries out the recommendations of the Canal administration, which has repeatedly urged the revision of the law so as to base the tolls charged at the Panama Canal on the basis of tons of 100 cubic feet of all the interior spaces usable for the carriage of cargo and of passengers. The present law provides that the amount of tolls collectible shall be limited on the basis of the net tonnage as determined by the United States rules of measurement for the registry of vessels. These United States rules, Mr. President, were in effect long before the Canal was constructed. They were designed for an entirely different purpose. We try to give as light a tonnage to vessels under our registry as we possibly can under our rules, so that when they go to foreign ports where the charge is made of so much per ton for lighterage or dockage they will get the benefit of the lower rates. That is done by all nations. But those rules were not in any way designed for and I think are not suitable for the charging of tolls on vessels going through the Canal.

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

Mr. DUFFY. I yield.

Mr. KING. Is there reciprocity between the United States and other nations with respect to the charging of rates so that, for instance, if we should establish a lesser rate, other nations would follow that example?

Mr. DUFFY. I understand it has been the practice of the various nations for many years back, where a vessel is registered under their flag, to make as many exemptions and use as many devices as possible to have the vessel as light as possible, so when it goes to foreign ports they will get out as light as they can with respect to various charges which are made.

That seems to be recognized and in practice by the various nations; but that is not, it seems to me, in any way applicable to what the charge should be for shipping passing through the Panama Canal. This bill is not designed to increase the present revenues of the Canal but to prevent further and unjustified continuing decreases in its revenues.

The pending bill provides a method of measurement which cannot be subject to manipulation. The bill will be quite free from administrative difficulties and will have direct relationship to the earning capacity of vessels. It seems to me that the earning capacity of vessels is the only logical basis for the levying of toll charges.

The argument has been made that this will unduly burden that part of our merchant marine using the Canal. It is difficult for me to understand why a few who are unduly benefiting, after having taken advantage of an unfair situation, should be allowed to block legislation that will lighten the toll burdens of industry as a whole.

Mr. President, I wish to invite attention to the letter which President Roosevelt sent to the chairman of the Committee on Interoceanic Canals, the Senator from Oklahoma [Mr. GORE], with reference to this particular legislation. He points out that under the present law many inequalities have arisen and that the earning capacity of a vessel no longer governs the amount of tolls paid.

The President likewise points out that under the present law the United States rules are administered by the Bureau of Navigation and the Department of Commerce, which has no responsibility whatever for the Canal; and the President is of the opinion—and I thoroughly agree with him—that the rules themselves have never been considered suitable for determining Canal tolls.

As I understood the Senator from Maine [Mr. WHITE] and several other Senators who have spoken, they would leave the impression that the shipping industry, as a whole, is opposed to this proposed legislation, or that generally they are opposed to it. I have in my hand a magazine called the Marine Review. It is stated to be "The national publication covering the business of transportation by water." I know nothing about the various marine magazines, but this apparently appears to be one of a general character. It is stated that it was founded in 1878; so it has existed for a considerable period of time. I merely wish to quote a paragraph or two from an editorial found on page 9 of the March 1935 issue, which goes to show that there are those interests within the merchant marine that believe that the measure now before the Senate should be adopted. The editorial says, among other things:

There can be no reasonable disagreement, however, on any grounds of logic, convenience, and safety as to the wisdom of discarding the existing pernicious system of dual classification. A single system would be preferable in every way. I would do away with the subterfuges that now must be used to reduce tonnage. It is merely a legal way of evading the real intent of the rules and is vicious, unsatisfactory, and absurd. It would be far better if the ship were allowed to remain as properly designed and built and the spaces deliberately exempted from measurement.

The editorial says further:

We are convinced that opposition to a single system of measurement is not the logical or reasonable approach to the solution of this problem.

One final sentence:

The Panama Canal rules are the logical standards for assessing the tolls. They represent a thorough survey and study of vessel measurement. They embody the experience of the past. By adopting a single system, using these rules, endless controversy and continual inconvenience are forever eliminated.

Mr. ADAMS. Mr. President——

Mr. DUFFY. I yield to the Senator from Colorado.

Mr. ADAMS. I should like to make an inquiry with reference to this matter. Perhaps it is not especially pertinent at this point, but I will make it none the less. Why did it seem justified to the committee to recommend a lowering of the maximum unit charge for freight? As I understand from the bill, the fixing of a unit charge rests in the discretion of the President. I do not understand why the proposed limitation should be placed on the President. Why does not the bill provide the existing maximum and leave to the judgment of the President the fixing of the tolls within that maximum?

Mr. DUFFY. That is the law.

Mr. ADAMS. That is the law today, but under that law the maximum is $1.25, and now it is proposed to make it a dollar.

Mr. DUFFY. The pending bill provides a maximum of a dollar and a minimum of 60 cents.

Mr. ADAMS. My inquiry is, why should it be proposed to restrict the President's discretion, in face of the fact that, apparently, the Panama Canal, in certain years, at least, is not earning upon its cost a return adequate to take care of its indebtedness and to provide necessary repairs and replacements?

Mr. DUFFY. The Panama Canal authorities, after years of study, are of the opinion, and the Secretary of War has agreed with them in that respect, that by the adoption of this bill and charging a 90-cent rate the balance will be maintained, and they will still have the leeway of going up to a dollar, which is far more than is anticipated will be required. For instance, I have a table here showing how the new Japanese ships which have been designed for the purpose of obtaining lower rates in the Canal by manipulation of their structure are going through the Canal at 68 or 70 cents a ton, while others that have not changed the structure of their ships will be paying a dollar or a dollar and five cents or a dollar and ten cents. It is figured, if this manipulation could be stopped, as it would be by the enactment of this proposed legislation—and then they would have at least a leeway of from 60 cents to a dollar—that from everything that may be anticipated 90 cents will be sufficient, and it is intended, if this legislation shall be enacted, that the 90-cent rate will be put into effect.

Mr. ADAMS. I have no conflict with the theory that there should be a change in the method of computing the tonnage upon which the charge is made. My inquiry is as to why it is necessary to reduce the maximum and tie the President's hands so that if he should find that there should be a charge of a dollar and one cent or a dollar and ten cents he could not make it. In other words, I am not much in favor of reducing maximums in the charging for the use of property of this kind.

Mr. DUFFY. I will say to the Senator that I have in my hand a chart, which has been prepared by the Canal authorities, which gives a picture of what has happened. I think the chart will provide an answer to his question.

The chart shows in the black figures, if the provisions of this bill had been in effect in 1930, that the ships that used the Canal would have saved $1,577,400 in that year. In other words, they paid more in 1930 by over a million and a half dollars than they would have paid if this bill had been in effect. The amount was reduced the following year to $1,100,000; in 1932 they paid $503,000 more than they would have paid under the 90-percent rate. This bill seeks to stop this downward line which is shown on the chart and which is rapidly getting to the point where large losses will be caused to the Canal. In other words, we are not worried about the maximum. If this bill should go into effect, the Canal authorities are positive that a maximum of $1 would give sufficient leeway to take care of anything that can be reasonably anticipated and that a 90-cent rate would be sufficient; but if this bill should not be enacted by manipulating the vessels which have not been changed, by cutting more holes in the decks and by cutting doors through the bunker room, the vessel owners will continue to reduce the tolls on ships that will come into the Canal; so if the present rate should be continued there would be a loss of $1,500,000 by the year 1939. In other words, they are not worried about the rate; they feel that $1 will give ample leeway; but they are worried the other way, for where, not by direct action, not by open and aboveboard methods, but rather by manipulating a change in a single vessel tolls can be reduced, there seems to be no end to the process, and there seems to be a constantly decreasing amount of revenue from tolls.

Mr. ADAMS. As I understood the Senator from Oklahoma, he stated—and I think the same statement is in the report—that the cost of the Panama Canal is some $543,000,000; that we have outstanding a commensurate bond issue; that in 1919 the net return of the Canal was less than $10,000,000.

Mr. DUFFY. I think the Senator from Colorado misunderstood. I think it never got below $19,000,000.

Mr. ADAMS. No; nineteen million was the gross return, and then they had nine and a half million to deduct from it as the cost of operation; so that the net dropped down to practically $9,000,000 or $10,000,000. It seems to me that we are not securing an adequate return for this vast governmental investment, nor are we in a position to lay aside a sinking fund and pay the interest and to make the necessary replacements. I do not think we ought to furnish these great facilities and not make a reasonable and adequate charge for them.

Mr. STEIWER. Mr. President, will the Senator from Wisconsin yield?

Mr. DUFFY. I yield to the Senator from Oregon.

Mr. STEIWER. As I understand the question propounded by the Senator from Colorado [Mr. ADAMS], he assumes that the pending bill will naturally result in limiting the President so that the maximum rate he could establish would be lower than the present rate. I am not sure that I am correct in the interpretation which I have placed upon the Senator's question; but it occurs to me, under the new method of measurement to be provided by the pending legislation, if enacted, that the rate of $1 a ton would provide more revenue than the existing rate of $1.25 a ton. Does the Senator from Wisconsin agree to that?

Mr. DUFFY. I think that is correct. It is contemplated that a 90-cent rate will, in the aggregate, bring in about the same amount of tolls as now received or, at least, as were received at the end of the year 1934. But if this process of whittling down the tolls paid by changing the structure of ships continues, of course, the returns from the Canal must go much lower.

Mr. STEIWER. In other words, if there is a minimum limitation of 60 cents and a maximum of $1, in order to increase the present revenues or even to hold them substantially near the present figure, it would not be necessary to charge the maximum rate of $1.

Mr. DUFFY. That is correct.

Mr. STEIWER. But in all likelihood a lower rate, which the Senator assumes might be 90 cents?

Mr. DUFFY. The Secretary of War has investigated and has stated that if the legislation is enacted he will recommend to the President a rate of 90 cents, and it is assumed the President will adopt the recommendation. The charts and arguments and tables are presented with the idea that it is certain the 90-cent rate will be made effective.

Mr. STEIWER. I observed that statement in the report of the committee. It might be well for the Senator from Wisconsin to say that some members of the shipping industry calculate that a rate of 85 cents would produce an

amount of revenue substantially the same as the present rate under the present system of loading.

Mr. DUFFY. I will hand to the Senator from Oregon the chart which shows the point at which it is assumed now to fix the gross income, which would be somewhere between $211,000—the shipping lines paid more in 1934—and the income of 1935, which would be $435,000 the other way.

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

Mr. DUFFY. Certainly.

Mr. ADAMS. Leaving the maximum alone would not do any damage. In other words, there is no injury in the maximum figures being where they are now.

Mr. DUFFY. I do not know, but I assume by reason of the fact that certain rather powerful shipping interests have always opposed legislation where the tolls might be increased that that provision was put in as a sort of guaranty that they could not go above that figure. I do not know that to be a fact.

Mr. ADAMS. My only contention is that the wider the range the safer they would be in making the provision.

Mr. DUFFY. I see the force of the argument of the Senator, but the bill has been presented, and after the hearings it was assumed that would be the proper way to do it. I am an humble member of the committee and knew nothing about the legislation until I sat in on the hearings.

Mr. President, there has been some comment here about the Japanese shipping interests changing the structure of their vessels so as to take advantage of the anomalous situation we now have to get their ships through the Canal at much lower rates than the average paid by American shipping or by the shipping of any other country. I have the figures, for instance, of a new Japanese freight ship, which I believe used the Canal for the first time during the year 1935. The name of the ship is the *Awobosan Maru*. The interesting figures I can give the Senate are that when this ship goes through the Suez Canal the tolls amount to $11,700. When she goes through the Panama Canal, under the prevailing system, she pays $4,700; but if this legislation should be enacted, under the rate of 90 cents per ton this Japanese vessel would pay some increase over the present amount, in other words, $6,200. Even at the $6,200 rate it is paying scarcely half the rate that is charged when that ship goes through the Suez Canal.

Mr. COPELAND. Mr. President——

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

Mr. COPELAND. The same rule would apply to all other ships passing through both canals, would it not?

Mr. DUFFY. I am merely pointing out what can be done by taking advantage of structural changes by having openings made in the decks of certain of the Japanese ships. I understand they have engaged the services of a gentleman by the name of Ryan, who is advising the nations of the world, which use the Panama Canal, how they can alter the structure of their ships in order to take advantage of our peculiar situation and get a much lower rate.

I have here a list of 14 Japanese ships which are mentioned at page 105 of the Governor's annual report as having been recently constructed to take advantage of the rules which are now in existence and which ships passed for the first time through the Panama Canal during the year 1935. They paid tolls upon 193,000 tons, whereas if this bill becomes a law the 14 new Japanese vessels would pay on 279,000 tons. In other words, they would be paying upon the cargo-carrying capacity of the vessels, and that is what it seems to me they should be charged.

Mr. President, may I invite the attention of Senators to the chart which has been placed on the wall? The Senator from North Carolina [Mr. BAILEY] asked a question a while ago which I wish to answer. He said, "You are going to benefit the tankers, but what about the vessels carrying cotton?" At the bottom of the chart is represented a cargo-carrying vessel. It is the kind of vessel that could carry cargo, such as cotton or any other cargo of that kind. It will be noted that the way that cargo ship was constructed under the rules, those parts of the ship which are outlined in red were not measured as part of the carrying capacity of the vessel, but all that part shown in blue was used in carrying freight, bales of cotton, or any other cargo.

In the decks of those vessels were cut a tonnage hatch, some small, round openings called scuppers, and a little square opening called a freeing port. They carry just as much freight on that deck which is shown in blue as they did before they put in those openings, but by using that device they exempt themselves from paying any toll on that entire deck which is shown in blue. They can do it legally under the rules under which we are now operating, but if this bill shall be enacted into law it would not be possible for them to do it any longer.

I invite attention to the top part of chart where is shown another type of vessel. At the top the boat deck is shown. That was not considered space for which the ships could receive pay, but the next deck, indicated on the chart as B deck, is passenger-carrying space. By the device of going back to the end of B deck and putting in a little opening called a tonnage hatch, and a freeing port, and scuppers on the part shown in green, they lifted that whole B deck out of the classification upon which it would have had to pay charges or tolls, and paid no charges or tolls upon it whatsoever although it is bringing money to them and they are renting those cabins to people who travel on that ship. In other words, the tolls have been reduced by resorting to a device which never was intended by Congress when the legislation was originally enacted.

In 1934 these exemptions amounted to 2,159,505 tons. Of those which have been exempted in that way, 656,000 tons were United States ships and 1,503,000 tons in foreign ships.

The charts show the foreign vessels would not save more than the United States vessels. The charts show the savings to the United States vessels in yellow and in similar manner show the savings to foreign vessels. I shall not take the time to explain fully the chart, but it shows there is considerably more saved now by foreign vessels than there would be after the enactment of this measure into law, when the saving will be to United States vessels rather than to foreign vessels. But that is not the primary purpose of this legislation. Some foreign ships, like Japanese ships, up to the last year did not take advantage of the opportunity to change their vessels by cutting holes in their decks and changing the structure in that way so as to get that advantage.

With the traffic at the level at which it has been during the past few years, the exemption of cargo-carrying space in shelter-decks and superstructures amounts to approximately 2,816,000 net tons per year. Of these, about 1,000,000 tons are on United States vessels, and nearly twice the amount, or 1,826,000 tons, are on foreign vessels.

While United States vessels form over 45 percent of the total transits through the Canal, yet the exemptions are about 32 percent of the total for this type of vessels. That shows why, if this legislation shall be enacted, there will be greater savings to United States vessels than to those of foreign countries, because so many foreign countries have adopted the advice of this gentleman who goes around advising them how to cut down their Panama Canal tolls.

I am of opinion that if there is the opportunity to cut down tolls—and, of course, foreign vessels should have the same advantage of it and will get the same advantage of it under the treaty as our own—we should do it openly and aboveboard, and say we are reducing the rates, and not permit some nation or some line or some individual ships to reduce the toll upon their own particular vessels by the device of cutting a hole in the deck and cutting some scuppers in the sides.

The Senator from North Carolina [Mr. BAILEY] said he did not believe that any vessel or any line would deliberately cut a hole in its vessel for the purpose of reducing the rate. As I understand the practice the Senator is very much misinformed. There is not any question about the matter in the mind of anybody who knows. This gentleman, Mr. Ryan, offers his services for compensation to various governments and ship lines, and tells them that if they will make this change here, and cut out this place over there, they

can exempt the whole deck, although the deck may be crammed full of cargo for which they are getting freight charges; and yet, under that device, the Canal authorities are helpless. It seems to me a reasonable proposition that we ought to adopt a schedule of tolls based upon the cargo which a vessel can receive in its hold and on which it can make some money.

Mr. President, some Senator quoted from the figures given in the minority report. I believe the figures given in the minority report are incorrect. I have in my hand a copy of a letter which was sent to the Senator from New Jersey [Mr. BARBOUR] under date of May 27, 1935, by the Panama Canal authorities, calling attention to the fact that the figures quoted in the minority report are incorrect. I wish to read now from this letter, which was addressed to the Senator from New Jersey, a few paragraphs to show that the figures given there are not accurate, according to the statistics maintained by the Panama Canal authorities:

In view of the statement in the minority report, this office requested the Governor—

Meaning the Governor of the Panama Canal—

by radio to verify the figures which had been used in the table on pages 3 and 4. The Governor's radio reply, from which the figures in the last column are obtained, is quoted below for your information, and shows clearly that the claims of the various companies are out of all reason as compared with the existing facts.

To save the time of the Senate, I ask at this point unanimous consent that the entire letter, giving the figures as to the ships *Virginia, California,* and *Pennsylvania* of the Panama-Pacific Line, and the ships of the Grace Line, the American-Hawaiian Line, the Luckenbach Line, and the Dollar Line, may be included in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

THE PANAMA CANAL,
Washington, May 27, 1935.

Hon. W. WARREN BARBOUR,
United States Senate, Washington, D. C.

MY DEAR SENATOR BARBOUR: At the request of Governor Schley I am submitting the following relative to your minority report (No. 624, pt. 2) to accompany bill S. 2288, providing for the measurement of vessels using the Panama Canal. The following statement on page 2 of the report appears to contain the basic reasons for your objection to this legislation:

"The enormity of the burden imposed upon the leading American lines using the Canal is evident from their testimony at the hearings both before this committe and the House Committee on Interstate and Foreign Commerce. In the case of one passenger and general-cargo line it was testified that the annual increase in tolls at the 90-cent rate would be $400,000 and $551,000 at the maximum rate of $1. Another line's tolls would be increased $208,000 annually at the 90-cent rate and $297,000 at the $1 rate. A third line would pay $140,000 more at the 90-cent rate and $276,000 more at the proposed maximum. Representatives of a fourth line testified that its tolls would be increased between $290,000 and $300,000 at the maximum rate."

The figures given in the above paragraph, evidently taken from statements made by the representatives of the interested lines, differ so much from the figures contained in the table submitted by the Panama Canal and found on pages 3 and 4 of the hearings (being inserted in conformity with the agreement made by Chairman GORE with Senator COPELAND), that it appears that the exact result of the proposed legislation was overlooked. A comparison of figures based upon the 90-cent rate appears below:

Steamship line	Increase claimed by companies 90-cent rate	Increase shown in hearings (p. 4)[1]	Corrected figures
Panama Pacific	$208,000	$195,000	$112,260.15
Grace Line	400,000	263,000	177,593.25
American-Hawaiian	140,000	132,000	124,196.05
Luckenbach Line	*$1.00 rate* $290,000-$300,000	59,000	63,643.87

[1] At the foot of the table printed on p. 4 of the hearings it was stated that the increases indicated for the first 2 lines, the Panama-Pacific and the Grace Line, would be materially reduced by the proposed elimination of charges for public rooms. It was also stated that the increase for the American-Hawaiian Line would be reduced if that line continued the present practice of closing the shelter deck on some of their east-bound transits and paying on an increased tonnage increasing the tolls about $1,200 per transit.

In view of the statement in the minority report, this office requested the Governor by radio to verify the figures which had been used in the table on pages 3 and 4. The Governor's radio reply, from which the figures in the last column are obtained, is quoted below for your information, and shows clearly that the claims of the various companies are out of all reason as compared with the existing facts:

"Your 59 in 1934 Panama Pacific paid $579,701.25. Under 90-cent rate on present Panama Canal net would pay $775,967.40, an increase of $196,266.15. This would be reduced by possible revision of Panama Canal rules eliminating public rooms and allowing crew serving passengers, estimated 93,340 tons, or $86,006, leaving increase of $112,260.15. Would pay $691,961.40, which is $30,354.85 less than these vessels would have paid if they had not been reconditioned to reduce United States tonnage. Example: *Virginia* paid $15,086.25 per transit for 78 transits, would pay approximately $14,589 per transit; *California* paid $14,918.75 for 63 transits, would pay $14,078.70; *Pennsylvania* paid $15,022.50 for 31 transits, would pay $14,613.30.

"Grace Line passenger ships paid $865,038.75; would pay $1,127,945.70, an increase of $262,906.95, which, minus the estimated amount of public rooms and crew space of 94,790 tons, or $85,311, leaves increase of $177,593.25. Would pay $1,042,632, which is $51,460 less than would have been paid if installation had not been made. Example: *Santa Clara* paid $6,287.50 per transit for 31 trips, would pay approximately $6,169.50 under proposed plan. Grace Line cargo ships paid $20,071.25, would pay $18,361.80, a decrease of $1,709.45.

"American-Hawaiian paid $1,031,581.25, would pay $1,155,777.30, increase of $124,196.05. No passenger ships, no public rooms, or additional crew, but this would be reduced if practice continued closing shelter deck on some vessels east-bound. This is $33,555.20 less than would have been paid if no installation had been made whereby exemption of shelter-deck space was secured.

"Luckenbach Line paid $971,929.43, would pay $1,035,573.30, an increase of $63,643.87; passenger cabins negligible. This is $94,212.38 less than they would have paid if no alterations had been made.

"Dollar Line paid $652,646.25, would have paid $669,343.50, an increase of $16,697.25; estimated reduction on account public rooms and crew, 49,241 tons, or $44,316.90, making decrease repeat decrease of $27,619.65. Tolls then would be $625,026.60 or $104,758.40, less than would have been paid if alterations had not been made."

In response to a request of a representative of the Luckenbach Steamship Co. the Governor was requested to check the estimated increases specified for that company. A copy of the reply of the acting executive secretary of May 22, 1935, together with a copy of a detailed statement listing each of the vessels of the company transiting the Canal during the fiscal year 1934, is attached for your information. This statement indicates the care that was taken in the preparation of the figures used.

The Governor has been requested to comment upon other features of your report and it is hoped that you will give careful consideration to the above-corrected figures and to any further comments which may be made by him in reference to the subject of this bill, the passage of which is so essential to the proper administration of the Panama Canal.

Very respectfully,

A. L. FLINT,
Chief of Office.

Mr. DUFFY. Mr. President, I am one of those who believe in protecting the merchant marine of this country. I am one of those rather old-fashioned persons who would even be willing to grant a subsidy where it is necessary to keep our vessels afloat, and give us protection in time of war. I do not know what all the insinuations are about some vessels belonging to the Standard Oil Co. or to some other concern. I suppose vessels carrying oil are just as valuable to this country in time of a great national emergency, in bringing fuel to the fleet, and so forth, as would be cargo vessels that might bring food or clothing. I do not care; it does not make any difference to me which particular line may get some small benefit. I think it cannot be gainsaid that the ship lines in this country whose tolls will be raised as the result of the proposed legislation even so will be paying less than they paid before they started manipulating their vessels and reconstructing them to take advantage of the anomalous system of measurement that they are now required to go through at the Canal.

In other words, the cargo vessel shown here on the chart, when this proposed law becomes effective, will not pay as much toll for going through the Canal as it did before the time those structural changes were made; but, of course, it will pay a higher rate than it is paying now, and I think it ought to do so. Why should it not pay tolls based upon the deck that we see marked in blue, that is just filled with cargo, for carrying which the vessel is being paid? Why

should that deck be exempted because of the artificial device of making a hole in the deck above?

The theory, of course, is that if there is a hole in the deck above, the deck marked in blue cannot be used for cargo purposes, and that it will not be any good to the ship, and therefore, under the present rules they have it exempted; but, as a matter of fact, they put tarpaulins around it. They can do everything to close up those holes and protect the cargo from the weather except to seal it permanently. So we have the unique situation of somebody telling fairy tales. In other words, a ship comes through the Canal, and because it has a little extra hole in the deck, and scuppers in the sides, that deck is exempted on the ground that it cannot be used for cargo, and yet it is packed plumb full of cargo. It is just a foolish device. If we wish to give subsidies of that kind, let us give them openly to our own ships; but in this way we are giving a subsidy to foreign vessels as well as our own, because the foreign vessels may use exactly the same device as our own vessels that have so changed the structures of their ships.

Mr. President, I wish now to cite merely one or two other typical cases and read one or two more paragraphs from the letter of Governor Schley which he addressed to the chairman of our committee, the Senator from Oklahoma [Mr. GORE]. The last paragraph, which sums up the other parts of his letter, I think is very instructive, and I think his statements are entirely borne out by the facts:

> The passage of this bill will not increase the aggregate of the toll collections; it will eliminate inequalities in charges between different vessels; it will stop the making of structural changes in vessels which in many cases reduce the safety of the vessels at sea; it will make unnecessary the measurement of vessels transiting the Canal except under one set of rules especially adapted to the purpose, such rules being an improvement upon, though similar to those applicable to the Suez Canal; it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels; it will stop the apparently endless reduction in tolls paid by a vessel, and it will so fix Panama Canal income that a change therein will be effected, as it should be, by a change in the rate per ton ordered by the President within the limits prescribed by Congress, rather than by arbitrary changes in the measurement of vessels.

Mr. President, it does seem to me that the Governor of the Canal Zone states the case in a very few words and in a very able manner.

The Senator from Maine [Mr. WHITE] said that the changes which were made did not affect the safety of the vessels; that putting holes in the decks and putting scuppers in the sides did not affect the safety of the vessels, because of certain regulations that were in effect. I have in my possession a statement by Admiral Tawresey, who was our representative at the conference which was held with reference to safety of life at sea. I thought I could lay my hand on it, but I do not find it at the moment. I ask to have it printed at the end of my remarks, and as a part of them.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DUFFY. Mr. President, the whole situation as to the proposed legislation, as I see it, is as follows:

The President has requested the legislation. Practically every Secretary of War, Republican or Democrat, who has looked into this matter—and they have had charge of the administration of the affairs of the Canal—has recommended it. It will not in the aggregate increase the tolls, but it will fix them so that this artificial device can no longer be used. It will stop the indirect subsidy which we are giving to foreign vessels at the expense of our own vessels; and it does seem to me that the shipping interests that are opposing the measure are taking a very unreasonable and rather selfish attitude. In other words, they have made structural changes in their vessels for the purpose of obtaining reduced rates, and now that they have them made they wish to keep on operating their ships in that manner.

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

Mr. DUFFY. I yield.

Mr. BLACK. From whose letter was the Senator reading?

Mr. DUFFY. The letter is from the Governor of the Canal Zone, Governor Schley.

Mr. BLACK. Has the War Department taken any position on this bill?

Mr. DUFFY. Oh, yes! The Senator probably was out of the Chamber at the time; but I had introduced into the RECORD, as a part of my remarks, extracts from the recommendations of practically every Secretary of War from the time of Mr. Garrison down to the present Secretary.

Mr. BLACK. What were their recommendations?

Mr. DUFFY. That such legislation should be enacted, and there should be an end to the present anomalous situation of measurement as it relates to the Panama Canal.

Mr. BLACK. A few moments ago I heard a statement that the effect of enacting this bill would be to lower the charges to oil tankers and to raise the charges to other vessels. What is the basis for lowering the charge to oil tankers?

Mr. DUFFY. I pointed out—the Senator was out of the Chamber at the time—that in the case of vessels shown on the bottom part of the chart, vessels designed to carry cotton, and which I assume do carry cotton, those that have not changed their structure by cutting an extra hole in the deck to reduce the rate will benefit in exactly the same way that tankers will, except that there is a lower rate for vessels returning in ballast. Tankers return in ballast more frequently than other vessels do; but any vessel that returns in ballast will get exactly the same benefits that a tanker will get which returns in ballast.

Mr. BLACK. Mr. President, let me ask the Senator, does the War Department take the same position as that indicated by what the Senator has just read as representing the position of the Governor of the Canal Zone? I mean by that, does the War Department take the position that the foreign vessels are subsidized by the present condition to the disadvantage of the American vessels?

Mr. DUFFY. I do not know that I have heard that exact language used. They are very much in favor of the enactment of the pending bill into law, and I think there can be no answer to the argument that by permitting these artificial devices to be taken advantage of, we are in effect cutting down the tolls at the Canal year after year, and giving the benefit of that fact either to such foreign lines or our own as have adopted the device to which reference has been made, and therefore it is an indirect subsidy.

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

Mr. DUFFY. I yield.

Mr. COPELAND. I find on page 3 of the hearings that in response to a request of my own there was inserted by Mr. Flint, chief of the Washington office of the Panama Canal, certain figures showing the effect of these new rates on shipping. Does the Senator question the figures there given?

Mr. DUFFY. I do not have those figures before me now.

Mr. COPELAND. These figures indicate that the Standard Shipping Co., which is the Standard Oil Co. of New Jersey, will, under the bill before us if it becomes a law, have a reduction in tolls of $135,000; that the Standard Oil Co. of California will have a reduction of $85,000; that the Sun Oil Co. will have a reduction of $78,000; that the Union Oil Co. of California will have a reduction of $42,000 and that miscellaneous tanker lines will have reduction of $238,000. Does the Senator dispute those figures?

Mr. DUFFY. Not at all, but I assume that when there is a tanker, a hole cannot be cut in the side of the vessel or scuppers and freeing ports and holes in the deck, as in the case of some of these other cargo vessels.

Mr. COPELAND. I am not talking about tubs such as the Senator has pictured here. How many ships are there like that transiting the Canal?

Mr. DUFFY. I have not the figures here, but I can get them for the Senator very readily.

Mr. COPELAND. Are there many such vessels?

Mr. GORE. I can furnish the list. I have a list of 38 belonging to different big concerns.

Mr. COPELAND. Thirty-eight ships out of how many?

Mr. GORE. I say, I can furnish a list of 38 ships now, in answer to the Senator's request.

Mr. COPELAND. Out of how many ships using the Canal?

Mr. GORE. I stated a while ago that from 1915 to 1931 the total tonnage of ships passing through the Canal altogether, as measured by the United States rules, amounted to 272,000,000 tons. If they had been measured by the Panama Canal rules, they would have measured 331,000,000 tons. There would have been 60,000,000 tons more, which would have brought between seventy and seventy-five million dollars in addition into the Treasury of the Government. I do not know at the moment how many ships there are altogether.

Mr. COPELAND. May I say, in all courtesy, that, in my opinion, the answer of the Senator has not been responsive? He says there are 38 tubs like the one pictured on the wall; out of how many?

Mr. DUFFY. Is the Senator reflecting on the draftsman of the chart by calling the illustration a tub?

Mr. COPELAND. Not at all.

Mr. GORE. Following up my point, I was using this as illustrative of all the ships which have done this thing. I do not have a list showing all the ships of all the nations which have resorted to this device to reduce their own tolls. I cannot answer at the moment the Senator's question in gross, but I happen to have a list of 38 ships on my desk, which illustrates the device to which the owners of these vessels have resorted, and the advantage which they have taken of this dual system of measuring, and I will insert the list in the RECORD at this point. The Grace Line has reduced its own toll charges 33.9 percent by resorting to these methods.

The list referred to is as follows:

During the year 1933 the following 38 ships secured a reduction in tonnage under the United States rules of measurement and therefore secured a reduction in tolls charges at the Panama Canal as shown in the following table:

List of vessels that have recently had United States tonnage reduced

LUCKENBACH LINE—REDUCTION OF 26.1 PERCENT

Vessel	United States net		Reduction in—	
	Former	New	United States tonnage	Tolls charges
	Tons	*Tons*	*Tons*	
Dorothy Luckenbach	5,370	3,999	1,371	$1,713.75
Harry Luckenbach	5,381	3,967	1,414	1,767.50
J. L. Luckenbach	5,374	3,999	1,375	1,718.75
Jacob Luckenbach	5,741	3,549	2,192	2,740.00
Lena Luckenbach	4,211	3,200	1,011	1,288.75
Lillian Luckenbach	5,374	3,999	1,375	1,718.75
Mathew Luckenbach	4,702	3,635	1,067	1,333.75
Susan V. Luckenbach	4,671	3,623	1,048	1,310.00
Walter A. Luckenbach	5,212	3,758	1,363	1,703.75
AMERICAN-HAWAIIAN LINE REDUCTION OF 23.1 PERCENT				
Californian	4,927	3,653	1,274	$1,592.50
Panaman	4,067	3,159	908	1,135.00
Texan	5,506	4,428	1,078	1,347.50
Hawaiian	3,836	2,899	937	1,171.25
Ohioan	4,033	3,138	895	1,118.75
American	3,778	2,840	938	1,172.50
Montanan	3,821	2,878	943	1,178.75
Minnesotan	4,059	3,135	924	1,155.00
Alaskan	4,266	3,300	966	1,207.50
Mexican	5,457	4,442	1,015	1,268.75
Pennsylvanian	4,070	3,132	938	1,172.50
Dakotan	4,086	3,150	936	1,170.00
Missourian	4,927	3,653	1,274	1,592.50
Kansan	3,880	2,864	1,016	1,270.00
Oregonian	3,830	2,870	960	1,200.00
Columbian	3,748	2,861	887	1,108.75
Kentuckian	4,039	3,180	859	1,073.75
Iowan	4,053	3,137	916	1,142.50
GRACE LINE REDUCTION OF 33.9 PERCENT				
Santa Paula	5,814	3,840	1,974	$2,467.50
Santa Rosa	5,814	3,840	1,974	2,467.50
Santa Elena	5,814	3,840	1,974	2,467.50
Santa Lucia	5,814	3,840	1,974	2,467.50

List of vessels that have recently had United States tonnage reduced—Continued

DOLLAR LINE REDUCTION OF 20.6 PERCENT

Vesse	United States net		Reduction in—	
	Former	New	United States tonnage	Tolls charges
	Tons	*Tons*	*Tons*	
President Lincoln	8,361	6,787	1,574	$1,967.50
President Taft	8,447	6,627	1,820	2,275.00
President Pierce	8,425	6,604	1,784	2,230.00
President Wilson	8,319	6,684	1,635	2,043.75
PANAMA PACIFIC LINE REDUCTION OF 19.7 PERCENT				
Virginia	12,168	9,782	2,385	$2,981.25
California	11,935	9,512	2,423	3,028.75
Pennsylvania	12,018	9,703	2,315	2,893.75

NOTE.—These 38 vessels made approximately 400 transits of the Canal with a saving to them or, in other words, a loss of revenue to the Canal of approximately $710,000 per year.

Mr. COPELAND. I assume the Senator will admit that there are several thousand ships using the Canal.

Mr. GORE. Thousands of ships use it, and hundreds of ships have resorted to this device.

Mr. COPELAND. The Senator admits that there are thousands of ships using the Canal, but he is only jumping to a conclusion when he says that thousands have used this device. He said a moment ago that there were 38 ships now——

Mr. GORE. No; I did not say that. I said I had a list of 38 on my desk which had done it. How many hundreds and how many thousands have done it I do not know, and therefore I could not answer the Senator's question categorically. I do not know the exact number of ships which have resorted to this device. But I will put it in the RECORD later.

Mr. COPELAND. Then, so far as the Senator does know, there are 38 ships like that pictured on the wall.

Mr. GORE. Thirty-eight, belonging to five American concerns. I have not information as to the number of British ships, Swedish ships, Japanese ships, using the device. All of them resort to this device. I was only referring to five American companies, and only 38 ships belonging to them, but the list typifies and illustrates what all countries are doing. They are all taking advantage of this situation, and depleting our receipts at the Canal by resorting to this device.

Mr. COPELAND. I should like to say, in respect to that, if the Senator will permit me, that there has been no contention on the part of the Senator from Oklahoma that the receipts of the Canal would be increased under this new plan.

Mr. GORE. Not at all. There has been no purpose and there is no purpose in this proposed legislation to increase the aggregate receipts, which ought to amount to twenty-five or twenty-six million dollars in order to cover the operating cost and the service of the capital cost of the Canal. The rates will be reduced under the pending bill, if it be enacted into law, so that the aggregate receipts will not exceed the aggregate receipts at present. The point is that the receipts as they now come in are unequal. Some ships avail themselves of this device; other ships do not; and the Senator from Wisconsin has just instanced a Japanese ship, and says that when it passes through the Suez Canal it pays $11,000 toll, and when it passes through the Panama Canal, as it did last year, it pays a little over $4,000 toll. Under the pending bill, if it be enacted, that particular ship would pay an increase in its tolls, and it ought to do so. On the other hand, there are Japanese ships, no doubt, that will pay a smaller toll if this measure shall be enacted, because they have not availed themselves of the privilege to which I have referred. The ships which pay increased tonnage under the new law will simply be paying in proportion to

the privilege they have been enjoying in the past. They will lose the privilege and will pay an increased toll in accordance with the privilege they have heretofore been enjoying—of which they will be deprived.

Mr. DUFFY. Mr. President, I should like to conclude the few remarks I have intended to make. I have now in my hands the communication to which I referred a few minutes ago.

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

Mr. DUFFY. I yield.

Mr. O'MAHONEY. I have not had the opportunity of listening to all the discussion, but as much as I have heard seems to relate almost exclusively to the comparative rates paid by various shipping lines. Can the Senator tell me the effect of the pending bill upon freight rates in the aggregate?

Mr. DUFFY. That brings out a very good point. I tried to bring out that information by a question I asked a little while ago.

During the past few years there have been American ships and foreign ships which have cut these holes in their decks and saved themselves thousands and thousands of dollars in the way of tolls, and I have not yet heard that one nickel of that saving was ever passed on down to the people who were shipping the cargoes on the vessels. In other words, I do not think that the small amount involved here will affect freight rates at all.

The aggregate which the American vessels will pay in the way of toll charges after this proposed legislation shall go into effect will be approximately the same as what they pay today. Some few, those which have used this device of changing the structure of their ships and artificially reducing their own rates, will pay more, while their competitors and others who were trying to play the game and did not do that will benefit. But I have not heard of the savings being passed on to the people who ship cargoes on those vessels.

Mr. O'MAHONEY. I observe, on line 2, page 2, that there is a maximum rate of $1 per net vessel-ton and a minimum rate of 60 cents per ton. From the report of the majority, it would appear that under the present system there is a maximum of $1.25 and a minimum of 75 cents. I ask, therefore, would not the enactment of this proposal reduce the average cost per ton of transporting freight through the Canal?

Mr. DUFFY. In the aggregate I think it will remain about the same as it now is. I will say to the Senator that the present rate, although this refers to $1.25 as a maximum, is based upon the United States rules, which really have nothing to do with the carrying capacity of a vessel going through the Canal; but each nation, when a ship registers under its flag, tries to cut its tonnage as low as possible in order that the charges for docking at foreign ports may be as low as possible.

When the Canal was built, long before those rules were in effect, by an opinion of the Attorney General, clearly contrary, in my opinion, to what Congress intended, he held that it was the United States rules which had to be used down at the Panama Canal, instead of the rules based upon the carrying capacity of the vessel.

I think in the aggregate there will not be much change. There may be a slight change downward, but I think in the aggregate there will not be much change.

Mr. O'MAHONEY. What I am trying to determine is whether or not the bill will enable the Canal to compete more efficiently with the transcontinental railroads. Can the Senator answer that question?

Mr. DUFFY. I do not think it is going to make any substantial difference in the income which the Canal gets.

Mr. O'MAHONEY. That is not the question. The question is whether freight can be carried at a lower rate per ton under this measure than under the present system. I am not now interested in what it will cost a particular vessel to get through. I am interested in determining what it will cost a ton for a particular commodity to get through.

Mr. DUFFY. One of the costs of operating a vessel through the Canal is the Canal toll. Of course, when certain vessels use these artificial devices to change the structure of their boats they do not pay as much as they did before. They could have passed that on to the people shipping on their vessels in a reduction of freight rates, but I never heard of anything like that being done. So I cannot understand the Senator's inquiry further than to say that I do not think it is necessarily going to make any change.

I should like to conclude, Mr. President. I started to quote from Rear Admiral J. G. Tawresey, United States Navy, retired, who represented the United States as delegate to the International Conference on Safety of Life at Sea, as well as to the International Load Line Conference. I have a copy of a report he wrote to the Panama Canal authorities in answer to an inquiry as to what his opinion was as to the structural changes which these various lines had taken advantage of in order to reduce the toll they would have to pay, and he said:

> I understand the inquiry to refer to certain openings that are cut in ships' decks, sides, and bulkheads to secure exemption of interior spaces from the vessel's net tonnage. Such openings are a potential danger to the ship and may become a major contributing cause of disaster, as happened in the loss of the *Vestris*. The nearer they are to the load water line the greater the hazard.
>
> One function of the ship's side structure and of the deck and bulkhead structures is to keep the water out of the vessel, or, if some water enters, to confine it to the leaking compartments.

In other words, in spite of the references that are made in the Senate that it would not make any difference as to the safety of the vessels, yet here is a very eminent authority who has represented this country at various international conferences who says that in his opinion there is a potential danger.

I now merely wish to cite in answer to some of the inquiries that are propounded three typical kinds of vessels and give Senators the comparative figures. The first vessel is a passenger vessel known as the *President Pierce*. The next is an open-shelter-deck cargo vessel, call it, of the type of the *Hanover*, and the third is a closed-shelter-deck vessel such as the *Robin Goodfellow*. The *President Pierce*, under the present dual system, pays $8,300 in going through the canal. If this bill shall become a law, the *President Pierce* would be charged an additional sum of $900, or $9,200. On the same vessel going through the Suez Canal the charge would be nearly $20,000.

With respect to the *Hanover*, the Panama Canal charge at present is $4,500. There would be a slight increase, in case the bill shall be passed, to $5,300, but the charge through the Suez Canal would be about $11,500.

The figures on the *Goodfellow* would be: The present charge, $5,300; if this bill shall become effective there would be a reduction to $5,000; while if the *Robin Goodfellow* went through the Suez Canal the charge would be $11,200.

In other words it depends upon what structural changes have been made, or whether some of the new vessels have been constructed with the idea of taking advantage of the double system of measurement which now exists.

So, I wish to conclude, Mr. President, by saying that those administering the Panama Canal have not any particular ax to grind. They merely desire to get enough income so they may pay the certain charges for operating and the fixed overhead charges. They are interested in that. But they have seen how there has been a steady chiseling process over a period of years where certain ship lines and certain ship owners have, by changing and weakening the construction of their vessels, reduced their toll charges. There is no sense, there is no logic to that sort of a system, and I contend that this bill, which the President of the United States asks us to pass, which the Panama Canal authorities ask us to pass, which every Secretary of War from the time of Garrison has been in favor of, ought to be enacted.

EXHIBIT A

WASHINGTON, D. C., *June 16, 1934.*

Mr. A. L. FLINT,
Chief of Office, Panama Canal,
Munitions Building, Washington, D. C.

DEAR SIR: Replying to your inquiry as to the effect on safety at sea, because of the rules for making deductions from the gross tonnage of vessels to determine their net registered tonnage:

I understand the inquiry to refer to certain openings that are cut in ships' decks, sides, and bulkheads, to secure exemption

of interior spaces from the vessel's net tonnage. Such openings are a potential danger to the ship, and may become a major contributing cause of disaster, as happened in the loss of the *Vestris*. The nearer they are to the load water line the greater the hazard.

One function of the ship's side structure, and of the deck and bulkhead structures, is to keep the water out of the vessel, or, if some water enters, to confine it to the leaking compartments. Some openings in the structure are necessary. Safety requires that they have the most efficient closing appliances known, such as watertight hatch covers, watertight doors, covers, valves, etc.

The tonnage regulations prohibit permanent, watertight closing appliances if the spaces concerned are to be exempted from gross tonnage. Hinged watertight doors and covers and regularly installed valves are not allowed, but some less efficient closing must be used to secure the exemption.

The tonnage openings, and the necessary accompanying freeing ports and scuppers, add nothing to safety; their only purpose is to reduce the net registered tonnage, without reducing the available interior space in the vessel.

Yours very truly,

J. G. TAWRESEY,
Rear Admiral (C. C.) U. S. Navy, Retired.

Rear Admiral J. G. Tawresey, United States Navy, retired, has represented the United States as delegate to the International Conference on Safety of Life at Sea, as well as to the International Load Line Conference. Vessels built to use the Panama Canal are constructed so as to secure the lowest tonnage possible under registry rules and minimize the toll charges. As Admiral Tawresey points out, the openings required in order to take advantage of shelter-deck exemption do not make the vessel safer but make her less safe. Openings are cut in the deck and bulkheads and also freeing ports and scuppers are placed in the side walls of the vessel, which are not allowed to be permanently and efficiently closed but are permitted to be closed temporarily and inefficiently. These openings serve no purpose of safety or any other purpose than a technical compliance with the rules to secure exemption of space from measurement. The freeing ports and scuppers are a potential danger, for instead of caring for leakage they may admit water and be at least a potential cause for the loss of a vessel.

At the hearings held in 1934, the shipping interests maintained that if the bill passed and the maximum rate of $1 per Panama Canal net ton applied, there would result a substantial increase in tolls and a financial burden put upon American shipowners.

A hearing was granted the steamship interests by the Secretary of War, after which the Secretary wrote Senator GORE under date of May 26, 1934, as follows:

"After a full study of the situation and especially after consideration of the objections which have been raised by steamship interests, I have determined that I will recommend to the President after the enactment of the legislation with the proposed maximum rate of $1 per ton, that he establish a tolls rate on laden vessels of not more than 90 cents."

With this rate applied to the 1933 figures, then current, American vessels would have paid $232,398 less than they actually did pay, while Norwegian would have paid $53,500 more; French would have paid $41,190 more; German would have paid $82,350 more; Dutch would have paid $15,140 more; British would have paid $150,435 less; Japanese would have paid $103,517 less; not even taking into consideration the additional saving they would secure by the revision of the rules. At that time United States vessels were paying a larger rate per ton than any of the maritime nations, except Japan.

The effect on the 1934 figures is indicated on the chart and shows, after allowing for the reductions that will be secured by a revision of the rules, a saving to American vessels of $321,869, or approximately 3 percent.

Thus, it will be seen that on the 1933 and 1934 figures United States vessels would save at the 90-cent rate and the revision of the rules more than the vessels of any other nation, and, in fact, more than all the foreign nations combined.

Mr. COPELAND. Mr. President, I do not know what the dispositon of my leader is. I wish to make some reply to the argument which has been presented on the pending bill. Would the Senator from Arkansas care to have it go over until tomorrow?

Mr. ROBINSON. If the Senator would prefer to go on with his address tomorrow, I am ready to move an executive session.

Mr. COPELAND. Very well.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAILEY, Mr. LOGAN, and Mr. WHITE conferees on the part of the Senate.

COLUMBIA RIVER BRIDGE, ASTORIA, OREG.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3245) to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg., which was, on page 1, line 8, to strike out "1935" and insert "1936."

Mr. McNARY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF SILVER PURCHASE ACT

The PRESIDING OFFICER laid before the Senate House Resolution 396, which, with the accompanying Senate bill 3260, was referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

CLAIM OF EBERHART STEEL PRODUCTS CO., INC.—VETO MESSAGE (S. DOC. NO. 149)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill 2996, entitled "An act for the relief of the Eberhart Steel Products Co., Inc."

The bill proposes to confer upon the Court of Claims jurisdiction over the claim of the Eberhart Steel Products Co., Inc., growing out of certain contracts made by the company with the United States for the manufacture and delivery to the War Department of certain material and parts for military trucks. In addition, the measure proposes to waive certain substantive defenses that the Government may have to any suit that may be brought on this claim, including a defense that the suit is barred by the fact that a settlement contract was entered into between the parties, which resulted in an adjustment of the matter and the payment of a substantial sum by the Government to the claimant.

In cases in which a claimant is accorded a day in court by a special act, the Government should naturally be permitted, as it is in all cases, to interpose and present such proper defenses to the merits of the claim as its counsel deem wise and appropriate to advance. No reason appears why the Government should be denied such right in this instance.

For the foregoing reasons, I am constrained to withhold my approval from the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 21, 1936.*

Mr. COPELAND. I move that the President's message be referred to the Committee on Claims.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States submitting several nominations and withdrawing a

nomination, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the following nominations:

Stewart McDonald, of Missouri, to be Federal Housing Administrator for the unexpired portion of a term of 4 years from June 30, 1934, to which office he was appointed during the last recess of the Senate, vice James A. Moffett, resigned;

Samuel D. Sanders, of Washington, to be cooperative bank commissioner in the Farm Credit Administration, to which office he was appointed during the last recess of the Senate, vice Francis Winfred Peck, resigned;

William O. Douglas, of Connecticut, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1939, vice Joseph P. Kennedy, resigned; and

Jesse H. Jones, of Texas; Charles B. Henderson, of Nevada; C. B. Merriam, of Kansas; Frederic H. Taber, of Massachusetts, and Charles T. Fisher, Jr., of Michigan, to be members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1936. (Reappointments.)

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be Acting Executive Director, National Emergency Council.

Mr. COPELAND. I ask that that nomination go over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

POSTMASTERS IN MINNESOTA

The legislative clerk proceeded to read sundry nominations of postmasters in Minnesota.

Mr. ROBINSON. I do not know what the pleasure of the Senator from Nebraska is concerning the nominations of postmasters in Minnesota. I ask that they go over for the day.

The PRESIDING OFFICER. Without objection, the nominations of postmasters in Minnesota will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of James W. Morris, of Florida, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Seth Thomas, of Iowa, to be judge of the United States Circuit Court, Eighth Circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of David J. Davis, of Alabama, to be judge of the United States District Court, Northern District of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert E. Mattingly, 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 Charles F. Uhl, of Pennsylvania, to be United States attorney for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Roulhac Gewin to be United States marshal for the southern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John E. Hushing to be United States marshal, district of the Canal Zone.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of E. Marvin Sessoms to be United States marshal for the northern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry Clayton Walthour to be United States marshal for the southern district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

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, with the exception of the Minnesota postmasters, whose nominations I understand have gone over for the day, be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters, with the exception of the Minnesota postmasters, are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, January 23, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 22 (legislative day of Jan. 16), 1936

UNITED STATES DISTRICT JUDGE

T. Whitfield Davidson, of Texas, to be a United States district judge, northern district of Texas, vice Edward R. Meek, retired.

PUBLIC HEALTH SERVICE

The following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Edward C. Ernst, January 15, 1936.

Peter J. Gorman, January 19, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 22 (legislative day of Jan. 16), 1936

ASSISTANT ATTORNEY GENERAL

James W. Morris to be Assistant Attorney General.

UNITED STATES CIRCUIT JUDGE

Seth Thomas to be judge, eighth circuit.

UNITED STATES DISTRICT JUDGE

David J. Davis to be judge, northern district of Alabama.

MUNICIPAL COURT JUDGE, DISTRICT OF COLUMBIA

Robert E. Mattingly to be judge of the muncipal court, District of Columbia.

UNITED STATES ATTORNEY

Charles F. Uhl to be United States attorney for the western district of Pennsylvania.

UNITED STATES MARSHALS

Roulhac Gewin to be United States marshal for the southern district of Alabama.

John E. Hushing to be United States marshal for the district of the Canal Zone.

E. Marvin Sessoms to be United States marshal for the northern district of Florida.

Henry Clayton Walthour to be United States marshal for the southern district of Georgia.

APPOINTMENTS IN THE REGULAR ARMY

Col. Frank C. Burnett to be Assistant The Adjutant General with the rank of brigadier general.

Lt. Col. Henry Harley Arnold to be Assistant to the Chief of the Air Corps with the rank of brigadier general.

Col. Wallace DeWitt to be Assistant to the Surgeon General with the rank of brigadier general.

CHAPLAINS

To be chaplains with the rank of first lieutenant

Ralph Emmerson McCaskill
John Frazer Chalker
Harold Henry Schulz

MEDICAL CORPS

To be first lieutenants

Lewis William Kirkman
William Donald Graham
Thomas William Mattingly
Joseph Frank Peters
Edward Morris DeYoung
Harold Everus Harrison
Stephen Christopher Sitter
James Clark Van Valin
Victor Robert Hirschmann
Paul Hartsock Leach
Clifford Paul Michael
James Augustus McCloskey

DENTAL CORPS

To be first lieutenant

George Farrer Jeffcott

VETERINARY CORPS

To be first lieutenants

Velmer Wayne McGinnis
John Howard Rust, 3d
Bernard Francis Trum
Lloyd Christopher Tekse
Edwin Louis Millenbruck
Thomas Carlyle Jones

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Ralph Brundidge Lovett
Capt. John Glenn Brackinridge

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Ernest Marion Brannon
Capt. Charles Emmett Cheever
Capt. John Henry Corridon
Capt. James Lowe Harbaugh, Jr.
Capt. David Sanderson McLean
Capt. Loren Francis Parmley
Capt. Edgar Harvey Snodgrass
Capt. Robert Montgomery Springer
Capt. Edward Joseph Walsh
Capt. Charles Whitney West

TO QUARTERMASTER CORPS

Maj. Rufus Boylan
Maj. Brisbane Hanks Brown
Maj. William Booth Van Auken
Capt. Theodore Anton Baumeister
Capt. Joseph Henry Burgheim
Capt. James Lawrence Keasler
Capt. Elam LaFayette Stewart
Capt. James Longstreet Whelchel
Capt. Michael Henry Zwicker

TO FINANCE DEPARTMENT

Capt. John Bartlett Hess
Capt. Ray Homer Larkins
Capt. Richard Kemp LeBrou
Capt. Hiram Barricklow Turner
Capt. Thomas Patrick Walsh

TO CORPS OF ENGINEERS

First Lt. Oscar Benjamin Beasley
First Lt. James William Park
Second Lt. Paul Henry Berkowitz
Second Lt. Austin Wortham Betts
Second Lt. Clarence Bidgood
Second Lt. William Beehler Bunker
Second Lt. John Dudley Cole, Jr.
Second Lt. Frederick Benjamin Hall, Jr.
Second Lt. Clarence Carl Haug
Second Lt. Stanley Tage Birger Johnson
Second Lt. Ellery Willis Niles
Second Lt. John Richards Parker
Second Lt. Craig Smyser
Second Lt. Robert Morris Stillman
Second Lt. Langfitt Bowditch Wilby

TO ORDNANCE DEPARTMENT

First Lt. Horace Alvord Quinn
First Lt. David Louis Van Syckle

TO SIGNAL CORPS

Capt. Elton Foster Hammond
First Lt. Earle Fremont Cook
First Lt. William Little

TO CAVALRY

First Lt. Brendan McKay Greeley
First Lt. Graves Collins Teller

TO FIELD ARTILLERY

Capt. Escalus Emmert Elliott
Second Lt. Carl Darnell, Jr.

TO AIR CORPS

First Lt. Walter Campbell Sweeney, Jr.
Second Lt. Harvey Thompson Alness
Second Lt. Paul Carter Ashworth
Second Lt. Herbert Marvin Baker, Jr.
Second Lt. John George Benner
Second Lt. Byron Elias Brugge
Second Lt. William Monte Canterbury
Second Lt. George Bernard Dany
Second Lt. William Milton Gross
Second Lt. Paul Tompkins Hanley
Second Lt. John dePeyster Townsend Hills
Second Lt. John Monroe Hutchison
Second Lt. Richard Andrew Legg
Second Lt. Elvin Seth Ligon, Jr.
Second Lt. Arno Herman Luehman
Second Lt. Lawson S. Moseley, Jr.
Second Lt. Wilson Hawkes Neal
Second Lt. Jack Jerome Neely
Second Lt. Frank Carter Norvell
Second Lt. Raymond Judson Reeves
Second Lt. Jack Edward Shuck
Second Lt. Curtis Delano Sluman
Second Lt. Dale Orville Smith
Second Lt. William Sebastian Stone
Second Lt. Hudson Hutton Upham
Second Lt. John William White
Second Lt. Albert Theodore Wilson, Jr.
Second Lt. William Harvey Wise

TO QUARTERMASTER CORPS

Maj. Paxton Sterrett Campbell
Capt. Thomas Edmund Mahoney

TO CORPS OF ENGINEERS

Second Lt. William Loveland Rogers

TO CAVALRY

Second Lt. John Baird Shinberger

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be majors

Kincheon Hubert Bailey
Richard Emmons Elvins

To be captains

Max Naimark
Vernon James Erkenbeck
Arthur Herbert Thompson
Wilson Theodore Smith
Clarendon Barron Woods
Joe Alexander Bain
Cecil Spencer Mollohan
Francis Whitney Hall
Joseph Sibley Cirlot
Richard Howard Eckhardt
John Mars Caldwell, Jr.
Charles Parmalee Ward
Elmer Arthur Lodmell
Lester Paul Veigel
George Lewis Beatty
Harold Irvin Amory
John Albert Egan
George Gustavo Guiteras
Edgar Louis Olson
Charles Edwards Spellman

DENTAL CORPS

To be colonels

Minot Everson Scott
George D. Graham

To be lieutenant colonels

Thomas Chester Daniels
Frederick Randolph Wunderlich
Bruce Harold Roberts

VETERINARY CORPS

To be colonel

Burton Alpheus Seeley

To be captains

Russell McNellis
Richard George Yule

MEDICAL ADMINISTRATIVE CORPS

To be captain

Douglas Hall

To be first lieutenants

Homer Clarence McCullough
Joseph Carmack

CHAPLAINS

Edward Larose Branham to be chaplain with the rank of lieutenant colonel.

John Thomas DeBardeleben to be chaplain with the rank of lieutenant colonel.

Samuel Johnson Miller to be chaplain with the rank of lieutenant colonel.

John Thomas Axton, Jr., to be chaplain with the rank of lieutenant colonel.

Earl Dudley Weed to be chaplain with the rank of lieutenant colonel.

William Loren Fisher to be chaplain with the rank of lieutenant colonel.

Emerson Etherage Swanson to be chaplain with the rank of lieutenant colonel.

Thomas Edward Swan to be chaplain with the rank of lieutenant colonel.

Frank Hallie Hayes to be chaplain with the rank of lieutenant colonel.

Aristeo Vincent Simoni to be chaplain with the rank of lieutenant colonel.

Peter Joseph Kilkenny to be chaplain with the rank of lieutenant colonel.

Orville Earl Fisher to be chaplain with the rank of lieutenant colonel.

Peter Joseph Quinn to be chaplain with the rank of major.

Vernon Paul Jaeger to be chaplain with the rank of captain.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Charles Elmo McPherren to be major general, National Guard of the United States.

Herbert Jay Paul to be major general, National Guard of the United States.

George Perry Rains to be major general, National Guard of the United States.

John Critcher Coleman to be brigadier general, Adjutant General's Department, National Guard of the United States.

Harry Hamilton Morehead to be brigadier general, Adjutant General's Department, National Guard of the United States.

William Kern Herndon to be brigadier general, National Guard of the United States.

George Emerson Leach to be brigadier general, National Guard of the United States.

Gilson Don Light to be brigadier general, National Guard of the United States.

Charles William Nimon to be brigadier general, National Guard of the United States.

William Ottmann to be brigadier general, National Guard of the United States.

Heinrich August Pickert to be brigadier general, National Guard of the United States.

REAPPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

Brice Pursell Disque to be brigadier general, Reserve.
Hugh Samuel Johnson to be brigadier general, Reserve.
Richard Coke Marshall, Jr., to be brigadier general, Reserve.
John Henry Sherburne to be brigadier general, Reserve.
Benedict Crowell to be brigadier general, Inactive Reserve.

POSTMASTERS

FLORIDA

Schubert S. Welling, Babson Park.
Ora S. Goforth, Caryville.

MISSOURI

Avery L. Dreier, Billings.
Joseph E. Soutee, Marionville.
Verna F. Whisner, Sarcoxie.
Grailie B. Windes, Washburn.

NORTH CAROLINA

James Franklin Greene, Bakersville.
John R. Giles, Glen Alpine.
Carl V. Bundy, Jamestown.
Frank L. Hoyle, Sr., Shelby.

PENNSYLVANIA

Francis J. Pension, Abington.
LeRoy W. Stengel, Bally.
Edith M. Cockins, Canonsburg.
Isaac A. Hiorth, Chester.
Curtis R. Bloom, Clymer.
William K. Wrigley, Curwensville.
John H. Renstrom, Fayette City.
Caroline E. W. Curry, Glen Olden.
Isaac W. Edgar, Glenshaw.
John Johnston, Library.
James P. Dennehy, Lock Haven.
Matthew C. Fox, Jr., Media.
James Mosco Ott, Orbisonia.
James W. Nash, Portage.
John W. Connelly, Prospect Park.
William F. Halligan, Jr., Radnor.

Charles F. McCartney, Reedsville.
LeRoy Walker, Ridley Park.
Stephen G. McCahan, Saxton.
Ralph Blaine Althouse, Sharon Hill.
Mabel J. Stover, Shrewsbury.
Julia W. Lightner, Sinnamahoning.
William S. Becker, Temple.
Ella R. Williams, Vandergrift.
Harold G. Seyler, Weiser Park.
Charles E. Fullwood, Wellsboro.
Jacob F. Hertzog, West Lawn.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 22 (legislative day of Jan. 16), 1936

POSTMASTER

FLORIDA

Albert S. Herlong, Jr., to be postmaster at Leesburg, in the State of Florida.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 22, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, enable us to realize each day our great responsibilities. Ever lead us to put our labors on the side of right, truth, and justice. We beseech Thee to strengthen us by a serene and sober optimism, quickening our consciences, and walking in the light of Thy countenance. Give Thy blessing to all tired bodies, jaded minds, and sick souls. Let the revelation of Thy only begotten Son be our ideal; we pray that our knowledge and influence may soften the burdens of society and hasten on the better days. In the name of our Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

REAR ADMIRAL ARTHUR LEE WILLARD

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the character and achievements of Rear Admiral Arthur Lee Willard.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, I know there are a large number of Members of this body who were well acquainted with the person, character, and distinguished services of Rear Admiral Arthur Lee Willard, who died April 7, 1935, in Washington, D. C.

Rear Admiral Willard had a long and distinguished career in the service of his country; he was born February 21, 1870, at Kirksville, Mo., and was appointed as naval cadet in the Naval Academy by Hon. William H. Hatch, then a Member of Congress from the First Missouri District, September 7, 1887, and during his service as cadet he distinguished himself by his excellent demeanor and achievements. He was promoted to the position of ensign July 1, 1893, and his services to his country were so distinguished and his achievements so successful that he was given the rank of rear admiral June 5, 1924.

Having been born and reared in the First Congressional District of Missouri, which I have the honor to represent, I had the pleasure and good fortune to know him personally for a good many years, and to know him well. He was not only a gentleman of the highest order but was one of the most distinguished naval officers of our country. He retired from the service with a most enviable record for efficiency, and I can truthfully say that whatever he undertook to do was done well, and his record in the Navy Department is one of which all true Americans may well be proud. He enjoyed the distinction of having many warm personal friends, and even in his boyhood and young manhood he stood out prominently as one of great promise.

During the War with Spain he achieved a most signal distinction and rendered most effective and efficient service; he was the first to plant the American flag on Cuban soil during the War with Spain, and in honor of this achievement the State of Missouri, the home of his birth, recognizing his splendid service to his country, through its own legislature voted and gave to him a gold sword as a token of Missouri's appreciation of his sterling qualities.

The First Congressional District of Missouri, which I have the honor to represent, has the distinction of having had born within its boundaries not only Rear Admiral Willard, but also Admiral Robert E. Coontz, of Hannibal, Mo.; General Pershing, of Laclede, Mo.; and General Crowder, of Grundy County, Mo.; and a very remarkable thing is that Admiral Coontz, Rear Admiral Willard, General Crowder, and General Pershing were all residents of the same town at the same time in the First Congressional District.

Rear Admiral Willard was one of the most pleasant characters it has been my pleasure to know; he was a man of tremendous energy and devotion to duty; he was always keenly alive to the best interests of his country; took great pleasure and spent much time, aside from his official duties, to study the problems that had bearing on his country's history.

Rear Admiral Willard and his wife, Isabel Ellison Willard, were always held in the highest esteem by those who knew them. Mrs. Willard was the daughter of Judge Andrew Ellison, who for many years distinguished himself as a Missouri jurist. The Ellison family furnished a long line of judicial officers in the history of Missouri; they were a family of distinguished lawyers, upright and splendid citizens.

The last time and opportunity I ever had to see Rear Admiral Willard was at a Missouri Society meeting where we were then conducting exercises in honor of Admiral Robert E. Coontz, deceased.

We mourn with their loved ones; and in bereavement we recall that, while all men must meet death somewhere on the way, our friend met his death with honors full upon him. I am sure he was able to join voices with that valiant spirit who sang:

Under the wide and starry sky,
Dig the grave and let me lie.
Glad did I live and gladly die,
And I laid me down with a will.

This be the verse you grave for me,
Here he lies, where he longed to be.
Home is the sailor, home from the sea,
And the hunter home from the hill.

THE CONSTITUTION AND THE SUPREME COURT

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a speech I delivered over the National Broadcasting Co. as of January 20, 1936.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on January 20, over the N. B. C. System.

When the Constitution of the United States was first framed, it consisted of an enacting clause and seven articles, and it is interesting to examine the enacting clause, generally known as the preamble. "We, the people of the United States, do ordain and establish this Constitution of the United States"—(1) "In order to form a more perfect union; (2) to establish justice; (3) to insure domestic tranquility; (4) to provide for the common defense; (5) to promote the general welfare; and (6) to secure the blessings of liberty to ourselves and our posterity."

In these 57 words we find a definite and succinct statement of the objectives for which such an instrument was created and to analyze each of the objectives would entail voluminous discussion; but I do desire to examine one or two of the objectives in order to reach a comparable slant on the minds of the framers of the Constitution and on the minds of present-day legislators and jurists.

In the first case, one of their objectives was to advise the people of the newly created union, that in order to be a happy people, a composed people, tranquillity needs must be had. Surely this philosophy is as applicable today as it was then. We now come to

the question of whether the word "tranquillity" as used in the objective of the preamble by the framers of the Constitution was meant only to direct the future Government of the United States of America toward a course of ordinary composure in our affairs of government, irrespective of changes in the social order of things and the natural progress of science. As for myself, I do not so interpret this objective, nor do I give it credence when so interpreted by the courts of the land. I believe that when the words "domestic tranquillity" were used by the statesmen and framers of the Constitution, they had in mind that these words should make for an economic composure and peace; a tranquil condition, which, under all circumstances, would make our Nation a nation free from chaos and poverty, thus, in turn, giving us a tranquil spirit of heart and soul—for without economic peace and composure there can be little or no other kind of peace and composure.

Therefore, if this be logical—and I hope you agree with me—is it not the rational thing to say that this sort of tranquillity must be met according to the times? Must not our courts regard this statement in the preamble as a sort of barometer in overcoming precedents which have long since outlived themselves? And then comes the statement in the preamble, "To promote the general welfare." This objective certainly speaks for itself, and its very commonplace meaning seems to abhor as well as condemn old and worn-out precedents that belong to an order of affairs long since shelved by the modern laws of economics.

I believe if the framers of the Constitution were living today and preparing such a sacred statement of objectives, they would add the following: "To promote the general welfare by meeting changing conditions with adequate legislation", and that is exactly what Franklin D. Roosevelt has been assiduously trying to do, even in the face of paramount obstacles.

In other words, my friends, there must be some flexibility in all laws, and certainly this applies to the Constitution of the United States, because its enacting clause contains such objects as "to insure domestic tranquillity" and "promote the general welfare", and both of these objectives certainly imply the sacred rights of a government to meet emergency conditions with the sort of legislation necessary to promote the general welfare and to insure domestic tranquillity.

So much for this very personal observation.

Much discussion is now being heard, mostly political discussions among party leaders, concerning the power of the Supreme Court and especially its recent decision on the Agricultural Adjustment Act, which became a law in May 1933. As to their legal judgment or conclusions I have nothing to say but I have observed a growing tendency among its members to hairsplit an issue and to opine that certain precedents, none of which aline themselves with modern conditions, must control irrespective of the constitutional objective that we must promote the general welfare—nor do I propose that constitutional amendments are necessary to meet such emergency legislation as the Agricultural Adjustment Act because I believe the right to salvage by Federal legislation the hopes and prosperity of 30,000,000 farmers is plainly written in the Constitution itself, and I have found no more pertinent statement or opinion among numerous opinions recently handed down by Federal courts than the decision in the case of *Economy Dairy Co., Inc.*, v. *Henry A. Wallace, Secretary*, and *Milton R. Beck* v. *Henry A. Wallace, Secretary*, reported in 61 Washington Law Reports, page 633, in the Supreme Court of the District of Columbia. Here the validity of the Agricultural Adjustment Act was involved and on August 29, 1933, Mr. Justice O'Donoghue refused to grant temporary injunctions and dismissed the bills of complaint on the following grounds, "Because the court finds that a national emergency exists and that the welfare of the people and the very existence of the Government itself are imperiled"; further, the justice stated:

"The day has passed when absolute vested rights in contract or property are to be regarded as sacrosanct or above the law. Neither the necessity of life nor the commodities affected with a public interest can longer be left to ruthless competition or selfish greed for their production or distribution, and, therefore, the court finds that the Agricultural Adjustment Act passed by Congress May 12, 1933, is constitutional and that the regulations and licenses promulgated and issued thereunder are reasonable and valid."

And even in the United States Supreme Court itself we find dissension. Just a short time ago we find Justice Cardozo accusing the majority of the Supreme Court of using a process of "psychoanalysis" to impute meaning to acts of Congress. His statement implied very strongly that the judiciary was tampering with the domain belonging strictly to the legislative and the executive departments of government. Be this as it may, to say the least, the Supreme Court itself is well divided as to what actually is the proper interpretation of the Constitution as affects such modern emergency legislation as the Agricultural Adjustment Act, which certainly did, during its existence, insure domestic tranquillity and promote the general welfare of 30,000,000 farmers which, necessarily in turn, either directly or indirectly insured domestic tranquillity and promoted the general welfare to a mighty extent to every other commercial and industrial agency in the United States, because it is a recognized fact that agriculture is the taproot of all prosperity, and when it lags behind all other commodities are affected.

Let us look for a moment at that part of the Supreme Court's decision affecting the Agricultural Adjustment Act which I consider highly pertinent to this discussion and equally as inconsistent in interpretation. The opinion held that the Congress had no right or power to authorize the spending of money for the aid of agriculture—it held that while the Congress had the authority to tax and spend for the national welfare it could not do so by contracting with farmers because this was a right reserved unto the States. The Court also held that agriculture was not a matter of national concern. Then, in quite the next breath, we find the Court saying that any and all industrial plants in whatever States they may be located may be aided by certain tariff taxes authorized by the commerce clause found in the Constitution. Now for the inconsistency. This all mighty and powerful tribunal has actually told the Congress of the United States that it may go ahead and aid industry in the States by virtue of the commerce clause in the Constitution but that the general-welfare clause does not authorize aid to agriculture, without which the commerce clause and industry would amount to little.

I say that when 30,000,000 Americans are faced with economic destruction; when they are hungry and socially depressed then the general welfare of the Nation is concerned to a paramount extent, and legislation enacted to sustain assistance to them should be held to be constitutional. And in the words of Justice Stone of the United States Supreme Court in his dissenting opinion in the Agricultural Adjustment Act decision: "The interpretation of our great charter of Government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of Government, or that it alone can save them from destruction, is far more likely in the long run, to obliterate the constituent members of indestructible States than the frank recognition that language, even of a Constitution, may mean what it says. That the power to tax and spend includes the power to relieve a Nation-wide maladjustment by conditional gifts of money."

It was said not so long ago by a Justice of the Supreme Court, and there has been no argument as to the truth of the statement coming from his associates, that the depression we have been in for almost 6 years is an emergency worse than war. Surely this is the truth, and legislation to aid 30,000,000 people sorely distressed, whose patriotism has been challenged by the laws of adversity, certainly comes within the fair rule applicable to national welfare which would make the Agricultural Adjustment Act constitutional.

Laws must fit in with modern civilization. Antiquated interpretations are foul to modern progress. I have the very highest regard for our Supreme Court, but if it cannot and will not regard the welfare of 30,000,000 farmers in their hour of economic and physical misery because of legal technicalities, which I have been unable to find in the present case, then it is up to the National Congress to correct the situation and do it quickly.

Why should not such a situation be corrected by legislation if the effect of such legislation is to insure domestic tranquility and bring us once again from the abyss of economic misery? Is it to be said that any law that shall approach an abrogation of age-old and musty precedents is an insult to the wisdom of our American institutions? Certainly not. One who becomes ill this day and time and perhaps needs the handiwork of a surgeon certainly would not trust the handiwork of the surgeon who practiced according to the art of 100 years ago. One would naturally want the surgeon who practices the modern and scientific way. And just as experience and changed conditions has compelled the surgeon of yesterday to abandon musty precedents and employ methods commensurate with the science of the times, so also must not only the laws be made to meet a similar situation as regards our economic system, but the minds of men, including jurists, must articulate also according to changed and modern conditions.

And so, in closing, I must say again that I do not feel that amendments to our Constitution are necessary, but if there is no other way out, then it is up to the National Government to find a way to deal nationally with matters of a national nature; matters which, as in the Agricultural Adjustment Act, are beyond the reach of the States of the Union insofar as aid is concerned.

Just as man has learned from experience to build over his head suitable shelter from endangering elements, so also must the Government find shelter through patriotic legislation as needs be to care for its people during an economic hurricane, because, as Thomas Jefferson once wrote to a friend, as recorded on pages 177, 178, and 179 of the writings of Thomas Jefferson, volume 7, and compiled under act of Congress from the original manuscript, "The Judges are not the ultimate arbitrators of our constitutional questions"; and in another letter, addressed to Monsieur A. Coray and dated October 31, 1823, Thomas Jefferson wrote as follows: "At the establishment of our Constitution the judiciary bodies were supposed to be the most helpless and harmless members of the Government. Experience, however, soon showed in what way they were to become the most dangerous; that the insufficiency of the means provided for their removal gave them a freehold and irresponsibility in office; that their decisions seeming to concern individual suitors only, pass silent and unheeded by the public at large; that these decisions, nevertheless, become law by precedent, sapping by little and little the foundations of the Constitution, and working its change by construction, before anyone has perceived that that invisible worm has been busily employed in consuming its substance. In truth, man is not made to be trusted for life, if secured against all liability to account."

Finding Jefferson taking a stand of this sort, then surely in our modern ways this philosophy ought to appeal to us as a guiding light in maintaining domestic tranquillity and promoting the general welfare, because yesterday is a remembrance, tomorrow a hope, and today alone is ours.

PROGRESS IN COMMUNICATIONS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Hon. George Henry Payne, Federal Communications Commissioner.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of George Henry Payne, Federal Communications Commissioner, January 13, 1936, at the Graduate School of Business Administration of Harvard University, Cambridge, Mass.

In the year and a half of its existence the Federal Communications Commission has made distinct contributions to the improvement and regulation of the industries for which it is the governmental regulating body. This statement will be challenged by some, laughed at by others, but I feel safe in assuring you that no one will arise with an offer to debate it in public.

Some of those who have been bettered and improved are not quite conscious of it yet. Some of them are still breathing a little strenuously in the rarified high altitude into which they have been somewhat involuntarily raised. Nevertheless, I think we may say in the language of Galileo, as translated by Artemus Ward, "The world do move"—referring, of course, to the world of communications.

When I appeared here last spring the Commission was just emerging from its swaddling clothes. It still has its growing pains. Not infrequently, I believe, when I am not around, I am referred to as one of the most distinct ones. Despite this fact, our relationship with the companies under our regulation are marked by amiability that almost may be considered dangerous.

The problems that confront all three divisions of the Communications Commission—the problems of telegraphy, telephony, and broadcasting—while of interest to most groups, although from different angles, are all three problems, with which business, businessmen, and what is known as the business world are particularly interested.

First, there is the Division whose activities are confined to the regulation of the telegraph field. This is one of the few countries in the world where the telegraph is in the hands of private individuals. This is one of the few countries in the world where we have competitive companies, privately owned, cutting each others throats with unction and glee at the expense of the public. One of the first things that the Telegraph Division of the Federal Communications Commission did was to make an investigation into the possibilities of merger, under section 4 (k) of the act which brought us into being. Our recommendations to Congress were not treated with a great deal of respect by Congress, due, in part I imagine, to the fact that we were not very popular for a while.

Since that time and since the Postal-Telegraph Co. has been reorganized, there has developed, I believe, more of a sympathetic attitude toward our recommendations.

In the Telephone Division great progress has been made in the very momentous undertaking of an investigation of the very large and important company—the American Telephone & Telegraph Co. Seemingly a mere incident in its work, it was a notable accomplishment to establish radiotelephonic communication with France, not without quite a few difficulties. Up to the time that this was done there seemed to be a belief that the Government had very little to say in the matter because the telephone system, on this side of the water, was a private corporation. By deciding to give part of the existing facilities for radio trans-Atlantic telephone transmission to a country other than Great Britain, we established, I believe, in quarters where there was some confusion on the subject the fact that our Government intends to control its own communications.

At a recent hearing, the attorney for the American Telephone & Telegraph Co. made an illuminating remark. He said, "If the company has not been completely frank in the past it will be so in the future."

Such a statement as the able attorney for the American Telephone & Telegraph made augurs well for the future.

Several weeks ago, speaking at the University of Syracuse, I stated that, "the Commission has also had to suffer from the most efficient propaganda of the telephone company, as, for instance, in the case of the coaxial cable, with regard to which it was printed from one end of the country to the other that the Commission, by not granting the American Telephone & Telegraph Co. an unrestricted license to lay the coaxial cable, was holding back the coming of television for many years."

It was one of the distinguished representatives of the telephone company who came to me with clippings that he had collected from newspapers in all sections of the country and admitted that those clippings justified the statement, but wished me to know that in no case had the company encouraged the apparent propaganda and that, as a matter of fact, it had exerted every possible human effort to trace the source of these articles which represented the position of the company.

I have referred to these matters because they reflect what I believe should be the proper attitude of large business units toward governmental agencies. It is true that in these same hearings of the coaxial cable another distinguished attorney of the same company—not only a brilliant man but one with a most ingratiating personality—did state, when he was asked what restrictions the Government should put on the granting of the licenses that would permit the company to lay a cable between New York and Philadelphia, that he would prefer "that there be no restrictions at all." The laughter that followed this observation was due, doubtless, to the fact that his remark certainly represented the worn-out philosophy of another day. "Rugged individualism", they called it, but it was individualism only for those powerful enough to tell the Government they wished no restrictions on their operations and no regulation. There was little individualism for those not powerful enough to defy not only the Government but public opinion. There was little individualism and little opportunity for the many who had to take what the powerful business units were pleased to give them.

DEVELOPMENT IN COMMUNICATIONS

The fascinating part of these problems of communication is the widely spread belief among scientists and others that we are on the threshold of even greater developments than those marvels that have been revealed to us in the past 20 years or so. It was Mr. David Sarnoff who stated that he believed the time would come when a man would be able to turn on a small apparatus, the size of a wrist watch, to call up his house and state that he was going to be late for dinner because he had to go and see, possibly, a sick friend. Marvelous as is the thought, it is not without some suggestion of horror if, along with the ability to turn on the frequency for voice transmission, he or his wife, in turn, were able to turn on a frequency permitting picture transmission or television.

There are those who even say that the time may come with the development of the radio spectrum when there will be instant communication for every man, woman, and child in the United States. If that astonishing day ever does arrive and the complaints that need adjustment over the use of frequencies increase proportionately, I can imagine no unhappier job than being a member of the Federal Communications Commission. Those who have given little thought to the subject may think that these advantages of the future are extravagant. Charles William Taussig, Jr., called my attention to an incident within our own memory that is just as remarkable as anything that has been prognosticated in radio development. During the early part of the war, practically the only marine radio was that which existed between ships in the same neighborhood for a distance of half a mile or thereabouts. At about this time, Edwin H. Armstrong, a radio inventor, went abroad and in cooperation with the British Admiralty set up an apparatus in Whitehall, London, in the Admiralty office. Overnight the British Admiralty was able to pick up all the messages being exchanged by the German fleet, located at Kiel, without the Germans knowing anything about it.

The most important of the many problems that have confronted the Federal Communications Commission in the year and a half of its existence has been that of combating the impression that the new Commission was or could be dominated by the bodies, industries, or corporations over which it was given by Congress the power to regulate. There was a belief that our predecessor, the old Radio Commission, was dominated by the industry that it was supposed to restrain and control. I am very happy to say that such is not the case, and that many of the corporations over which we have jurisdiction are quite convinced that the Commission, or those divisions with which they deal, form independent judgments without bias or without prejudice and with no other interest or consideration than regard for their oath of office.

Just as there has been improvement in the relations between the Commission and the broadcasting companies under our regulation, so there is evidently a very steady trend of improvement in the character of the programs broadcast throughout the country, although I am frank to admit there is still a considerable distance to go. It would be unfair on my part if, when I had so sharply criticized those responsible for programs and advertising that were distasteful, I did not frankly admit that there is a new and better attitude of mind in the matter of the broadcasters' responsibilities to the public. The idea is beginning to take hold that the widespread criticism is not merely the yawping of splenetic faultfinders. It is beginning to be admitted that the advertiser, from his purely mercenary point of view, should not be the dominating factor in deciding what a hundred million people should be forced to listen to. In the mere matter of advertisements for liquor and alcoholic beverages, the protests are bearing fruit.

A gentleman who is one of the powerful financial factors in radio, with whom I talked over this matter some months ago, took the most encouraging point of view. I think the broadcasters missed their opportunity when they permitted Dr. James M. Doran, administrator of the Distilled Spirits Institute, consisting of liquor distillers and manufacturers, to make the first public pronouncement that he had such a regard for public opinion and the rights of the people to decide what messages should come into their homes, that the members of his association would discontinue radio advertising.

I don't know whether I have brought much information or comfort to the students here when I first began my series of talks 8 months ago, but I will tell you frankly that the talks here at Harvard and those at Cornell, Columbia, and Syracuse Universities, and elsewhere, have been a great comfort and encouragement to me.

The theory that government is best when it is conducted around a table by a couple of "good fellows" is fundamentally unsound. It has contributed to most of the vices of government; it has contributed to much of the degradation of business. I don't intend to imply that relations should not be amicable or that men cannot have friends among those with whom they deal in the governmental capacity, but standards of friendship should be as high as the standards of official duty and business conduct.

There are many men who are intimate friends during a lifelong period and possibly not one word passes between them that might not be heard by anyone or everyone. There is, however, the other type—the person who meets you in the Pullman car and because you ask him for a match immediately wants to know if you have heard the latest of Mae West's.

It was Goethe who said, in substance, that you find in Rome what you bring with you. It is the same everywhere, and particularly so in business life.

In a radio speech that I made shortly after the present Commission began its work I quoted President Theodore Roosevelt to the effect that "the Commission (referring to the Interstate Commerce Commission) cannot do permanent good unless it does justice to the corporations precisely as it exacts justice from them. The public, the shippers, the stock and bond holders, and the employees all have their rights, and none should be allowed unfair privileges at the expense of the others."

Those were the words of Theodore Roosevelt. Let me add to them, in closing, the lofty thought of another great man, applicable not only to this Commission but to all government:

"All the grand sources of human suffering", said John Stuart Mill, "are in a great degree, many of them almost entirely, conquerable by human care and effort, and though their removal is grievously slow, though a long succession of generations will perish in the breach before the conquest is completed, yet every mind sufficiently intelligent and generous to bear a part, however small and unconspicuous, * * * will draw a noble enjoyment from the contest itself which he would not for any bribe in the form of selfish indulgence consent to be without."

PERMISSION TO ADDRESS THE HOUSE

Mr. SWEENEY. Mr. Speaker, after other Members have made their requests, I ask unanimous consent to proceed for 3 minutes to make a statement.

The SPEAKER. The Chair does not recognize the gentleman for that purpose until after the bonus bill is disposed of.

PROMISE AND PERFORMANCE

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the promises and performances of the administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGRATH. Mr. Speaker, political platforms have been altogether too often regarded as things on which to ride into office. They are regularly adopted by national conventions which regard themselves as bound by no laws, and which went out of existence with the adoption of the platform and the nomination of its candidates for President and Vice President. Nobody held himself responsible for the birth and nobody seriously considered the terms; whatever any group demanded was usually inserted—and forgotten.

The candidate for the Presidency received the notice of his nomination some time later and promptly wrote his own platform. The official document was almost without exception full of vague declarations of principles and even these were all too often phrased in "weasel" words. On June 27, 1932, a new page was written into major party history. The Democratic National Convention drafted and adopted a platform which was so brief as to be read; so plainly stated as to be understood; and so straightforward as to be a challenge and revive the almost dead hopes of our people. In addition it contained this solemn pledge:

Believing that a party platform is a covenant with the people to be kept faithfully by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe, we hereby declare this to be the platform of the Democratic Party.

Remember the dramatic, precedent-breaking, custom-smashing trip through the air when the Governor of New York flashed from Albany into Chicago and there, in the presence of the very men and women who had adopted the ringing declaration of principles, with the deepest emotion and the simplest language made their platform his solemn pledge?

That pledge was repeated and amplified during the campaign. Frankly and without qualification, the Democratic Party and their President which it proudly furnished the Nation are entitled to be called to account and to render the report of the squaring of performance with promises of action with words.

We are not merely meeting a challenge; we are not answering an indictment. We are proudly and with no evasions coming to our people with the declaration that our President and our party have been faithful to the trust reposed in us.

In the language of one of our great leaders, "Let us look at the record." However, before we can test the record we may well find and agree upon a yardstick. That yardstick is in the platform. It is plain, simple, and may be used on all occasions and for all purposes. Fortunately, this measure is not only in the platform but it is there with striking emphasis. It was deliberately adopted as the sole floor amendment to the platform as it came from the committee. It is the summing up of the party purposes and the declaration of the party goal. We are willing to stand or fall on that record when measured by this basic statement out of the heart of that great convention. Let us repeat it:

We advocate the continuous responsibility of government for human welfare.

Human misery stalked the land with ever more menacing tread from 1929 to 1932. Statistical charts show the stagnation of commerce, the flight of credit, the collapse of the banking structure, the ruin of business; but the memory of human hearts alone can picture and evaluate the thwarting of ambitions, the darkening of hope, the wiping out of savings, the loss of jobs, the foreclosure of mortgages, the gnawing of hunger, the stark despair which gripped the heart of our people—the brutal corruption under Harding, hitting a new low level with its debauchery of public morals; the smug complacency of the Coolidge days, ignoring the national orgy of paper profits; and the hopeful corner watching of Hoover, whirling down the spiral of disaster.

Closed factories, silent mills, deserted mines, foreclosed homes, bankrupt men, jobless workers, striking farmers, hungry children, and hopeless prospects were the legacy of 12 years of Republican rule. The hundreds of thousands of foreclosed homes and farms, the bottomless prices of agriculture, the 10,000 banks closed prior to September 1932, the literally countless millions of unemployed, and the uniform bankruptcy of our municipalities were the heritage of Harding corruption, Coolidge indifference, and Hoover donothingism. Franklin Delano Roosevelt cannot be charged with that record, but it must be reproduced to keep the record straight. To understand where we are we must remember where we were.

First of all, our hopeless and bewildered people despaired of leadership, but when Franklin Delano Roosevelt stood at the east portico of the Capitol and assumed leadership, the heart of America leapt. Its lifeblood began to flow; its will to live reasserted itself, and the Nation lifted its face to the future. Its banks were closed, to be reopened only when the remaining savings of our people were safe.

In this crisis the expenses of government were drastically reduced. Excepting only the Federal judges, every public servant from the President in the White House to the humblest scrub woman in the smallest Government building accepted a cut in wages equal in percentage. The veterans made a mighty contribution. Immediately Government credit was restored, and the day was won. From that hour the defeat of depression was as certain as sunrise. Thus the first of our pledges was redeemed. The National Budget as to its normal expenditures was balanced, but, fortunately, the Budget was not made a sacred calf.

No man worthy of the name figures the price of water when his house is on fire; no father stops the surgical operation because his son's operation will strain his credit or exhaust his resources. He pledges everything to save his boy's life. He considers his obligation to his son superior to his pledge to deposit part of his salary in the saving bank. So

a nation! Confronted as we were with actual hunger and the destruction of human life itself, remembering our platform, we made human welfare the task and we immediately used our restored credit to take the boys off the streets and put them in the C. C. C. camps.

We chose to recreate men rather than to recruit gangsters. We bought up the mortgages and gave our tottering farmers and home owners a chance to save their farms and homes. We poured out billions to our railroads and to our banks that they might assume their places as effective servants of our people. We threw the mighty resources of our Nation behind the humble and the great. We repudiated the philosophy that would help the powerful in the blind hope that they might pass on a broader charity to the ordinary citizen. We restored the Jacksonian concept that the humblest citizen was entitled to the full support of his Nation's might.

We so successfully restored the credit of our currency that our dollar is the soundest money in the world. Our land is the refuge of the capital in the world in these troubled days. When the world becomes sane again our stable currency will be the rallying point of world finance.

Through reciprocal trade agreements we have reopened the markets of the world. We are breaking down the artificial barriers which had reduced our foreign trade to the vanishing point.

We have extended our credit to our weakened State and local governments. Without the strong hands of the Federal Government millions of our citizens would have starved.

We have started a great and comprehensive program of useful public works, possible only with the Federal funds and credit. We have at the same time conserved national resources and furnished work. We have built for the future and at the same time we have not pauperized our people. We have declared that work is honorable, but that charity to the able-bodied is degrading.

We have used too much water here; we have lost some hose there; we have wasted some efforts in this place and that; but we have carried on through the world's greatest conflagration and have definitely defeated starvation, revolution, and disaster. We have restored 5,000,000 jobs in private industries and we are clearing out the last smoking remains of the red ruin.

We have established as a definite policy that the Federal Government owes a responsibility for unemployment of the willing worker and for the comfort of the worthy aged. True, the amount granted is not yet adequate, but with returning prosperity we can increase the Federal contribution until the horrors of the old days will have become but unpleasant memories.

We promised to restore the purchasing power of agriculture, and we have done so in the great basic commodities. If you say, "Yes; but you did it by unconstitutional methods", we answer that the reasoning of the minority opinion of the Triple A decision, so ably stated by Justice Stone, seems sound law to us. We will find some method of securing a permanent justice for our farmers, even if we have to revamp the mechanics of government. The fathers dedicated our Government to the general welfare and we will fulfill that trust, even if the old engine has to be readjusted, even as our fathers would have acted. They followed ideals and not methods. We need to consider the results to be gained rather than solely the tools to be used. Even the best-tempered steel edge needs some sharpening.

We have maintained the Army and Navy at the highest point of efficiency, and we are providing an adequate national defense for any contingencies which may come from a world possibly again about to commit wholesale destruction. We will have peace, but we cannot close our eyes to the terrible fact that the strong marauder still robs the weak.

Business cried out for salvation and was given its first Nation-wide opportunity to cooperate within itself, with the benefit of Federal guidance, direction, and assistance.

Under N. R. A. business did survive the chaos of 1933. The greatest impetus in history was given to the elimination of unfair trade practices, the protection of labor in respect to hours, wages, and working conditions, and a real attempt was made to secure consumer representation. Although the Supreme Court ruled that most business was outside the scope of Federal control and that our Government was powerless to protect child labor from the unscrupulous boss, to limit hours and conditions of work, to prevent vicious oppression of weaker competitors, or to secure rights for consumers, a start has been made and many industries are carrying out the principles first established by N. R. A.

We have declared our natural resources to be under the public trust and we have revived the standard of Theodore Roosevelt—that our natural heritage should be passed onto our children, better developed and more valuable than when we received it from our fathers.

We have used every power and resource of government to compel the sellers of stocks and bonds to give the ordinary purchaser—the investing public—true and accurate information as to bonuses, commissions, principal actually invested, and the real interest of the sellers. In other words, to tell the truth.

We have, in exact compliance with the platform, used the full power of the Federal Government to regulate holding companies in the utility fields, to restrict within the limitation of fair returns the rates of utility companies, and to prevent a recurrence of the Insull outlawry, with its attendant ruin to millions.

We have liquidated the frozen bank deposits with a minimum of loss to the depositors. We have revised the banking act to make banks more effective medium for the general good. We have restored the Federal Reserve System more nearly to its purpose, as established under Woodrow Wilson—to serve the business and commercial interests rather than speculators and gamblers of the exchange. We have limited banks to their true function—banking.

In the midst of a crumbling world of war-mad leaders and hysterical peoples we have steered the Ship of State through peaceful waters. We have secured the most nearly perfect understanding between all of the Americas. We have made the Stars and Stripes the true emblem of the good neighbor. We have fostered and built a spirit of true cooperation between peoples.

We have refused further to compromise the debts owed us by our former allies, although the precedent established under Republican so-called leadership undoubtedly gave ground for the expectation that the taxpayer of the United States should and would pay the cost of the World War. In this connection, those who freely gave billions of the taxpayers' money to foreigners as a rebate on legal and just debts appear in bad grace when they violently protest the use of Government credit for the benefit of our own citizens.

We have fulfilled our pledge to grant independence to the Philippine Islands, and we have already seen their people take their place as members of the family of nations.

We have built a most magnificent Division of Criminal Investigation which has made the interstate operations of gangsters so unprofitable and dangerous that they have ceased to be major menaces. J. Edgar Hoover has made kidnaping a losing game. Thanks to the work of the Department of Justice, your child and my child are safe at home.

We have seen fit to live up to the spirit as well as to the letter of our platform by not only publishing the names of our financial supporters but we have paid our party debts by the modest contribution of our citizens rather than by the second-hand donations of the ultrawealthy, stealthily slipped to that illegitimate child of reaction—the American Liberty League.

We have repealed the notorious eighteenth amendment and have restored the control of the habits and customs of our people to their own localities. Neither here nor elsewhere do we favor regimentation. Federal action is justified when other means have failed, and then only. There is no parallel here with the agricultural program. Farming, in spite of the decision of the Supreme Court, is not a matter of local concern.

The Government no longer acts as the agent for the House of Morgan in peddling foreign securities. We have brought the capital of the Nation from the stock exchanges to the banks of the Potomac.

We have restored the ideals of the fathers in again using as the national guide this declaration: "Equal rights for all, special privileges for none."

We have fought the fight! We have kept the faith! With the leadership of that master humanitarian, Franklin Delano Roosevelt, and under the guidance of a divine Providence, we will reestablish a democracy in which in spirit and in truth the goal of government—the welfare of its citizens—shall be reached.

We are proud of our leader. We pledge a new and greater battle for human rights and a final victory in the interest of the ordinary citizen.

TRIBUTARY FLOOD CONTROL

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech I delivered at the Mississippi Valley Association on November 26.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERGUSON. Mr. Speaker, I want to call attention of the House to H. R. 10302, introduced in the Senate by Senator NORRIS, and in the House by me. This bill will solve the great problem of conserving the national resources. This bill embraces the whole Mississippi Valley and accomplishes for that area what I hoped to accomplish for the Arkansas Valley in two bills I introduced last year, H. R. 5712 and House Joint Resolution 275. My views on the subject are in this speech.

ADDRESS OF HON. PHIL FERGUSON, OF OKLAHOMA, BEFORE THE MISSISSIPPI VALLEY ASSOCIATION CONVENTION, ST. LOUIS, MO., NOVEMBER 25, 1935

Mr. President, members of the Mississippi Valley Association: It possibly is strange that a Member of Congress from the "dust bowl" should be here as a speaker at the Mississippi Valley Association. I probably represent the driest district in the United States. It was my home that furnished all those clouds of dust that descended on this country last spring. As a result of living in that country, when I went to Congress it was not an accident that I got on the Flood Control Committee. After investigating the activities of the various committees that I had a chance to make as a new Member, I asked for position on the Flood Control Committee and was fortunate enough to receive an appointment. I asked for that committee because I felt it was within the realm of that committee in Congress to attack the problem of flood control, of soil conservation, of the best use of our natural resources.

When we think about what has happened to this country we must realize that we have probably dissipated our natural resources in a shorter time than any other nation in history. Because we had an opportunity to move west, as was described so vividly by General Markham, it was considered good form to destroy the land and move on and take up new land, to plow new sod every year, because it made a better crop; to log the entire timber off the hillside, off the mountainside, and move on to the next place where they could get the greatest amount of timber at the least cost.

We have probably destroyed more natural wealth than any country in the history of the world had to begin with. It has been a national policy to follow this up; and you cannot get this picture unless you start noticing what has happened to the surface, fly over it, drive through it, with an eye to seeing what the surface of this United States looks like today. Drive across Tennessee or Arkansas or Oklahoma or Texas, and see every field, where it has a sufficient amount of slope, gashed and scarred by water. You can see where the water and the winds cut down to the clay, the topsoil is gone, the productive part of the land is gone; nothing is left that will produce.

As a member of the Flood Control Committee, I investigated what legislation had been passed to meet this problem of controlling floods on the lower Mississippi. In 1928 the first actual Flood Control Act was passed. This recognized the problem of controlling floods on the lower Mississippi below Cape Girardeau, Mo. Three hundred and twenty-five million dollars was appropriated under that act, or, rather, authorized to be appropriated. This bill was passed after the flood had destroyed millions of dollars of property and taken the many lives described to you by Congressman WHITTINGTON, of Mississippi.

Now, this $325,000,000 was spent on the recommendation of the Army Engineers to solve forever the danger of floods in the lower Mississippi. The people were assured that the problem was going to be solved and those who lived behind the levees never need worry again about being destroyed by floods. The levees were raised higher and higher, the cut-offs were created, divisions were built, the program neared completion, and yet everyone who lived behind those levees knew they were in just as much danger from a flood of the proportions of 1928 as they were before the expenditure of all that money. The problem had not been solved, but our land, our topsoil from the Western States, from the tributaries of the Mississippi, had been piled on the banks of the Mississippi and carried out into the Gulf of Mexico, never again to be of any use to this Nation.

The first bill to be laid before the flood-control committee at this session asked for $273,000,000 more. For what purpose? To continue the construction of levees below Cape Girardeau, Mo.; to build new diversions; to continue the policy that had proved a failure. $273,000,000 recommended by the Corps of Army Engineers to complete the flood-control program.

When this bill came up for hearing, naturally delegations from the States affected appeared. We had delegations from Mississippi who told us the bill was the only solution, the only way to solve the problem. Why? Because the bill proposed to run the excess water of the Mississippi across the States of Louisiana and Arkansas. Naturally, the people from Arkansas and Louisiana, who lived in this territory that was to be made into a man-made river, also appeared, they also testified, but they were not nearly as enthusiastic about the proposition as the people from Mississippi.

This plan recommended to our committee, to solve the problem, called for the construction of a new river across the full length of the State of Louisiana, banked on either side by levees, to carry the excess water that was to be taken out, in case of floods, at Eudora, Ark. A new stream as great as the Mississippi, 10 miles wide, with big levees on either side, to carry the excess water.

We had hearings for months on that proposition, day hearings and night hearings. Some of the members of the committee thought that the principle of building reservoirs on the tributaries should have some recognition. We proposed to eliminate this floodway and substitute the construction of reservoirs on the White and Arkansas.

Although I believe a majority of the members were in favor of trying this reservoir system of flood control, giving it a fair trial by constructing a complete system on rivers, we were never able to bring it to a vote in the committee, because of the opposition of the members from the lower Mississippi, who insisted that diversions were the only way to solve the problem. Well, that bill, at least, never came out of committee.

While we were in that kind of shape, the Mississippi Valley Association, working with our chairman, Mr. Wilson, proposed an omnibus bill that would include projects from all over the United States. They were justified in drawing up such a bill. I hold in my hand bills introduced, every one of these a separate bill, by Members who lived and represent districts on various streams in the United States, that favored building reservoirs on the White or on the Arkansas or on the Monongahela, or on the various rivers of the United States. Each one introduced a separate bill for his own river. There was no national plan.

The Mississippi Valley Association, as I say, working with Mr. Wilson, combined all these bills as best they could into what is known now as House bill 8455. The first bill that recognized the principle of building reservoirs on the tributaries, the first bill that recognized the principle that if you will retain the water at the head waters, it will not be a problem on the lower Mississippi.

Let me give you an example that is very close to me: I live on a tributary of the Arkansas, the North Canadian River. Three or four times a year that river is a raging torrent—it comes down that dry bed a veritable wall of water, destroying property on both sides for miles, taking lives, even in our State capital, and then when the spring freshets are over, it becomes dry, shifting sand.

In this bill there is provision for two reservoirs that will impound enough water to make that stream run the year around. Think of the difference between a country which is a dust bowl and a country supplied with waters from two reservoirs; whose economic status will be changed because the people can be assured of a crop through irrigation; whose social problems will be improved because they will have water for people and animals. And it is that same water that is the difference between our very existence, when it reaches the lower Mississippi, causes swamps, destroys lands, and no matter how high your levees, it increases the amount of backwater to destroy thousands more acres of the richest land in the world.

There you are: Hold it on the tributaries and save the life and economic future of those people, or let it go down to the Mississippi, make the new rivers to run it over the good land, the lower Mississippi, cause new swamps, make bigger backwaters. There is your choice.

As I say, every man in Congress, who had individual streams, tried to draw a bill, and, at last, they were combined into an omnibus flood-control bill that tried to solve the problem on a national scale.

This bill, while not perfect, is a step very decisively in the right direction. As a Member, and a new Member, I am proud of the part I had to play in passing this omnibus flood-control bill.

Mr. DRIVER, of Arkansas, who talked to you here this morning, finally got a preferential rule through the Rules Committee that gave us a chance to get this legislation up in the closing 3 weeks of Congress. That was a step and a big hurdle to make, but then we had to get recognition. Although the Speaker promised Mr. DRIVER that he would recognize him on several occasions, the press of administration legislation, the press of last-minute legislation got in the way, he was turned down and we thought we had lost the battle.

At last, on Thursday before we adjourned, we were all huddled together back there—DRIVER and the members of the Flood Control Committee—wondering if we were going to get a chance to get recognition; JOHN O'CONNOR, the floor leader, came and told us

that he did not think we had a chance, and we decided to take desperate measures. I stood up and served notice on the House of Representatives that if they did not recognize the fact that we had a preferential rule, that we were entitled to their consideration, that I was going to object to the consideration of any further legislation that day. Whether it was due to that threat or not, we got recognition. Mr. DRIVER put his rule through the House. At 10 o'clock that night the first flood-control bill, recognizing the principle of building reservoirs to stop floods, passed the House of Representatives by a margin of 10 votes. [Applause.]

As I say, I almost got into trouble sponsoring that bill. I did a lot of maneuvering before time. I had a break-down made. Congressmen do not always follow legislation; they do not have a chance to do so; so I had a break-down made by districts and by States, and I collared every Member there for 3 weeks and told him about this bill.

As a result of my efforts on behalf of the bill the ranking minority member, Mr. RICH, when opposing the bill had this statement read into the records: "Representative FERGUSON, of Oklahoma, member of the Flood Control Committee, which approves the bill, made a break-down by States and districts and then buttonholed each Congressman whose district would be benefited on behalf of the bill." I am very glad—although he called it a "pork-barrel bill" and they made a lot of fun of it—that we did get it through, and I think it is a fine piece of legislation.

That was in the House. We went over to the Senate, and the Committee on Interstate and Foreign Commerce added some $200,000,000 of projects to what was in the bill. We had gotten it through the House with the addition of only $300,000 in amendments and were proud of that, but the Interstate and Foreign Commerce Committee added on $200,000,000. Before they ever had it printed they reported it out.

I was over there at the time it was called up—they give Congressmen the privilege of the floor—and Senator TYDINGS decided it was a bill that should not pass the Senate, and if there is anyone more clever than Senator TYDINGS when he desires to oppose propositions, I do not know who it is. I want to read you some of the statements in the speech made by Senator TYDINGS while opposing this bill. He thumbed through the bill he had in his hand until he came to the authorization of the appropriation for Council Grove, Kans., and this was his comment:

"That great metropolis of Council Grove, Kans., bursting with its millions of people, and these great ocean liners going up there laden down to the gunwales with freight from all four corners of the earth. I can see now the miles of docks along the water front in Council Grove, Kans., the busy steamships occupying the slips with their gigantic funnels sending smoke into the air, while down 100 railroad spurs there comes freight train after freight train."

The next item is the Pensacola Reservoir on Grand (Neosho) River in Oklahoma, for flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost $6,263,000.

"I wish we had the Neosho River over in Maryland.

"Yet, think of those great rivers out West where the giant ocean liners come laden down, where the babble of many languages is heard on the foredeck up around the forecastle, where the Chinamen and the Lithuanians and the Portuguese and the Morrocans and the Italians and the Englishmen and the Irishmen all man the decks when the liner sails up the Neosho River out in Kansas, and the 5 tugboats come out to warp her into the docks, and the 1,000 people of Council Falls who happen to be standing on the wharf, and the million back in the interior of the city are waiting for friends returning from Addis Ababa, Abyssinia. They have to have deep water, or that great port will perish."

And so the Senator, with his biting sarcasm, caused the bill to be recommitted. He attacked that bill as if it were a rivers and harbors bill, holding it up to ridicule, and he did a good job of it. As I say, I was over there, seated in the Senate at the time he was talking, and although I knew he was strangling our child I had to laugh. He is a master of the English language.

But this same Senator TYDINGS, who attacked the bill on the ground that we were trying to improve navigation, his home city of Baltimore, this year, is going to receive $23,000,000 to improve the port.

I have been out on Chesapeake Bay and I have seen channels marked on either side, so that ships could carry their cargoes up to Baltimore; every port has a harbor. Congressman BLAND, of Virginia, told me that one of the finest projects he knew that was going forward under W. P. A. was removal of shoals in Chesapeake Bay, so his crab fishermen could come in whether the tide was in or out.

Money has been expended on river and harbor projects for years, yet when the West, the great valley of the Mississippi, comes in with a proposition to save our land, to save our industry which is falling into destruction by water, to save our buildings, our houses, our towns, we are held up to ridicule.

I have a letter from General Pillsbury, of the Army Engineers, stating a billion, ninety million dollars has been expended in the last 10 years on river and harbor projects. We come, asking for the expenditure of three hundred and seventy million on a proposition that is not only worth the expenditure from its local benefits, but is the beginning of a policy of reservoir control of floods on the lower Mississippi.

I feel entirely too strongly on this subject to leave St. Louis without asking this group of men to carry away a determination to help the passage of this bill. It has passed the House, it is in the Committee on Interstate and Foreign Commerce in the Senate. If that committee will report it out and the Senate passes it, we will have an opportunity to see basic flood-control legislation on our books.

I just want to read you some figures here—you people are from all over the country—of the States and amounts involved in this legislation. We are all interested in our own State, we all would like to see these projects constructed.

Alabama	$686,100
Arkansas	61,135,000
California	70,607,000
Colorado	7,728,000
District of Columbia	571,000
Florida	132,600
Georgia	855,000
Illinois	26,523,325
Indiana	10,285,200
Iowa	2,226,300
Kansas	15,405,700
Kentucky	5,878,000
Louisiana	4,899,800
Massachusetts	66,000
Minnesota	464,000
Mississippi	3,160,000
Missouri	9,450,100
Montana	184,700
New Mexico	8,691,000
New York	43,000
North Dakota	28,200
Ohio	192,000
Oklahoma	53,977,000
Pennsylvania	21,876,000
South Dakota	1,139,300
Texas	16,459,000
Vermont	354,000
Washington	10,735,700
West Virginia	15,318,400
Wisconsin	29,000

Now, don't think those amounts of money are appropriations. This bill authorizes the appropriation of this money. Every project that is constructed will have to get its money through the Appropriations Committee. In addition to that, it says that local interests must supply the rights-of-way; must maintain and operate these works after they are constructed. It isn't any "pork barrel" proposition. Projects that are not meritorious simply will not get the necessary backing from their local communities. The local communities are not going to pay for rights-of-way, are not going to pay for maintenance on projects that do not have enough to justify their construction.

In tackling this problem of sponsoring this bill let us not be too selfish about things in our own district and in our own State. This is the initial bill; we should have flood-control bills for years to come, until the problem is complete.

I had a very vivid personal experience on personalities, on selfishness: One member of the Oklahoma delegation voted against the bill because his pet project was not included. Your own DEWEY SHORT, from Missouri, who has long been an advocate of water resources, is vice president of the River and Harbors Congress, voted against the bill because an individual project of his was not included. We cannot get the initial legislation if we have to have every project in it. We must start some place. Let us sacrifice selfishness in order to put the original bill through.

In conclusion, I want to leave this thought with you: When I come into St. Louis and see smoke and murkiness, it reminds me of the millions of people who are now living in cities, who cannot continue to live there and be economically justified in doing so. We are going to have to shift our population; we are going to have to move it some place. We cannot take care of it on the dole. We have to have land, and when I say land, I do not just mean a place for them to build a house and starve. It must be productive land, and the only way we can get that land is by keeping that water out in the West, in the Northwest, and in the East, where it belongs, and utilizing it to reclaim millions of acres. We can reclaim millions of acres of the finest land in the South, by keeping the water out of the Mississippi, and the day is coming when we have to have a place to put those people, and it is coming fast, because we cannot maintain them just by feeding them in the cities, as we are doing today.

When we talk about the expenditure, even if it costs a billion, two hundred million dollars for complete systems of reservoirs, as is estimated, if we have a flood damage of $300,000,000 every year, that is almost 30 percent on the investment. I think that is a pretty good return. And if we do not construct reservoirs on the tributaries, we have no assurance the three hundred and twenty-five million, plus the local contributions, which probably bring the amount up to a billion dollars that has already been expended on flood-control works in the South, if we do not construct reservoirs we have no assurance that that entire effort will not be wiped out in one great flood. It is insurance that the present works and the works that will be built in the future will handle the floods, and I think it is insurance that we have to have.

So, it solves your problem of what to do with the people and it solves the problem of your lower Mississippi. It not only does that, if we do not maintain the productivity of our soil, if we do not make it possible for people to produce on this land, if

we allow it to continue to be eroded and washed down to the Mississippi and the Gulf of Mexico, our national debt can never be paid. We have to have something to produce with.

We have heard a lot, today, about transportation, about rates. You have to have something to haul, and if we do not protect our natural resources, we will not have anything to haul on these rivers and on these railroads, after we get them built. [Applause.]

Now, the last thought: We are not always going to have lump-sum appropriations, in fact, the way I feel now, I will never again vote for another lump-sum appropriation. [Applause.] I think the committees in Congress are perfectly capable of drawing legislation; I think the Flood Control Committee can formulate a policy that will build national public works of national value that will constantly form a "backlog" to take people off the unemployed lists and leave works that will be a monument to Congress, to the committee, and to this great association that has been so instrumental in pushing this kind of work. We can do things that we will be remembered for, that will be of lasting value, and I am glad to have had a part in promoting the legislation sponsored by this group. I know that this group, if they really set their heart and mind to it, if they really make a conscientious effort, when we meet here again, if I have the privilege of coming back to your convention, we will have a flood-control bill passed by the Senate and signed by the President. You have the power to do it, and I hope you will see fit to make the effort necessary to put it through at the next session of Congress. [Applause.]

THE AGRICULTURAL PROBLEM MEASURED WITH THE A. A. A. DECISION

Mr. AYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. AYERS. Mr. Speaker, recovery is well on its way; and that it started in the spring of 1933 is admitted by all. Yes, it is even admitted by the Liberty League, arch enemy of the New Deal.

Agriculture is the cornerstone of whatever measure of success recovery has had. That destruction of the cornerstone will destroy the structure is the only conclusion we can reach. It does not take the special training and the experience of statesmen, jurists, or Liberty Leaguers to know that it is the only conclusion possible to draw. It takes only the exercise of the ordinary common sense, that is all, just common sense to draw the proper construction.

Farm prices may remain at the present level for a time; may even advance for a time due to the instant removal of the processing tax; but if legislation restoring the benefits that have been accomplished under A. A. A. is not enacted, prices of agricultural raw materials will descend again to less than the cost of production. This will be caused by the loss of the processing tax which was ultimately paid to the farmer and which in fact is only an equalization of the tariffs so that the producer of agricultural products may have, in part at least, his just benefit of the tariff laws. Then, too, if remedial legislation is not promptly enacted, we will lose control of production. All of this will result in lower price levels and we will go back to world prices for our agricultural raw materials.

A. A. A. IN CORNERSTONE OF RECOVERY

A. A. A. was the very mortar in the cornerstone of recovery. It had remedied these things; it had given the producer a share of the benefits of the tariffs; it had controlled production to fit consumption and had made a price for agricultural products above the cost of production. It had taken us out of competition with cheap farm labor of foreign countries. The farmer could live under the operations of the A. A. A., but it is impossible to say as much for him during the 5 years before its enactment.

NEW FRONTIERS HAVE EXPIRED

For something like 150 years before A. A. A., the farmer had been selling on a world market and buying on a protected market. Up to 1929 he had been able to stand it—after a fashion. This disadvantage had been to some extent, which grew less all the time, offset by the fact that we were a new country and had within our borders "new empires to conquer" and had a continued increase in our population. We had been, in a measure, solving our problems by opening up new frontiers, but when we had no more new frontiers, then we woke up to the fact of the unsoundness of this economic system.

FARM FAILURE OF PAST ADMINISTRATION

From 1929 to March 1933 efforts were made to put the farmer upon a national economic basis with industry, but none of these efforts were directed at the source of the trouble. They were directed to the banks, the trust companies, the insurance companies, the railroads, and to the processors and manufacturers, with the apparent idea that the result of these efforts would drift down through the funnel and adjust agricultural prices. But not so. Those in authority had directed all governmental efforts and funds to the wrong end. They did not realize or else did not desire to admit that the banks, the trust companies, the insurance companies, and the processors and manufacturers all depend primarily upon agriculture, and that without it and its success, nothing else could be successful. They refused to recognize that agriculture was and is the basic industry that oils the wheels of all other industry.

FAILURE OF FARMER MEANS FAILURE OF ALL

When the farmer fails, the merchant goes down. When the merchant goes down, he takes the processor and the manufacturer with him—not only the processor and manufacturer of food and clothing commodities which come from the farms but all other processors and manufacturers, for they cannot operate without the products of the soil. When the farmers, the merchants, the processors, and the manufacturers go down, the wage earners become destitute. When this condition is brought about, what is left for the transportation companies and necessarily what is there to keep the banks, the trust companies, and the insurance companies going? Ah, when agriculture fails we are right back where we started in March 1933—at the depths of depression.

INDUSTRY NEEDS CUSTOMERS, NOT LOANS

What the merchant needs, what the wholesaler needs, what the processor and the manufacturer need, is not money from the Government but customers to buy their goods. And what the insurance companies and the trust companies and the mortgage companies need is borrowers who can pay their interest, and what the banks need is depositors. None of these needs can be brought about unless the primary industry of this Nation—agriculture—is successful.

PRESENT ADMINISTRATION'S UNDERTAKING

In March 1933 this administration undertook to restore prosperity, not in the old way that had been tried and had failed but in a new way, namely, by beginning at the source of the trouble. It started by building up the selling price of agricultural products, which restored the buying power of the farmer, the basic producer of all that lubricates the wheels of success and prosperity. Economists and theorists, processors, manufacturers, bankers, financiers, and the Liberty League all put together, and for good measure throw in all the big daily papers controlled and directed by big business, may draw their fine lines on theoretical cures, and they may spin all the yarns they desire about the depression, its cause and its cure, but you cannot have recovery, you cannot have good times again, unless you get money into the hands of the producer. Hoover's administration tried to effect recovery by making loans to the banks, the insurance and trust companies, the railroads, the factories, and processors. It did not work. It could not work any more than you can stop a squeak in the spindle of a wagon wheel by greasing the driver's seat. You have to grease the squeak if you are going to stop it. It was not loans that these institutions at the top needed; it was customers, and customers could only be made by restoring buying power, and that could only be done by starting at the source.

BUYING POWER RESTORED

President Roosevelt immediately undertook to bring about recovery by restoring buying power to the farmers. First, because they are the largest of all producers, and they produce the things that feed and clothe the human race; and, second, because they are the largest of all consuming groups; hence, without their success, nothing else can succeed.

The President and the new Congress recognized that under the then existing conditions with which the Government was confronted, the proposition was to either remove the tariff

walls and permit the law of supply and demand to operate naturally on the manufacturer and the processor, as well as the farmer; or, second, give the farmer a tariff that would stimulate his price, for it was recognized that he could no longer sell on a world market and buy on a protected market. That program was too one-sided, for him, to exist. The latter method was decided upon and to that end the A. A. A. law was speedily enacted.

Under the administration of A. A. A., checks began going out to the agricultural producers of the Nation. For the first time in more than 4 years lifeblood had again found its way to the dry veins and arteries of prosperity. It had reached the very foot that made the first step toward recovery. Cash had reached the producer. Farm prices immediately increased. In many instances they doubled, trebled, and quadrupled. From two bits which the farmer was getting in 1932, he got $1 in 1935 for his wheat. The beef-cattle producer's price had gone from 4 cents to 12 cents. The sheepman was getting 25 cents for his wool instead of 7 cents. Corn had raised from 15 cents to 75 cents, and hogs from 3 cents to 10 cents. Butterfat for the dairy farmer had more than doubled. Cotton had done likewise. The rise in the income of the producer who came directly under A. A. A. had its beneficial effect upon all other agricultural products, including all classes of livestock.

This increased the purchasing power of the farmer from three to five times what it was. Money began finding its way into the channels of trade. It went to town. It paid old bills. It bought new clothes, new machinery, new harness. It bought material to repair buildings. It bought paint and new furniture. It bought new automobiles and new trucks. In turn this money went to the wholesaler and jobber, and on to the manufacturer and processor. Bank deposits grew enormously. The wheels of industry started rolling again, and laborers went back to their jobs all along the line. Why this movement toward recovery? Because the farmer was again producing and selling at a price above the cost of production. His purchasing power had been restored, and it in turn restored purchasing power all along the line. The start had been made at the bottom, at the source, and it was successful.

There could be no start on national recovery so long as gross economic inequality prevailed. Therefore the efforts of this administration were directed to the elimination of that inequality.

AGRICULTURE'S PLACE IN RECOVERY

Agriculture has produced and will continue to produce food and fiber to sustain life, but it demands and must demand a fair return for its service. The proof of agriculture's recent economic distribution and contribution is all around us. No one can escape it. You see it everywhere. It is in the metropolitan centers, in the industrial districts, in the banks, on the railroads, on the highways by the increase in truck tonnage, in the store, and on the farms and ranches themselves.

It was agriculture that caused the economic spiral to uncoil its spring. Consumers, industrialists, merchants, toilers—all began to share in recovery when agriculture began to buy. Disagree, if you will, as to what caused agriculture to start buying, but you cannot put aside the indisputable fact that economic prosperity and economic stability spring from the soil. The man on the land creates the basic new wealth of this Nation. When it was made possible for him to produce at a profit his buying power was restored, basic new wealth had been found, and the backbone of the depression was broken.

Attribute the cause for the general increase in all purchasing power where you will, you will have to admit that it started with agriculture and that agriculture has been its main stimulant.

A. A. A. ADMITTEDLY HELPED AGRICULTURE AND ALL ELSE

In all the arguments against A. A. A. that I have heard or read I have yet to hear or see one statement that A. A. A. has not been helpful to agriculture. Then, it must have had to do with restoring the farmer and, in turn, all else. Taking that as a fact, let us see, then, to what extent the restoration of agriculture has helped in other lines. I shall quote from Roger Babson, one of the Nation's greatest and most reliable statisticians. In his report of October 30, 1935, Mr. Babson tabulates the percentage of gain on items since March 4, 1933. I shall quote a few of these, giving those which I consider as leading barometers of conditions since President Roosevelt's inauguration.

	Percent gain
Industrial production	55
Factory pay rolls	92
Automobile sales	512
Steel-ingot output	270
Residential building	322
Factory employment	45
Electric power consumed	39
Freight-car loadings	30
Lumber production	186
Rural-store sales	112
Department-store sales	49
Corporation profits	85
Stock prices	194
Cash farm income	62
National income	25

Mr. Speaker, the general grasp of all business has been steadily upward during the New Deal, and particularly since A. A. A. was put into operation. The Nation's income itself has increased by 25 percent. The greatest single attribute to these better conditions is the workings and the successful administration of A. A. A.

THE SUPREME COURT DECISION

Now we are confronted with the Supreme Court's decision nullifying the law under which the agricultural program was successfully working. That decision knocked the mortar from the rocks out of which the foundation of recovery is being built.

It is with great deference, Mr. Speaker, that I approach a discussion of this decision of the Supreme Court. However, representing as I do the largest diversified agricultural district in the Nation, the largest not only in area but in people of agricultural pursuits, and the producers of the greatest variety of agricultural products, the gravity of our situation constrains me in an expression of my views on this decision and the position in which it leaves us.

For 10 years I was a trial judge and also sat upon the bench of the supreme court of my State. My tenure as a judicial officer and my training as a lawyer prompt me to accord that decision and the high Court that rendered it the respect which is due. However, my training and experience also prompt me to the conclusion that honest difference of opinion among good lawyers ofttimes makes lawsuits. And ofttimes when lawsuits get to the court of last resort that court is divided. That is the reason we always have odd numbers on our supreme courts—so there can not be a tie. I have known supreme courts, on a rehearing, to take the opposite view to that originally decreed, and I have also known supreme courts of their own voluntary motion to set aside their own decision and enter a new one expressing the opposite view. I mention these facts only to remind you, Mr. Speaker, that there is nothing sacrosanct about the instant decision. I think it was a sadly strained construction of the Constitution. I accept it, of course, as the law of the case, but I cannot agree with the learned Court that made it. I believe the minority opinion is the correct construction on the points involved.

Assuming that two constructions can be put on a legislative or congressional act, one pointing to constitutionality and the other pointing to unconstitutionality, then the construction should be adopted which is consistent with the constitutionality of the act. That was one of the first principles of constitutional law that I learned as a law student and I have since heard and read it many times as reenunciated by supreme courts. The Court that rendered this decision said so, and not so very long ago, either. It was in March 1923. You will find the decision in Two Hundred and Sixty-first United States Reports, at pages 379 to 383. On this point the decision reads:

The rule is fundamental that if a statute admits of two constructions, the effect of one being to render the statute unconstitutional and the other to establish its validity, the courts will adopt the latter.

So, Mr. Speaker, the rule is fundamental. And I contend that the act was subject to two constructions. There was a 6-to-3 division of the Court itself as to that question. Then surely one would conclude, in conformity with the fundamental rule, that the Court should adopt that construction which is consistent with the constitutionality of the act.

The Court had a choice of deciding that the A. A. A. law was a scheme to use the taxing power to compel regulation in a field the Federal Government had no power to regulate which would make the law unconstitutional, or the Court could have taken the position that the law was the exercise of the power granted by the Constitution to lay an excise tax and use and collect it in the interest of the general welfare and that in the use of it save the agricultural industry of the Nation. Congress might reasonably be held to have acted in the general welfare and, therefore, the act be constitutional. However, the Court did not decide the point of general welfare at all. That point was passed, with a statement that the Court was not required to pass upon it, which statement I will quote later.

THE SUBJECT OF GENERAL WELFARE

On the subject of general welfare, permit me to remark, Mr. Speaker, that it is common knowledge existing for more than 10 years prior to 1933 that the agricultural industry of this Nation had gradually gone toward the rocks of destruction, and it all but reached there in the fall of 1932, when the farmers' crops did not bring a price equal to the cost of harvesting, and, at the same time, their farms were being taken wholesale by mortgage foreclosure or by tax title. The fruits of a lifetime of toil were being taken before their very eyes, and they were hopelessly helpless insofar as their ability to pay was concerned, which helplessness had been brought about through no fault of their own. All efforts on the part of the Government to assist them had failed and they had been abandoned to drift with the current while the Government was exerting every effort and advancing fabulous sums of public money to help other classes of industry, financiers, and the bondholders of the Nation. This drove the farmers to distraction. Armed with weapons, they barricaded the highways and poured milk into the drain gutters; they prevented sheriffs' sales and likewise prevented the issuance of tax titles, and in at least one instance organized and forcibly threatened to hang a trial judge because he entered a decree in a foreclosure case. That was the picture confronting this administration when the A. A. A. was enacted. It was an emergency never before paralleled. Something for general welfare must be done.

CHESTER DAVIS SUCCESSFUL ADMINISTRATOR

Chester Davis was made Administrator and he hurried to put the act into operation. It worked, and it has continued to work. It has increased agricultural prices, agricultural buying power, and buying power all along the line as I have indicated. The farmers' success helped everyone. These things are common knowledge—judicial knowledge, if you please—that class of knowledge which is so common that it needs neither evidence nor argument to establish it. Really, one would think that the Court would have approached consideration of this case with these facts uppermost in its mind, and, with such approach, held that this act was a valid exercise of the taxing power, and that the collection and use of the tax to save the agricultural industry of this Nation was in the interest of the general welfare and therefore constitutional.

TAXING POWER NOT QUESTIONED

The constitutional power of Congress to levy an excise tax upon the processors of agricultural products was really not questioned in the decision. The levy was held invalid not for any want of power in Congress to lay such a tax to defray public expenditures, including those for the general welfare, but because the use to which the moneys collected under the tax was put is disapproved by the Court. On this subject the Court said:

The tax can only be sustained by ignoring the avowed purpose and operation of the act.

The depressed state of agriculture being Nation-wide in extent and effect, there can be no basis for saying that the expenditure of public moneys in aid of farmers is not within the specific powers of Congress, granted by the Constitution, to levy taxes to provide for the general welfare.

On the proposition of the general-welfare clause of the Constitution the decision said:

We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it.

Then the Court went on to discuss and determine the rights reserved to the States by the Constitution—State rights. It then said, referring to the Agricultural Adjustment Act:

It is a stautory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement, are but parts of the plan. They are but means to an unconstitutional end.

Assuming that the A. A. A. is not constitutional unless it comes within the general-welfare clause or unless agriculture is an interstate business, let us consider it. I have pointed out the reasons why it is within the general-welfare clause. The Court decided, as I have just quoted, that it was not required to ascertain the scope of that clause—which to me was the gist of the case. Now we will go on the States' rights conclusion of the Court.

THE STATES' RIGHTS QUESTION

In this instance the Court went on to hold, as I have also quoted, that Congress has no right to regulate and control agricultural production. Let us see if that is the logical conclusion. Is agriculture an interstate business or an intrastate business? If it is intrastate, then it is confined solely within a State. If it is interstate, then it is an industry, the operation of which is not confined to any one State, and Congress does have authority over it. If it is determined to be intrastate, then the product must lose its agricultural identity when it is taken from the ground that produced it, for the raw materials of agriculture are invariably the subject of interstate commerce, not intrastate. For instance, in my State—Montana—no raw agricultural product is wholly consumed within the State. By far the greater portion of our wheat goes to Minneapolis, Duluth, and Chicago. A greater portion of our beef goes as beef-on-foot to Sioux City, St. Paul, Omaha, and Chicago; all of our wool, as it comes from the sheep, goes to Chicago, Boston, and other East coast markets. Our corn is fed to hogs and they, on foot, are sold in States both east and west of us. Likewise, a greater percentage of our alfalfa seed, our mustard seed, and our flaxseed is sold beyond the border of our State, and a considerable portion of our sugar beets are processed in another State. In all instances, except that of wheat, the title to these agricultural products remains in the grower until sold by him in foreign States.

Much the same condition exists in all other agricultural States. As a matter of fact State lines, artificial in most instances, have very little indeed to do with agriculture. In all cases the price of the product is fixed at the terminal and the local price becomes the terminal price less transportation charges and selling commissions. All these things point to agriculture's being interstate and not intrastate, and if so, States' rights were not invaded.

REMEDIAL LEGISLATION CAN BE ENACTED

Getting down to the basis of the decision, we have the Court finding a fact to support the conclusion that the act is unconstitutional. The fact found was that agriculture is intrastate, and, naturally, after finding such fact, the conclusion is against the act. That is the decision and nothing more. Therefore, unfortunate as the decision may be, our situation is by no means hopeless.

Being mindful of the decision and working in harmony with it, Congress may yet levy the tax. The right to do so is not denied. The tax, when levied and collected, goes into

the Treasury. Then the Congress is authorized to appropriate it. No limitation is placed upon appropriations, except that there is a time limit on Army appropriations and on all others that the expenditure be made for the purpose and in accordance with the act making the appropriation. The use of appropriations by Congress is not mentioned in the Constitution except in these two instances, and there is no limit upon the object of appropriations except that the appropriation is restricted to the purpose for which it is made, such as the payment of national debt, provide for national defense, and the general welfare; it must be for governmental purposes. So far all is well. Nothing in the decision says Congress cannot enact a new law levying the tax and getting it into the Treasury. Then Congress can appropriate it in aid of agriculture under the general-welfare clause. There is nothing in the decision forbidding it. The most that can be said is that the Court dodged that point. Who can say that if that point is decided the Court will not agree with the dissenting opinion? Until this moment we have no expression of the Court on that point except what the three dissenting justices said in their opinion. In view of the facts I have pointed out, can it be said that such appropriation and expenditure would not be in the interest of the general welfare? Is it possible for anyone to say that such appropriations and expenditures are not related to the general welfare? I do not think so. And I do not believe that the Supreme Court will so decide.

Although the Court has committed the agricultural industry to the States, I believe that when these questions are put to it for the rendering of a decision on the general-welfare clause of the Constitution, it will decide that agriculture as a whole is of national concern and that when it is affected the general welfare of the Nation is affected.

COURT HAS NOT HAMSTRUNG CONGRESS

Notwithstanding the fact that the general word has gone out, and that the big newspapers and the general news services of the country have broadcasted the idea, that the A. A. A. and all its principles have gone everlastingly to the legislative graveyard, I have concluded, after careful study of the Supreme Court decision, that a decidedly false impression has been created. The Court has not hamstrung the Congress at all. The Court decided only one point, and that wash-out can be bridge.

Now, Mr. Speaker, I urge action or remedial legislation to meet this crisis, and I hope my humble remarks may encourage Members who are in sympathy with such action. A whole meal is not spoiled because of a fly in the soup.

WILL OF PEOPLE IS SUPREME

This is a grave problem, and this decision, if it stops Congress here, leaves the country in a mighty serious position. This country has had other grave problems and it has overcome them. I have faith that it will do so in this instance. I have faith in the people, in the Congress, and in the courts. The people want a law to revive the equitable benefits that prevailed under the A. A. A. To that end our colleague from Texas [Mr. JONES], chairman of the Agriculture Committee, has today introduced a bill. I believe Congress will enact it and I believe the Supreme Court will sustain it. However, if the Court in its wisdom does not do so, then, under the Constitution itself, the people may act in their own behalf and amend it in accordance with its own provisions. This is the way the drafters of the Constitution made the will of the people supreme.

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CROWE. Mr. Speaker and Members of the House. I am a consistent supporter of the bonus. My vote for it today is in keeping with my entire record in the House and before I came to Congress.

I have consistently opposed an interest charge to veterans who borrowed on their adjusted-service certificates and on the grounds the money was theirs. It is payment already long past due. Why be charged interest? At numerous times in the House I have spoken in the interest of paying the so-called "bonus." On June 15, 1932, I pointed out on the floor of the House that our Government had given a bonus of $1,600,000,000 to the railroads at the close of the war and $2,000,000,000 to war contractors. I further pointed out we had canceled some $11,000,000,000 to the nations of Europe in our settlement with them. Again on March 12, 1934, I spoke on the floor of the House in support of the bonus pointing out many reasons why it should be paid at that time.

Quite true, the boys were drafted. It was an honor to serve our country in time of war. While serving at $30 per month, the Government sent home $15 for dependents, deducted for life insurance, so in the final analysis, the private only received a few dollars a month. Certainly, it was an honor to go to the front for this great United States. Others too, had honored positions at home in their work supporting our country, but not for $1 a day. Men in factories, mills, cantonments making shot and shell did their part but not for $1 a day. They received from $8 a day up and some jobs paying $12 and $14 and up to $20 per day, going home to comfort at night, to their friends and families. This was far different from the barracks or the dugout at $1 to $1.25 a day.

The bonus is a positive, direct obligation of our Government. Figured as all other debts are figured it is a long time overdue. The veterans now hold Government bonds, which they cannot use. It is high time they are given securities they can use instead of those they cannot use.

CONCERNING THE IMMEDIATE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

If the face or maturity value of these certificates is paid in full at this time, there will be a remainder due the veterans in each county of the Ninth Congressional District of Indiana approximately as follows—this information compiled from information obtained from the Veterans' Administration, Statistical Division of the Bureau of Internal Revenue, and from other governmental sources—all other districts will likewise share in these benefits:

Bartholomew	$409,286.31
Brown	85,070.45
Clark	506,406.21
Dearborn	346,602.82
Franklin	238,651.58
Jefferson	315,754.91
Jackson	390,736.00
Jennings	194,239.80
Lawrence	585,731.77
Ohio	61,679.35
Orange	287,392.60
Ripley	297,581.96
Scott	109,696.11
Switzerland	138,799.16
Washington	268,067.39

THE SUMMONS OF THE NEW REPUBLICANISM

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENERTY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by myself over the Columbia Broadcasting System's network from Philadelphia Thursday, December 5, 1935:

In beginning his historic reply to Hayne, Daniel Webster substantially stated that, when the mariner has been tossed for many days upon an angry sea, he takes advantage of the first opportunity to find his bearings and determine how far the ruthless elements have driven him from his course. So, too, we may similarly pause in the realization that there has been perhaps no time since the Civil War when thinking Americans have so seriously pondered the necessity of ascertaining how far the New Deal winds have cast the Nation from the course of ordered constitutional government. There are echoes of strange rumblings and rumors of strange forebodings, as we fear the "rock and tempest's roar" and see the "false lights on the shore."

At this ending of the third year of the New Deal Government and the beginning of the year in which the problem of America's future must be accurately solved, we find the battle lines distinctly and definitely drawn. The issue confronting our citizens during the coming months involves the momentous decision as to whether they will timidly abandon their ancient American loyalties and

pledge allegiance to a new system of alien ideas germinated in the chancellories of foreign lands, or whether they will steadfastly and devotedly cling to those timeless ideals that for a century and a half have kept America steady in a changing and restless world.

It is now time to appraise understandingly the policies of the "brain trust" and ask ourselves whether, generally speaking, they have advanced recovery or have retarded it. It requires no detailed analysis to realize that, in spite of the actual tons of New Deal propaganda poured forth from Washington every week—$300,000 being annually wasted for mimeographed sheets to bombard the newspapers alone; despite the regiment of publicity experts paid $1,000,000 a year from your taxes to convince you that everything is happy and serene, it is now apparent that all is not quiet along the Potomac tonight.

Three years ago we were smilingly told that a new dawn had broken upon the world, and like the ghost of Hamlet's father, the ineffectual shades of Washington and of Jefferson, of Madison and of Hamilton, were expected to slink timorously into the uncertain and vanishing gloom before the effulgent and revealing light of the Rooseveltian sun. The millenium was here—and into our eager, outstretched hands there was bountifully dropped, all wrapped in red cellophane, the roseate promise of the more abundant life.

The year 1 had arrived! And, like the post-bellum world created by Woodrow Wilson, it was to be a better place to live in, a languorous utopia in which a benign and paternal Government would relieve us of the lowly and plebian necessity of earning our own money, conducting our own business, thinking our own thoughts, living our own lives. With Mr. Tugwell, we have discarded our hysterical attachment to an American Constitution that had grown too old-fashioned for our new national sages; with Secretary Wallace, we realized that the time had come when we unenlightened Americans needed to have our thinking done for us by the Greek-letter collegians; we were to be ushered into the more ample and radiant life where, we were led to believe, the Hopkins' would cease from troubling and the Ickes' be at rest.

But to those whose senses had not been lulled into political lethargy by the siren song of the New Deal Lorelei the invitation sounded suspiciously like the now shattered promises with which the Soviet Government had once lured Russian energy into early atrophy and final decay. The Bolshevist dictators had decreed that any Russian who owned more than three cows thereby became a capitalist and that, to prevent its confiscation by force, the property must be at once surrendered to the State. Our own benevolent New Deal dictatorship decreed that if any American possessed more than $100 in gold he had the alternate choice of summarily surrendering it to the State or eventually going to jail.

Whereupon, by reducing the gold content, for every dollar the professors confiscated they returned to you 59 cents and then boasted that they had made $2,800,000,000 profit on the transaction. It was the ancient system of "clipping the coin", old as the Caesars and just as honest.

Again, the Soviet decrees that it will use no coercion to induce the Russian peasant to surrender his property to the agricultural associations, the Russian equivalent of the A. A. A., but if the peasant fails to comply, he is compelled to pay as many as four separate prices for what he must purchase in the market. Our genial New Deal decrees that the cotton farmer is at liberty to grow as much cotton as he chooses, but if he produce one bale more than is directed by the bureaucratic buccaneers at Washington he is robbed by a confiscatory tax collected by force. Other American farmers are generously informed that they may plant as much as they wish but if they freely agree not to exercise this freedom, they will be compensated for not planting—and the Government forcibly collects from the people the moneys paid to the farmers for thus lessening the food supply in a hungry world. In other words, under the New Deal administration, a worker in New York or Philadelphia or Chicago or San Francisco may be taxed so that elsewhere another individual may be bribed not to work. The Supreme Court will shortly have something to say about this un-American policy.

Furthermore, just as in Soviet Russia, manufacturing was destroyed, the Government taking over most of the work, so in "brain trust" America no man is exclusive proprietor of the industry or business created by his own ability and initiative. The management of business, like the control of agriculture, is transferred to a New Deal politician, who never created a business or managed a farm, upon the theory, no doubt, that all politicians are infallibly wise, unerringly businesslike, and incorruptibly honest.

Is it any wonder that the people look on in wide-eyed bewilderment when the professors tell them that the accumulated wisdom of the centuries has, by New Deal ukase, suddenly become nonsense, and a supine Congress, losing faith in itself, hastens to echo the pretense that a group of callow classroom theorists are more competent to guide the Nation than those whose lives have been devoted to testing theory in the toilsome laboratory of practice.

Of course, ladies and gentlemen, you cannot make an expert out of a nonentity by giving him a lucrative position on the Federal pay roll, and it is not astonishing that the near Americans in control of the experiments on the body politic soon began to juggle the wrong test tubes. Industry was butchered to make a "brain trust" holiday. The dollar was devalued upon the theory that if it were cut in half it would buy more, which was tantamount to saying that if the foot-rule of 12 inches were reduced to 7 it would make the object measured 5 inches longer. It must have been a "brain truster" who, on first beholding a grapefruit, enthusiastically exclaimed, "It wouldn't take many of those oranges to make a dozen!"

As a singular illustration of the New Dealers' contradictory attitude toward the Nation's business, the professors, though condemning holding companies to death without trial, nevertheless cunningly concealed the inconsistent chartering by the Government in the State of Delaware of six great holding companies under orders of the administration, through four Cabinet members and nine bureau chiefs. Stealthily were the papers of incorporation marked "Secret; do not publish." Documentary evidence proves that chartered Federal corporations have been created to take the place of successful business activities throughout the country. As the eminent Senator Schall, of Minnesota, has revealed, this Fabian approach to the socialization of the United States by the artful method of incorporating Delaware holding companies is not a newly contemplated scheme, but a concrete actuality with a strong international organization behind it.

Though chartered as emergency agencies, they are labeled perpetual, they are enabled to engage in any form of business and, since a Delaware corporation is answerable only to Delaware law, incorporation in that State was apparently intentionally sought so that, as the distinguished Senator said, Government officials might not need to answer for every dollar of property entrusted to them, and the bureaucrats of the alphabetical groups might thus elude opinions by the Attorney General as to legality and have their projects removed from the jurisdiction of the Federal courts to those of the State of Delaware. If Congress, through an agent, can thus nullify the Constitution with its checks and balances, then Congress itself can be nullified by this indirect and insidious circumvention of the Constitution, and the way is prepared for the Super-Government of the United States of America, Inc., and the disappearance of all private rights. In this fashion the New Deal, paying no taxes, without responsibility for losses, with the taxpayers' own money, has sought to scare industry into confidence, has entered into competition with American business, and has its deadly fingers around the arteries through which pulses the lifeblood of the Nation.

It is furthest from my thoughts, ladies and gentlemen, to issue a blanket condemnation of all the policies of the present national overseers, for some of them have won commendation; but perhaps, without being accused of partisanship, I may mention a few of the inconsistencies with which the administration is beclouding the intelligence of the people in its endeavor to have them believe that the New Deal is an unmitigated blessing.

Six days ago, in the city of Atlanta, the President made a startling confession. Surrendering at last to the oft-repeated Republican contention that self-respecting Americans are outraged by the dole and demand real employment and work relief, the President, though alleging that conditions have improved, made the amazing admission that "the average of our citizenship lives today on what would be called by the medical fraternity a third-class diet."

You can readily understand why the masses of our people are thus underfed, when the President's own Secretary of Agriculture, with White House approval, has followed the indefensible and inhuman policy of destroying food while our people starve, of taxing the people for food that is eaten and for food that is not grown, of punishing, by fine or imprisonment, the farmer who dares to sell a potato beyond his allowance without permission from Washington, of penalizing the housewife who buys a bootleg potato, as well as the individuals who know of such a purchase and fail to inform on the criminal. As a result of this policy of sabotage, for the first time in history, the United States has become dependent upon foreign nations for food, and your tax dollars to the extent of hundreds of millions are being sent to the Argentine, Rumania, and the British Empire to purchase wheat and corn, barley and rye, meat, and other foodstuffs to take the place of that which the "brain trust" savants destroyed. Money that should be paid to American farmers is being wantonly siphoned off to enrich the farmers of other lands.

Although the administration has consistently pursued this nature-defying plan of raising prices by promoting scarcity, of seeking to cure starvation in a land of plenty by abolishing the plenty, the President actually told his Georgia audience that: "You and I are enlisted today in a great crusade in every part of the land to cooperate with nature and not to fight her * * * to seek to provide more and better food for the city dwellers of the Nation."

I need not tell you housewives of the stratospheric prices of food today compared with those of a year ago. With the cost of the necessities of life 10 to 250 percent higher, how can any American possibly obtain more and better food? And yet, in spite of this, the President amiably attempts to defend his policy of destroying abundance in the name of the more abundant life.

Does it not cause the average citizen to doubt the wisdom or sincerity of the administration when the President thus speaks of being engaged in a crusade of cooperation with nature to provide more and better food, while less than 1 minute later, in the same address, he admits that our American people, whose tax moneys are being thus paid to foreign nations, are compelled to exist on a third-class diet because they do not have "the purchasing power (as he says), to eat more and better food"?

But, to add to the confusion of the people, the President then complacently proceeds to tell them that although the country was insolvent when he assumed office, now that he has impulsively increased the public debt to some thirty billions—we have suddenly and mysteriously become solvent again. In other words, if

you are in debt and insolvent this evening, all you need to do is to increase your indebtedness and thereby become solvent. I confess myself a stranger to such abstruse reasoning. We are deeper in debt than ever before. We are merrily squandering our way into affluence at the rate of $20,000,000 a day. Our taxes are higher, our pockets are empty, our cost of living increasing, and yet we are blandly told that we are ridding ourselves of insolvency by becoming more insolvent. Truly, if this be so—as the Governor of Georgia has said—you can make water run up hill and you can drink yourself sober.

When you are commanded, ladies and gentlemen, to follow blindly in the footsteps of the professors who now dominate our destinies, ask yourselves these questions: If 3 years ago Mr. Roosevelt, as a candidate, had frankly said: "Elect me and I will place a tax of 25 cents on every sack of flour you buy; I will put 53 taxes on every loaf of bread; I will raise the price of food and clothing; I will destroy wheat and hogs while people are in want; I will take half a billion dollars from American farmers and give it to their Canadian competitors; I will fill warehouses with foreign butter churned in Denmark and in Holland; I will repudiate the promises of my platform; I will expand governmental expenditures by 70 percent; I will each month disburse an amount equal to the cost of the Panama Canal; I will enlarge the number of Federal employees to three-quarters of a million and pay these favorites the money which should be used for the relief of the hungry and unemployed; I will abrogate the right of freedom of speech and have enacted a public-utility law that will make it illegal, under penalty of fine or imprisonment, for any citizen to talk or write even to his own Representative in Congress without formal authority from one of my New Deal commissions; I will compel the people to pay and pay in taxes until it hurts; I will call this system the New Deal, even though it has been unsuccessfuly tried in other lands and no phase of it is less than 300 years old; I will cause ridicule to be hurled at the Supreme Court; I will deride the American Constitution which I swore to defend and term it a relic of the horse-and-buggy days—and when the people complain, I will blame it on American business, on the Supreme Court, and our traditional system of Government!" If Candidate Roosevelt had made such statements before his election, would you have voted for him? And might you not now logically inquire: "Mr. President, do your promises of today mean only as much as your promises of 1932?"

Yes; ladies and gentlemen, more than ever before we need honesty and candor to lead us into the light of the new America. The America of the last 3 years is not the real America. It will pass, as do all such unhappy eras, and leave to true Americans a fantastic and humiliating memory of a time when America was not herself. We need today a bold spirit of enterprise, an aggressive and confident national spirit builded upon clear thinking, comprehensive education, and intelligent leadership. We need less showmanship and more statesmanship; less government in business and more business in government; less bureaucracy to tax us and more industry to feed us. We need men who will think, not of the next election but of the next generation.

Conscious of the political forces that grip the world today, realizing the historic role which an inspired and reanimated Republicanism must play in checking the world drift toward collectivism, remembering that the defense of American institutions can be safely entrusted only to those who believe in America—we call all our citizens to the battlefront for the old ideals of free opportunity and constitutional government. To this struggle for the new liberalism, the old Americanism, we call new men, new energies, a new spirit of initiative, new blood. We call the young, as well as those whose American hearts have never grown old. I summon you all, men and women of America, to look American freedom unflinchingly in the eyes, to stand fearlessly face to face with ancient American tradition. I give you a rendezvous with liberty—in 12 months' time! How many of you will have the courage to be there?

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the consideration of House Resolution 401, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 401

Resolved, That immediately upon the adoption of this resolution the bill H. R. 9870, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table to the end that the Senate amendment be, and the same is hereby, agreed to.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SNELL. Reserving the right to object, and I do not intend to object, I understand probably the gentleman from North Carolina will give some reasonable time for debate, as there are a few Members who desire to express their opinions on this subject?

Mr. DOUGHTON. That is the purpose of the chairman.

Mr. SWEENEY. Reserving the right to object, I wish to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. If this is carried, will it foreclose the right of the Patman forces to present their issue—that is, the plan for paying this obligation?

The SPEAKER. The Patman bill is now upon the Union Calendar.

Mr. SWEENEY. But this will be tantamount to concurrence in the Senate bill?

The SPEAKER. The Chair is not passing on the effect of the resolution. The gentleman will have to pass on that himself.

Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The SPEAKER. The gentleman from North Carolina is recognized for 1 hour.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, we are now in the final moments of the consideration of H. R. 9870, the bill which passed this body a few days ago by a vote of 356 to 59. It is my purpose to call the attention of the House to the material differences that exist between the House bill and the bill which passed the Senate a few days ago by a vote of 74 to 16.

The Senate took the House bill as the basis for their substitute. As a matter of fact, there is only one major change. There is one other item that might be characterized as a major change, but, as I see it, there is only one major change in the bill which passed the House. That is section 4. The House bill—H. R. 9870—as the membership will recall, provided for the payment of the certificates in cash upon applications made prior to April 6, 1937, at the face value of the certificates; upon application for cash payment made after that date, then the face value would be paid plus interest at the rate of 3 percent per annum from the date of the enactment of the law until they were paid.

The Senate bill provides for the issuance of nonnegotiable bonds that will be delivered to the veterans in substitution for the adjusted-service certificates. Under this section the veterans will have the opportunity of procuring cash for the face value of the bonds at any time after June 15, 1936. If, however, the bonds are not cashed until after June 15, 1937, they draw interest at the rate of 3 percent per annum from June 15, 1936, until cashed. The bonds are nonnegotiable. They can be used by the veterans to procure cash, and if the veterans hold them they will receive interest on the bonds instead of someone else receiving the interest. This is the major change.

Sections 1 and 2 of the bill now under consideration have an amendment that deals with the cancelation of accrued interest. The Members will remember that under the bill we passed all interest that had accrued or was to accrue was canceled. The Senate drew an arbitrary line, October 1, 1931; and the bill passed by the Senate provides for the cancelation of all interest that has accrued since that date. It does not, however, provide for the cancelation of interest prior to that date. The amount of interest accruing before October 1, 1931, is $61,000,000. The interest accruing since that date to June 15, 1936—which is canceled—is some $263,000,000

Mr. LAMBETH. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from North Carolina.

Mr. LAMBETH. The gentleman stated that under the terms of the Senate bill interest that had accrued would be canceled. The veteran, however, who might have paid interest will not have that interest refunded, will he?

Mr. VINSON of Kentucky. That is correct as to the refund of interest paid. Only interest accruing since October 1, 1931, is canceled.

Mr. LAMBETH. In no case will interest which has been paid be refunded.

Mr. VINSON of Kentucky. That is correct. The refund item was in the bill as originally introduced. The Ways and Means Committee struck it out. The veterans' organizations were agreeable to the striking. The House passed

it without the refund item; and the Senate bill does not contain the refund item. As heretofore stated, the refund item is about six and a half or seven million dollars.

Mr. LAMBETH. How does the gentleman justify penalizing the veteran who has paid his interest but giving a premium to the veteran who has failed to pay his interest? In other words, why make fish of the one and flesh of the other?

Mr. VINSON of Kentucky. If the gentleman would care to take the time to look at my remarks made when the bill was before the House, he would find them set forth in full on this subject.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. ROBSION of Kentucky. Has the Senate amendment which is now before us in the form of a substitute for the House bill been approved by the three great veterans' organizations?

Mr. VINSON of Kentucky. I am glad to say to my friend from Kentucky that the three major veterans' organizations of this country are wholeheartedly behind this measure under consideration at this time. While they have spoken in their conventions resolutions with reference to refund of interest and the cancelation of all interest accrued, they recognize the practical difficulties that confront legislation of this character. The main objective is the immediate payment in cash of the adjusted-service certificates—that was accomplished under the bill that passed the House and under the bill that passed the Senate and is now before us for consideration. As I have heretofore stated, there is one major difference, and that refers to the use of bonds in substitution for the certificates, but, as the veterans may cash any or all of these bonds at such time as they choose, it certainly cannot be considered to be other than a cash payment to those who want cash.

The American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans urge the passage of this measure.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from Texas.

Mr. BLANTON. If we pass this resolution the bonus bill will go to the White House today.

Mr. VINSON of Kentucky. That is correct.

Mr. BLANTON. I would much prefer that it carried the Patman plan, so that it would be paid in Government Treasury notes instead of Government interest-bearing bonds. We would save the 3-percent interest and millions of dollars in bookkeeping and incidental expenses. There would be no difference whatever in the stability of the Government's obligation. One would be just as sound as the other. There is no difference between the Government printing Government Treasury notes made sound by reserve gold in the Treasury, and the Government printing baby bonds bearing 3-percent interest. It is the credit of the Government, after all, that makes both sound and secure. While I hate to see the Government lose this 3-percent interest, when there is no occasion for it, I shall vote for this resolution, so that the bill will go to the White House today. And if it is vetoed, I shall vote to override the veto. I wanted to get the above views in this RECORD during this debate.

Mr. VINSON of Kentucky. It was the thought of the committee and of the House that section 4 of the original bill, providing that the certificates should bear interest in lieu of the issuance of bonds, would be a lesser strain upon the Treasury. It is thought by those in the other body, and, as I understand it, by gentlemen who are in another section of town, that the veteran who would want to obtain a small portion of his money through the use of these bonds could perhaps cash one or two bonds as his need demanded, and that the strain upon the Treasury would be lighter. It certainly is a debatable question. If it assists in the enactment of the measure into law, we are willing to accept it.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my neighbor.

Mr. JENKINS of Ohio. I wish to congratulate the gentleman on the long, arduous, and successful fight he has made for the payment of the bonus. No Member of Congress deserves more credit than he. I should like to ask him one or two questions. As I understand the philosophy back of the issuance of bonds, it is hoped those who receive the bonds may hold them a long time and not cash them, thereby removing as much immediate strain from the Treasury as possible. This being true, why does not the bill carry a provision that those who retain their bonds will be allowed interest from June 1936?

Mr. VINSON of Kentucky. The bill does that if the bonds are not redeemed prior to June 15, 1937. The gentleman understands, of course, the difficulties under which the united front was presented in the House, and I know the gentleman is practical enough to realize the situation that obtained in the Senate. We have definite assurance that the pending bill will do something that no other bill has heretofore done, and that is, it will be able to withstand a veto, if any. So far as I am concerned, I feel that the interest should run from the date of the enactment of the law, rather than from June 15, 1936, but it is a small item and I think we can very well yield on this point.

Mr. JENKINS of Ohio. I appreciate that the gentleman is the real spokesman for many of those vitally interested. I, too, have done my part in this fight to have the bonus paid. Can the gentleman tell those of us whether those to benefit from the passage of this act are satisfied with the proposition that the interest should commence June 15, 1936, if not redeemed prior to June 15, 1937.

Mr. VINSON of Kentucky. I may say that the three veterans' organizations are wholeheartedly cooperating in the passage of this bill and desire the largest vote the House can give in support of the motion.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. With pleasure.

Mr. DOUGHTON. It is a fact, is it not, that the bill provides that certificates not cashed until after June 15, 1937, shall draw interest from June 15, 1936?

Mr. VINSON of Kentucky. That is my understanding. The following proviso appears on page 12 of the bill in lines 18 to 20:

Provided, however, That no interest will be paid on any bond redeemed prior to June 15, 1937.

Interest on bonds not cashed until after June 15, 1937, runs from June 15, 1936.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Kentucky.

Mr. SNELL. In the final analysis, what is the real and fundamental difference whether we print bonds to pay the bonus or print greenbacks?

Mr. VINSON of Kentucky. I feel that with the political philosophy that has been evidenced so splendidly by the gentleman from New York that this question can better be answered by him.

Mr. SNELL. I have no political philosophy about this at all; I am trying to get information and facts. The gentleman opposed the Patman bill because it was inflationary. I would like to have the gentleman tell the House what is the real fundamental difference.

Mr. VINSON of Kentucky. I think the gentleman had better realize the exact position I have maintained. The bill which I introduced last year did not have the inflationary feature of the Patman plan, and I preferred it to the Patman plan. I felt that it had better chance of passage, but I have also supported the Patman plan. The point involved is this——

Mr. SNELL. I think this is important; I should like to have an answer to my question.

Mr. VINSON of Kentucky. I think the question should be answered. The philosophy has grown up in this country due to the able utterances of the gentleman from New York, and other gentlemen of the same school of thought, that the issuance of printing-press money, the issuance of Treasury notes, even though they have safe and secure brakes at the control end, is inflationary and objectionable and hurtful to the credit of the Nation. At the same time it is the gentleman's philosophy—and I certainly do not see that he could disagree with us——

Mr. SNELL. I am not interested in the gentleman's interpretation of my philosophy, I am interested in an answer to my question.

Mr. VINSON of Kentucky. The issuance of bonds will not have the inflationary, destructive, harmful effect upon the credit of the Nation.

Now, with reference to section 1, the only amendment therein deals with the October 1, 1931, cancelation of accrued interest.

Section 2 likewise limits the cancelation of interest to that which has accrued since October 1, 1931.

The House bill provided that notice should be given by the Administrator of Veterans' Administration to any bank or trust company holding the note and certificate to present them to the Veterans' Administration for payment of the loan and the interest thereon. The time of length of notice in the House bill was 45 days and this is changed to 15 days after the mailing of such notice.

I have already dealt with section 4 and the differences there involved.

Section 5 is identical in language with the House bill.

Section 6 in the two bills are identical.

Section 7 in the immediate bill provides that no deduction on account of any indebtedness of the veteran to the United States other than the lien against the adjusted-service certificate shall be made from the amounts due hereunder. This is a new section. We had the identical language submitted to us by the Veterans' Administration, but they came with it at a late hour and it was not included in the House bill. There is one angle in this section that may not have occurred to you. This would slow up the payment of moneys due in a very appreciable degree. It would increase the expense of administration several millions of dollars. It would be necessary that every point in our Government, where a veteran could possibly be indebted to the Government, be checked and certificate made of the finding. It is stated that even the accounts back in the days of service would have to be audited and in the opinion of those who ought to know, it would be of tremendous difficulty and cost.

Section 8. The language in section 8 is identical with the language in section 7 of the House bill.

Section 9. The language in section 9 is identical with the language in section 8 of the House bill.

Section 10. This section of the Senate bill is a new section which carries the usual language relative to the making of any false or fraudulent statements. As I understand it, this is the same language carried in the World War Adjusted Compensation Act.

Section 11. The language in section 11 of this bill is identical with section 10 of the House bill.

I have gone over the bill section by section in order for the Members to know that the two material changes is the substitution of bonds to take place of the certificates, and the limiting of the cancelation of interest since October 1, 1931.

THE CANCELATION OF INTEREST

There is one thought that I want to bring to the attention of the House and that is the cost that will ensue in the cancelation of interest upon loans made the veteran. Many Members, who oppose the payment in full of the certificates, have stated to me that they thought we should proceed to the cancelation of interest charges on loans made to veterans. This statement is based on the assumption that the interest charged upon the loans under the law will, at the maturity date of the certificate, January 1, 1945, practically eat up the remainder of the certificate. These Members who were opposing the cash payment recognize the unfairness of this happening and our failing to cancel the accrued interest and the interest that would accrue upon the loans.

I first had my attention called to the enormity of the figure represented by the cancelation of interest on loans, accrued and to accrue, in the cash-payment hearings before the Ways and Means Committee in 1932. Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, testified at this hearing that the cost figure that would follow such cancelation of interest to the Government would be, as of January 1, 1945, $1,016,708,521 (p. 566, Hearings Before the Committee on Ways and Means of the House, 1931). This figure, of course, was based upon the interest rate then prevalent of 4½ percent per annum, compounded annually.

We are told by Col. Harold W. Breining, Assistant Administrator, Veterans' Administration, that as of December 31, 1935, there is an interest accumulation of $297,350,000. He says, further, that computing interest at 3½ percent, compounded annually, interest would accumulate between January 1, 1936, to January 1, 1945, in the amount of $641,602,514.80, and that the total amount of interest that would accumulate as of that latter date, January 1, 1945, would be $938,952,514.80, almost $1,000,000,000. It is self-evident that if the the interest accrued and to accrue upon loans made to the veterans should be canceled at any time between now and January 1, 1945, that it would be necessary for the Government to make good to the adjusted-service certificate sinking fund $938,952,514.80. I do not believe that there are 10 Members in this House, nor that there will be 10 Members in the Congress which convenes January 1, 1945, who would advocate the collection of interest accruing on veterans' loans. I cannot believe that the Congress would dare to be a Shylock, extracting the pound of flesh, in the collection of interest upon moneys which represent the adjustment of pay in the World War.

ADJUSTED-SERVICE CERTIFICATE SINKING FUND

Passage of this bill saves $1,451,000,000 necessary to be paid into the adjusted-service certificate fund. Upon the authority of Col. Harold W. Breining, Assistant Administrator of the Veterans' Administration, if we continue the nine annual payments of $112,000,000 into the sinking fund, on January 1, 1945, there would be a deficit of $371,000,000. The nine annual payments totalling $1,080,000,000 added to the $371,000,000 deficit in the fund as of January 1, 1945, and you have a grand total of $1,451,000,000 that must be paid into the adjusted-service certificate fund between now and January 1, 1945.

It is self-evident that the moneys necessary to pay in full the World War veteran certificate holders which is said to be $2,237,000,000 as of June 15, 1936, is not added costs. Assuming that the interest charged veterans on loans will not be collected, I respectfully submit to you that settlement of this matter at this time saves money to the Federal Treasury. If you take the $1,451,000,000 necessary to make whole the adjusted-service certificate sinking fund as of January 1, 1945, based upon 9 annual payments to the fund of $112,000,000 and the deficit shown aforesaid and add to that the costs of cancelation of interest, to wit, $938,952,514.80 and you have a total of $2,389,952,514.80 or a saving to the Treasury of the United States of $152,952,514.80. Of course, I want to be plainly understood that this is based upon the cancelation of interest on loans. I do not recall anyone who contemplates that such interest is to be collected.

THE CREDIT OF THE NATION

Just one word in conclusion. Much has been said in regard to the credit of the Nation and the effect of this expenditure upon the credit of the Nation. I present in argument the balance sheet of the public debt, of June 30, 1937, appearing on the front page of the United States News, of January 13, 1936.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. VINSON of Kentucky. This is the same United States News of which Mr. David Lawrence, as I recall it, is the editor.

Mr. Speaker, I ask unanimous consent to include in my remarks the balance sheet referred to.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Balance Sheet of the Public Debt, June 30, 1937

LIABILITIES	
Public debt	$31,351,000,000
Work relief for 1937 (estimated)	1,000,000,000
Soldier bonus payments (estimated)	2,000,000,000
Contingent liabilities (H. O. L. C. bonds, F. C. A. bonds, etc., as of Nov. 30, 1935)	4,530,000,000
Total	38,881,000,000
ASSETS	
Cash in Treasury	1,504,000,000
Recoverable assets (Government loans as of Nov. 30, 1935)	4,493,000,000
Contingent assets (home owners loans, farm loans, etc., as of Nov. 30, 1935)	4,530,000,000
Allied war loans (Finland)	8,000,000
Stabilization fund (from gold profits)	2,000,000,000
To be raised by future taxation	26,346,000,000
Total	38,881,000,000

Mr. VINSON of Kentucky. Mr. Speaker, these are the figures of David Lawrence, the same David Lawrence, one of the most prominent political commentators in our country, who did not know throughout the year 1932 that Mr. Hoover was not going to be returned to the White House and who was not fully convinced that he had been defeated until the electors met and cast their formal votes.

I submit that this balance sheet proves conclusively that this is not such a burden that endangers the credit of the United States. In these figures he shows a total of $38,881,000,000 in assets. Included in those assets is $1,504,000,000 in cash; included in those assets are recoverable assets of almost four and one-half billion dollars; included in those assets are contingent assets of four and a half billion dollars; included in those assets is the $2,000,000,000 stabilization fund, the gold profit.

He states here in his balance sheet, "To be raised by future taxation, $26,346,000,000.

Mr. Speaker, on February 28, 1933, the indebtedness of this country was $20,713,000,000. When we subtract that figure from the amount to be raised by future taxation, using the Lawrence figures, we have $5,633,000,000. I say that such sum compares favorably with the expenditures that we saw in the Hoover administration; in other words, a debt increase from $16,000,000,000, March 4, 1929, to $20,713,000,000, February 28, 1933, during those 4 years.

Mr. Speaker, in conclusion, I know that we are all happy that we are this far along toward payment in cash of the adjusted-service certificates. As a cub Member of this House in 1924, a few days before the original bill came on the floor under suspension of the rules, which did not permit of amendment, I voiced my hope that the veterans should be paid in cash. I have never changed my mind from that position. This is an adjusted compensation for personal services rendered a Nation in time of great crisis. I submit that the person who performs the personal service is the person entitled to any adjustment in compensation therefor. Further, I submit that he or she is entitled to the adjustment pay in their lifetime. Eighty World War veterans die each day. Five hundred thousand World War veterans on January 1, 1945, will never be able personally to receive this adjusted pay.

Mr. Speaker, this is a meritorious bill that does justice to the soldiery of this country, and we are all happy that we are near unto a favorable conclusion. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker and Members of the House of Representatives, in 1924, after the great World War Congress adjusted with the ex-service men the amount to be paid extra for services rendered their country during the war, by paying $1.25 a day for foreign service and $1 a day for home service plus 25 percent extra, interest from 1918 to 1924 made the average amounts of the certificates about $550. This was agreed to by ex-service men's organizations and by Congress to be a satisfactory adjustment in 1924, to be extra compensation or an insurance policy due in 1945. It was a contract between the ex-service men and the Government of the United States.

To be paid today on a strictly business basis would require $847, the surrender value of the original $550 certificate and interest. The face value in 1945, which is the surrender value at that time, would be $1,205. Thus, by paying the certificate today, Members of Congress are actually making further donation to the ex-service men of $358 on each certificate, a gratuity that is an added burden to your country's Treasury and must be met by future taxation. Members of Congress, do you know what you are doing?

That is not all. As suggested by the Senate bill, the bonus be paid in baby bonds—baby bonds—sounds like the Seventy-fourth Congress—if an ex-service man wishes to let his baby bond run to maturity, he gets 3 percent interest on same—more interest than the Government can borrow money for today through normal channels. Is this helping the Federal Treasury or is it a further grant to the ex-service men? The latter surely applies. If they demand the bonus be paid today and our Treasury is sound as you think it is, then pay them the money and borrow it at 1½ percent or less. Why pay 3 percent?

Our duty today is to the country at large, not to any minority group. If you are going to pay the bonus, do it today at its face value without any additional gratuities.

I always thought a contract was sacred and binding on all parties thereto. Is it possible our people of our Nation—as represented by the Seventy-fourth Congress—have no regard for contracts and no regard for their oath?

This is a business proposition, pure and simple and one that requires sound thinking, common sense, and true Americanism. Members of Congress, think of your country—not of yourself. Our country is in the greatest danger morally and financially it has ever been in in its history. Build up our national debt until you must repudiate all of them, and then America loses its form of government and its freedom.

Where will you get the money? [Applause.]

Mr. Speaker, I want to point out to the Members of Congress the Treasury statement as of January 18, 1936, issued by Mr. Morgenthau, Secretary of the Treasury of the United States, showing a growing deficit of $30,521,348,638.11. As stated a few minutes ago by the gentleman from Kentucky [Mr. VINSON], we will pay this bonus either in baby bonds or in cash. You are going to pay it in baby bonds—not cash—creating a further bonded debt on this country. When Mr. Morgenthau was asked a few days ago if the Treasury could stand it, he just laughed. He did not say it could or that it could not. He either did not know or else he was afraid to say that it would be an awful strain on an overburdened National Treasury. The largest debt in our national history, and growing in debt faster and faster each day, notwithstanding the fact the President said, January 3, we were approaching the balancing of the Budget. Let me state to the House of Representatives, it is not the truth, our National Treasury statement does not say so. Our national debt has increased this year $1,820,456,013.66, or $392,564,107.94 more than last year, to this same date of January 18, 1936.

If the Treasury of the United States can stand this additional burden at this time, then let us pay it in cash, like the gentleman from Kentucky [Mr. VINSON] said we were going to pay it and not in baby bonds.

I also want to call your attention to the fact that in 1910 this 100 German mark I hold in my hand was worth 24 cents plus in gold per mark; today it is worthless, not worth the paper it is written on. What is the value of our money going to be 10 years from now if we continue to plunge our

Nation into debt as we are doing at the present time? I hold in my hand a $10 bill of the United States of America. It states on it, "This certificate is legal tender for all debts, public and private." Five years ago our dollars were worth 100 cents in gold. Today they are worth 60 cents gold of the same value. The President can make it worth 50 cents in gold of same value by the stroke of a pen. Nationally, our monetary system is not stable. We are building on sand. If we crumble, ex-service men, you lose all Government obligations. I feel confident there is not an ex-service man who will be alive in 10 years that will not thank me for voting "no" on this proposed legislation.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to use to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we are nearing the end of a long battle. This is probably the last chapter in the fight for the payment of the soldiers' adjusted-service certificates.

I know it is contended by some people that these certificates are not due, but I call your attention to the fact that if the veterans had been allowed the same interest on this debt that was paid to financial interests on their loans, or to the munition makers on money which we owed them, then these certificates would have all been due and payable, at their full face value, in October 1931.

Therefore I feel fully justified in supporting this measure to pay this debt in full.

While I shall vote for this resolution in order that this debt to the veterans may be paid, yet I must say that I am not satisfied with the manner of its payment. A majority of the veterans will cash these bonds without delay. Then, if the Government has to issue additional bonds with which to secure the money to pay off these bonds provided for in this bill, there will be an additional burden of interest charges piled upon the American people in the years to come. If that debt is carried over a period of 40 years, then the money changers will get as much out of it as the veterans will, and the American people will pay in taxes twice as much as this bill calls for, or twice as much as the veterans will receive. In other words, we will be paying the big bankers a bonus in interest charges amounting to as much, over a period of 40 years, as the veterans now receive on these certificates.

In my opinion, that would be unfair, both to the veterans and to the taxpayers.

As everyone knows, I have advocated a reasonable controlled expansion of the currency ever since the beginning of the Hoover panic in 1929. I have urged that the currency be expanded to provide the money to pay off these certificates. That could have been done at any time since 1929, and could be done now, without in any way impairing our gold reserve or injuring the credit of the United States. We have more than ten billions in gold now, with only about half that amount of money in circulation, including currencies of all kinds. Yet the country is suffering from the want of an adequate circulating medium.

I suggested the other day to the "sound money" Members of the House that we might coin $2,200,000,000 of this gold and either pay it out to the veterans or set it aside and issue gold certificates, or United States notes, against it, and thereby give us a reasonable controlled expansion of the currency to the amount necessary to pay these certificates off. Then it would not have been necessary to issue these bonds, and the country would have saved billions of dollars in the interest charges that will be piled upon this debt as the years go by.

Not only that, but such an expansion of the currency, with that currency put into circulation in every nook and corner of the United States, would have done more to restore prosperity to the American people than everything else that has been done since 1929.

Under the present law the President of the United States has the right, under the authority given him during the last Congress, to expand the currency by issuing United States notes. He could issue $2,200,000,000 in currency, with 100-percent gold coverage back of it, without impairing our gold reserve in the least. In fact, we would still have a surplus of gold after allowing 100-percent gold coverage for all the money now in circulation, even including United States notes and silver certificates.

When the veterans begin to cash these so-called baby bonds, as they will do as soon as they receive them, if the President would follow the course I have outlined here, and exercise the power given him by Congress to expand the currency in this way—if he would do that and pay these baby bonds off as the veterans turn them in, instead of issuing additional interest-bearing bonds, then these certificates could be paid off without piling onto the backs of the overburdened taxpayers of this country a single additional dollar in future interest.

That would not be what the money power loves to call wild inflation. It would simply be a liberal controlled expansion. It would be paying this debt out of our own resources, without the accumulation of billions of dollars of interest in the years to come.

Besides, such an expansion would have a most salutary effect upon our economic life. Conditions would begin to improve immediately, farm prices would advance rapidly to their normal levels, without the necessity of curtailing production. The prices of wheat and cotton and corn and land and lumber and dairy products and all other raw materials would rise. The farmers' prosperity would be restored; this would give him purchasing power to buy the things he and his family need. That would start goods to moving and the wheels of industry to turning. This would necessitate the employment of more people in industrial enterprises, and commerce would be stimulated as it has not been for many a day. Our bread lines would melt away, our soup kitchens would disappear, our relief rolls would diminish to the vanishing point, and in the enjoyment of this new prosperity which would reach into every State in the Union, into every nook and corner of these United States—in the enjoyment of that new prosperity the American people would forget the horrible depression through which we have been passing.

Of course, this might not suit the old guard, the Wall Street element of the Republican Party, who are nagging and criticizing every movement the President makes and attempting to frighten the American people by continuously yelling "inflation."

They would rather see the return of prosperity postponed beyond the election, in the hope that they might again gain control of this Government. They know that if the President should pursue the course which I have outlined, and expand the currency sufficiently to cancel these bonds, they know that it would produce such rapid recovery, such prosperity throughout the country, that no power on earth could prevent his reelection.

Nothing would please the soldiers better than to see this country happy and prosperous as result of the payment to them of this debt, which is more than 4 years overdue. I sincerely trust that the President will sign this measure and that he will then use the power given him by Congress to expand the currency as I have indicated and bring back prosperity to all the American people. [Applause.]

This money will be equitably distributed throughout the country; it will go into every precinct in the United States. The number of veterans to be paid and the amount to be received by them in each State is as follows:

	Number of veterans	Amount
Alabama	50, 867	$26, 888, 528. 74
Arizona	10, 870	6, 668, 187. 11
Arkansas	43, 849	21, 993, 238. 27
California	200, 424	122, 833, 011. 86
Colorado	34, 259	19, 362, 059. 24
Connecticut	44, 043	26, 914, 018. 40
Delaware	4, 884	3, 527, 070. 50
District of Columbia	28, 281	16, 278, 716. 59
Florida	39, 535	21, 921, 858. 79
Georgia	58, 583	32, 262, 946. 70
Idaho	13, 575	7, 411, 798. 86
Illinois	253, 343	141, 472, 589. 16
Indiana	95, 587	50, 730, 624. 28

	Number of veterans	Amount
Iowa	79,814	$41,019,480.37
Kansas	57,114	31,436,036.43
Kentucky	63,696	34,261,787.60
Louisiana	53,885	27,849,762.05
Maine	21,412	12,121,627.12
Maryland	48,424	27,931,248.31
Massachusetts	137,113	83,147,947.57
Michigan	134,009	77,476,794.12
Minnesota	85,532	52,789,520.36
Mississippi	36,802	19,308,411.76
Missouri	111,706	60,820,922.70
Montana	18,106	10,281,687.92
Nebraska	40,233	21,802,190.95
Nevada	3,066	1,771,846.11
New Hampshire	12,370	7,298,113.14
New Jersey	116,440	69,579,645.59
New Mexico	10,101	5,810,422.87
New York	377,182	221,373,427.96
North Carolina	63,926	34,622,162.80
North Dakota	16,174	8,762,475.18
Ohio	182,692	106,061,344.03
Oklahoma	67,181	35,202,766.82
Oregon	35,376	20,679,034.90
Pennsylvania	259,931	155,594,459.25
Rhode Island	20,789	12,356,383.60
South Carolina	35,747	19,316,831.04
South Dakota	22,713	11,757,600.97
Tennessee	59,009	32,497,536.52
Texas	148,771	83,696,221.25
Utah	14,387	8,035,096.92
Vermont	8,243	5,042,465.50
Virginia	63,132	36,811,791.20
Washington	56,335	34,079,306.15
West Virginia	43,294	23,345,392.42
Wisconsin	88,036	47,177,680.61
Wyoming	11,177	6,329,955.57

MISSISSIPPI

In the State of Mississippi, which I have the honor in part to represent, 36,802 certificate holders will receive $19,308,411.76.

The following amounts will be paid to the veterans in each county in the State:

Counties and amount to be paid

Adams	$226,497.17
Alcorn	227,352.64
Amite	189,471.75
Attala	250,248.42
Benton	94,322.56
Bolivar	682,942.22
Calhoun	173,784.96
Carroll	189,981.18
Chickasaw	200,266.02
Choctaw	118,602.47
Claiborne	116,805.03
Clarke	189,154.55
Clay	172,352.78
Coahoma	445,295.13
Copiah	303,873.77
Covington	144,449.14
De Soto	244,510.06
Forrest	289,465.38
Franklin	117,920.02
George	72,311.08
Greene	102,310.13
Grenada	161,500.83
Hancock	109,720.98
Harrison	424,302.52
Hinds	818,154.22
Holmes	370,388.81
Humphreys	237,695.15
Issaquena	55,115.21
Itawamba	175,178.70
Jackson	153,532.48
Jasper	179,110.01
Jefferson	137,365.10
Jefferson Davis	137,268.98
Jones	398,821.11
Kemper	210,320.18
La Fayette	192,028.54
Lamar	123,454.98
Lauderdale	507,013.78
Lawrence	119,871.26
Leake	209,570.44
Lee	339,428.56
Leflore	514,299.68
Lincoln	253,343.49
Lowndes	288,235.05
Madison	344,071.16
Marion	191,499.88
Marshall	239,404.83
Monroe	347,387.30
Montgomery	144,266.51
Neshoba	256,553.90
Newton	220,210.92

Counties and amounts to be paid—Continued

Noxubee	$245,682.72
Oktibbeha	183,771.83
Panola	275,364.58
Pearl River	186,520.86
Perry	78,789.57
Pike	309,516.02
Pontotoc	211,790.81
Prentiss	185,175.18
Quitman	243,222.05
Rankin	195,633.04
Scott	201,026.47
Sharkey	133,385.73
Simpson	200,861.97
Smith	176,908.86
Stone	56,826.85
Sunflower	637,890.77
Tallahatchie	341,879.62
Tate	167,853.66
Tippah	179,340.70
Tishomingo	157,742.54
Tunica	204,091.60
Union	204,428.02
Walthall	123,328.06
Warren	343,965.42
Washington	522,027.72
Wayne	147,025.54
Webster	116,576.34
Wilkinson	134,154.69
Winston	204,149.27
Yalobusha	170,613.00
Yazoo	358,162.35
Total	19,308,411.76

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, in the unavoidable absence of the distinguished gentleman from Texas [Mr. PATMAN] I have been delegated to act as chairman of the steering committee of the Patman group. We had meetings with Mr. PATMAN before he left, and we have decided to concur in the Senate bill today. We should like, of course, to have the Patman bill to pay the adjusted-service certificates with currency and thereby bring about a much-needed expansion of the currency, but we are interested primarily in the passage of the soldiers' bonus to do justice to the veterans of the United States; therefore we intend to vote to concur in the Senate bill. I should like to pay the tribute which he so greatly deserves, to WRIGHT PATMAN today, but as the time for debate is limited, I hope at some future time to take this floor and pay fit tribute to my dear friend the distinguished gentleman from Texas [Mr. PATMAN], who has worked so hard, assiduously, and unselfishly in the cause of the veterans, and who has put in long hours day and night for years in valiant efforts to pass a bonus bill for the men who served their country in war. At some future time I intend to do this.

I have looked up the records, and I find the first bonus bill for World War veterans introduced in the Congress was introduced by the late Honorable James A. Gallivan, a Congressman from Massachusetts, a Democrat, representing the Twelfth Congressional District of Massachusetts. He was a brilliant Member of Congress, and I considered it an honor to call him my friend and colleague. It seems to me peculiarly fitting that my distinguished friend and colleague, the Honorable JOHN W. MCCORMACK'S name should be upon this Vinson-Patman-McCormack bill, representing as he does the same district that Congressman Gallivan formerly represented, a district in South Boston where Mr. MCCORMACK was born and where Mr. Gallivan was born, a district where, during the war, there was no need of the draft. There were so many volunteers from South Boston that they had no draft in that section, their quota being entirely filled and more by volunteers. [Applause.] I am very proud of this fact, because one of the companies in my own regiment, the One Hundred and First Infantry of the Twenty-sixth Division, came from South Boston. JOHN MCCORMACK has always battled in this House for the veterans. As a veteran himself, with other veterans in his family, he knows the real story of the veteran and has always upheld the rights of his comrades. So I say it is peculiarly appropriate that the name of the gentleman from Massachusetts [Mr. MCCORMACK] should be on this

bill in connection with the name of the distinguished gentleman from Texas [Mr. PATMAN] and the distinguished gentleman from Kentucky [Mr. VINSON], who, during all his service in Congress, has worked constantly in an effort to do justice to the veterans of this country. During many years in this House FRED VINSON, as a member of Ways and Means, has worked incessantly to bring about legislation to do justice to veterans and their dependents.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I should like to yield to my friend from Kentucky, but I have only 5 minutes, and as debate is limited I do not want to ask for further time. I hope my friend will excuse me.

I am glad to pay a tribute to these three Members—VINSON, PATMAN, and MCCORMACK—today. They are Members of this House of whom we should all be proud.

I hope the President of the United States will sign this bill in spite of the tremendous propaganda which has been poured in upon him from the vested interests of the United States, who were perfectly willing to see these men go off to France to save their millions and billions, but when it comes time to do justice or attempt to do justice to these men in adjusting their compensation, which was $1 a day or $30 a month during the war, deductions for Liberty bonds, deductions for insurance, deductions for their allotments to their homes, and having little or nothing left of their pay at the end of the month—when we attempt to do a little bit of justice to these men, your big Wall Street interests, your big corporations, step in and say, "No, Mr. President, millions for the profiteers, millions for the moneyed men of the country, but nothing for the veteran who bared his breast on the fields of France to defend the flag of the United States of America."

I hope the President will sign this bill and do eternal honor to himself. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, ladies and gentlemen of the House, my remarks at this time will be very brief, as I have many times in the past expressed my feelings and opinion on this legislation.

We have now under consideration the proposition of whether or not the Senate bill providing for the payment of the soldier's adjusted-compensation certificates, through the issuance of baby bonds of $50 denomination, will be substituted for the authorization bill which we passed through the House only a few days ago. This bill will be adopted by an overwhelming majority, and for this I am exceedingly happy, because it will in due time pay to the deserving ex-service men of this Nation a debt long past due, but I am not at all pleased with the means provided in this bill for the payment of said obligation. I shall vote for the passage of this bill. I vote for it for two reasons. First, because I have ever said, and have not changed my mind, that the method of paying this obligation was secondary to the payment itself, and I am here keeping faith with the ex-service men of my district and the Nation in voting for the first bill which came before the House providing for a method of paying their certificates. Second, because under the existing rules of the House, and by reason of the fact that this bill is now before us for consideration under unanimous consent, there is no alternative. In other words, there will be no opportunity to offer as an amendment or a substitute any other method of paying these certificates, other than the method provided for in the bill under consideration, because the rules of the House will not permit even the offering of such an amendment or substitute. Therefore, all of you will be compelled to either vote for or against this bill, with no opportunity to alter it by the dotting of an "i" or the crossing of a "t." However, the fight is not yet over.

The passage of this bill will insure the ex-service men of this Nation the payment of their adjusted-compensation certificates. I sincerely hope, however, that the method of raising the money to retire the baby bonds given to the soldiers, in payment of these certificates, is not yet a closed book, and to this I wish to address myself for only a moment.

I should like to refer this House to a speech made by the distinguished senior Senator from Oklahoma, Mr. ELMER THOMAS, on the floor of the Senate on January 18, last Saturday, wherein he pointed out that to pay these certificates under this method would cost the taxpayers of the United States $2,000,000,000 plus, in excess of the $2,300,000,000 required to pay the face value of the certificates at this time. This caused by reason of the fact that some three or four bond issues will have to be floated in order to raise the money to pay the baby bonds, and, of course, I am against the raising of the money by this method.

When the bill which we now have under consideration finally becomes a law, it will provide for the issuance of baby bonds in $50 denomination. Then immediately arises the question as to where the money will come from to pay the soldier in cash for his bond, or bonds, when he presents it, or them, for payment to the post office, bank, or some other place. There are only two methods by which this money can be raised. One would be by the time-honored banker's method of floating additional tax-exempt, interest-bearing Government securities, the payment of which must come from the taxpayers of this Nation. This is the method proposed under the pending bill, but this Congress could, and I sincerely hope that it will before very long, pass legislation which would provide that United States notes—currency—be issued against the gold and silver reserve now in the United States Treasury, and use that money to retire these baby bonds, thus eliminating the necessity of the levy of additional taxes against the already tax-weary citizens of the United States, and this is the other method.

Therefore, since the battle is won for the ex-service men of this Nation, I pledge myself here and now to carry on the fight, to the end that they will not be burdened with additional taxes amounting to in the end almost dollar for dollar, with which to pay back to the Government the benefits that the Government is now giving them. Thus you will find me on the firing line, fighting for legislation which will provide for the issuance of currency against our metallic reserves in the Treasury, or for the issuance of bonds to be given to the Federal Reserve banks of this Nation as collateral to them for them to issue their currency and retire these bonds, and providing that they should not receive interest on the bonds, but only a service charge for the issuance of such currency.

Either one of these two plans, which incidentally was the Thomas amendment to the present bill in the Senate, would pay these bonds without additional tax burden to the citizens of the United States.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, I have no objection if any Democrat claims the credit for introducing the first adjusted-service certificate bill; the RECORD alone can determine that. Nor do I object to the speech of the gentleman from Massachusetts [Mr. CONNERY], in which he praises members of his own party for the fight they made for the passage of this bill. But I think it is only fair to point out that the adjusted-service certificate bill originated with the Republicans, in a Republican administration, and was put over the veto of a Republican President by a majority in both Houses of Congress which were then Republican. I am perfectly willing that both sides should claim credit, and those who made the fight deserve that credit. [Applause.]

This is the end of the fight that has been waged for 15 years in Congress to partially adjust the pay of World War veterans by a grateful Government, provided the President signs the bill; otherwise it will come back for the determination of the Congress, and the veto will be overridden by a tremendous vote.

I admit that if the Patman bill had been passed by Congress providing for $2,000,000,000 in greenbacks, printing-press or inflationary money, that it would not have impaired

the soundness of the dollar with ten billions in gold and a billion in silver in the Treasury.

I have opposed it on principle because I did not want the Congress to start the printing press for payment of the service certificates to the veterans, as once such principle is invoked the Congress might just as well pay off the national debt, the salaries of Members of Congress, and the running expenditures of the Government by issuing greenback or inflationary money.

It is true we have ten billion in the Treasury in gold and one billion in silver, and that we have less than $6,000,000,000 in currency. An additional two billion in currency, if and when needed, would not cause serious inflation.

But the American Legion took the position that the bill should not be involved in the question of inflation, and rightly so. Many members of the Legion feel that the attempt to use the adjusted-service certificate bill as a vehicle for currency expansion was the cause of its failure to be enacted into law last year.

I take the liberty to read into the RECORD the resolution passed at the last national convention of the American Legion, held at St. Louis in September 1935, as follows:

Be it resolved, That—

1. We request immediate cash payment of the adjusted-service certificates at face value, with cancelation of accrued interest on loans, and refund of interest paid, and do hereby reaffirm the Miami convention resolution on this subject.

2. We request the immediate favorable action of the Congress and the approval of the President of the United States upon this clear-cut and single issue, without having it complicated or confused by other issues of Government finance or theories of currency with which the Legion does not intend to become involved.

3. We hereby ratify and approve the efforts of National Commander Belgrano and the national legislative committee on behalf of the Legion's bill at the last session of Congress.

I ask unanimous consent to insert a brief statement of the American Legion as to how this money will be spent by the World War veterans, which I think the American people are entitled to know. I ask unanimous consent to include that in my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. A preliminary check of figures for 40,000 questionnaires is given herewith showing what the veterans propose to do with the cash received from the adjusted-service certificates:

	Percent
Agricultural implements	6.22
Automobile	9.25
Auto truck	1.29
Battery	1.50
Tires	4.63
Build new house	4.52
Clothes for children	25.74
Suit or overcoat for self	26.00
Clothes for wife	28.50
Education, home study course	3.40
Electric or gas refrigerator	5.07
Farm	4.32
Furniture	15.85
Housefurnishings	14.51
Insurance	13.94
Invest in own business	10.46
Invest in stocks or bonds	1.29
Lot for home site	3.28
Men's shirts	11.31
Men's furnishings	13.92
Men's hats	10.03
Men's shoes	13.28
Oil or gas furnace	1.72
Paint house	12.90
Pay notes, mortgages, loans, or old bills	51.80
Purchase home	6.56
Radio	4.36
Repair house	19.16
Rugs	5.87
Start or increase savings account	10.20
All other (miscellaneous)	7.37

It will be noted from the figures that better than 50 percent of the men who will receive adjusted compensation are going to pay up old bills with it. The next thing they are going to do is to take care of the needs of their families and their homes. Thirty per cent are going to provide new clothes for their wives, 29 percent are going to get a suit or overcoat for themselves, and 28 percent will buy new clothes for their children. Approximately 21 percent are going to repair their homes and 14 percent are going to paint their houses. Seventeen percent will buy new furniture and 15 percent other housefurnishings. The tremendous stimulant that will be accorded business of all kinds throughout the United States is readily seen by perusal of the above figures.

Mr. McCORMACK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. McCORMACK. I think it is fair to say that a great percentage of the money which will be received by the veterans will be spent for serviceable things. Does the gentleman agree with that statement?

Mr. FISH. I am convinced of it.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. COOPER of Tennessee. In that connection I think it should also be observed, and I believe the figures which will be inserted by the gentleman from New York will show, according to the estimate made by the Veterans' Administration, that only about 7 percent of the money heretofore received by the veterans on their certificates has been, as it is called, wasted or unaccounted for.

Mr. FISH. I go further than the gentleman and say that this money is adjusted-service compensation, to be paid to these veterans because they received only $1 a day during the war when laborers at home received $10 a day, and they have a right to dispose of it in any way they see fit. [Applause.] I believe it will be spent for the benefit of their families, and that most of the veterans are in debt, many are in need and unemployed, and some are actually destitute.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am glad to listen to the concluding remarks of my distinguished friend from New York [Mr. FISH], because I feel that placing into the RECORD the manner in which the money will be spent is a decided contribution to a discussion of this bill at any stage, and particularly at the present stage. When we made provisions for the 50-percent loan, there was considerable argument advanced that the money would be wasted, and, as the gentleman from New York undoubtedly had in mind, and as my distinguished friend from Tennessee [Mr. COOPER], by his questions, had in mind, a survey of the Veterans' Bureau shows that a very small percentage of the money borrowed at that time was spent in an unwise manner. As the gentleman from Tennessee said, less than 7 percent, and as Mr. FISH said, probably less than that, of the total amount borrowed was spent unwisely. That is a remarkable record. It is a remarkable piece of evidence; it is a very sustaining piece of evidence to those of us who are going to vote for the passage of this bill, and who have fought for such legislation in the past—that the money received will be used by the veterans for purposes which are commendable. While I am speaking on that subject, only a few days ago I was talking with a businessman in Washington who had always opposed the payment of the bonus. He told me that he has changed his mind, and undoubtedly countless businessmen throughout the country have also changed their minds as a result of similar experiences. He told me that five veterans recently visited his place of business, each one of whom owned an automobile. Each one contemplated buying a new car, within their means, and they were going to turn in as a part of the purchase price, as we all do, the cars they now own.

What impressed him was that each one of these men owned a car at the present time and was contemplating buying another car, and that each and every one of them said, "When I get my bonus I intend to come back and see you." That man did not have alone in mind the fact that he was getting business, but what impressed him was that each one of these men owned a car. They were men used to the ownership of a car; they were men who intended to buy a new car which was within their means, and they were going to do so when the bonus bill passed. That man was impressed by the wise and serious manner in which those

men were contemplating spending their money. That same thing exists throughout the country. Many veterans when they get their money are going to pay doctors' bills and other bills that they have contracted for themselves and for their families and buy something for their homes for the happiness of themselves and their families. Ninety-five percent of them, at least, are going to make proper expenditures of the money they receive. The gentleman from New York [Mr. FISH] and the gentleman from Tennessee [Mr. COOPER] have each made a powerful and very fine contribution to the discussion of this bill today when they so properly and so ably referred to the manner in which the money will be expended.

I hope the veterans of the country, when they spend their money, when they go into stores and buy, after they have received their money, will say, "If I had not received the bonus I would not have been able to make these purchases." They will be conveying to the business men of their communities the fact that they are wisely spending their money and the fact that the businessmen of their community are receiving the benefits of the bonus which has been paid.

I am very appreciative of the remarks made by my distinguished friend from Massachusetts [Mr. CONNERY], and I know that my friend from Kentucky [Mr. VINSON], and my friend from Texas [Mr. PATMAN], also appreciate them. Mr. CONNERY has been a hard fighter for the veterans and the veterans will always remember him. They should also remember all their friends. I do not think the veterans should hold against any man who voted against the bonus the fact that he did so, if that man honestly exercised his judgment with a complete disregard of the rest of his record. I do not think the veterans should put themselves in the position of voting against a man because of one vote only. They should judge a man's whole record, and yet those who have fought for it should be remembered by them, whether they are Democrats or Republicans, and foremost among those who have consistently fought for the payment of the bonus and for the best interest of the veterans is our distinguished friend from Massachusetts [Mr. CONNERY]. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, upon the convening of the first session of the Seventy-third Congress the first vote I cast, on I think the first roll call, was one to grant authority to the President of the United States to take action in connection with the banking emergency, when the American banking system was in chaos. The second vote I cast at that session of Congress, and I believe the third day of the term, was a vote against what is commonly known as the nefarious economy bill that robbed many veterans. Since that time I have cast two votes for the payment of the adjusted-service certificates, and have likewise in each case cast two votes to override Presidential vetoes. For one of those votes I was denounced by a subsidized and partisan public press as a traitor. I am not ashamed of either of them, and if it were to be done over today, and if it becomes necessary tomorrow, I shall not only again vote for the payment of the adjusted-service certificates but I shall again vote to override a Presidential veto, if such veto should again be presented to this House. I voted for this payment because of two things: First, I realized, as I realize now, that it meant the payment of a just debt to a deserving class of creditors of the United States. Second, I believed then, as I believe now, that this is one of the best recovery measures that can possibly be passed by the Congress of the United States. This money will go to every nook and corner of this country where the little blue cards went in 1916 and 1917 when we were calling to the colors of the country the veterans whom we now owe and must pay what is admitted to be a legitimate past-due debt.

I agree with my colleague from Kentucky, Mr. VINSON, and with my colleague from Texas, Mr. PATMAN, and with the two gentlemen from Massachusetts, Mr. MCCORMACK and Mr. CONNERY, who have been warriors for the payment of this debt from the time it was first proposed during this administration, that they are entitled to a leading part in credit for the promotion of this legislation and for payment of these certificates in cash. I shall continue to believe that when we have paid this we have merely met an obligation that we owed to an honest creditor of the Government. [Applause.]

My votes on this question and the record of my activities have been along a line of absolute consistency. Then, if I am again charged with treason, then I say to those who charge it, if that be treason then let them make the most of it. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have no desire to unduly prolong this debate. The war veterans are not interested in debate. Everyone understands the issues involved. What the veterans want is less talk and more action by this Congress now. [Applause.]

May I say that I have consistently supported legislation to pay this just obligation of the Government from the beginning of this long fight. I have also consistently supported what is known as the Patman plan, to pay the adjusted-service certificates by issuing new money against the $10,000,000 of actual gold lying idle in the Federal Treasury. I still believe in that plan. One thing is certain, this debt must be paid either by bills or bonds.

This Congress, it seems, has decided to pay it by bonds, by the highly advertised baby-bond method.

But even though I still much prefer the Patman plan, this baby-bond plan is less objectionable than the original plan of the so-called sound-money advocates. It will pay the veterans the cold cash without a lot of red tape and delay, and undoubtedly will greatly stimulate business by placing from one to two billions of money in circulation. It will go into every nook and corner of the United States; it will save the homes of thousands of worthy veterans and permit others to meet other pressing obligations.

When the authorization bill came up in the House, January 9, and during the preliminary conferences we were told over and over again that this was only an authorization bill, and that when the measure came back to the House, Members would have an opportunity to decide what method of payment they desired. The RECORD will show that during the debate on the floor of the House, January 9, I asked the gentleman from Massachusetts [Mr. CONNERY] the following question:

> Does not the gentleman understand there has been a gentlemen's agreement between the various groups here, including the so-called leaders of this House, that those of us who favor the Patman bill will be given an opportunity somewhere down the line to express ourselves by a vote as to what particular method of payment of the bonus we prefer?

The gentleman's answer was:

> The understanding that I have is that those with whom we conferred would endeavor to obtain that for us, to the best of their ability; but in the event they are not able to obtain that, I suggest that we have a caucus, and in that caucus suggest that a rule be brought in permitting us to offer legislation on the appropriation bill along the line of the Patman bill.

Yet, in the face of that record, we find ourselves in a position where we must support the Senate bill carrying the baby-bond plan or nothing. Under the present rules of the House, those of us advocating the Patman plan and who have exhausted every possible effort to effect payment of this solemn obligation by issuing new money instead of the bond route have no possible opportunity to offer that plan at this time.

Let me say here that I was really surprised that the gentleman from New York [Mr. FISH], who spoke a few minutes ago, should inject partisan politics into this debate. The distinguished and ambitious gentleman, however, has been barnstorming the country for the past several years discussing partisan politics so persistently that it appears impossible for him to make any kind of a speech on the floor of this House without injecting partisan politics into the debate. But all of us know that politics have no place in this discussion.

Mr. NICHOLS. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I will be glad to yield to my colleague from Oklahoma.

Mr. NICHOLS. Do I understand the gentleman to say that the rules of the House today are such that it will not be possible for anyone to offer an amendment to this bill that suggests a different method of payment than that provided in the bill?

Mr. JOHNSON of Oklahoma. That is correct. And I might add that, for all practical purposes, it is impossible for those of us who endorse the Patman plan to express ourselves by a vote on that plan today, although this House by a record vote has demonstrated that it prefers the Patman plan to the bond method.

Mr. O'CONNOR. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. O'CONNOR. The gentleman is aware that we are proceeding under unanimous consent?

Mr. JOHNSON of Oklahoma. That is true.

Mr. O'CONNOR. Any one person could have objected to this proceeding.

Mr. JOHNSON of Oklahoma. Yes; but it would be too bad for anyone who did object. [Laughter and applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may care to consume to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, during the discussion of the payment of the adjusted-service certificates to veterans of the World War, I have continually heard the opponents of this measure denounce those who are handling the financial policies of this administration. I believe that, for the information of the Members of the House and the country at large, there should be placed in the RECORD at this time the proportionate per capita national debt existing in three great major countries. In France the per capita debt is $717. In Great Britain it is $524. In the United States it is but $219. I say to the Members of this House, regardless of how individuals may stand upon the payment of the adjusted-service certificates, we in this country are in good condition today in comparison to the other countries.

Mr. SNELL. Will the gentleman yield?

Mr. RANDOLPH. I trust, as I believe the majority of the membership of this House trusts, that the President will approve this bill when it is sent to him.

Mr. SNELL. Will the gentleman yield?

Mr. RICH. Will the gentleman yield?

Mr. RANDOLPH. I do not yield, Mr. Speaker.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, time marches on! We are today about to do what several of us urged Congress to do in 1919 and 1920. At that time the question of additional pay to the defenders of our country was being pressed in Congress. At that time we had a Democratic administration. Mr. Wilson was in the White House. The administration was against the bonus. It was contended that sufficient money was not available to pay this additional sum to the veterans. As I recall, it was estimated at that time it would take $1,492,000,000 to give the veterans this additional pay—that is, $1 per day additional for service in this country and $1.10 per day additional for service overseas.

I introduced a bill providing for this additional pay to the veterans and for the Government to issue bonds to them. This would enable those who needed it to get their pay in cash immediately and those who did not want the money could hold the bonds as an investment. As I now recall a few others, Republicans and Democrats, introduced similar bills. This is the very thing we are doing today in adopting the Senate amendment to the soldiers' bonus bill that we passed in the House some days ago.

This Senate amendment proposes that bonds be issued to each veteran for the full amount of the adjusted pay now due him. Those who desire can cash these bonds at any post office, and, of course, those who do not need the cash can hold their bonds until 1945, the bonds paying 3-percent interest.

I would not attempt to take away from any Member of this House any credit that may be due to him, either Republican or Democrat, for the service he has rendered in bringing about this legislation. In the early part of this fight, from 1919 up to and including 1924, many of the outstanding leaders on the Democratic side of the House were against the bonus and made vigorous fights against it, and on the other hand there were a number of distinguished Members on the Republican side who opposed the soldiers' bonus. I wish to congratulate Chairman DOUGHTON and my distinguished colleagues from Kentucky, Mr. VINSON, and Mr. JENKINS, from Ohio, and many others on the Ways and Means Committee and in the House here who have pushed this fight to a successful conclusion.

If, in 1919, Congress had issued bonds as it is proposed to do today, $1,492,000,000 would have paid the debt; but we put it off and put it off for nearly 17 years, and we are now confronted with the same situation, but with a large increase in the amount of bonds necessary to pay the obligation.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. COLDEN. Is it not a fact that Congress found several billions to pay munitions makers and the railroads after the war?

Mr. ROBSION of Kentucky. Yes; and that is what irked the defenders of our country. We found the money to pay the war contractors, the railroads, and others, but we could not find the additional $1 per day to pay the defenders of our country.

I believed the other day when I made a speech in favor of this measure that it would be the last; but it is now necessary to act on the Senate amendment, and it is a pleasure to me to raise my voice again in behalf of this just cause. The bonus bill with the Senate amendment as now before us, as I understand, has the sincere approval and the earnest support of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. It is very gratifying indeed to all of the friends and supporters of this legislation to see these three great World War veterans' organizations fighting shoulder to shoulder in this great cause, as they did in defense of our country.

Let us indulge the hope that President Roosevelt will not veto this bill, as he did the bill in the last Congress. This proposal is right. I was for it in 1919, I have been for it ever since, and I am for it today, and will welcome an opportunity to vote to override the President's veto if he should so act.

I thank you for your patient hearing. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield one-half minute to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Speaker, I wish to read the following short letter from Mr. John E. Staley, commander of the Veterans' Prosperity Organization, with national headquarters in Los Angeles, Calif.:

VETERANS' PROSPERITY ORGANIZATION,
LOS ANGELES, CALIF., *January 20, 1936.*

Hon. GEORGE BURNHAM,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: On the occasion of the loan legislation affecting adjusted-compensation certificates in 1931 considerable difficulty was experienced by the many veterans in securing application blanks, with the result that in Los Angeles these were printed, in large part, by the Los Angeles Examiner and given to the applying veterans.

The pending legislation will require the printing of more than 40,000,000 bonds, which includes the bonds to be issued directly to the veteran and the Treasury financing debentures.

Necessarily considerable accounting in the computation of interest between the period of the last loan by the veteran and the date of interest cessation will incur the need of expert services, requiring the enlargement of personnel in the Veterans' Administration and other departments concerned. If civil-service requirements cannot be relaxed to permit of this work being speedily accomplished, special legislation should be enacted.

Veterans' Administration offices in the various cities should provide a corps of notaries public to expeditiously acknowledge the veterans' applications.

These suggestions are prompted by extensive experience in the matter, and I hope that you see fit to give them your consideration.

Respectfully,

JOHN E. STALEY.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT] such time as he may desire.

Mr. RABAUT. Mr. Speaker, the payment of the adjusted-service certificates will prove of tremendous importance to the city of Detroit, the home of the automotive industry, and to the many employees engaged in this highly technicalized activity. There is no doubt that a very proper proportion of the huge fund released under this bill—becoming a law—will find its way into various channels of trade. And who in America today would divorce a just proportion of this sum from being spent for the manufactured products of the automotive industry? Accordingly, Mr. Speaker, I correctly stated a dynamic city's position in my opening remark—that the payment of the adjusted certificates will prove of tremendous importance to the workers in the automotive industry at Detroit; the automotive industry whose glorious ascent to supremacy diminishes, so to speak, the story of the Arabian Nights; the automotive industry captained by men of forethought, men of genius, men of action; the automotive industry that has climbed to a pinnacle of accomplishment second to none; the automotive industry that has brought to the traveling public the best and the most economical transportation of the age; the automotive industry that has done things for business and agriculture, bringing of necessity into being the existence of the good road. Yes; Mr. Speaker, the automotive industry awakened and rejuvenated a great city, for from every nook and corner of the land came those mechanically inclined geniuses whose combined effort gives you the perfect automobile of today. Over $2,000,000,000 will be released by this bill or, taking it closer to home, Wayne County's share is $29,998,906.70. So, to those desiring to improve their present mode of transportation, I recommend not only to the veterans receiving their long-cherished, so-called bonus, but even to those Members of this body within the hearing of my voice, the advantages to be gained and the comfort to be acquired and the joy to be instilled by the touch of the wheel of Detroit's new and glorious automobiles. Truly they are the wings of America!

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. DOUGHTON. Mr. Speaker, we are nearing the time when the last vote will be taken on the question of payment of the adjusted-service certificates. I hope the resolution I have presented today will be overwhelmingly, if not unanimously, adopted.

There is very little difference between the bill passed by the House some days ago, the Vinson-McCormack-Patman bill, and the Senate amendment of the House bill. They both provide for the veterans getting their money, and that is what we are driving at; that is what we are anxious to do.

The bill as passed by the Senate appears to be satisfactory to those who represent the soldiers, especially the organizations. The American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans all say this bill is satisfactory to the veterans; and it is, in my judgment, also fair to the Government.

It is maintained by some that it is more than the original contract. Perhaps this is true so far as some interest is concerned; but, in my judgment, it is no more than the original contract should have been. The soldiers were compelled to accept this settlement. They never have been satisfied with it. They now say they will be satisfied with the settlement proposed in the bill under consideration.

It is said by others that this is a hard time for the Government to pay this bonus; and it is, with the many demands, extra demands upon our Government for relief and recovery purposes. We all realize that it is a hard time for the Government to meet this obligation; but, Mr. Speaker, it is much harder for the American veterans in distress to go without this assistance than it is for the Government to pay it at this time; and I hope this resolution will be overwhelmingly adopted.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. HEALEY. There is no provision in the Senate amendment which confers any benefit on the veterans for retaining their present adjusted-service certificates.

Mr. DOUGHTON. Not for retaining them, but if they hold the bonds provided in this bill, they will draw 3-percent interest.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

Mr. DOUGHTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 346, nays 59, answered "present" 1, not voting 25, as follows:

[Roll No. 9]

YEAS—346

Adair	Daly	Hildebrandt	Miller
Allen	Darrow	Hill, Ala.	Mitchell, Ill.
Amlie	Deen	Hill, Knute	Mitchell, Tenn.
Andresen	Delaney	Hill, Samuel B.	Monaghan
Arends	Dempsey	Hoffman	Moran
Ashbrook	DeRouen	Holmes	Moritz
Ayers	Dickstein	Hook	Mott
Bacharach	Dies	Hope	Murdock
Bankhead	Dietrich	Houston	Nelson
Barden	Dingell	Hull	Nichols
Barry	Dirksen	Imhoff	Norton
Beam	Disney	Jacobsen	O'Brien
Beiter	Ditter	Jenckes, Ind.	O'Connell
Bell	Dondero	Jenkins, Ohio	O'Connor
Berlin	Dorsey	Johnson, Okla.	O'Leary
Binderup	Doughton	Johnson, Tex.	O'Malley
Blackney	Doutrich	Johnson, W. Va.	Owen
Blanton	Doxey	Jones	Palmisano
Bloom	Driscoll	Kahn	Parks
Boehne	Driver	Keller	Parsons
Boileau	Duncan	Kelly	Patterson
Boland	Dunn, Miss.	Kennedy, Md.	Patton
Boykin	Dunn, Pa.	Kennedy, N. Y.	Pearson
Boylan	Eagle	Kenney	Peterson, Fla.
Brennan	Eckert	Kerr	Peterson, Ga.
Brewster	Edmiston	Kinzer	Pettengill
Brooks	Eicher	Kleberg	Pfeifer
Brown, Ga.	Ekwall	Kloeb	Pierce
Brown, Mich.	Ellenbogen	Kniffin	Pittenger
Buck	Engel	Knutson	Polk
Buckbee	Englebright	Kocialkowski	Powers
Buckler, Minn.	Evans	Kopplemann	Quinn
Buckley, N. Y.	Faddis	Kramer	Rabaut
Bulwinkle	Farley	Kvale	Ramsay
Burdick	Fenerty	Lambertson	Ramspeck
Burnham	Ferguson	Lambeth	Randolph
Caldwell	Fiesinger	Lamneck	Rankin
Cannon, Mo.	Fish	Larrabee	Ransley
Cannon, Wis.	Fitzpatrick	Lea, Calif.	Rayburn
Carlson	Fletcher	Lee, Okla.	Reece
Carmichael	Focht	Lemke	Reed, Ill.
Carpenter	Ford, Miss.	Lesinski	Reed, N. Y.
Carter	Frey	Lord	Reilly
Cartwright	Fuller	Lucas	Richards
Cary	Fulmer	Luckey	Richardson
Casey	Gambrill	Ludlow	Risk
Castellow	Gasque	Lundeen	Robinson, Utah
Celler	Gassaway	McAndrews	Robsion, Ky.
Chandler	Gavagan	McClellan	Rogers, N. H.
Chapman	Gearhart	McCormack	Rogers, Okla.
Church	Gilchrist	McGehee	Romjue
Clark, Idaho	Gildea	McGrath	Rudd
Clark, N. C.	Gillette	McGroarty	Ryan
Cochran	Gingery	McKeough	Sabath
Coffee	Goldsborough	McLaughlin	Sadowski
Colden	Granfield	McLeod	Sanders, Tex.
Cole, Md.	Gray, Ind.	McMillan	Sauthoff
Collins	Gray, Pa.	McReynolds	Schaefer
Colmer	Green	McSwain	Schneider, Wis.
Connery	Greenway	Maas	Schuetz
Cooley	Greenwood	Mahon	Schulte
Cooper, Ohio	Greever	Main	Scott
Cooper, Tenn.	Gregory	Mansfield	Scrugham
Costello	Griswold	Marcantonio	Sears
Cravens	Guyer	Marshall	Secrest
Crawford	Gwynne	Martin, Colo.	Seger
Creal	Haines	Martin, Mass.	Shanley
Crosby	Halleck	Mason	Shannon
Cross, Tex.	Hamlin	Massingale	Short
Crosser, Ohio	Hancock, N. C.	Maverick	Sirovich
Crowe	Hart	May	Smith, Conn.
Crowther	Harter	Mead	Smith, Wash.
Cullen	Healey	Meeks	Smith, W. Va.
Cummings	Hess	Merritt, N. Y.	Snyder, Pa.
Curley	Higgins, Mass.	Michener	Somers, N. Y.

South	Thomas	Wallgren	Wilson, Pa.
Spence	Thomason	Walter	Withrow
Stack	Thompson	Warren	Wolcott
Starnes	Thurston	Wearin	Wolfenden
Steagall	Tolan	Weaver	Wolverton
Stefan	Tonry	Welch	Wood
Stubbs	Turner	Werner	Woodruff
Sutphin	Turpin	West	Young
Sweeney	Umstead	Whelchel	Zimmerman
Taylor, Colo.	Underwood	White	The Speaker
Taylor, S. C.	Vinson, Ga.	Wilcox	
Taylor, Tenn.	Vinson, Ky.	Williams	

NAYS—59

Andrew, Mass.	Drewry	Lewis, Md.	Sisson
Andrews, N. Y.	Duffy, N. Y.	McLean	Smith, Va.
Bacon	Eaton	Mapes	Snell
Biermann	Ford, Calif.	Merritt, Conn.	Sumners, Tex.
Bland	Gifford	Millard	Taber
Bolton	Goodwin	Montague	Tarver
Burch	Hancock, N. Y.	O'Day	Terry
Cavicchia	Hartley	O'Neal	Tinkham
Christianson	Higgins, Conn.	Perkins	Tobey
Claiborne	Hobbs	Peyser	Treadway
Cole, N. Y.	Hollister	Plumley	Utterback
Cox	Huddleston	Rich	Whittington
Culkin	Lanham	Robertson	Wigglesworth
Darden	Lehlbach	Rogers, Mass.	Woodrum
Dobbins	Lewis, Colo.	Russell	

ANSWERED "PRESENT"—1

Wadsworth

NOT VOTING—25

Buchanan	Flannagan	Maloney	Sullivan
Citron	Gehrmann	Montet	Thom
Corning	Harlan	Oliver	Wilson, La.
Dear	Hennings	Patman	Zioncheck
Dockweiler	Hoeppel	Sanders, La.	
Duffey, Ohio	Kee	Sandlin	
Fernandez	McFarlane	Stewart	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "aye."

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Patman (for) with Mr. Wadsworth (against).
Mr. McFarlane (for) with Mr. Corning (against).

General pairs:

Mr. Oliver with Mr. Stewart.
Mr. Sandlin with Mr. Thom.
Mr. Harlan with Mr. Dear.
Mr. Montet with Mr. Duffey of Ohio.
Mr. Wilson of Louisiana with Mr. Zioncheck.
Mr. Hennings with Mr. Maloney.
Mr. Dockweiler with Mr. Sanders of Louisiana.

Mr. WADSWORTH. Mr. Speaker, I voted "nay" on this resolution; however, I have a pair with the gentleman from Texas, Mr. PATMAN, who is unavoidably detained. It is understood, of course, that if the gentleman from Texas, Mr. PATMAN, were present he would have voted "yea" on this resolution. I must therefore withdraw my vote of "nay" and answer "present."

Mr. CULLEN. Mr. Speaker, my colleague from New York, Mr. SULLIVAN, is ill at his home, and therefore unavoidably absent. However, he wishes me to state to the Members of the House that if present he would have voted "yea" on this resolution.

Mr. THOMASON. Mr. Speaker, my colleague, the gentleman from Texas, Mr. MCFARLANE, is unavoidably absent on account of important business. He has always voted for this measure, and if present today he would have voted "yea." However, he does have a pair with the gentleman from New York, Mr. CORNING.

Mr. BOILEAU. Mr. Speaker, my colleague the gentleman from Wisconsin, Mr. GEHRMANN, is unavoidably absent. He has been a consistent supporter of this legislation. He asked me to announce that if present he would have voted "yea" on this resolution.

Mr. DEROUEN. Mr. Speaker, my colleague from Louisiana, Mr. FERNANDEZ, is unavoidably absent. If present, he would have voted "yea."

Mr. CONNERY. Mr. Speaker, the gentleman from Texas, Mr. PATMAN, is unavoidably absent. If present, he would have voted "yea" on the resolution.

Mr. EDMISTON. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. KEE, is absent on account of illness. If present, he would have voted "yea."

Mr. CELLER. Mr. Speaker, my colleague the gentleman from Connecticut, Mr. CITRON, is detained at home unavoidably on account of illness. If present, he would have voted "yea" on this resolution.

Mr. BLAND. Mr. Speaker, my colleague the gentleman from Virginia, Mr. FLANNAGAN, is unavoidably absent. He has wired me to say that if present he would have voted "yea."

The result of the vote was announced as above recorded.

On motion of Mr. DOUGHTON, a motion to reconsider was laid on the table.

EXTENSION OF REMARKS—ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the measure just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJUSTED-SERVICE CERTIFICATES A PAST-DUE DEBT

Mr. DORSEY. Mr. Speaker, the bonus question should be as free from politics as American neutrality. It involves all of America and America's honor. Both sides of the aisle should observe it that way. Before I ever dreamed of entering Congress I participated in the adjusted-compensation fight as a member in the ranks of the American Legion. The same arguments were advanced then as now, for the case of the veteran has not changed. The justice of his claim has not altered. Oratory will not satisfy the man who wore the khaki or Navy blue in 1917–19. A bill collector cannot be turned away by the description of a sunset or a funny story. He wants pay. After many a weary battle we once more urge immediate payment, and the hour for that accomplishment seems imminent. We may clothe the pro-bonus arguments in slightly varying verbiage, but there are just so many words in the English language and they have almost all been laid end on end in annual array by bonus advocates. When reduced to lowest terms, they say one simple thing: "The adjusted-compensation certificates represent a past-due debt. Pay it."

The manufacturer of World War equipment has long since banked his plenteous profits of 1917–19 days. His lowliest employee has probably spent the generous bonus granted to reduce surtaxes of the employer and received for doing an ordinary day's work at high salary, amid no discomforts or inconveniences. Meanwhile the ex-service man has waited patiently for an adjustment that would at least place a value on his war services equal to that given to noncombatant and unskilled laborers of the war period, who toiled at home. That is what the adjusted-compensation certificates attempted to balance. Some instances of inequalities that never could be liquidated by mere money were cited in my address on this same subject during the last session of this Seventy-fourth Congress. The payment of this past debt has been deferred while the need of the creditor has become immediate. The manufacturer, his employees, and even civilian Government workers have been paid their bonuses and high war salaries, but the soldier still holds an I O U, 17 years after the debt was contracted. In every large family there is apt to be a less demanding member who always is served the neck of the chicken. For 17 long years the ex-service man has been getting the neck, while the war contractor and his employees have had early and generous access to the white meat.

I like to think of our early battles to gain our deserved adjusted compensation. That was before I ever thought of becoming a congressional candidate, for the simple justice of our claim was all that caused me to fare forth. We were arrayed against powerful adversaries. However, we fought with some of the teamwork that service life had taught us but a few years previous. Our opponents were, in fact, if not in name, the Liberty Leaguers of the early 1920's and many of them have survived to fight us up to this last stand and victory. Then, as now, they were alined against any measure which caused them to be taxed. They were quite

willing to accumulate huge profits from war but were staunchly opposed to any but regular service pay to the combatant who risked his life. Eugene Grace, of Bethlehem Steel, felt smug and contented with his bonus of several million dollars, but a thousand-dollar adjustment to a man who had cut through the barbed wire of no man's land should be considered as ruinous to America and American principles. Grace and his cohorts had had the white meat so long that they believed they were created to eat white meat and the neck was passed on to the soldier. After all, he should be content with his ideals. Andrew W. Mellon and a number of large and reactionary corporations were the Liberty Leaguers of this period when we began our fight for the bonus. "Andy" and his ilk are the Liberty Leaguers of today.

Once a Liberty Leaguer always a Liberty Leaguer seems to be their motto. The same crowd that "ganged up" on us in the early days of our bonus fight are now lining up against President Roosevelt, and for the same reason. If they cannot get special privilege, they will spend millions to prevent the everyday American from getting what rightfully belongs to him. Today they prate about the Constitution; then they spoke of the bonus ruining America. Andy Mellon had muscled his way into that curious Cabinet of President Harding; and while Colonel Forbes was creating the first odor that became a national stench before Harding's death, Mr. Mellon was being spoken of for his resemblance to Alexander Hamilton—mostly by people unfamiliar with the biography of the versatile first Secretary of the Treasury. These were days when we had not only to fight for justice in the bonus issue; we were combating corruption within the Bureau which was charged with taking care of our disabled. While the Ohio gang was writing its malodorous record of graft, Andy Mellon was directing the policy of Mr. Harding on the bonus question. He was the tin god of big business, for it felt that the adjusted compensation could be averted as long as the modern Hamilton held office.

Mellon constantly implied ruin if the bonus were paid. The Liberty Leaguers of that day decided to bear down on their employees just as they will do this fall. In the 1920's they coerced their employees into writing their Congressmen, and even supplied the sample letters to guide their workers in the style of communication for address to the legislators. They were to bring these into the factory or office, unsealed, for the boss to check and mail—or else. Do I hear you say that this sounds curiously similar to the plan the holding companies employed last summer? Well, there is something in the thought processes of a Liberty Leaguer that makes him believe he can get away with murder as far as the public is concerned. Money has always done anything he asked it to do. Hire a few high-priced executives like Jouett Shouse and several sly publicity men—and presto. But it did not work where the bonus was concerned, and it will not work next fall. John W. Citizen is a pretty smart bird, regardless of what the Liberty Leaguers think of him. When it came to our early bonus fight, we had a cheap little paper called the American Legion Weekly. It came in common newspaper stock and it was not much for looks. But it showed up Mellon, the Hamiltonian, in his true colors. I do not know where or how it got its facts—and who cares?—but it disclosed that Andy was financing a fake soldier organization, opposed to the bonus.

The correspondence it reported and the copies of exhibits it displayed were never disclaimed to my knowledge by the ruler of three Presidents. He maintained a reserved and dignified silence after they appeared in the cheap little sheet that went to every Legionnaire weekly. Andy may have ignored the articles but Congress did not. Despite the loaded poll of the Literary Digest, "Do you vote for the bonus or tax reduction?" the bonus was passed over the Coolidge veto. We had won our fight over the arrayed money powers because we had right and the public on our side. And all the trick ballots of the Digest could not alter the real verdict. America, through its duly elected representatives had acknowledged the bonus debt, Andy, the Liberty Leaguers, and the Literary Digest, notwithstanding. But the ex-service man had yielded some ground along the way. The matter of payment was not what the veteran had in mind. His certificate was an endowment policy, payable in 1945. It was something of a compromise in his mind but then he could struggle along until the pay-off. However, he reckoned not with the Hoover panic and the slow painful pull out of the worst depression of our time. Job went first and then came savings and the regular insurance policy. Finally, as any creditor would, the veteran cried: "Pay me now while my need is great, I may not be here in 1945." In this latter statement he is more accurate than he knows, for veterans are dying at a much higher rate than non-veterans. Arlington, the little country church yards, and the urban cemeteries are testimony to the fact that a large portion of veterandom will have heeded the last call before the year designated on the adjusted-compensation certificates. Their present death rate will probably show even a greater increase within the next 5 years. It may not have been manifest in the immediate post-war days but the World War took something out of the man that cannot be replenished.

While "the greatest Secretary of the Treasury since Alexander Hamilton" was dictator of American finance it was enough to wrest a compromise victory over the Coolidge veto. Seven months after the Hoover accession, America was on the skids, and many veterans were jobless and living off what accumulations they were able to lay up. Business recovery was always around the corner, and veterans and nonveterans alike were straining their eyesight looking for it. Meanwhile Pollyanna utterances emanated from the Hoover study and the offices of Cabinet members. They failed to inspire confidence among the citizenry, so this was not a propitious time for veterans to present their bill. Hoover's financial policy was to deflate to the limit if America was ruined in the process. He could not find the remedy, so he had a way of ascribing our difficulties to Nature and Europe and—well to everything but the 12 years of Republican rule, including Hoover. Clearly, he did not know what it was all about and how to set it right. So there was little chance to prime the pump in the Hoover days, for he believed utterly in inserting Government funds at the top, as with the Dawes bank in Chicago.

Now, we are definitely through with the "let us talk ourselves into prosperity" days. Look at the trade indexes and read the stock quotations in the daily papers. There is no skyrocketing of prices, but the trend is unmistakably upward. Better still, ask the telephone repair man, the grocer, the office-specialty man, and others: "How is business?" Depression has taught them to be conservative, but you will get a good report. Because we are on our way out. Luxury industries are an excellent barometer. You do not have to buy a radio, for instance. It is a luxury.

Well, Philco Radio & Television Corporation, in the heart of my district, has greatly increased its number of workers and its pay roll in dollars since March 1933. Every employee is a member of the radio and television union, which is associated with the A. F. of L. If radio sales are on the increase, staples must be. Other industries, large and small, are on the upswing, some of them for the first time in 6 long years. More and greater taxable incomes will be reported this year. So let us do what any family does as it emerges from debt. Let us pay first the creditor who has waited longest. He is the ex-service man.

Revaluation of gold and other deflation arresting measures of the New Deal have returned the confidence of a sorely afflicted Nation. Our hopes and our accomplishments are turning upward. It is now possible to pay the bonus, and I believe this will be done.

Some churches in my district have made a great ceremony of burning the mortgage which encumbered their house of worship. The members have heard the clergyman read out each month by what sum they have gradually reduced the indebtedness on their edifice. Month after month they learn of the slowly but constantly diminishing amount due and no wonder they look with anticipation to the day when the debt on their church property will be cleared. Finally

the great day arrives. The members and their families congregate around the specially prepared pyre and amid much rejoicing the evidence of indebtedness is thrust into the flames. The clergyman must heave a sigh of relief that he does not have to henceforth detail the amounts due and the congregation is no less relieved because the mortgage problem is over with. That is how America will feel when the perennial bonus discussion is history. The citizen will heave a great sigh and relax. In fact a public burning of the adjusted-compensation certificates might be a good idea. The annual agitation for payment will at last be ended.

I could not forego mentioning some of those early days in the bonus fight. We have seen the various agencies of the immediate post-war days merged into the Veterans' Bureau and later, another consolidation which gave us the Veterans' Administration. If we do not get perfection now, we at least have nothing of the corruption that marked the Harding days when Forbes and his buddies lined their pockets while many a veteran died without benefit of hospitalization. We have met and defeated Mellon and his assortment of Liberty Leaguers. We have fought the good fight for simple justice. They have been defeated on the bonus issue but they will, in one guise or another, organize themselves to secure the special privilege which they believe to be their divine right. A Du Pont contributes $128,000 in 1 year to save the dear old Constitution. In the 1920's they were saving America from ruin through their opposition to bonus legislation. We found that they were wrong then and they are no more right now.

The American public presents them with a defeat on the bonus. Over two Republican vetoes, the debt was finally acknowledged. It is now 17 years past due and we can pay. Let's do it.

BRIDGE ACROSS THE ST. CLAIR RIVER AT PORT HURON, MICH.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the action in the House on last Monday in connection with the passage of the bill (S. 1788) authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada be vacated, and that further action in reference to this bill be indefinitely postponed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. SNELL. Mr. Speaker, reserving the right to object, what is the reason?

Mr. BANKHEAD. Will the gentleman make some explanation?

Mr. WOLCOTT. Mr. Speaker, a similar bill was introduced in the Senate, being the companion to this bill introduced by me in the House. It involves the construction of a bridge over the St. Clair River at Port Huron, Mich.

Mr. BANKHEAD. Has the gentleman taken this up with the majority members of the committee?

Mr. WOLCOTT. Not as yet. I may say to the gentleman that because of the opposition of certain Members to bridge bills last year, we passed an omnibus bill. This bill was included in the omnibus measure, but was inadvertently left on the calendar and passed last Monday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON INSULAR AFFAIRS

Mr. DOUGHTON. Mr. Speaker, I offer a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Mr. DOUGHTON submits the following resolution:

Resolved, That CAROLINE O'DAY, of New York, be, and is hereby, elected a member of the standing committee of the House on Insular Affairs.

The resolution was agreed to.

GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on February 22, next, immediately after the reading of the Journal and disposition of matters on the Speaker's desk, the gentleman from New Jersey [Mr. McLEAN] may be given time to read Washington's Farewell Address.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LIBERTY AND LAW

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, at the request of the South Bend (Ind.) Tribune I wrote the following "guest editorial" on Liberty and Law, which appeared in their issue of January 5, 1936:

Law is a restraint against liberty. In logic, therefore, the two cannot exist at the same time. But life, which is so much wiser than logic, knows that without law there can be no liberty; that law wisely written enlarges the liberty of John Citizen by restraining Bill Sykes from destroying that liberty. I do not like the expression "liberty under law." It implies that law is superior to liberty. On the contrary, liberty is the end, and law is only a means to that end. Law is valuable only insofar as it guarantees the equal liberty which is the right of all men.

The state is only a ladder by which man may climb from the jungle to the plateau of civilization and there pursue his happiness on equal terms with his fellows. Worship of the state as an end in itself is always dangerous. It assumes that the state always acts with Godlike benevolence. All history disproves that assumption. The "invisible government" throughout the centuries and under every form of law—monarchy, feudalism, democracy, or dictatorship—has always been at work to use the processes of lawmaking to give Bill Sykes the chief place at the feast of life. John Citizen should carefully scrutinize the state. "Eternal vigilance is the price of liberty", the only price.

On the other hand, history records its purple pages when government under inspired leadership has served the general welfare as against the privilege of the few. Government can be a great agency for good.

The exact boundary between liberty and law has never been drawn and never can be drawn. It must be moved to right or left as civilization develops. The law is a traffic officer at the crossroads of life. In a tiny hamlet we do not need the traffic officer. In a great city we do. We surrender a part of our liberty to pass and repass at will. But all others yield a like freedom. The result is that you and they have actually gained by the exchange. By obeying the officer we all have a greater freedom of movement than before; traffic jams are avoided. In such case control of liberty increases liberty.

This is the yardstick by which we should measure all legislation. Does it enlarge the liberty and equalize the right of all citizens to travel on life's highway? Does it keep the gates of opportunity open to all men? If it does, welcome it regardless of its name or form. But do not under the name of law ask a privilege for yourself which you are not willing to grant to your fellows. That is treason to democracy. If persisted in, it may mean the end of democracy.

Our objective under the ceaseless flux of human destiny is to draw that fine line between that degree of liberty without which law is tyranny and that degree of law without which liberty is anarchy.

It is a hard task. Government by the people, busy as they are with the daily round, is at once the most precious and the most difficult of all governments.

But because it is your Government assume responsibility for it. Do not rely alone on law, Government, Congress, the courts, or the Constitution to protect your liberty.

The aim of democracy is the economic and political application of the Golden Rule. It is your inheritance from a great and bloodstained past. It is your legacy from the fathers. To guard and bequeath it to your children is your privilege and job.

THE POWER OF THE SUPREME COURT TO DECLARE ACTS OF CONGRESS VOID—THE POWER TO INTERPRET THE CONSTITUTION IS THE POWER TO MAKE THE CONSTITUTION

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSAY. Mr. Speaker, it is claimed by those who support the theory of court determination of acts of Congress that those who oppose such application of power are opposed to the Constitution and seek to destroy our courts of justice.

To my mind, this is a gratuitous insult to a great mass of splendid lawyers and students of our jurisprudence, who assert that the court's duty is to interpret the law and not seek to form the law by the veto of legislation, because the

power to interpret the Constitution is the power to make the Constitution.

Speaking for myself, I not only respect but revere our splendid courts, who have done so much to aid the great cause of liberty and freedom of the American people.

I realize that in a great republic like ours that the confidence of the people in their courts and their laws reposes the sure and certain assurance of the perpetuity of our institutions.

Since the foundation of the great American Republic there have been two lines of thought uppermost in the minds of American statesmen.

Did the fathers of our country have in mind the general welfare of the whole people when writing the Constitution, or did they have in mind the restriction of the general welfare whenever this great motive would conflict with the right to own or control property?

The founders of my political party and faith claim that the "preamble" of the Constitution meant what it said, and that all forms and action of government should be diverted and used to promote the general welfare of the people. Therefore they held that the judiciary should have no part in declaring the kind and character of laws Congress should enact, nor should the courts have any right, power, or privilege to declare any act or acts of Congress void.

Those opposed to this view of government claim that the preamble of the Constitution meant nothing and could not be looked to in deciding upon the acts of Congress, and unless specifically authorized by the Constitution, Congress has no power to legislate.

If the Supreme Court had been so careful in marking out its powers to so adjudicate, under specific authorization, under the Constitution, this conflict would never have occurred, because the Constitution in none of its provisions authorizes the courts to hold any acts of Congress void and unconstitutional.

Today we are, in the final analysis, governed by a theory of government that was supposed to have died with the Federalist Party, but we now feel the dead and withered hand of Alexander Hamilton directing through our Supreme Court the policies of every administration, regardless of which political party may be in power.

The decision of the Court in the Marbury case was the first declaration of the right of the Supreme Court to declare acts of Congress void. This decision was the most brazen judicial announcement of a political faith ever made by any body of men in this country. This opinion merely set forth the principles of federalism as announced by Hamilton. It was an obiter dictum opinion, because the Court first announced it did not have jurisdiction, then went on to say what the Court would have decided, if it had jurisdiction. Upon this opinion, rendered without authority or citation, the Court has built up its theory of vetoing and outlawing acts of Congress, thereby placing itself in the position of dictating the political policies of this country. Such decisions of our courts are mere political opinions and not judicial decisions, and are wholly unauthorized by the Constitution, laws, and traditions of our form of government.

When we realize that no court in Great Britain has dared declare any act of Parliament unconstitutional in the past 200 years, and that neither France, Belgium, Germany, nor Italy have any court empowered to set aside the laws of their Parliament, we stand aghast at it all, and as we realize that every court in America, even every justice of the peace, can set aside the acts of Congress and declare the political course our political parties must pursue, we shudder and wonder what the outcome will be.

How long will the American people permit the courts of America to defeat the expressed will and intent of the people of this country by avoiding and destroying the laws that people are demanding? By a decision of 5 to 4 will they continue to permit this Court to deny their Legislature the right to correct the evils and abuses of the ownership of property that have for the past 50 years dictated the course of legislation at the expense of human welfare? The courts apparently will not or cannot recognize the changing social needs of the United States.

To determine whether or not those of us who deny the power of the Court to nullify acts of Congress are radical and opposed to the Constitution, let us, for a moment, review the expressions of our great American statesmen of the past.

The Constitutional Convention held in 1787 three times refused to adopt a resolution that would have granted to the Supreme Court the right to declare acts of Congress void or unconstitutional. (See Reports of Federal Convention, by James Madison, pp. 51, 406–407, and 475.) The last statement on this subject in said record, at page 475, written by Madison himself, reads:

> It was generally supposed that the jurisdiction given (Supreme Court) was constructively limited to cases of a judicial nature.

It was further argued by Madison and others that the Constitution did not grant the right to such Court to declare acts of Congress void. In discussing this question, James Madison said:

> I beg to know upon what principle it can be contended that any one department draws from the Constitution greater powers than another in marking out the limits of the powers of the several departments. Nothing has yet been offered to invalidate the doctrine that the meaning of the Constitution may as well be ascertained by the legislative as by the judicial authority.

Thomas Jefferson, in writing to Mrs. Adams on September 11, 1804, wrote:

> The opinion which gives to the judges the right to decide what laws are constitutional and what not, not only for themselves in their own sphere of action but for the legislature and executive also in their spheres, would make the judiciary a despotic branch.

In a letter written by Jefferson to Mr. Johnson on June 12, 1823, discussing this same question, he stated:

> There must be an ultimate arbiter somewhere. True there must; but does that prove it is either the Congress or the Supreme Court? The ultimate arbiter is the people of the Union, assembled by their deputies in convention at the call of Congress or of two-thirds of the States.

Charles Pinckney, one of the signers of the Constitution, says in discussing this subject:

> On no subject am I more convinced that it is an unsafe and dangerous doctrine in a republic ever to suppose that a judge ought to possess the right of questioning or deciding upon the constitutionality of laws or any act of legislature. It is placing the opinion of an individual, or of two or three, above that of both branches of Congress, a doctrine which is not warranted by the Constitution, and will not, I hope, long have any advocates in this country.

President Jackson, in discussing McCullough against Maryland and of Osborn against United States Bank, in a message to Congress said:

> The Congress, the Executive, and the Court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears he will support it as he understands it and not as it is understood by others.

It is as much the duty of the House of Representatives or the Senate and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the Supreme Court when it may be brought before them for judicial decision. The opinion of the Judges has no more authority over Congress than the opinion of Congress has over the Judges. The authority of the Supreme Court must not, therefore, be permitted to control the Congress or the Executives when acting in their legislative capacities.

Abraham Lincoln, in his first inaugural address as President of the United States, said:

> The candid citizen must confess that if the policy of the Government, upon vital questions affecting the whole people, is to be irrevocably fixed by decisions of the Supreme Court the instant they are made, 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.

Justice Clark, of the Supreme Court, in discussing this question in the Ninth American Bar Association Journal, October 1923, page 691, said:

> It is no new suggestion that if the Court would give real and sympathetic effect to this rule by declining to hold a statute unconstitutional whenever several of the Justices conclude that it is valid—by conceding that two or more being of such opinion in any case must necessarily raise a "rational doubt"—an end would be made of five to four constitutional decisions, and great

benefit would result to our country and to the Court. To voluntarily impose upon itself such a restraint as this would add greatly to the confidence of the people in the Court and would very certainly increase its power for high service to the country. Anyone at all acquainted with the temper of the people in this grave matter must fear if the rule is not observed in some such manner a greater restraint may be imposed upon the Court by Congress or by the people, probably to the serious detriment of the Nation.

Of course, I am aware that the courts and many in the legal profession contend that the courts have an inherent right to declare acts of the legislative branch of the Government void as a professional dogma or a matter of faith rather than reason. But may I not observe that while this right in question has long been claimed by the judiciary, no judge has ventured to discuss it, except Chief Justice Marshall in the Marberry case, and if the argument of such a distinguished jurist is found to be inconclusive and inconvincing, it must be attributed to the weakness of his position and not to his ability.

The Constitution is a collection of fundamental laws, not to be departed from in practice, nor altered by judicial decisions. Therefore, if the courts assert this right, instead of resting on the claim that it has been universally assumed by the American courts, they ought to be prepared to maintain it on the principles of the Constitution.

I, therefore, maintain that in this country the powers of the judiciary are divisible into those that are political and those that are civil.

The political powers of the judiciary are extraordinary and are derived from certain peculiar provisions in the Constitution, from the common fountain of all political power.

On the other hand, its civil powers are its ordinary powers, existing independently of any grant in the Constitution. But where government exists by virtue of a written constitution, the judiciary does not derive from that circumstance any other than its ordinary and appropriate powers.

Our judiciary is constructed upon the principles of the common law. In adopting the common law, we take it with just such powers and capacities incident to it, at the common law, except where there have been express changes made by our Constitution and enacted law. With us, the people, through their Constitution, have seen fit to clothe Congress with sovereignty and power, to pass and enact laws, and denied this right to other branches of the Government.

It must be conceded, then, that the ordinary and essential powers of the judiciary do not extend to the annulling of an act of Congress. Nor does it follow, because the Constitution did not invest this power in any department of our Government, that it belongs to the judiciary, and I take it that this power could not rest in the judiciary without producing a direct authority for it in the Constitution, either in terms or by the strongest implication from the nature of our Government, without which this power must be considered as reserved for the immediate use of the people.

The Constitution contains no practical rules for the administration of law by the courts, these being furnished by the acts of ordinary legislation enacted by Congress, who are exclusively, with the President, the representatives of the people.

The Constitution and the right of Congress to pass a certain act may be in collision, but is that a legitimate subject for judicial determination? If it is, the judiciary must be a peculiar organ to revise the proceedings of Congress and to correct its mistakes. And where, oh where, are we to look for this proud prerogative in the Constitution?

Viewing it from the other angle, what would be thought of an act of Congress declaring that the Supreme Court had put the wrong construction on the Constitution in the N. R. A. case, and that the judgment ought to be reversed?

I can hear now the howls of usurpation of judicial power.

The passage of an act of Congress is an act of sovereignty, and sovereignty and legislative power are said by Blackstone to be convertible terms.

It is the business of the judiciary to interpret the laws and not to scan the authority of the lawgiver. If the judiciary has the power to inquire into anything other than the form of enactment, where shall it stop? There certainly must be some limitation to such an inquiry. Those who claim this right for the judiciary, claim the legislative branch has no right of legislation, unless specifically granted by the Constitution. Therefore, if the authority to pass certain legislation is not found in the Constitution, such acts are not the acts of the people, but of the Congressmen themselves. But this is putting the argument on bold ground; to say that a high public representative of the people themselves shall challenge no more respect in the passage of legislation than a private individual must be rejected by every fair mind.

The further argument is made that when the Supreme Court holds an act of Congress void, it must acquiesce, although it may think the construction of the judiciary is wrong. But why must it acquiesce? Only because it is bound to show proper respect to the Supreme Court, which it in turn has a right to exact from the Supreme Court. This is the argument.

But it cannot be contended that the Congress has not, at least, an equal right with the judiciary to place a construction on the Constitution, nor can it be said that either are infallible, nor that either ought to surrender its judgment to the other. Certainly the framers of our Government never intended that the legislative and judiciary branches of our Government should ever clash upon the construction of our Constitution, yet we know this has occurred time and again during the history of our country.

What I am trying to say is that the judiciary, if at all possible, should yield to the acts of Congress the same respect that is claimed for the acts of the judiciary.

The great number of cases that have been decided by the Court by a decision of 5 to 4 clearly illustrates that repugnancy to the Constitution is not always self-evident, and that to avoid them requires the act of some tribunal competent, under the Constitution—if any such there be—to pass upon their validity.

The judiciary was not created by the fathers of the Constitution for that purpose. But in theory all the organs of Government were to have equal capacity, or if not equal, each was supposed to have superior power only for those things which peculiarly belong to it, and as legislation peculiarly involves the consideration of those limitations which are put on the lawmaking power, and the interpretation of laws, when made, involves only the construction of the laws themselves, it follows that the construction, in this particular, belongs to the Congress, which ought, therefore, be taken to have superior capacity to judge the constitutionality of its own acts.

The very definition of "law" which is said to be "A rule of civil conduct prescribed by the supreme power in the State", shows the intrinsic superiority of the Congress.

It will be said the power of Congress also is limited by prescribed rules. It is so. But it is the power of the people, and sovereign as far as it extends.

The foundation of every argument of every advocate of the judiciary to declare acts of Congress void rests upon the oath taken by the judiciary upon entering their office. Neither the oath of such officer nor his official duty contemplates an inquiry into the authority of Congress.

The fallacy of the argument that courts in approving acts of Congress adopt them as their own leads some of us to believe that this alone requires and compels the court to pass upon the constitutionality of acts of Congress, whereas the enactment of a law and the interpretation of it are not concurrent acts, and as the judiciary is not required to concur in the enactment, neither is it in the breach of the Constitution which is the fault of Congress, and upon it the responsibility rests.

The relief from such legislation rests entirely with the people, and I firmly believe they would see to it that no law would be permitted to stand or remain in our statutes that was a flagrant violation of their Constitution.

DISSENTING OPINIONS OF THE SUPREME COURT

Being a lawyer who has practiced law continuously for the past 35 years, I have been obsessed with the idea that judges

and those who are learned in the law are probably better qualified than any other citizen to determine whether or not an act of Congress is derogatory to the Constitution. But if you are a lawyer who has studied legislation adopted by our Congress during the life of our Republic, you will be compelled to confess that your researches of such legislation have disclosed to you that no act was ever passed by Congress with the open or avowed purpose of flaunting or circumventing the Constitution. But, on the contrary, every such act was debated fully, and the majority who enacted such legislation honestly believed that under the terms of the Constitution the Congress was well within its rights and undoubtedly was attempting to carry out the wishes of the people.

And if you have studied the decisions of our Supreme Court on this subject, you will be convinced that the Court in setting aside such acts did not remove from your mind reasonable doubt about the constitutionality of the acts. But, on the contrary, the Court was so divided in opinion that their decisions only added confusion to the doubt they sought to remove.

Our Supreme Court has many times seriously divided its councils upon passing on acts of Congress, and many great members of the Court have charged it with undertaking to usurp the power of legislation and were therefore themselves violating the Constitution and trespassing upon the power of Congress to enact legislation as granted to it by the people under the Constitution itself.

That we may understand the views of some of the greatest of our Supreme Court Judges, I beg to cite and quote from the following:

In the income-tax case known as *Pollock* v. *Farmers Loan & Trust Co.* (157 U. S. 429; 158 U. S. 601), decided in 1895. Justices Harlan, Brown, Jackson, and White dissented. In dissenting, Justice Harlan argued:

> That by reversing the earlier law and practice of the Government the majority of the Court rendered it necessary to amend the Constitution to secure principles of right, justice, and equality in Federal taxation, and he insisted that policy and economic consideration rather than law actuated the majority in their conclusion.

Again, in the case of *Connally* v. *Union Sewer Pipe Co.* (184 U. S. 540), decided in 1902, Justice McKenna dissenting from the opinion of the Court, said:

> Courts are not to determine, he thought, whether laws arbitrary, oppressive, or capricious, indeed whether such combinations are evils or blessings, or to what extent either, is not a judicial inquiry. * * * To consider their effect would take us from legal problems to economic ones, and this demonstrates to my mind how essentially any judgment or action based upon these differences is legislative and cannot be reviewed by the judiciary.

Again, in *Burton* v. *United States* (202 U. S. 344), decided in 1906, Justices Brewer, White, and Peckham dissented from the opinion of the Court and declared:

> That the construction now given writes into the statute an offense which Congress never placed there. It is a criminal case, and in such a case, above all, judicial legislation is to be deprecated.

In the case of *Weems* v. *United States* (217 U. S. 349), decided in 1910, Justice White, with the concurrence of Justice Holmes, recorded a vigorous dissent:

> They thought if legislation defining and punishing crime is held repugnant to constitutional limitations it "seems to the judicial mind not to have been sufficiently impelled by motives of reformation of the criminal."

The legislative power is impotent to control crime. Since the decisions subjected to judicial control the degree of severity with which authorized modes of punishment might be inflicted, it seemed to the minority:

> That the demonstration is conclusive that nothing will be left of the independent legislative power to punish and define crime.

The direct result of the decisions, it was maintained, was to expand the judicial power by endowing it with a vast authority to control the legislative department in the exercise of its rightful discretion.

In the case of *Lochner* v. *New York* (198 U. S. 45), decided in 1905, Justices Harlan, White, Day, and Holmes dissented. Justice Harlan, writing the dissenting opinion declared:

> It is not the province of the Court to inquire, under our system of government, whether or not this be wise legislation. The courts are not concerned with the wisdom or policy of legislation. We do not regard it as within the function of the Court to determine what is sound economic theory in the realm of labor legislation.

Justice Holmes prepared a separate dissenting opinion, in which he declared:

> This case is decided upon an economic theory, which a large part of the country does not entertain. If it were a question whether I agreed with that theory, I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law.

Again, in the case of *Employers' Liability Cases* (207 U. S. 463), decided in 1908, Justices Moody, Harlan, McKenna, and Holmes dissented from the judgment of the Court. Justice Moody, in the course of his dissenting opinion, said:

> The Court has never exercised the mighty power of declaring the acts of a coordinate branch of the Government void, except where there is no possible and sensible construction of the act which is consistent with the fundamental organic law. The presumption that other branches of the Government will restrain themselves within the scope of their authority and the respect which is due to them and their acts admit of no other attitude from this Court. * * * But the economic opinion of the judges and their views of the requirements of justice and public policy, even when crystallized into well-settled doctrines of law, have no constitutional sanctity. They are binding upon succeeding judges, but while they may influence, they cannot control legislators. Legislators have their own economic theories, their views of justice and public policy, and their views when embodied in written law must prevail.

In the case of the *Standard Oil Co.* v. *United States* (221 U. S. 1), decided in 1911, dissenting in part from the reasoning of the majority, Justice Harlan claimed—

> That the Court, by its decisions, when interpreted by the language of its opinion, has not only upset the long unsettled interpretation of the Sherman Antitrust Act, but has usurped the constitutional functions of the legislative branch of the Government.

Continuing further, he said:

> I am impelled to say that there is abroad in our land a most harmful tendency to bring about the amending of constitutions and legislative enactments by means alone of judicial construction.

In the case of *Burns Baking Co.* v. *Bryan* (264 U. S. 504), decided in 1923, Justice Brandeis, dissenting, said:

> That the Court had decided as a fact that the prohibition of excess weights is not necessary for the protection of the purchasers against imposition and fraud by short weights; that the law subjected bakers and sellers of bread to heavy burdens.

Continuing, he said:

> In my opinion, this is an exercise of the powers of a superlegislature, not the performance of the constitutional function of judicial review.

In the case of *Hammer* v. *Dagenhart* (247 U. S. 251), decided in 1918, Justices Holmes, McKenna, Brandeis, and Clark dissented and said:

> We should have thought that the most conspicuous decisions of this Court has made it clear that the power to regulate commerce and other constitutional powers could not be cut down or qualified by the fact that it might interfere with the carrying out of the domestic policy of any State. The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like, but when they seek to send their products across the State line they are no longer within their rights.

In the case of *Adkins* v. *Children's Hospital* (261 U. S. 525), decided in 1923, Chief Justice Taft and Justices Sanford and Holmes dissented. In dissenting, Chief Justice Taft said:

> It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound.

Justice Holmes, in dissenting, said:

> I confess that I do not understand the principle on which the power to fix a minimum for the wages of women can be denied by

those who admit the power to fix a maximum for their hours of work. (Hours of work for women in the District of Columbia had previously been upheld by the Court.)

The very latest criticism of the Court by its own members relative to its tendency to pass upon questions of policy rather than law is the case of the United States of America against Gus L. Constantine, which was decided at the October term of Court, 1935, and is not yet in print. In this case Justices Cardozo, Brandeis, and Stone dissented, and in dissenting in this case Justice Cardozo expressed the following:

If I interpret the reasoning aright, it does not rest upon the ruling that Congress would have gone beyond its power, if the purpose that it professed was the purpose truly cherished. The judgment of the Court rests upon the ruling that another purpose, not professed, may be read beneath the surface, and by the purpose so imputed, the statute is destroyed. Thus the progress of psychoanalysis has spread to unaccustomed fields. There is a wise and ancient doctrine that a court will not inquire into the motives of a legislative body or assume them to be wrongful. (*Fletcher* v. *Peck*, 6 Cranch 87) (*Magnana Co.* v. *Hamilton*, 292 U. S. 40). There is another wise and ancient doctrine that a court will not adjudge the invalidity of a statute except for manifest necessity. Every reasonable doubt must have been explored and extinguished before moving to that grave conclusion. (*Ogden* v. *Saunders*, 12 Wheat. 213.) The warning sounded by this Court in the *Sinking Fund Cases* (99 U. S. 700) has lost none of its significance. Every presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutary rule. I cannot rid myself of the conviction that in the imputation to the lawmakers of a purpose not professed, this salutary rule of caution is now forgotten or neglected after all the many protestations of its cogency and virtue.

It is often said that our Government is divided into three branches—the executive, legislative, and judicial. This is only partly true, since the Court has arrogated to itself the power to override acts of Congress. But the right of the people to grant specifically such powers of Congress, as may now be in doubt, cannot be denied.

The Fort Sumter of 1936 is clearly the massive building where the judges hold sway, and not the Halls of Congress. If any man doubts this statement, let him read the dissenting opinion of the three dissenting Judges, Justices Stone, Brandeis, and Cardozo, in the A. A. A. case, where they said:

The majority opinion hardly rises to the dignity of argument, and must lead to absurd consequences. And that acceptance of the theory that "preservation of our institutions is the exclusive concern of any one of the three branches of government", is far more likely to destroy the Union than the frank recognition that language, even of a constitution, may mean what it says, and that the power to tax and to spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money.

It is my belief that no act of Congress should be set aside by our courts unless the Court can by unanimous decisions declare that the enactment is a violation of the Constitution. This would remove doubt and add great weight to the decisions of our courts and allay the suspicion of our people that the Court has set itself up as a superlegislative body.

I desire to quote from the decision of Chief Justice Marshall in the original case of our Supreme Court, where it decided for the first time the power of Congress to enact legislation under the commerce clause of our Constitution (*Gibbons* v. *Ogden*, 9 Wheat. 1), where he said:

The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are in this, as in many other instances as that, for example, of declaring war, the sole restraints on which they have relied to secure them from its abuse. They are the restraints on which the people must often rely solely in all representative governments.

BILL TO LIMIT JURISDICTION OF SUPREME COURT

The first thought or reaction of those who oppose the Supreme Court's tendency to veto statutes enacted by Congress is to exclaim: Let us amend the Constitution. But why resort to this possible but unlikely remedy that would be drawn out for years with long-fought and destructive agitation if the same purpose can be accomplished by a mere simple act of Congress? With this thought in mind, I introduced on May 14, 1935, H. R. 8054, which provides as follows:

(1) That the inferior courts of the United States and the courts of the District of Columbia and the Territories of the United States shall have no jurisdiction to declare any act of Congress unconstitutional. Any question arising upon an attack against any act of Congress, upon the ground that same is unconstitutional and void, raised in any of said courts shall, by the presiding judge thereof, be certified to the Supreme Court of the United States and further proceedings in the case stayed until such question shall have been decided and the decision certified back. The forms of the certificates of such questions, as well as the time and manner of the hearing and notice thereof and the portion of the record to be sent up, shall be as prescribed by the Supreme Court. Entry of such certificate or the fact that it has been made, upon the record of the case in the trial court, shall be sufficient notice to the parties that the questions involved are on application for hearing and determination by the appellate court. Attested copies of the portions of the record of the case or cause necessary to a determination of the questions so certified shall forthwith be presented to the Supreme Court, together with the question certified; and, secondly, that

In all cases now pending, or which may hereafter be pending, in the Supreme Court of the United States, except cases affecting ambassadors or other public ministers and consuls, and those in which a State shall be a party, where is drawn in question an act of Congress or statute of a State on the ground of repugnancy to the Constitution of the United States, at least seven members of the Court shall concur before judgment shall be pronounced or rendered declaring said law or laws unconstitutional and void.

ARGUMENT FOR BILL OF LIMITATION

Has the Congress of the United States the power to pass any law requiring a certain number of the Judges of the Supreme Court to concur before they can declare any act of Congress unconstitutional?

The Constitution of the United States provides:

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 other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to fact and law, with such exceptions and under such regulations as the Congress shall make.

The Supreme Court, in passing upon this provision of our Constitution, has declared in *Ex parte McCardle* (7 Wallace, 74 U. S. 506), as follows:

We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this Court is given by express words. It is quite clear, therefore, that this Court cannot proceed to pronounce judgment in this case, for it has no longer jurisdiction of the appeal.

I believe that under the provisions of the Constitution Congress has the power to prescribe the number of Judges which shall concur before a statute shall be declared unconstitutional. From the earliest days of the Republic, Congress has determined not only the number of Justices but also the number which shall constitute a quorum. The act of 1789 contained such a provision, and that provision is still in the law, providing that six Justices shall constitute a quorum. Congress has further provided for the Court's adjournment in case of no quorum. It has given to less than a quorum the power to make necessary orders touching a pending case.

The judicial power of the United States is vested in one Supreme Court and such inferior courts as the Congress may create. That judicial power, it will be readily conceded, cannot be invaded by the legislative branch of the Government; but there is a line which separates the appellate jurisdiction of the Court under proper regulations of Congress where legislation cannot be termed an unwarranted invasion of such judicial power.

Did Congress invade the "judicial power" when it declared the number of Justices required to constitute a quorum? I think not. Is it invading the "judicial power" when it pro-

vides by law that less than a quorum shall be authorized to do certain things? I believe not.

Is the power to grant certain writs, as provided by statute, by one member of the Court alone an invasion of the "judicial power"? I cannot believe it is. And if these congressional acts were not invasions upon the power of the Court, surely regulations touching the appellate jurisdiction, before an act of Congress can be declared void, at least by seven Judges, cannot by the widest stretch of the imagination be declared an invasion of the "judicial power."

I feel that Congress has the power; and if Congress has the power, it is perfectly clear that it should use it. For unless we do make some such provision, we shall probably have to meet the situation after it becomes vastly more serious.

To establish rules and regulations to govern the courts in determining how they shall act in deciding upon the constitutionality of an act of Congress does not deny the Supreme Court the right to pass upon the validity of such acts. Those who claim this jurisdiction for the Supreme Court base such claim upon article 3 of the Constitution, that "the judicial power shall extend to all cases in law and equity arising under the Constitution." To base jurisdiction on this article would require such advocate to admit that Congress is vested with the right to control such action of the Court in the manner and form of arriving at such decision, because the same section further reads, "with such exceptions and under such regulations as the Congress shall make."

This proposed course is not a new proposition. It is a subject which has had consideration from almost the beginning of our Government by some of our greatest statesmen.

In 1823 a resolution was introduced in Congress proposing to require the concurrence of seven Judges in any opinion concerning the validity of State or Federal legislation.

In 1824 there were several similar proposals. A bill was reported by Martin Van Buren, requiring the concurrence of 7 Judges out of 10, and requiring each Judge to make record of his separate opinion. In 1824 a Member from Kentucky introduced a resolution requiring that a certain number of Judges should concur before the Court should hold a State statute unconstitutional. Henry Clay and Daniel Webster took part in the debate, but so far as I can learn from these debates, no question of the constitutionality of the proposal was raised. The debate seemed to indicate that both of these great statesmen acknowledge the subject to be within the power of Congress, and the debates deal with it solely as a question of policy.

The 5-to-4 decisions of our Supreme Court upon great constitutional questions are always a matter of deep regret, and I imagine that no one feels the responsibility more deeply than the members of our Supreme Court.

These decisions seem to breed and justify a disrespect for the decisions of this great tribunal. They give rise to more criticism of the Court than any one thing which I am able to recall.

When a measure has passed both Houses of Congress and received the approval of the President, it seems unreasonable that such a measure should be rejected by a decision in which no more than five of the nine Judges concur.

In the final analysis it comes to the proposition that one Judge has not only the veto power over the acts of Congress but the veto power over the President when he assented to the measure in question.

When Chief Justice Marshall for the first time after 14 years of government disregarded the three negative votes in the Constitutional Convention denying to his Court the right to decree acts of Congress void, declared the Supreme Court has the power to so act and gave this warning:

> We must never forget that it is a Constitution we are expanding, a Constitution intended to endure for ages to come, consequently to be adapted to the various crises of human affairs.

I am afraid this sound advice to those who act in the judiciary capacity has not always been remembered by the inferior courts when they declare an act of Congress unconstitutional.

Such actions of our inferior courts have grown to be ridiculous in the United States, and have not only brought the judiciary into disrepute but have placed the whole bar and legal profession of the country in the position of always acting as "cat's-paws" for those who seek to defeat the will of the people.

Such decisions are mere vetoes; vetoes exercised by one man. Such power, I submit, should not be exercised by one Judge of the Supreme Court. The Constitution does not grant or authorize it. Then why should the people and its legislature permit this Court to exercise this veto power over laws passed by the Congress and signed by its President?

Such power, exercised at will by one man, not only destroys the will of the majority but makes our Government impotent to legislate and care for the general welfare of the people.

Surely if any court should have the right to decide questions that are so far-reaching to the general welfare of our country and the preservation of its liberties, it should only be the one great Court—the Supreme Court of the United States.

It was certainly never intended by the founders of our Government that every inferior court of the land, including even justices of the peace, should have the right to declare that an act of the highest legislative body in the land, the Congress of the United States, should be declared unconstitutional, and by injunction or otherwise set aside or hold up the operation of such laws in the community in which they live.

There is no more outstanding fact in the history of the Constitutional Convention than the fact that three times this Convention refused even to grant this power to the Supreme Court of the United States.

The 5-to-4 decisions of our highest Court in the land sound to the average citizen like the betting odds at a horse race, and, in fact, they leave the American mind in doubt just what is or should be the law. Such decisions only shake the confidence of the people in the judgment of this great tribune.

The Court itself has said that in construing a law to determine whether or not it violates the Constitution every doubt must be construed in favor of such law, and yet the Court in its 5-to-4 decisions violates this rule of construction that was laid down by it, creating doubt in the minds of the general public that someone must be wrong when only one man out of nine can sway such grave decisions that are so far-reaching in effect upon the life and the happiness of the American people.

The people in America will never be satisfied with the decisions of their courts until they, by their decisions and decrees, recognize that the Constitution was written by the founders of this Government to expand and extend the human rights of man, and that in any conflict between the welfare of mankind and man's right to own, possess, and control property the Constitution must be held by our courts to be the Bill of Rights of the American people that the fathers of this Government intended, and that it can and will protect the people, even to the release of vested interests in property rights, if need be.

But so long as man is mere man, and some of us believe that the rights of man should come first in the passage of laws, first in the balance of the scales of justice, and others of us believe that the right to own and possess property should be the first consideration, then we will continue to have these 5-to-4 decisions, depending wholly upon the thoughts, habits, environments, and conscience of the men who are so called upon to decide.

In declaring any act of Congress unconstitutional the Supreme Court should be required to render such decision in a manner that would clearly impress the American people, free from all reasonable doubt, bias, and caprice. The Court should be required to comport with its own rule, laid

down for determination of constitutional questions, and resolve all doubts in favor of the acts of Congress. Such decisions by the Court should be unanimous or by such a preponderance of the Court, so that no reason for doubt of the correctness and fairness of the decision could be left in the minds of the average citizen.

For this reason I have introduced this bill. I believe that its passage will bring back and restore to this great Court the confidence and respect of the American people. It will instill in the people of our country love for its institutions and grant an assurance that the will of the people will be safeguarded against those who stand against progress and a new day.

CITATIONS OF SUPREME COURT DECISIONS

Before closing I desire to cite the very able and admirable brief of Joseph L. Levinson of the Los Angeles (Calif.) bar, that is replete with citations of our courts fully upholding and sustaining the authority of Congress to enact such legislation as I have heretofore proposed:

During the last 5 months of its late term, the Supreme Court declared four Federal statutes and one joint resolution of Congress unconstitutional: *Panama Refining Co.* v. *Ryan* (Jan. 7, 1935) (293 U. S. 388); *Perry* v. *United States* (Feb. 18, 1935) (294 U. S. 330); *Railroad Retirement Board* v. *Alton Railroad Co.* (May 6, 1935) (55 Sup. Ct. 758); *A. L. A. Schecter Poultry Corporation* v. *United States* (May 27, 1935) (55 Sup. Ct. 837); *Louisville, etc. Bank* v. *Radford* (May 27, 1935) (55 Sup. Ct. 854).

This rate of mortality is without parallel in our history. During the first 75 years but 2 national laws were held unconstitutional by the Supreme Court, and by the end of 1934 the number did not exceed 60. (See Warren, Congress, the Constitution, and the Supreme Court (1930), pp. 273–301, compiling 53 decisions from 1789 to June 1924.)

Small wonder that since the recent cases suggestions for constitutional amendments have come from both Members of Congress and the President.

Constitutional amendment is, of course, possible, but unlikely without long agitation and the lapse of years.

I

Meanwhile, is there anything Congress can do to limit judicial review?

The answer to this question may be gathered from an examination of sections 1 and 2 of article III of the Constitution:

SECTION 1. The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish * * *.

SEC. 2. * * * In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all the other cases * * * 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. * * *

It is well settled that the inferior Federal courts are dependent upon Congress for their existence and the powers they exercise. (*Gillis* v. *California* (1934) (293 U. S. 62).) Once in our early history Congress abolished the inferior Federal courts altogether (Warren, the Supreme Court in the United States History (1922), pp. 204–209), and in our own time Congress abolished the United States circuit courts. (36 Stat. (1911) 1167.) Congress frequently has limited the jurisdiction of the inferior Federal courts. Since 1867 the inferior Federal courts have been prohibited from enjoining the assessment or collection of a Federal tax. (14 Stat. (1867) 475, 26 U. S. C. (1926), sec. 154.) For 25 years district courts have been prohibited, except by a specially constituted court of three judges, from enjoining the action of the Interstate Commerce Commission or of State officers, under State statutes, claimed to be violative of the Federal Constitution. (36 Stat. 1910) 557, amended 36 Stat. (1911) 1162, 37 Stat. (1913) 1013; 43 Stat. (1925) 938, 28 U. S. C. (1926), sec. 380.) And a little more than a year ago Congress passed a statute depriving the United States district courts of jurisdiction under certain circumstances to restrain the enforcement of the orders of State or local utilities commissions under the due-process clause of the Constitution of the United States. (28 U. S. C. (1934), sec. 41, as amended, 48 Stat. (1934) 775.)

The powers of Congress, under sections 1 and 2 of article III, relative to the inferior Federal courts and the status of those courts, are made plain in the following passage from *Kline* v. *Burke Construction Co.* (1922) (260 U. S. 226, 234), decided in 1922:

Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution. [Citing cases.] The Constitution simply gives to the inferior courts the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. [Citing case.] And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part; and if withdrawn without a saving clause, all pending cases, though cognizable when commenced, must fall. [Citing case.] A right which thus comes into existence only by virtue of an act of Congress, and which may be withdrawn by an act of Congress after its exercise has begun, cannot well be described as a constitutional right. (See *Gillis* v. *California*, supra, note 3; *United States* v. *Mar Ying Yuen* (W. D. Tex. 1903), 123 Fed. 159; *Mississippi Power & Light Co.* v. *City of Jackson* (S. D. Miss. 1935), 9 Fed. Supp. 564.)

Turning to the appellate jurisdiction of the Supreme Court, and the power of Congress to make "exceptions" and "regulations" under section 2 of article III of the Constitution.

In *Wiscart* v. *Dauchy* (1796) (3 Dall. (3 U. S.) 321, 327), decided in 1796, Chief Justice Ellsworth, speaking for the majority of the Court, said:

If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction; and if the rule is provided, we cannot depart from it. The question, therefore, on the constitutional point of an appellate jurisdiction is simply whether Congress has established any rule for regulating its exercise.

Referring to this generalization the Court said in *Duncan* v. *The "Francis Wright"* (1882) (105 U. S. 381, 385), decided in 1882:

This was the beginning of the rule, which has always been acted on since, that while the appellate power of this Court under the Constitution extends to all cases within the judicial power of the United States, actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe.

The later cases are to the same effect.

In *American Construction Co.* v. *Jacksonville, etc., Railway Co.* (1893) (148 U. S. 372, 378), after referring to the constitutional provisions, the Supreme Court said:

This Court, therefore, as it has always held, can exercise no appellate jurisdiction except in the cases and in the manner and form defined and prescribed by Congress.

In *St. Louis, etc., Co.* v. *Taylor* (1908), 210 U. S. 281, 292 (see *Murdock* v. *Mayor of Memphis* (1875) 20 Wall. (87 U. S.) 590; *Colorado Cent. Min. Co.* v. *Turck* (1893), 150 U. S. 138; *Laurel Oil & Gas Co.* v. *Morrison* (1909), 212 U. S. 291; 1 Cooley, Constitutional Limitations (8th ed. 1927), p. 68, the Court said:

Congress has regulated and limited the appellate jurisdiction of this Court over the State courts by section 709 of the Revised Statutes, and our jurisdiction in this respect extends only to the cases there enumerated, even though a wider jurisdiction might be permitted by the constitutional grant of power.

It should also be observed, as stated in *Luckenbach Steamship Co.* v. *United States* (1926), 272 U. S. 533, 536:

* * * that an appellate review is not essential to due process of law, but is matter of grace.

In the leading case of *Duncan* v. *The "Francis Wright"*, supra, an act of Congress limiting review in admiralty cases to questions of law was upheld, although section 2 of article III provides that—

The judicial power shall extend * * * to all cases of admiralty and maritime jurisdiction—

And the—

Supreme Court shall have appellate jurisdiction both as to law and fact.

The following is from the opinion:

The language of the Constitution is that "The Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as Congress shall make." Undoubtedly, if Congress should give an appeal in admiralty causes, and say no more, the facts, as well as the law,

would be subjected to review and retrial; but the power to except from—take out of—the jurisdiction, both as to law and fact, clearly implies a power to limit the effect of an appeal to a review of the law as applicable to facts finally determined below. * * * Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. Not only may whole classes of cases be kept out of the jurisdiction altogether, but particular classes of questions may be subjected to reexamination and review, while others are not. To our minds it is no more unconstitutional to provide that issues of fact shall not be retried in any case than that neither issues of law nor fact shall be retried in cases where the value of the matter in dispute is less than $5,000. The general power to regulate implies power to regulate in all things (ibid. at 386).

The case of *Ex parte McCardle* (1868) 6 Wall. (73 U. S. 318); (1869) 7 Wall. (74 U. S. 506); was one of the most extraordinary in the history of the Court. The case first came before the Court in 1868 on motion to dismiss an appeal in habeas corpus for want of jurisdiction. The motion was denied. The case again came before the Court in 1868, after it had been argued on the merits and submitted, upon the suggestion of counsel that subsequent to the time the case had been taken under advisement, the act of 1867 authorizing the appeal had been repealed. It was well known that Congress had repealed the act of 1867, fearing that in the pending case the Supreme Court would declare the reconstruction acts unconstitutional. (Warren, the Supreme Court in the United States History (1922) pp. 187, 195–210). In 1869 the appeal was ordered dismissed for want of jurisdiction.

The following is from the opinion:

We are not at liberty to inquire into the motives of the Legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this Court is given by express words.

* * * * * * *

It is quite clear, therefore, that this Court cannot proceed to pronounce judgment in this case, for it has no longer jurisdiction of the appeal; and judicial duty is not less fitly performed by declining ungranted jurisdiction than in exercising firmly that which the Constitution and the laws confer.

Ex parte McCardle (supra, at 514, 515), commenting on the *McCardle case* in *Ex parte Yerger* ((1869), 8 Wall. (75 U. S.) 85, 104)—

The effect of the act was to oust the Court of its jurisdiction of the particular case then before it on appeal, and it is not to be doubted that such was the effect intended. Nor will it be questioned that legislation of this character is unusual and hardly to be justified except upon some imperious public exigency. It was, doubtless, within the constitutional discretion of Congress to determine whether such an exigency existed.

Returning to the question put above, viz: "Is there anything Congress can do to limit judicial review?" The answer is: "Yes; there is a great deal Congress can do to limit judicial review."

Congress can, unquestionably, prevent judicial review by the Federal courts altogether by abolishing the inferior Federal courts and repealing the laws dealing with the appellate jurisdiction of the Supreme Court. Congress can also, unquestionably, provide that a national statute shall not be declared unconstitutional by a district court made up of a single judge; and Congress can also provide that no district court, regardless of how it may be constituted, shall enjoin the execution of national laws pending appeals to the Supreme Court.

Can Congress, without taking away jurisdiction in large classes of cases, withhold from the inferior courts the power to pass on the constitutionality of national laws, and except from the appellate jurisdiction of the Supreme Court the right to hear and determine questions of law involving the constitutionality of Federal statutes?

Can Congress require a concurrence of more than a bare majority of the Justices of the Supreme Court to hold national laws unconstitutional under its appellate jurisdiction?

II

Looking only at the language used by the Supreme Court, it is arguable that Congress may withhold jurisdiction to declare laws unconstitutional, without otherwise disturbing the jurisdiction.

The "powers and duties" of the inferior Federal courts "depend upon the acts which called them into existence or subsequent ones which extend or limit." (*Gillis* v. *California*, supra, at 66.)

Congress "may give, withhold, or restrict" (*Kline* v. *Burke Construction Co.*, supra, note 9, at 234, 256 U. S. 688; 260 U. S. 226) the jurisdiction of those courts "at its discretion * * * And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part." (Ibid. at 234.)

The whole subject is remitted to the unfettered discretion of Congress. (*Home Ins. Co.* v. *Dunn* (1874), 19 Wall. (86 U. S.) 214, 226.)

The Supreme Court "can exercise no appellate jurisdiction, except in the cases, and in the manner and form, defined and prescribed by Congress." (*American Construction Co.* v. *Jacksonville, etc., Ry. Co.*, supra, note 13, p. 378.)

* * * actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe (*Duncan* v. *The "Francis Wright"*, supra, note 12, at 385.)

Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. Not only may whole classes of cases be kept out of the jurisdiction altogether, but particular classes of questions may be subjected to reexamination and review, while others are not * * *. The general power to regulate implies the power to regulate in all things. (Ibid. at 386.)

We are not at liberty to inquire into the motives of the Legislature. *Ex parte McCardle*, supra note 20, at 514.)

Logically, the decision in *Duncan* v. *The "Francis Wright"*, supra, note 12, also lends some support to the proposition that Congress may take away the jurisdiction to declare national laws unconstitutional.

If Congress may except—"take out of"—the jurisdiction to decide questions of fact, why may it not except jurisdiction to decide questions of law?

In *Massachusetts* v. *Mellon* (1923), 262 U. S. 447, 488, the court said:

We have no power per se to review and annul acts of Congress on the ground that they are unconstitutional. That question may be considered only when the justification for some direct injury suffered or threatened, presenting a justiciable issue, is made to rest upon such an act. Then the power exercised is that of ascertaining and declaring the law applicable to the controversy. It amounts to little more than the negative power to disregard an unconstitutional enactment, which otherwise would stand in the way of the enforcement of a legal right * * *. If a case for preventive relief be presented, the court enjoins, in effect, not the execution of the statute, but the acts of the official, the statute notwithstanding.

If Congress may except all questions of law, may it except constitutional questions alone?

If such an exception be justified under section 2 of article III, can it be said to undertake to impose an unconstitutional condition? (See on unconstitutional conditions, *Terral* v. *Burke Cons. Co.* (1922), 257 U. S. 529; *United States* v. *C. M. St. P. & P. R. Co.* (1931), 282 U. S. 311; *Stephenson* v. *Binford* (1932), 287 U. S. 251; Hale, Force and the State: A Comparison of "Political" and "Economic" Compulsion (1935), 35 Col. L. Rev. 149.)

Assuming that Congress may not take away "the inherent power of a court incident to a grant of jurisdiction" (*Gillis* v. *California, supra*, note 3; see *Ex parte Robinson* (1874), 19 Wall. (86 U. S. 505; *Michaelson* v. *United States* (1924), 266 U. S. 42), can it be said that the inferior Federal courts and the Supreme Court could not function as courts without jurisdiction to declare national laws unconstitutional?

First. For 150 years no English court has undertaken to exercise jurisdiction to review acts of the National Legislature. (See Plucknett, Bonham's Case and Judicial Review (1926), 40 Harv. L. Rev. 30.) In *Lee* v. *Bude & Torrington Junction Ry.* (1871), L. R. 6 C. P. 576, 582, Mr. Justice Willes said:

I would observe, as to these acts of Parliament, that they are the law of this land; and we do not sit here as a court of appeal from Parliament. It was once said—I think, in Hobart (1)—that, if an act of Parliament were to create a man judge in his own case, the Court might disregard it. That dictum, however, stands as a warning, rather than an authority to be followed. We sit here as servants of the Queen and the legislature. Are we to act as regents over what is done by Parliament with the consent of Queen, Lords, and Commons? I deny that any such authority exists. * * * The proceedings here are judicial, not auto-

cratic, which they would be if we would make laws instead of administering them.

Second. The Supreme Court declared but one act of Congress unconstitutional during the 34 years that Marshall was Chief Justice, and that act merely conferred original jurisdiction in mandate on the Supreme Court and did not relate to the appellate jurisdiction at all (*Marbury* v. *Madison* (1903) 1 Cranch (5 U. S.), 137). The second case to declare a national law unconstitutional—the Dred Scott case, 1857, Nineteenth Howard, Sixty-fourth United States, page 393—was not decided until 1857, and that case was reversed by the decision at Appomattox. So, especially for the first 70 years of our history the significant activity of the Supreme Court in constitutional cases was in passing on the constitutionality of State and local legislation—McLaughlin, A Constitutional History of the United States, 1935, pages 317, 318. Indeed, a conservative historian has observed that the power to hold acts of Congress unconstitutional "certainly appears of no supreme significance before the civil rights cases in 1883." (Ibid.)

Third. There is no express authority in the Constitution for judicial review, and the argument in favor of the authority by implication, as applied to national legislation, is far from conclusive.

The argument for judicial review was formulated by Chief Justice Marshall in 1803. (*Marbury* v. *Madison, supra,* note 34.) Briefly, Marshall's argument runs as follows:

> The Constitution is the supreme law of the land; the judges are sworn to observe it; when a statute comes before a court for enforcement, if, upon a comparison of the two writings, the statute is found to conflict with the Constitution, the judges cannot consistently with their oaths give effect to the statute.

It has been pointed out by distinguished commentators that this argument avoids the only question really involved. That question is, merely whether the right to decide rests with Congress or the courts. (Thayer, Legal Essays (1908), pp. 15, 16; McLaughlin, op. cit., supra note 36, at 309.) Marshall's argument fails to take into account that Congress and the President, as well as the courts, are sworn to support the Constitution, and it overemphasizes the duty of the judges when called on to give effect to a statute which is claimed to be unconstitutional.

> What was Andrew Johnson to do when the Reconstruction Act of 1867 had been passed over his veto by the constitutional majority, while his veto had gone on the express ground, still held by him, that they were unconstitutional?

Asks James Bradley Thayer—

> He had sworn to support the Constitution. Should he execute an enactment which was contrary to the Constitution, and so void? Or should he say, as he did say, to the Court, through his Attorney General, that "from the moment (these laws) were passed over his veto, there was but one duty, in his estimation, resting upon him, and that was faithfully to carry out and execute these laws"? (Thayer, loc. cit. supra at 16 n.)

Marshall's argument did not notice the distinction between National and State legislation. (Ibid.; Elliott, The Need for Constitutional Reform (1935) pp. 153–158.) In other countries having federal systems and written constitutions, acts of the State legislatures may be declared ultra vires by the courts as not in accordance with fundamental law, but in practically no country in the world, other than the United States, can a statute passed by the national legislature be set aside by the courts. When a Federal court decides that a State law contravenes the Constitution of the United States, the decision merely implies national supremacy; but when a court, whether it be the Supreme Court or a justice court, declared a Federal law void, that means the judiciary is supreme. "I do not think the United States would come to an end if we lost our power to declare an act of Congress void", declared Justice Holmes, speaking in 1913, from the vantage point of 10 years' service on the Supreme Court. "I do think the Union would be imperiled if we could not make that declaration as to the laws of the several States." (Holmes Collected Legal Papers (1920), pp. 295, 296.)

III

An act of Congress requiring the concurrence of more than a bare majority of the Justices of the Supreme Court to hold national laws unconstitutional, under its appellate jurisdiction, would appear to provide for either an exception to or a regulation of the jurisdiction of the Supreme Court, and thus fall within the very language of section 2 of article III. See *Duncan* v. *The "Francis Wright"* (supra note 12. Cf. Goodnow, Social Reform and the Constitution (1911), p. 352; 1 Cooley, op. cit. supra note 14.) If anything, the powers of Congress under sections 1 and 2 of article III have been extended by construction. In addition to the cases reviewed in the text, see *Ex parte Bakelite Corp.* ((1929) 279 U. S. 438).

Such an act of Congress would also appear to provide for a reasonable exception or regulation, because it would do no more than give legislative sanction to a rule of administration which is an integral part of the doctrine of judicial review.

It is settled by the decisions of the Supreme Court that a statute is presumed to be constitutional and should not be declared unconstitutional unless its unconstitutionality is clear beyond all rational doubt. Can it be said that a national statute is unconstitutional beyond all rational doubt when Congress and the President (who equally with the judges are sworn to support the Constitution) as well as four distinguished Justices of the Supreme Court declare on their oaths that it is constitutional? Only lately the Supreme Court has held that a question of general jurisprudence was "balanced with doubt" merely because State courts had disagreed (*Mutual Life Insurance Co.* v. *Johnson* (1934) 293 U. S. 335). In *Briscoe* v. *The Commonwealth Bank* ((1834) 8 Pet. (33 U. S.) 118), Chief Justice Marshall said that it was the practice of the Court not to deliver judgment in cases involving constitutional questions unless four Judges (a majority of the Court) concurred; and two Judges being absent, it was directed that the case be reargued the following term. (See 1 Cooley, op. cit., supra, note 13, at p. 335.) In *Oakley* v. *Aspinwall* ((1850) 3 N. Y. 547), it was held that notwithstanding the provision of the Constitution declaring that the court of appeals should be composed of eight judges, the legislature could enact that a lesser number should constitute a quorum. It is an unvarying rule of the Supreme Court of Georgia that cases should be decided by the entire court consisting of six judges, unless, for a providential or like cause, one or more should be absent (*Lester* v. *State* (1923) 155 Ga. 882, 118 S. E. 674). In *Merrit* v. *State* ((1921) 152 Ga. 405, 110 S. E. 160), it was held that a decision of the Supreme Court of Georgia rendered by only five justices was not binding authority. In *Perkins* v. *Scales* ((1877) 1 Legal Reporter 15), the Supreme Court of Tennessee held unconstitutional an act which provided that upon an even division of the judges the constitutionality of a statute involved, should be upheld, and in all other cases the decree of the inferior court should be affirmed. In *Clapp* v. *Ely* ((1858) 27 N. J. L. (3 Dutch) 622), the court, without opinion, by a vote of seven to six, held unconstitutional a statute which provided that no judgment of the supreme court should be reversed by the court of errors and appeals unless a majority of the competent judges should concur in the reversal.

In 1913 Ohio adopted a constitutional amendment prohibiting its highest court from holding laws unconstitutional, if a single judge dissented (Ohio Const., art. IV, sec. 2). In 1919 North Dakota passed a similar amendment (N. D. Const., sec. 89, as amended by art. XXV, applied and discussed in *Daly* v. *Beery* (1920), 45 N. D. 287, 178 N. W. 104; *Wilson* v. *City of Fargo* (1921), 48 N. D. 447, 186 N. W. 263). In 1923 Senator BORAH introduced a bill providing that no act of Congress could be declared unconstitutional by the Supreme Court under its appellate jurisdiction, except with the concurrence of "at least seven members of the court" (Warren, op. cit. supra, note 2, at pp. 179–217). The Ohio amendment was challenged in the United States Supreme Court. The Supreme Court held the amendment was not a denial of due process or equal protection of the laws. The Supreme Court also held that the contention that the amendment deprived Ohio of a republican form of government did not present a justiciable question, saying: "As to

the guaranty to every State of a republican form of government (sec. 4, art. 4) it is well settled that the questions arising under it are political, not judicial, in character and thus are for the consideration of the Congress, and not the courts (*Ohio* v. *Akron Park District* (1930), 281 U. S. 74, 79, 80)." In discussing the suggested limitation upon judicial review here under discussion, Goodnow, in his Social Reform and the Constitution (1911) said at page 352:

Such a provision would also really bring it about that our practice would accord with our theory, which is that in order that an act of the legislature be declared void by a court its unconstitutionality, like the guilt of a person charged with crime, must be clear beyond a reasonable doubt. Judge Baldwin says in reference to this theory of constitutional law:

"As the judgments declaring a statute inconsistent with the Constitution are often rendered by a divided Court, this position seems practically untenable. The majority must concede that there is a reasonable doubt whether the statute may be consistent with the Constitution, since some of their associates either must have such a doubt, or go further and hold that there is no inconsistency between the two documents."

Many critics feel that if the Court should ever set aside the whole policy of the Government, as it might have done in the gold-clause cases, it should not do so by a bare 5-to-4 majority. There is a growing conviction among students of our Constitution, that where the Supreme Court decided against the constitutionality of an act it should be by a majority of at least two-thirds of the Court. Issues that are so doubtful as to be decided by a single vote are probably policies that should be upheld. If we are to retain the Court as an umpire and censor, we should have at least the protection of an extraordinary majority of the Court in such controversial fields of economics as the cases now before it involve. (Elliott, op. cit. supra note 39, at pp. 150–151.)

The Parliament of Great Britain, indeed, as possessing the sovereignty of the country, has the power to disregard fundamental principles, and pass arbitrary and unjust enactments; but it cannot do this rightfully, and it has the power to do so simply because there is no written constitution from which its authority springs or on which it depends, and by which the courts can test the validity of its declared will. The rules which confine the discretion of Parliament within the ancient landmarks are rules for the construction of the powers of the American legislatures; and however proper and prudent it may be expressly to prohibit those things which are not understood to be within the proper attributes of legislative power, such prohibition can never be regarded as essential, when the extent of the power apportioned to the legislative department is found upon examination not to be broad enough to cover the obnoxious authority. The absence of such prohibition cannot, by implication, confer power (1 Cooley, op. cit., supra, note 14, at p. 358).

The nature of the rule of administration, above mentioned, was stated by Thayer in the following passage:

This rule recognizes that, having regard to the great, complex, ever-unfolding exigencies of government, much which will seem unconstitutional to one man, or body of men, may reasonably not seem so to another; that the Constitution often admits of different interpretations; that there is often a range of choice and judgment; that in such cases the Constitution does not impose upon the legislature any one specific opinion, but leaves open this range of choice; and that whatever choice is rational is constitutional. This is the principle which the rule that I have been illustrating affirms and supports. The meaning and effect of it are shortly and very strikingly intimated by a remark of Judge Cooley (citing Const. Lim., 6th ed., 68; cited with approval by Bryce, Am. Com., 1st ed., p. 431) to the effect that one who is a member of a legislature may vote against a measure as being, in his judgment, unconstitutional; and, being subsequently placed on the bench, when this measure, having been passed by the legislature in spite of his opposition, comes before him judicially, may there find it his duty, although he has in no degree changed his opinion, to declare it constitutional (Thayer, Legal Essays (1908) p. 22).

The ground on which courts lay down this test of a reasonable doubt for juries in criminal cases, is the great gravity of affecting a man with crime. The reason that they lay it down for themselves in reviewing the civil verdict of a jury is a different one, namely, because they are revising the work of another department charged with a duty of its own—having themselves no right to undertake that duty, no right at all in the matter except to hold the other department within the limit of a reasonable interpretation and exercise of its powers. The court must not, even negatively, undertake to pass upon the facts in jury cases. The reason that the same rule is laid down in regard to revising legislative acts is neither the one of these nor the other alone, but it is both. The courts are revising the work of a coordinate department, and must not, even negatively, undertake to legislate. And again, they must not act unless the case is very clear, because the consequences of setting aside legislation may be so serious (ibid. at p. 29).

IV

Lord Birkenhead went to the heart of the question underlying judicial supremacy, in an address to American lawyers:

The decision is premature whether you, and those who agree with you, have been right in trying to control the free will of a free people by judicial authority, or whether we have been right in trusting the free will and a free people to work out their own salvation.

No informed person would advocate abolishing the inferior Federal courts or depriving the Supreme Court of its appellate jurisdiction; and until the American people cease to have more confidence in the courts than in Congress, no responsible statesman is likely to bring forward a proposal entirely to strip the Federal courts of power to declare acts of Congress unconstitutional. It is reasonable to expect, however, that serious proposals will be advanced to limit the jurisdiction of the inferior Federal courts in constitutional cases, to expedite review of their decisions by the Supreme Court, and to provide that the Supreme Court shall not declare acts of Congress unconstitutional by a bare majority vote.

It is desirable before statesmen and publicists commit themselves to proposals for constitutional amendments, that consideration be given to the powers of Congress under sections 1 and 2 of article III of the Constitution.

EXTENSION OF REMARKS

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed an address recently delivered by Donald R. Richberg at a luncheon at the Penn Athletic Club in Philadelphia entitled "The Constitution and the New Deal in 1936."

Mr. SNELL. Reserving the right to object, Mr. Speaker, is Mr. Richberg at the present time a part of the administration?

Mr. KVALE. I believe not.

Mr. SNELL. Then I object, Mr. Speaker.

SUPPLEMENTAL APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriation for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; and pending that, may I ask the minority Member his judgment as to time for general debate?

Mr. TABER. I have requests for about 2 hours and a half at this time.

Mr. TAYLOR of Colorado. I would suggest we let the debate run along for the rest of the day without fixing any definite time, the time to be equally divided between the gentleman and myself.

Mr. TABER. That is agreeable.

The SPEAKER. Pending that motion, the gentleman from Colorado asks unanimous consent that general debate continue during the day, to be equally divided between himself and the gentleman from New York [Mr. TABER]. Is there objection?

Mr. SWEENEY. Mr. Speaker, I object.

The SPEAKER. The question is on the motion of the gentleman from Colorado.

The question was taken.

Mr. SWEENEY. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-three Members present, a quorum.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10464, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include some excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, after the District appropriation bill for 1934–35 had passed the House and had gone to the Senate committee, Senator COPELAND inserted $63,385 for character education. Although both Chairman CANNON and myself believed that character training belonged primarily in the home and that unless character education was properly taught by proper teachers it would prove a most dangerous experiment, we finally agreed to it, in order to get the bill through conference.

NOTHING WORTH WHILE ACCOMPLISHED

A year passed by. For a period of over 6 months this $63,385 was being expended. Complaints from reliable teachers of highest standing came to our House subcommittee that nothing worth while was being accomplished, and that this $63,385 was being wasted, and that the Dr. W. W. Charters who was being paid $50 per lecture to come to Washington twice a month was advertised by the University of Moscow as one of its lecturers. While he may be a highly respected gentleman, we felt that if communistic Russia would permit its communistic Moscow University to pay for lectures delivered by Dr. W. W. Charters, they would not be the kind of lectures we would want in Washington schools. For Communists teach disbelief in God, in church, in constitutions, and in orderly government. They incite class hatred, causeless strikes, turmoil, and all kinds of sabotage, and preach maiming and murdering to uproot orderly government by force.

SOUGHT MORE MONEY TO WASTE

At our hearings last January, Dr. Ballou sought an additional $87,540 for character education. He testified: "What we are trying to do is to set up a new philosophy of education." Chairman CANNON told him that we had been advised of an unfavorable reaction on any good being accomplished, and Dr. Ballou exclaimed, "I do not see how anyone could expect to start out with this experiment, involving more than 250 teachers, whose philosophy has got to be changed fundamentally." (Hearings, p. 482.)

CHANGING TEACHERS FUNDAMENTALLY

It is possible that all of a sudden it has become necessary to work over all of the many teachers in the Washington schools, whose philosophy has got to be changed fundamentally? What is the matter with them now that such a change fundamentally must occur? Are they all wrong? And will they be "all right" when Dr. Ballou gets through changing them?

There are 2,900 teachers in the Washington schools, and while he is just now trying to change only 250 of them, it was the idea of Dr. Ballou that eventually the philosophy of education of 2,900 teachers in Washington had to be changed fundamentally. I quote from page 521, House hearings last January:

Mr. BLANTON. Up to this time, outside of 250 teachers in 10 schools—5 white schools and 5 colored schools—the 2,650 other teachers have had no instruction and no program?

Dr. BALLOU. We have not yet undertaken to provide instruction for them.

Mr. BLANTON. And they are pursuing no course now, so far as those 2,650 other teachers are concerned?

Dr. BALLOU. No.

COMMUNISM IN HOWARD UNIVERSITY

We knew that in Howard University, supported and maintained by the Government, communism was being propagated openly and without restraint, and we remembered the disgraceful raid communistically inclined students from Howard University made on the Capitol, in an attempt to dictate to Congress, and force us to allow negroes in the Members' restaurant.

Although we know that a majority of the 2,900 teachers in the Washington schools are the finest men and women in the world, we had reliable complaints from substantial citizens born and raised in Washington, that under the guise of merely teaching the fundamentals of communism, some teachers were propagating it. When you teach shorthand you produce stenographers, and when you teach theology you produce theologians. It is very easy for a Communist teacher under the guise of teaching history and government and "fundamentals", to espouse communism and to inculcate it. The matter was too serious. We couldn't afford to take chances.

In reply to Mr. DITTER's pertinent inquiry as to the possibility of un-American doctrines creeping into our schools, Dr. Ballou testified: "I am very conscious of the possibility of it. I do not think we are immune. I am aware of the fact that it is insidious, and that there is always the possibility." Believing it might prove to be a most dangerous experiment, we refused to allow Dr. Ballou this additional $87,540.

BALLOU KNEW WHERE TO GET IT

He immediately importuned the Senate for it. Under demand by Dr. COPELAND, the $87,540 was allowed and put in the bill, and passed by the Senate. In the Senate hearings (p. 119), Dr. Ballou testified that during the summer of 1934, they had Dr. W. W. Charters here in a conference for 2 weeks, and they have had him here 2 days each month since, and that Dr. W. W. Charters "is the one who is, in a broad general way, guiding this experiment." In other words, the character education for the 87,000 school children of Washington is being guided by a man whom the communistic University of Moscow in Soviet Russia has selected as one of its lecturers. He may suit his friends in Missouri. He may suit Dr. Ballou. But if he suits Moscow University, and Soviet Russia, he does not suit me.

Senator COPELAND asserted that unless the House agreed to his $87,540 for character education there would be no bill. Chairman CANNON and I stood out against it. The bill remained in conference for weeks. But we House conferees faced 114 Senate amendments. Something had to be done to get the bill passed. Finally, I agreed that if the Senate would accept a provision stopping all communism in the Washington schools, I would vote for the $87,540. Dr. COPELAND asked to see the amendment. I dictated it to our clerk, Mr. Duvall, and he prepared it, which read as follows:

Hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

The Senate conferees agreed to the amendment. Our House conferees agreed to it. Since it was permanent legislation and had to be reported back to the House and Senate for approval, it was agreed that Chairman CANNON when presenting the conference report to the House would ask that this legislation be attached as a rider to Senate Amendment No. 48, which itself likewise was legislation.

PROVISION READ BY CLERK TO THE HOUSE

When presenting the conference report to the House, Chairman CANNON moved that the above provision be added as an amendment to Senate Amendment 48, and the Clerk read at the desk the above provision, after which Chairman CANNON's motion was agreed to unanimously in the House. (See p. 8808, RECORD for June 6, 1935.) The following proceedings of the House of Representatives being quoted from the official RECORD, to wit:

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment which I send to the desk.

The Clerk read as follows:

"That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Before the period at the end of the matter inserted by said amendment insert the following: '*Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.'"

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider the votes by which the foregoing amendments were agreed to was laid on the table.

CRITICS CONVICT THEMSELVES OF INATTENTION TO DUTY

Is there in this House any Member who will confess that he did not know what was going on in the House, when under the rules important bills were being enacted? If he did not know what was going on, it was his own fault.

When from the floor the chairman in charge of a bill moves that an amendment be adopted and the clerk reads the amendment from the desk that—

Hereafter, no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating Communism.

those words convey in plain English just what they mean, and if any Member did not know what they meant, it was his duty to arise and ask the chairman about it, and if any Member wanted to be heard against the amendment, under the rules, which gave a whole hour for debate on this one amendment, it was the duty of such Member to ask and secure from the chairman such time as he desired to use against it.

NO MEMBER ASKED FOR DEBATE

Not a Member raised any objection to the amendment. Not a Member asked to be heard in debate against it. Not a Member suggested any change in its phraseology. It was accepted unanimously. It is too late now for any Member to plead ignorance.

CHAIRMAN CLARENCE CANNON

Hon. CLARENCE CANNON, of Missouri, chairman of the committee having said bill in charge, is one of the finest, outstanding men in this Congress. He is the soul of honor. He is strictly ethical on every thought and deed. I do not propose to allow any individual or any newspaper to unjustly criticize him in any particular. He is my close personal friend, and I am his friend.

AMENDMENT READ IN THE SENATE

After the House had approved this amendment, and the conference report, it went to the Senate. There from the desk the amendment was read, so that every Senator present who was attending to his duties, had an opportunity to hear it read, and to know every word in it, for the Reading Clerk in the Senate reads such amendments in a loud voice and clearly and distinctly.

I quote from the proceedings of the Senate, pages 8796 of the RECORD for June 6, 1935, the following:

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

"The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:"

Then followed the conference report, which was signed as follows:

ELMER THOMAS, CARTER GLASS, ROYAL S. COPELAND, WILLIAM H. KING, GERALD P. NYE, HENRY W. KEYES, *Managers on the part of the Senate.*

CLARENCE CANNON, THOMAS L. BLANTON, J. W. DITTER, *Managers on the part of the House.*

Then the anti-Communist amendment was placed before the Senate, read at the desk in the Senate by the Reading Clerk, and adopted:

The Presiding Officer laid before the Senate the action of the House of Representatives, which was read, as follows:

"That the House recede from its disagreement to the amendment of the Senate no. 48 to said bill and concur therein with the following amendment:

"Before the period at the end of the matter inserted by said amendment insert '; *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.'"

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate nos. 16, 37, and 48.

The motion was agreed to.

Not a Senator raised his voice against the amendment. Is there any Senator who will say that Senator THOMAS and his comanagers on the part of the Senate slipped something over on him? If there is, he will convict himself of not attending to his duty and in not knowing what was going on in the Senate, when it is his duty to be present and know what goes on there.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, notwithstanding this anti-Communist legislation was read in the House and unanimously adopted, and was read in the Senate and there unanimously adopted, simply because one of our colleagues from New York introduced a bill to change this law, and allow communism to be taught but not advocated in the Washington schools, he was quoted by the Washington News yesterday afternoon as saying that Chairman CANNON and myself had "cowardly slipped this legislation through the House. I promptly called him up, and he told me that he made no such reference either to Chairman CANNON or myself. Then what authority did this little Washington News have for printing such a slanderous and libelous statement? Does it not know that its misrepresentations will come to light? Does it not know that it cannot get away with any thing like that?

Yet yesterday afternoon this little News here in Washington in great big headlines, said, "BLANTON is scored in the House." There was no action in this House yesterday except to adjourn. BLANTON was not scored. This was a dirty, infamous lie which they put in this paper, and they knew this when they printed it.

And when this little Washington News, without basis or foundation, asserted that our New York colleague had made the slanderous and libelous statement about Chairman CANNON and myself it knew it was misrepresenting the facts. Yet this newspaper put it in here—a damnable lie. How much longer are they going to keep it up?

Then another Washington paper said this morning that I had demanded on yesterday a lot of stuff from the Board of Education. That was ordered long ago. Chairman CANNON has got to preside over the Agriculture appropriation bill and he has asked me to preside over the District bill this year, and I have agreed to do it.

Lots of citizens of Washington who are substantial men have been filing complaints with me for a month about conditions in the Washington schools. They are citizens who were born here, and some have lived here for 50 or 60 years, and at their instance I wrote a letter on January 10 to the Board of Education and asked them for some data that I wanted to investigate before we took up the hearings.

Here is the letter that the Secretary of the Board of Education wrote me on January 13, 1936:

BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA,
Washington, D. C., January 13, 1936.

Representative THOMAS L. BLANTON,
Washington, D. C.

MY DEAR MR. BLANTON: Your letter of January 10, 1936, requesting specified data respecting the public schools, the Superintendent of Schools, and courses and books used in the schools, was received by me today.

I have begun at once to compile the data you require and will get it to you as promptly as possible. Meanwhile, I will present your letter, addressed to the Board's secretary, to the full Board of Education at its meeting Wednesday, January 15, 1936.

If you should require any additional data which you have not cited in your letter of January 10, 1936, I shall be glad to receive further request from you.

Very sincerely yours,

CHARLES B. DEGGES,
Secretary, Board of Education.

And yet they thought they were hatching out fresh news this morning when they said I had just demanded the data.

I want to tell you something—as long as I am in charge of a bill for this House of Representatives, I am going to get for you every bit of the information that is available on the subject so that I can give it to you when the bill comes up on the floor. [Applause.]

This amendment, which was passed by unanimous consent, to stop communism in schools, is permanent legislation. It is sound legislation. It is on the statute books and it is going to stay on the statute books, and no communistic influence in the United States is going to take it off. [Applause.]

The time has come when we must stop communistic influence in the United States.

Here is the Daily Worker, a communistic paper, not pink but red, which is printed in New York and is sent to our desks in Washington. It preaches the overthrow of government and it is against orderly government, it is against God, it is against the church, it is for breaking down the Constitution of our Government, and Congress is standing for its being distributed.

We ought to deny this Daily Worker and the other communistic papers published in New York and Cleveland, Ohio, and elsewhere in the United States the privileges of the United States mail.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FITZPATRICK. Can the gentleman get us a copy of the lecture that he refers to?

Mr. BLANTON. I will endeavor to do it by the time we report the District appropriation bill.

This Daily Worker I hold in my hand, recently off of the press in New York, under big headlines, "Sweep Away the Autocratic Power of the United States Supreme Court," has its whole front page filled with an attack on our Supreme Court as an institution of government. At the top it says boldly it is—

The central organ of the Communist Party, United States of America (a section of Communist International).

And it says:

Volume XIII, no. 10, entered as second-class matter at the post office at New York, N. Y., under the act of March 8, 1879.

I want to recommend to my good friend, Hon. Jim Farley, Postmaster General, that he immediately withdraw the above privileges from this and every other communist newspaper in the entire United States. And I call on my good friend, Hon. Frances Perkins, Secretary of Labor, to catch and deport every last mother's son of them from our borders. It is time for us to clean house.

I quote from this Daily Worker the following:

Mr. President, why don't you repudiate the opinion of the Supreme Court autocrats? Call upon Congress to amend the Constitution and deprive the Supreme Court of its rights. We demand these judges be impeached.

We must call mass meetings in every community. We must demonstrate. We must take action in every shop, in every office, in every farm community. Congress and the President should repudiate the Supreme Court, should impeach the judges.

COMMUNISTS HAVE ONE DAILY AND ONE WEEKLY IN CLEVELAND

It is time to check up all of the foreign-language newspapers in Cleveland.

CLEVELAND SECOND IN UNITED STATES IN NUMBER OF ITS FOREIGN-LANGUAGE PUBLICATIONS—53 MONTHLIES, WEEKLIES, AND DAILIES REPRESENT 13 NATIONALITIES

In no other American city except New York are there more foreign-language publications printed and edited than in Cleveland.

To be exact, 53 foreign publications have their editorial and printing offices in Cleveland. Of these, 12 are dailies, 23 are weeklies, and 18 are monthlies.

Thirteen language groups are represented by these publications, namely: Czech, German, Hebrew, Hungarian, Italian, Lithuanian, Polish, Rumanian, Russian, Saxon, Serbian, Slovak, and Slovene.

Seven nationality groups have dailies here—the Bohemians, Germans, Hebrews, Hungarians, Italians, Poles, and Slovenes.

REACH ABOUT 150,000 DAILY

According to the publishers' sworn statements to the United States Post Office, the total circulation of all the foreign-language dailies printed in Cleveland is between 100,000 and 150,000 daily.

The average size of a foreign-language paper is six pages. On special occasions the edition contains as high as 40 pages. In most cases the publications are official organs of fraternal or religious organizations.

Of the 18 monthlies, 10 are of religious character. Of the 23 weeklies, 4 are religious and two-thirds of the others are organs of some fraternal groups.

The dailies print, besides current world news, much news of old-country affairs or of world events with special bearing on their particular nationality.

Most of the dailies take a definite stand on old-country politics.

The Socialists have one weekly, the Communists one daily and one weekly, and the I. W. W. Party has one weekly and one monthly.

As early as 1919 a teacher in the Western High School, which has always been considered one of the best in the city, was charged with propagating "bolshevism and communism while discussing 'current events' in an English class." On March 19, 1919, upon motion duly made and seconded, the Board of Education unanimously passed the following resolution, that this teacher "be suspended, without pay, for a period of 1 week commencing March 20, 1919."

Immediately there were threats of "a strike" unless this teacher was paid. Although the 1,300 policemen and 900 firemen in Washington are prevented by law from belonging to any organization that can call a strike, the 2,900 teachers of Washington are organized in a union that is affiliated with the American Federation of Labor, and it demanded a recission of said order and that said teacher be paid for the time suspended. A mandamus proceeding was brought in the courts. The Board of Education was under duress. There was then no law preventing communism in our Washington schools. The Board of Education was forced to pay said teacher, and communism won its first battle in the Washington schools.

From the statement of Mr. W. J. Tucker, page 237 of Senate hearings, on March 22, 1935, I quote:

I submit that real worth-while character education can be stated as consisting of honesty, truthfulness, kindness, regard for the rights and interests of others, sobriety, clean living, abstention from vices and harmful practices. These virtues should be instilled in the youthful mind by all teachers. This influence, while taught by word of mouth, should be still more impressed by example. Unless these good impressions are made by and through the example set by teachers, all of the word-of-mouth teaching is well-nigh useless. One cannot properly teach what one does not believe. It is also easy for one who is not in sympathy with the teaching to slight it. It is quite well known that a considerable number of the teachers of Washington do indulge in the use of liquor.

Mr. Philip G. Murray (p. 356, Senate hearings) testified:

It is rather a disgrace, I think, that more than 9,000 felonies should have been committed in the District of Columbia last year, and probably one cause for that was the fact that in a great many of our homes there is practically no character education whatever.

No child will ever find in any school the training which it should receive in the home.

While we disagree frequently, I want to specially commend Mr. William Randolph Hearst for the unswerving fight he and his newspapers are making to free this country from communism. He deserves the thanks of the Nation. Practically all communism here comes from aliens. In the present session of Congress we must pass a law requiring all aliens to register, deporting all aliens here unlawfully, and stopping all immigration for at least 10 years. We must rid the United States of the Bruno Hauptmanns and make it safe again for honest Americans.

If Dr. Ballou will instruct all of his teachers to teach the kind of character education suggested by Mr. W. J. Tucker he will find great sympathy and response from me. Instead of insisting that "the philosophy of education of the 2,900 Washington teachers has to be changed fundamentally", let Dr. Ballou instruct all of his 2,900 teachers to once again begin teaching their students that which the little red schoolhouse years ago taught, that they must be honest, that they must be truthful, that they must be kind, and have due regard for the rights and interests of others, that they must not depart from sobriety and clean living, and that they must abstain from vices and harmful practices.

The above is the kind of character education that will upbuild character. And that is the kind we want and must have in the schools of Washington.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 10464, the deficiency appropriation bill, and had come to no resolution thereon.

Mr. TAYLOR of Colorado. Mr. Speaker, I should like to ask the gentleman from New York, in charge of the minority, if we cannot fix time for general debate.

Mr. TABER. I think we will require about 2 hours and a half, or it may be 2 hours and 40 minutes on this side.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, to be equally divided between the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection?

Mr. ROBSION of Kentucky. Reserving the right to object, I would like 10 minutes.

Mr. BOILEAU. Reserving the right to object, and I shall not object, does the gentleman intend to finish the bill tomorrow?

Mr. TAYLOR of Colorado. We hope to.

Mr. ELLENBOGEN. Reserving the right to object, can we be assured that the bill will not be taken up today?

Mr. TAYLOR of Colorado. If the debate should run out, we might take it up.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I am going to speak about the dairy farmer and trade agreements.

On Tuesday, January 14, I introduced the following joint resolution:

Joint resolution requesting the President to terminate the concessions on dairy products contained in the Canadian, Netherlands, and Switzerland agreements, and requesting that no further concessions be granted to any country on dairy products

Whereas prior to his election the President of the United States made a definite pledge that there would be no reduction in the tariff rates on agricultural commodities; and

Whereas at the time the Reciprocal Trade Agreement Act was pending in Congress administration leaders made a similar pledge that the rates on major farm commodities would not be lowered under trade agreements; and

Whereas the dairy industry is the largest branch of American agriculture, representing from 20 to 25 percent of the national agricultural income; and

Whereas American dairy farmers are able and willing to supply the entire domestic needs of the United States for dairy products at reasonable prices; and

Whereas, notwithstanding the pledges heretofore mentioned, the State Department has concluded agreements with Canada and the Netherlands and Switzerland reducing the tariff on cream and on Cheddar, Edam, and Gouda cheese, Swiss and Gruyère cheese, the said reduction of cheese tariffs being unconditional and applicable to every nation of the world enjoying commercial relations with the United States; and

Whereas said concession will have the effect of opening up domestic markets to foreign producers at a time when under the Agricultural Adjustment Act vast quantities of dairy products are being purchased to sustain domestic price levels and when additional production of dairy products is anticipated because of the use of lands taken out of cultivation of other crops under agricultural adjustment programs: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, requested to impose upon imports of cream and Cheddar, Edam, and Gouda, Swiss and Gruyère cheese quotas as provided for in the Agricultural Adjustment Act (sec. 22), which shall be fixed at 50 percent of the average annual quantity of such commodities which was imported into the United States during the period from July 1, 1928, to June 30, 1933, both dates inclusive, said quotas to apply to every country in the world; and be it further

Resolved, That in accordance with article VII of the treaties with Canada and the Netherlands, and article VI of the treaty with Switzerland, the President and the Secretary of State are requested to notify said countries of the imposition of said quotas and to advise said countries that the imposition of said quotas is deemed necessary by the Senate and House of Representatives as a means of protecting and safeguarding the American dairy farmer; and be it further

Resolved, That the President be, and he is hereby, requested not to permit in any future agreement any reduction in the present dairy tariff structure of this country.

When President Roosevelt was a candidate for the Presidency he made a speech at Baltimore, October 26, 1932. In that speech he said, among other things:

Again, in my Sioux City speech I made the Democratic position plain where I said that negotiated treaties would be accomplished "by consenting to reduce, to some extent, some of our duties in order to secure a lowering of foreign walls, that a larger measure of our surplus may be sold abroad."

Of course, it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture, and raising the price of farmers' products. I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

I consider these statements a definite pledge on the part of Mr. Roosevelt, that, in the event he were elected to the Presidency, there would be no lowering of tariff duties on agricultural products.

Similar assurances were given in the Senate when the Reciprocal Trade Agreement Act was under consideration in that body. I quote from the CONGRESSIONAL RECORD of May 17, 1934, page 8996:

Mr. MCNARY. I think I somewhere read that the President did not intend, if given this power—or at least did not have in mind—to decrease tariffs on agricultural products.

Mr. HARRISON. The President has made the statement in some of his speeches, and I think in his message he has said that he is trying to help agriculture; but I should think it would be very bad, almost destructive, to write into this measure a provision that he must not under any circumstances negotiate with reference to agricultural products.

Page 8997:

Mr. VANDENBERG. I hope the Senator from Oregon will not despair of ultimately obtaining the consent of the Senator from Mississippi to the exemption which he asks, because I am confident that when the Senator from Mississippi further contacts the Secretary of State and the White House and gets another letter of instructions tomorrow the President will be found to be standing firmly on his statement at Baltimore on October 25, 1932:

"It is absurd to talk of lowering tariff duties on farm products."

Surely there is not going to be resistance to the removal of any known absurdity which loiters in this pending tariff bill.

I charge that these pledges and assurances have not been kept as far as the dairy farmer is concerned. On the contrary, tariffs have been lowered on cream, butter, cheese, and cattle, and obstacles placed in our path so that we cannot raise the tax of 3 cents per pound now in force on foreign fats and oils. The unfortunate dairy farmer, especially of the North Central States, finds himself harassed and threatened on every side. His markets for cream invaded on the north, and if he should shift his milk into cheese he will meet the competition of Canada, the Netherlands, and Switzerland. If he then resorts to butter as an outlet for his milk he will find the competition even keener—oleomargarine and cheap butter substitutes made of vegetable oils from the South Seas and cottonseed oil from our Southern States. Why wreck the dairy industry of the United States?

We are advised by competent authority that something over 30,000,000 people live on our farms, and that an equal number of our people, who distribute and process farm products also make their living from what is raised on the farms. This vast army constitutes about one-half of our entire population. The dairy industry constitutes the largest branch of this vast enterprise. It is estimated that 20 to 25 percent of the national agricultural income is derived from the dairy industry. This shows the importance of this great calling.

Here is another feature about dairying that must not be overlooked. The dairy farmer of the United States is able and willing to supply all the needs of our people for dairy

products at reasonable prices. It is one of the few outstanding industries where the supply and demand are both within our own borders, providing always that no artificial means are devised to interfere. We representatives of the dairy districts stand for the principle that the Government of the United States should provide a tariff structure which would protect the industry against the importations of dairy products. Our goal should always be the cost of production, including a fair profit. Prior to these trade agreements we were making some progress in that direction, although the general level of dairy products in the United States is still far below that which would give dairy products the same purchasing power as in the pre-war period.

INCONSISTENT POLICY

Our Government is defeating its own ends under the present policy. For the past several years we have been curtailing production. A number of agricultural products have been restricted by paying subsidies to farmers who reduced their output. Among these products are cotton, wheat, corn, hogs, tobacco, sugar, and so forth. It is estimated that 50,000,000 acres of crop land were taken out of production by this method. It was the fear of some of us that these acres taken out of production in cotton, wheat, corn, hogs, and so forth, would be used as pasture lands for herds of dairy cows. I am reliably advised that reports from the Middle West show that a large percentage of subsidized crop lands were used for that purpose last year. What is the result? A surplus of milk. I tried to prevent this evil by introducing an amendment when the agricultural adjustment amendments were before the House for consideration. You will find it in the CONGRESSIONAL RECORD for June 18, 1935, page 9593. I quote:

Amendment offered by Mr. SAUTHOFF: Page 51, line 23, after the word "commodities" and the period, add the following: "None of the lands affected under the provisions of section 31 shall be used for creating any agricultural product within the purview of this act."

In support of this amendment, and you must remember that under the rules I only had 5 minutes, I made this statement:

Mr. Chairman, my purpose in offering that amendment is this: That no producer shall receive pay from the Government for taking his acreage out of production and shall then be permitted to transfer it into pasturage on which he can raise sheep, beef cattle, or milk cows and go into the dairy business. For that purpose, inasmuch as he is paid to take that acreage out of production, in fairness to the other farmers of the Nation, he ought not to be allowed to go into competition with them.

This amendment was opposed by the chairman of the Committee on Agriculture and was therefore defeated. I feel confident that had it passed we would have protected our dairy farmers. As it is, the very thing that I feared has come to pass, and now we will have a surplus of milk, which means dairy products in general. What is consistent about a policy that pays the southern cotton grower to quit growing cotton and go into the dairy business and thereby create a surplus of dairy products, which lowers the price and tends to wreck the dairy farmer of Wisconsin and sister States? To that absurd policy has been added another equally absurd, reciprocal trade agreements, which do and will continue to admit dairy products at a lower tariff from every foreign country except Germany. And, last but not least, these trade agreements fix the tax on foreign fats and oils at 3 cents per pound, which creates a hurdle we cannot surmount—we who wish to raise this tax to protect our home industry. So we may justly summarize the present policy of the Government in respect to dairying as a policy of destruction—a domestic policy that subsidized farmers to quit other fields and go into dairying, a foreign policy that lowers the tariff on dairy products so that they may glut our market and lower the price, a foreign policy that even invites the competition of south sea islanders with palm oil and coconut oil. This record entitles the Democratic Party to change its symbol from the donkey to the "coconut cow."

Permit me now to take up the three trade agreements in order that most vitally affect the dairy farmer. These constitute up to the present time the reciprocal trade treaties with the Netherlands, Canada, and Switzerland.

TREATY WITH THE NETHERLANDS

The concessions granted by the Government of the United States to the Kingdom of the Netherlands by the trade agreement entered into on December 20, 1935, insofar as they affect dairy farmers, are as follows:

First. The tariff on Edam and Gouda cheese is reduced from 7 cents per pound, but not less than 35 percent ad valorem. This is a reduction in the rate of duty of approximately 29 percent.

Second. The Government of the United States agrees to maintain palm oil on the free list and further agrees not to increase the excise or processing tax of 3 cents per pound now levied on this oil. This helps out the manufacturer of oleomargarine.

Third. Tapioca, tapioca flour, and cassava, which are starches used in the manufacture of glue and adhesive for envelopes and postage stamps, are also maintained on the free list. These starches are in competition with casein, and casein, as you know, is a byproduct of milk.

With the present price of Edam and Gouda cheese being within 1 or 2 cents of the price of domestic cheeses, and since Edam competes with well-cured domestic Cheddar cheese and Gouda competes with domestic cheeses of the Gouda type, the reduction will undoubtedly mean an increase in the sale of Edam and Gouda cheese in the United States, although until the agreement has been in effect for at least a short while, it will be difficult to determine the actual effect of this concession on domestic-cheese producers.

The most disturbing element in the tariff reduction on these cheeses, when combined with the similar concessions granted on Cheddar cheese under the Canadian agreement, is the apparent program of the State Department to reduce the tariff rates on all foreign-type cheeses down to at least the level of the 1922 Tariff Act.

As though that were not enough, insult must be added to injury by agreeing to maintain palm oil on the free list, and also agreeing not to increase the excise or processing tax on the oil, which makes it practically impossible to obtain any increase in the existing tax on foreign fats and oils. The present tax has given us some help, but nevertheless great quantities of oils and fats keep pouring in from foreign countries to be used in the manufacture of oleomargarine and butter substitutes. Those of us who represent dairy districts have been hopeful that we might raise those taxes and thereby shut out the "coconut cow" that competes so disastrously with our dairy herds. These reciprocal trade agreements make our task an exceedingly difficult one. We had hoped that we might pass at least a 5-cents-a-pound tax on these foreign fats and oils and thus increase the market for our home products by an estimated $100,000,000.

I also want to call your attention to the fact that our dairy farmers must meet stringent sanitary requirements; but cheese brought in from abroad may be made under the vilest unsanitary conditions, and there is nothing in these trade agreements to prevent it. Not only is the foreign producer favored on the price, but he is also favored on cleanliness. Our cheese makers are penalized for being clean.

Another grave injustice to our dairy farmers is the fact that these concessions granted to the Netherlands likewise apply to every country in the world having commercial relationships with the United States with the exception of Germany. Furthermore, when we refer to the Netherlands, we also include Netherland India, Netherland Guiana, and Netherland West Indian Islands.

This is not a trade agreement. It is a star-chamber proceeding to lower the tariff duties on dairy products without notice and without a hearing.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Pardon me, but I have not the time.

TREATY WITH CANADA

The present tariff of 56.6 cents per gallon on cream, fresh and sour, is reduced to 35 cents a gallon on not more than 1,500,000 gallons annually. One million five hundred thousand gallons of cream is the equivalent of 6,000,000 pounds of butter, and applying the ratio of the tariff cut on cream

to the butter tariff of 14 cents, this is equivalent to permitting the importation of 6,000,000 pounds of butter on a 9-cent tariff.

If the Canadian cream can meet the sanitary requirements of the Lenroot-Taber Milk and Cream Import Act, it can be used in the eastern markets either in fresh form or it can be made into butter. If in fresh form, it will displace equivalent quantities of middle western cream now finding eastern market outlets. In turn, middle western cream supplies will back up into butter stocks and increase the butter surplus of this country. If made into butter, the same effect upon the butter stocks will be had.

The tariff on dairy cows weighing 700 pounds or more is reduced from 3 cents per pound to 1½ cents per pound on not more than 20,000 head annually. There is also permitted to enter into the United States 51,933 head of cattle weighing less than 175 pounds on which the tariff is reduced from 2½ cents to 1½ cents per pound and 155,799 head of cattle weighing 700 pounds or more on which the tariff has been reduced from 3 cents per pound to 2 cents per pound.

With the lower rate of duty on cheddar cheese and no sanitary requirements upon cheese imports, there may be good reason to believe that imports of cheese from Canada will again give great distress to producers of the United States, particularly those in Wisconsin, New York, Minnesota, and Oregon.

In addition to the concessions to Canada on cheddar cheese, the following countries—Hungary, Yugoslavia, Bulgaria, Finland, and Czechoslovakia—will be entitled to the same concession under the most-favored-nation arrangements which our country has with them. Italy and Denmark will also probably receive this concession, as they have conditional most-favored-nation arrangements with this country.

Cream, butter, cheese, and cattle will all be brought into this country to compete with our domestic products. Not only that, but cheddar cheese from Canada and cheddar cheese which will come in from many other nations will not be required to meet the same sanitary standards imposed on American dairy farmers and we will thus be permitting this cheese to come in not only at reduced rates but under lower sanitary conditions than are imposed upon our domestic producers.

TREATY WITH SWITZERLAND

Only a week ago a trade agreement was signed with Switzerland that is a menace to the cheese industry of Wisconsin and many other States. The market for Swiss cheese during the past year or two has been on the verge of collapse because of heavy supplies of Swiss cheese in the United States, and in the face of this condition the administration has granted a reduction in the tariff rate on Swiss cheese which will further weaken our domestic price structure. Our cheese industry needs strengthening, not weakening. Swiss and Gruyere cheese will be admitted into the United States from Switzerland under an ad valorem which has been reduced from 35 to 20 percent. Under our old tariff structure the rate was 7 cents per pound, but not less than 35 percent ad valorem. Under the agreement with Switzerland the rate is left at 7 cents but the ad valorem is reduced to 20 percent.

Thus under the Tariff Act of 1930 the tariff rate on Swiss cheese was 7 cents where the cheese entered the United States at 20 cents per pound or lower, but on all cheese which entered the United States at more than 20 cents, the rate was 35 percent ad valorem. With most of the cheese coming into this country at around 25 cents the tariff is thus reduced from 8¾ cents per pound to 7 cents per pound. The following table indicates the rate of tariff duty under the 1930 act on Swiss cheese coming into the country at prices between 20 and 35 cents:

Import price (cents):	*Tariff (cents)*
20	7.00
21	7.35
22	7.70
23	8.05
24	8.40
25	8.75
26	9.10
27	9.45
28	9.80
29	10.15
30	10.50
31	10.85
32	11.20
33	11.55
34	11.90
35	12.25

It will be noted from this table that the tariff rate under the 1930 act would run from 7 cents per pound on 20-cent cheese to 12¼ cents per pound on 35-cent cheese. Under the agreement with Switzerland all cheese coming in between 20 and 35 cents will bear a fixed rate of 7 cents per pound.

The State Department in its release indicates that the reduction in imports of Swiss cheese had been occasioned by our Tariff Act of 1930. This is not a fact, because the Tariff Act of 1930 actually reduced our tariff rate on Swiss cheese from 7½ cents per pound, but not less than 37½ percent ad valorem to 7 cents per pound, but not less than 35 percent ad valorem. The actual fact is that Switzerland has during the past 6 years adopted a policy of increasing the manufacture of butter and decreasing the manufacture of cheese. This policy was apparently adopted because Switzerland up to that time had been an importer of butter, and their change in policy was brought about apparently by a desire to become self-sufficient with respect to the production of butter. As a result of this policy, the manufacture of butter in Switzerland increased from 32,000,000 pounds in 1928 to over 50,000,000 pounds in 1932, with a resultant decrease in the manufacture of Swiss cheese from 156,000,000 pounds in 1928 to 110,000,000 pounds in 1932. This development, together with the fact that the Swiss Central Union, which controls the exports of cheese, has attempted to maintain a relatively high price for cheese which it exported in the face of a drastically reduced consumer purchasing power, undoubtedly accounts in a large measure for the fact that imports in the United States have been decreasing.

We are able to produce in the United States a Swiss cheese which is equal in quality, taste, and appearance to that produced in Switzerland or any other country. A special demand and high reputation for Swiss cheese from Switzerland has been built up in this country, however, despite the fact that the imported Swiss and domestic Swiss may be, and in some instances are, exactly equal in quality. These conditions are likely to continue until an effective advertising and educational campaign is undertaken to inform the people of the United States that our Swiss cheese is equal to that produced anywhere in the world. To some observers the only way out of this dilemma involves completely shutting out imported Swiss cheese. Certainly the method followed by our State Department of reducing the tariff on imported Swiss cheese cannot possibly be of any assistance to American producers, and can only react to their detriment.

The folly of the reduction in our tariff rate on Swiss cheese is made more manifest by the fact that the United States now has a favorable balance of trade with Switzerland. On the basis of figures of the trade which flows from Switzerland to the United States, as evidenced by figures from Switzerland, and the flow of trade from the United States to Switzerland, on the basis of United States figures, our exports to Switzerland in 1932 were $22,290,000 and our imports from Switzerland were $12,493,000, leaving a balance of trade in our favor of approximately $10,000,000. This balance of trade in our favor has ranged from $4,000,000 to $8,000,000 in every year since 1928.

Since there are no debts between the Government of Switzerland and the United States, there is obviously no sound economic reason for throwing the balance of trade in the other direction. What explanation is there for these concessions? Perhaps it is to be found in the quota on automobiles. The Swiss quota of 2,406 on American automobiles and trucks was raised to 4,812. In other words, our country

made a trade whereby we sold Switzerland 2,406 additional trucks and automobiles and they sell us cheese. The dairy farmer is the forgotten man.

OLEOMARGARINE AND BUTTER SUBSTITUTES

I am indebted to the pamphlet entitled "The Farmer Looks at the Oleomargarine Picture", issued by the National Cooperative Milk Producers' Federation, for the following information. I urge all of you, who have not done so, to read this article.

WHAT IS OLEOMARGARINE?

Oleomargarine is a fatty product sold and used almost entirely as a cheap substitute for butter. It is made of either vegetable oils or animal fats or a combination of the two; and, although it is usually emulsified in milk, it is in no sense a dairy product. Oleomargarine is inferior to butter as a food, deficient in the vitamin content, and lacking in other desirable properties which make butter one of the most valuable parts of the diet. Nevertheless, it is made in imitation of and sold as a direct substitute for butter.

Approximately 80 percent of the oleomargarine manufactured in the United States in the last few years has been manufactured from vegetable or nut oils. The remainder has been made from animal and vegetable oils and fats. Oleomargarine today, therefore, is principally a vegetable product. A typical formula for manufacturing oleomargarine from vegetable oils was made for the Committee on Agriculture by former Representative Brigham. It is as follows:

Eight hundred pounds of coconut oil, 100 pounds of peanut oil, 100 pounds of palm oil. Total, 1,000 pounds of vegetable oils. Add to this 35 pounds of salt and then mulsify the entire mixture in 300 pounds of milk. This formula will produce approximately 1,150 pounds at a cost, based on prices of September 1935, of 9.89 cents per pound. You will note that only 100 pounds of oil come from a domestic product, while 900 pounds come from abroad. How is it possible for the dairy farmer of our country to meet that kind of competition? It is up to us to help solve his problem. At the present time there are three types of oleomargarine manufactured in the United States. One product is a mixture of beef and hog fats with coconut oil, with probably some domestic vegetable oils added. A second product is apparently made almost entirely out of coconut oil, while a third is made almost entirely out of cottonseed oil. Cottonseed oil in the manufacture of oleomargarine has increased during a single year from 12 to 34 percent. I feel that the cotton growers are ruining one of their best markets by supplanting wholesome dairy butter with oleomargarine, because a large quantity of cottonseed meal is consumed yearly by dairy cattle. In 1934 my native State of Wisconsin consumed only $4,000 worth of oleomargarine, while during the same year our cattle consumed $1,200,000 worth of cottonseed meal—a ratio of 30 to 1. Surely it is not sound business to wreck the $1,200,000 worth of business in order to help the $4,000 business. It is to the interest of the South to build up and increase the dairy herds of the North.

HEALTH VALUES

Milk is the best food man has yet discovered. Butter, therefore, contains much of the nutritive value and strength-giving properties of milk. Milk contains many valuable food elements. Two of these are particularly prized—protein of very high quality and butterfat. Butterfat and butter contain many elements necessary as a food, including the all-important vitamin A. The liberal use of dairy products is strongly recommended by all food scientists for children and adults in even the most restricted diets.

Oleomargarine, containing very little milk, has, therefore, very little food value. Particularly true is this of vitamin A. Vitamin A is a necessity in our lives. A lack of it in our food leads to the development of certain eye diseases; to xerophthalmia, a disease found among children of the poorest class; to a breakdown and weakening of cells lining the respiratory, alimentary, and other body tracts, making them more susceptible to infection.

Experiments conducted in scientific laboratories showed that animals fed on butter grew fat and healthy, while those fed on vegetable oils stopped growing, gained no weight, and most of them died.

Of course, one can eat oleomargarine and other butter substitutes made of vegetable oils, but it has no food value. Just like one can eat sawdust and shavings as a substitute for flour made of wheat, but it would not be wholesome and utterly lacking in proteins, vitamin A, and other strength-giving properties. You cannot cheat nature with cheap substitutes.

COMPETITION OF BUTTER AND ITS SUBSTITUTES

Butter and oleomargarine and other butter substitutes are used on bread, buns, biscuits, and notably in cooking. In the kitchen generally and especially in the frying pan, the oil substitutes have made alarming inroads.

I believe oleomargarine is almost as great a menace to the hog industry as it is to the dairy industry. In 1934 over 1,150,000,000 pounds of cooking compounds were produced in the United States, which contained only 2,600,000 pounds of lard, an almost negligible amount, while there was a time when lard, tallow, and butter were exclusively used for cooking.

On the dining-room table butter and its substitutes are also in fierce competition. During the first half of 1934 consumers bought 10 pounds of butter to every 1 pound of oleomargarine, and spent $24 for butter for each dollar spent for oleomargarine. On the other hand, during the first half of 1935 consumers' purchases of butter were only five times as great in terms of pounds and 10 times as great in terms of dollars spent. When the price of butter goes up, or when unemployment increases, the amount of butter sold to the consumer decreases, but the sales of oleomargarine increase. This is due to the difference in price, oleomargarine cost of production being much cheaper. Our problem is to protect the dairy farmer by lessening the price difference and equalizing the competition. This object can be obtained by placing a tax on oleomargarine sufficiently large so that the "spread" in prices is practically wiped out.

The amount of oleomargarine sold last year in the United States was equal to 7,413,431,046 pounds of milk, or the equivalent of the production of 1,482,000 cows. The year before there were 5,060,939,321 pounds of milk, or the equivalent of the production of 1,012,000 cows. These figures are startling and show us the menace our dairy farmer is facing.

In his message to Wisconsin farmers Kenneth W. Hones, of the Farmers Equity Union, said:

> Our main struggle is a dairy program that will put us on a level with other basic commodities. The present dairy prices are a fair example of what they would be if we had our own market for ourselves 12 months in a year and not only 3. These prices will not hold when foreign importation production starts coming in.

Let our slogan be "Home markets for American agriculture." [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, on page 16 of the bill will be found an appropriation for the enforcement of the Potato Act of 1935, the appropriation consisting of the proceeds arising from taxes imposed by that act, together with the additional sum of $1,250,000. The latter sum, together with the taxes which will be derived from the act, will amount probably to about $1,300,000. Mr. Chairman, unless some member of the committee having precedence offers a similar motion, I shall move during the reading of the bill that this appropriation for the enforcement of the Potato Act of 1935 be struck from the bill. [Applause.]

If it were simply a question of the wisdom of the bill, while I disagreed with the majority who voted for the Potato Act last summer, I would probably in that case be willing that the act and the will of the majority be carried out; but this is not now a question of the wisdom of legislation. Since that time the United States Supreme Court in the A. A. A. case has indicated without question of doubt in my mind—and I do not believe there is a doubt in the mind of anyone here—that the Potato Act of 1935 is unconstitutional and will be so declared when a proper case involving that act reaches the Court.

Therefore, if that is true, any appropriation that we make here is an illegal appropriation of money out of the Treasury of the United States, and I am not going to vote to expend $1,300,000 to enforce an act which is clearly unconstitutional.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. FIESINGER. When we were considering this bill in the last session of Congress, was it not stated here generally that there would be no expense to the Government in connection with the administration of any processing tax?

Mr. PETTENGILL. I believe that statement was made, that the bill would finance itself, although I am not certain about that.

Mr. FIESINGER. I think that statement was made here. The gentleman said that if it had been the will of the majority, he would have gone along with the bill.

Mr. PETTENGILL. I said if it was a question purely of the wisdom of the majority.

Mr. FIESINGER. I regarded the bill unconstitutional and I am sure the gentleman did at that time and voted against it.

Mr. PETTENGILL. Yes; I voted against the bill.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. LUDLOW. My colleague is an excellent lawyer and a profound student of public affairs. I ask the gentleman whether he has ever known or ever heard of a more vivid and striking illustration of the intrusion of bureaucracy into the rights of the people of this country than is exemplified by this Potato Act.

Mr. PETTENGILL. I think the statutes of this Nation will be searched in vain for anything that approaches it along the line of the gentleman's thought.

Mr. LUDLOW. Then I ask the gentleman if he does not fervently hope that this Congress at this session will do the right thing and repeal that law?

Mr. PETTENGILL. It should be repealed. I call my friend's attention to a statement on page 193 of the hearings, which is a quotation from the President's Budget message:

> Likewise, no estimate for administering the Potato Act has been prepared, since it is believed this act should be amended along lines to be recommended by the Secretary of Agriculture, and a supplemental estimate can then be transmitted.

On that ground, as well as the fact that I believe that this is an illegal appropriation of money, we should defer any appropriation for the enforcement of the act or any act in substitution of it until the act is before us in accordance with the recommendation of the President in his Budget message.

While this matter is not political, and ought not to be such, it ought to be stated to the country that the administration was not in favor of the Potato Act of 1935. Secretary Wallace declared himself against it. He was quoted in the newspapers last fall as saying that in any proper way he could he would see to it that the act was not enforced; so, as I understand it, I am squarely in accord with the views of the administration. And I think that the Democratic Members of this House, who are now being charged before the country by the opposition press and the opposition speakers with having passed the most unpopular act in many years, in justice to ourselves and the administration, ought to take steps ourselves to remove that curse from us at this time.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. DUNN of Pennsylvania. I thought the administration was in favor of it and brought it over here and that is the reason I voted for it. I thought the President and the Secretary of Agriculture were in favor of that Potato Act.

Mr. PETTENGILL. The President and Secretary of Agriculture were not in favor of the Potato Act.

Mr. DUNN of Pennsylvania. I voted for it because I thought the farmers were going to get some benefit from it.

Mr. PETTENGILL. In any event the President in his Budget message himself recommended no appropriation be made to enforce it.

Mr. DONDERO. Will the gentleman yield?

Mr. PETTENGILL. Yes; I yield to the gentleman.

Mr. DONDERO. Just what influence was it that brought that bill before us on this floor at the last session of the Congress?

Mr. PETTENGILL. The gentleman is as fully informed on that subject as I am.

Mr. ENGEL. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. ENGEL. If the President was not in favor of it, why did he sign the bill? Why did he not veto it?

Mr. PETTENGILL. I cannot answer for the President, but it was part of a much larger bill. The gentleman knows, and I know, that we are all confronted frequently with a situation where we have to take a whole bill which includes items which we do not want, or reject the entire bill in order to reject items that we are not in favor of.

Mr. BLANTON. Will the gentleman yield there?

Mr. PETTENGILL. I yield.

Mr. BLANTON. We will not violate any committee secrets by stating that this appropriation is in this present bill by the narrow margin of only two votes. Is that not so?

Mr. PETTENGILL. I did not know what the fact was.

Mr. BLANTON. Well, that is the fact; it carried by the narrow margin of two votes.

Mr. PETTENGILL. I did not know that was the fact, but I think it is time for the House of Representatives to assume the responsibility of standing upon the Constitution of the United States until the Constitution is changed by the will of the American people and our powers are extended by them if that be their will.

Mr. MAY. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. MAY. In view of the statement which the gentleman just made about standing on the Constitution, what does the gentleman think about the proposition of the A. A. A. decision of the Supreme Court and the effort to get around it by providing subsidies, just exactly as they were under that bill, and calling it "soil erosion", rather than "crop control"?

Mr. PETTENGILL. I will cross that bridge when I come to it, I may say to the gentleman. I have not yet seen the new bill. I should like to say to the gentleman from Kentucky, however, that I am thoroughly in favor of anything that we can do, constitutionally, and can practically administer, to improve the condition of agriculture and bring it into balance with industry. I am in favor of doing it, if we can do it.

However, with reference to potatoes, which are distinct from cotton and wheat, where we can actually count the sheep as they go through the stile of the processing plant, even if the condition of the potato grower is similar to the position of the cotton grower, as far as he is concerned, at the same time this bill is practically incapable of being enforced because the commodity goes to the consumer in exactly the condition as it came out of the ground, and it would lead to the bootlegging of illegal potatoes by millions of people.

Another thing, I may say to the gentleman from Pennsylvania [Mr. DUNN], who represents a district of a great city, as I understand, potatoes are the poor man's food. It is the staff of life in millions of homes. Why should we now, when they are struggling to get employment in the factories of America, when they are struggling to get wages increased, place upon millions of consumers in the great industrial centers of America a tax upon the very necessity of life? [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Chairman, the House has always been so generous to me that I certainly would not let any opportunity arise that would not make me equally frank and fair with this body.

I am not here to argue the merits of the potato bill. Much that has been said by the gentleman from Indiana [Mr. PETTENGILL] can be successfully refuted, and I may state to him that his own State of Indiana has lately been cooperating wholeheartedly on this measure. The same is true of practically every State in the Union, for the Department tells me that so far as the growers and those affected by the bill are concerned, the opposition, if any, is now more or less negligible. I realize that this bill has been made the football of partisan politics. I realize the untruthful statements that have gone out in some of the press throughout the Nation, but I still say, and you Members who represent potato-growing sections know it, that it is earnestly and ardently desired by the potato farmer, who has been reduced to a state of absolute bankruptcy.

Mr. TABER. Will the gentleman yield?

Mr. WARREN. In just a moment, after I have developed my thought a moment. Now, so much for that.

I frankly admit, after reading the decision of the Supreme Court, that this bill would have no standing before the Court, and it would therefore be declared invalid, were there to be a test case. It is certainly on exactly the same lines as the Bankhead bill and the Kerr-Smith bill. It was my purpose, and I have consulted the chairman of the Committee on Appropriations and other members in charge of the bill about it, that when we read the bill I would offer an amendment which I understand is highly satisfactory to them, which entirely disarms and hushes anything that may have been said by the gentleman from Indiana [Mr. PETTENGILL] or anyone else. That amendment would be to strike out the language contained in the bill and substitute in lieu thereof this language:

For the purpose of collecting and disseminating useful information and data with respect to potato production and marketing within the United States, there is hereby appropriated and made available to the Secretary of Agriculture the sum of $1,000,000 for the fiscal year 1936.

Under the A. A. A. they had a personal history on every farmer who was engaged in growing crops covered by the A. A. A. Potatoes were made a basic commodity under the A. A. A. They have full and complete information as to the wheat grower, as to the tobacco grower, as to the corn and peanut growers, and all other growers who are affected by that act, but they do not have this information with respect to potatoes, except for the States of Florida, Texas, California, and, possibly, Louisiana.

They tell me that this information—the collection of these data and the gathering of these statistics—is vital and necessary and will fit in and dovetail with any program that might later be adopted by Congress which would cover other crops as well as potatoes.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a question?

Mr. WARREN. Yes.

Mr. PETTENGILL. Do I understand that the proposed amendment which the gentleman has read, he himself intends to offer as a substitute for the language on page 16 of the bill?

Mr. WARREN. That is correct. The gentleman will see the amendment contains nothing for the enforcement of the act, and this will carry the Department up to April 1 only; and this is all that will be asked for.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. GILCHRIST. What has the gentleman to say as to whether his amendment would be held in order if an objection were made to it?

Mr. WARREN. I may say to the gentleman from Iowa that I have investigated the matter and certainly do not think any point of order against the amendment could be sustained. The gentleman must remember that the law is now upon the statute books and is presumed to be constitutional. It provides for the gathering of statistics, and the appropriation in this bill would be for that purpose.

Mr. GILCHRIST. Would not this be legislation on an appropriation bill?

Mr. WARREN. It would not, not in any respect, because at three different places the bill provides for the gathering of statistics. Aside from that, and regardless of the bill under discussion, there is already authority of law for the Secretary of Agriculture to gather such information.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. DONDERO. Will the gentleman tell the House whether the taxes imposed by the law would provide a fund in addition to the money authorized by his amendment?

Mr. WARREN. That will be stricken out under the amendment.

Mr. DONDERO. Under the gentleman's amendment?

Mr. WARREN. Under the amendment I am offering that would be entirely stricken out.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. LUDLOW. I may say for the information of the gentleman that the amount collected to date is $27,000.

Mr. WARREN. Reverting now to a statement made by the gentleman from Indiana [Mr. PETTENGILL], I challenge the gentleman to find anywhere in the RECORD that I ever said—and I do not recall anybody else ever saying—that this bill would finance itself. It was recognized that it would be financed by an appropriation out of the Treasury, as there have been appropriations for other crops since the gentleman has been a Member of Congress, notably in the case of cotton. It was felt that here was a crop worth $300,000,000 annually in value for which nothing had been done, that for 1 year only it could be financed out of the Treasury.

I yield now to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. I had desired to ask a question of the gentleman with reference to a statement he made at the beginning of his remarks. Perhaps I am going over ancient history now, but the gentleman stated that the farmers in the potato-growing regions were overwhelmingly in support of this legislation. I may remind the gentleman—and I know this from personal contact and experience—that the Association of Potato Growers of the State of New York, which State produces a very large tonnage of potatoes, in a poll voted in the ratio of 70 to 30 against the Potato Control Act.

Mr. WARREN. I said this, and I repeat it: That I am informed by officials of the Department that within the last month the bulk of the opposition—and I will include New York in it—has practically disappeared, and that the farmers were cooperating. One of the reasons, of course—and we will talk a little ancient history now—I am sure one of the reasons for that was the persuasive eloquence of the distinguished gentleman from New York, who has just interrogated me and who openly, so I am informed, went around and scoured the country preaching nullification. Maybe that had something to do with it, but that is now beyond the mark. I have frankly admitted my views, and I am offering to strike out that section.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 3 additional minutes to the gentleman from North Carolina.

Mr. LUCKEY. Mr. Chairman, I want to say to the gentleman that I come from an agricultural State, Nebraska; and our farmers are absolutely opposed to this bill. Repeatedly I have been accosted and asked, "Well, LUCKEY, did you vote for that crazy potato bill?" No; I voted against it.

When I came down here a few weeks ago I prepared a bill to repeal this Potato Act. Then the Supreme Court ruled

and I thought we were through with the Potato Act, but if we are not through with it I shall introduce this bill and push for the repeal of the Potato Act.

Mr. WARREN. Well, we are talking about something that is now behind us. So far as my section is concerned and so far as the neighboring State of Virginia is concerned, I know that the farmers are wholeheartedly and unanimously in favor of it; and that the decision of the Supreme Court on the A. A. A. comes to them as a heavy blow.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. COLE of Maryland. Should the amendment which the gentleman has suggested be adopted, I understand the $1,000,000 provided would be spent by the Department of Agriculture under authority of the existing potato bill.

Mr. WARREN. It could be spent under that as the act is presumed to be valid, and it could also be spent under authority of existing law that gives the Secretary of Agriculture such power.

Mr. COLE of Maryland. A bill which the gentleman concedes to be unconstitutional.

Mr. WARREN. I have attempted to make the distinction.

Mr. COLE of Maryland. That is, in gathering information and data from the farmers all over this country they would be clothed with authority solely on a bill which the gentleman concedes to be unconstitutional.

Mr. WARREN. While the act is still presumed to be constitutional until the Congress or the courts have acted, this amendment does not depend at all for its parliamentary correctness upon the Potato Act, as an appropriation for this purpose is entirely warranted under the general powers of the Department of Agriculture that have been unquestioned from its inception and continuously exercised.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Indiana.

Mr. PETTENGILL. I have read the gentleman's proposed amendment, and I note that he makes no reference at all to the Potato Act of 1935. I therefore wonder if an appropriation of a million dollars for the purpose of gathering this information might stand on its own feet without being predicated upon an unconstitutional act?

Mr. WARREN. I am positive that the amendment as drawn is in order.

Mr. MAY. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Kentucky.

Mr. MAY. I think we spent some $3,000,000 last year in taking a farm census. If I am not mistaken, one of the questions submitted by the census gatherers under that bill requested a list of the various crops. I am wondering why we cannot get the information from this list without spending additional money?

Mr. WARREN. I am told that the information cannot be ascertained from those statistics because they did not ask the information desired and that had nothing whatever to do with the sale or marketing of potatoes. The amendment I propose is both agreeable and satisfactory to those in charge of the bill.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, our able colleague the gentleman from Wisconsin [Mr. SAUTHOFF] has given a correct picture of the disastrous effect of these various trade agreements upon the dairy industry. The House probably knows, and if it does not know I wish to emphasize the fact at this time that these treaties are made under almost the sole auspices of Dr. Francis B. Sayre, a "free trade" professor. I stated on the floor the other day that Professor Sayre was an international economist and therefore philosophically unfitted for this post which he holds as arbiter over American agriculture and American industry. I did not know at that time that Professor Sayre was high in the graces of various foreign governments and that he has been decorated by foreign governments more frequently than any other man in the American public service. I wish to read a list of those decorations which the supreme arbiter over American agriculture and industry has received from various foreign governments. They are as follows:

Created Phya Kalyan Maitri by the King of Siam, 1924; awarded the Grand Cross of Crown of Siam, 1924; Grand Cross of White Elephant, Siam, 1925; Grand Officier Order of Orange-Nassau, Netherlands, 1925; Knight Grand Commander, Chula Chom Klao, Siam, 1926; Commander, Order of the Dannebrog, first class, Denmark, 1926; Grand Cross, Royal Order of Isabel la Catolica, Spain, 1926; Grand Cross of Order of Christ, Portugal, 1926; Commander, Order of St. Olav, first class, Norway, 1927; Grand Cross, Order of Crown of Italy, 1927; Grand Officier de la Legion d'Honneur, France, 1929.

In addition to these decorations, which speak most vigorously concerning the successful internationalism of Professor Sayre, it is interesting to know that he has written a book entitled "Experiment in International Administration."

The inference from all this, Mr. Chairman, is that not only Professor Sayre's head but his heart is across the seas. His allegiance is not to America, not to the American farmer, or to the American manufacturer. His allegiance is to all the world, and in these days, when, unfortunately internationalism is so vigorous throughout the world, it is regrettable that we should have denatured Americanism at the helm in the making of these treaties which go to the economic and cultural well-being of our people, and to the very existence of America itself. In such a position, may I say to the House that Professor Sayre is more dangerous to American agriculture and American industry than all the rest of the administration "brain trusters" combined, from Wallace to Tugwell and on down.

Mr. LUNDEEN. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. Is it not a violation of the American Constitution to receive these decorations without the consent of Congress? And will the gentleman from New York permit me to recall article I section 9 of the Constitution of the United States, which provides that "No title of nobility shall be granted by the United States, and no person holding any office of profit or trust under them shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state."

Foreign governments are hanging all sorts of decorations, ribbons, and what nots upon uncounted numbers of so-called Americans. It seems to me this helps very materially to soften the Americanism of these individuals and tends to make them foreign-minded. In my opinion we ought to make an end of this.

Mr. CULKIN. I do not think that applies here because Professor Sayre entered the international field years ago, and for his internationalism received these different decorations, prior to his entering the American public service.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, I am surprised to hear the gentleman's reference to Professor Sayre. I, as one Member of this House, would have to learn more facts than the general implications that are made by the gentleman before I could believe there was any foundation in fact for the statements of the gentleman.

I went to college with Professor Sayre. He is a graduate of Williams College, than which there is no better in this land. [Applause.] Never has a graduate of that college, in my time or any other time, given allegiance to any country other than his own while he held himself out to be and was an American citizen. Sayre is as good an American citizen as any Member of this Congress. He studied and absorbed the principles and traditions of Williams College—fundamental Americanism—under President Garfield, a son of President Garfield, a former President of the United States. Francis B. Sayre is grounded in Americanism.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, if this were a court of law, I would move to strike out the statement of the last witness as being purely a self-serving declaration and incompetent, irrelevant, and immaterial.

I prescribe for my distinguished friend from New Jersey, for whom I have great admiration, a reading of Professor Sayre's book entitled "Experiments in International Administration", and also a reading of his recent book, "America Must Act." If he reads these he will, I am sure, agree with me that we should have a vigorous national at the helm in the making of these treaties prior to the Supreme Court setting them aside. The distinguished gentleman from New Jersey will also agree, after such a course of reading, that Professor Sayre, with his peculiar views, is no man to make over America. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I want to confine my remarks to that part of the pending deficiency appropriation bill which, on page 16, provides an appropriation of $1,250,000 and certain taxes for the enforcement of the potato bill. I am very happy that I was preceded on this floor by the gentleman from Indiana [Mr. PETTENGILL] and the gentleman from North Carolina [Mr. WARREN], and I want to congratulate the gentleman from North Carolina [Mr. WARREN] on his statesmanship in proposing an amendment to cut out the appropriation to enforce the Potato Act. If Mr. WARREN had not offered to sponsor such an amendment, I would have offered an amendment to strike out all appropriations of money for the enforcement of the Potato Act.

A study of the A. A. A. decision of the Supreme Court should convince everyone that the Potato Act is unconstitutional; and now that the sponsor of the Potato Act, the gentleman from North Carolina [Mr. WARREN] has so stated on the floor of the House, there should not be anyone in the Congress who would deny it.

Inasmuch as the gentleman from North Carolina [Mr. WARREN] himself will sponsor such an amendment, I do not believe it will be very difficult to carry the amendment, and there is no need of making any argument for it. However, I should like to add to the amendment which Mr. WARREN expects to offer a provision that no appropriation heretofore made or carried in this bill shall in any manner be used to enforce the provisions of the potato bill. I believe that the appropriation that the gentleman from North Carolina [Mr. WARREN] desires for the study and collection of information and data on the production and marketing of potatoes can be passed without any regard to the provisions of the Potato Control Act. However, this is not enough. Now that we know that the act is unconstitutional, why should we wait until it goes to the Supreme Court.

Even before the decision of the Supreme Court was rendered in the A. A. A. case on January 6, I introduced a bill, H. R. 9665, to repeal the Potato Act, and I hope the gentleman from North Carolina will join me in passing this bill. Our hands are tied, Mr. Chairman, when we deal with an appropriation bill; but I hope we can have the unanimous support of the gentlemen who are particularly interested in the Potato Act to repeal that act; and after we repeal that act, if they have any proposition to make in regard to potatoes, we shall certainly be willing to give it most careful and sympathetic consideration.

Mr. WARREN. Mr. Chairman, will the gentleman yield for a question?

Mr. ELLENBOGEN. I will be very pleased to yield to the distinguished gentleman.

Mr. WARREN. Along the same line of reasoning of the gentleman, would he be in favor of repealing the Guffey coal bill?

Mr. ELLENBOGEN. I may say to the gentleman that neither the A. A. A. decision nor the N. R. A. decision passes at all on the question of the constitutionality of the Guffey coal bill.

Mr. WARREN. The gentleman means that in his opinion, they do not.

Mr. ELLENBOGEN. That is my opinion, but not only mine. Lawyers who have studied the question have held that in view of certain dicta in the majority opinion in the A. A. A. case, the Guffey bill may well stand the test of the Supreme Court.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I will be very pleased to yield to my distinguished colleague.

Mr. DUNN of Pennsylvania. Is it not a fact that the potato bill did a great deal of good for the poor farmer?

Mr. ELLENBOGEN. The potato bill has not yet been fully enforced, but it was reported to us that it would help the farmers and the consumers, and I know the gentleman from North Carolina had the best intentions toward the farmers, as well as the city consumers, when he proposed that bill.

Mr. WARREN. The gentleman is entirely incorrect with respect to the enforcement of that bill. It has been enforced and all the Florida crop was sold under it.

Mr. ELLENBOGEN. It has been enforced with respect to Florida and California, and that is what prompts me to say to the gentleman from North Carolina that we must have a provision in this bill, in additon to his amendment, which will prohibit further enforcement of a statute which he considers himself unconstitutional.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. DUNN of Pennsylvania. Is it not also a fact that the ones who were opposed to the potato bill were the big chain stores?

Mr. ELLENBOGEN. It has been so represented to us, and that was one of the arguments advanced for its passage.

Mr. DUNN of Pennsylvania. That is one of the reasons I voted for the bill. I believed it would benefit the poor farmers.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, in his endeavor to launch his one-man campaign for the position of Vice President on the Republican ticket this fall, Ex-Governor Pinchot, of Pennsylvania, has requested Senator BORAH to conduct an investigation regarding politics in relief. According to the Associated Press, Ex-Governor Pinchot, once named by Ex-Senator David A. Reed as a "common scold", and by Attorney General Charles Margiotti as "the man on the flying trapeze", both titles being appropriate, says, "This embezzlement of public funds for politics is a fraud upon both the man on relief and the taxpayer."

Mr. Pinchot, the ultravirtuous, under whose political skirts hovered such characters as Coyne, Clark, McClure, and Salus, all State senators under his regime, all of whom have either been indicted, convicted, or disbarred for miscarriage of justice! Mr. Pinchot, that archdeacon of nonpartisanship, under whose regime the relief situation of Pennsylvania was the most gigantic political racket ever known! What unmitigated gall Mr. Pinchot must have to criticize work relief in Pennsylvania, when both the reemployment and the relief are functioning under the same set-up which he effected while Governor of Pennsylvania.

What a man to cry "wolf" when under his administration more than 100 of the 114 trustees of the 14 State teachers' colleges were Republicans. Mr. Pinchot, who dismissed men who had been responsible for the splendid system of game conservation and restoration of Pennsylvania, men who had given their time and efforts to their State for $1 per year, because they disagreed with him upon prohibition. Mr. Pinchot, under whose administration it was impossible to get an honest count of the votes cast in Pennsylvania. Mr. Pinchot, under whose administration the State highway employees were ordered out en masse to work on election day to deliver Republican votes to the polls in State cars.

Mr. Pinchot, who while Governor of Pennsylvania was a candidate at the primaries for United States Senator in 1934 and had such orders as the following issued, the originals of which are in Harrisburg:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF HIGHWAYS.

DIRECTIONS FOR RECEPTION FOR GOVERNOR AT WILKES-BARRE, PA., ON THURSDAY, OCTOBER 4, 1934

1. All cars will meet at the Lackawanna County courthouse at Scranton, Pa., on the Adams Avenue side, at 6:30 p. m.
2. Report personally to superintendent, or assistant superintendent.
3. Caravan will proceed to Luzerne County courthouse, Wilkes-Barre.
4. Reception for Governor Pinchot will be held at Hotel Sterling in Wilkes-Barre at 7:30 p. m.
5. All caretakers, foremen, pushers, timekeepers, truck drivers, rented truck owners, office help, and assistant superintendent will attend this meeting.
6. The names of all your men and any other persons making up your party are to be submitted in writing to this office on Friday, October 5.
7. All manner of work will be shut down at noon on Thursday in order that all may be on hand to accompany pilgrimage to Wilkes-Barre.

An order which is as exact, explicit, and mandatory as the battle order of an army corps. Senator BORAH should remember that in the general election in Pennsylvania, Pinchot's battle cry was, "I cannot stand GUFFEY." Senator BORAH should also remember that the election returns of the preceding primaries had proven that the people of Pennsylvania could and would not stand Pinchot, and the returns of the general election proved that Pennsylvania could and would stand GUFFEY. Clearly, Governor Pinchot's latest utterances show him to still deserve the titles "common scold" and "the man on the flying trapeze."

Why, under Mr. Pinchot's regime no man could secure a job of laboring on the State roads unless he signed a blank obligating himself to support the policies of Mr. Pinchot.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. GRAY of Pennsylvania. Is this the same Governor Pinchot the gentleman speaks of who after a police officer in Cresson, Camden County, had raided a miner's house and found a couple of drinks of whisky in a bottle and then assaulted the man and afterward was convicted in the criminal court and sentenced by Judge Evans to the penitentiary, is this the same Governor who immediately pardoned him and then the man went to Allegheny County and killed a man?

Mr. FADDIS. I do not recollect that incident, but many such occurred while Mr. Pinchot was Governor.

Mr. DORSEY. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. DORSEY. Is it not true that the party he criticizes as the head of this bunch was appointed upon Governor Pinchot's recommendation?

Mr. FADDIS. Yes.

Mr. MORITZ. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. MORITZ. Is it not true that this Governor Pinchot faked his way through two elections as the foe of utilities and then turned out to be the best friend they ever had?

Mr. FADDIS. Yes; he was successful in it.

Mr. CREAL. Is it not a fact that there were numerous convictions of fraud and corruption under the administration of Governor Pinchot and has he ever repudiated the connection?

Mr. FADDIS. Not that I know of.

Mr. BOLAND. Is it not a fact that under the administration of Governor Pinchot there were padded pay rolls, and that trucks were paid for that never were furnished?

Mr. FADDIS. I understand so. It has been generally told, and has never been successfully refuted, Mr. Pinchot, in a recent letter to President Roosevelt, charges that Edward Jones, W. P. A. administrator for Pennsylvania, went so far as to permit the employment of two men in the W. P. A. statistical area of Philadelphia through a private employment agency. The fact is, however, that Mr. Jones had no jurisdiction over that matter, and that the man in charge of it was appointed by Mr. Hopkins upon the recommendation of Mr. Pinchot when he was Governor of Pennsylvania, and is a holdover from that time. By his indictment of this man Mr. Pinchot has indicted himself.

Clearly Governor Pinchot's latest utterances show him to still be entitled to deserve the titles "common scold" and "the man on the flying trapeze."

Mr. GRAY of Pennsylvania. Is it not true that this Governor Pinchot, of Pennsylvania, was elected Governor and held that high office because of the billingsgate lambasting that he gave the Republican organization in Pennsylvania?

Mr. FADDIS. That is true; and that is why I want to warn the Republicans that when he starts a one-man campaign he is a dangerous man. Twice he has defeated the Republican machine in Pennsylvania in a one-man campaign, and he is liable to defeat the national Republican machine in the same way.

Mr. GRAY of Pennsylvania. Is it not true that this Governor Pinchot is about to run away with the Pennsylvania delegation to the Republican National Convention in support of Senator BORAH?

Mr. FADDIS. It seems that way. He has always been a foxy politician.

Mr. GINGERY. And is it not true that Governor Pinchot never lived in Pennsylvania, but that he held a residence in Washington?

Mr. FADDIS. That is true, except when he has State political aspirations. He is a resident of Washington at the present time, I see by the papers.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, apparently my Democratic colleagues from Pennsylvania are having a field day today. Lest, however, there be any misunderstanding either on the part of good, stanch Republicans on this side of the House or on the part of any of the brethren from other States on the Democratic side of the House, I direct the attention of the membership to the fact that my genial colleague's indictment is an indictment against Governor Pinchot, and it is not an indictment against regular Republicans in Pennsylvania.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Not at present. May I further admonish those of you who seem to take a peculiar delight in the statements of the gentleman from Pennsylvania with respect to the late Governor, that during the early days of the present national administration the former Governor of Pennsylvania, Mr. Pinchot, was a very welcome guest, and there seemed to be much in common between the President and the former Governor of Pennsylvania? If there are any causes for complaint with respect to the Governor's tenure, so far as C. W. A. or P. W. A. or any of those machinations and movements looking toward the gathering of the clan at the Lucerne courthouse, referred to by my distinguished Democratic colleague, they were political lessons that were probably learned from his intimacy with his Democratic friend. I am also convinced that the present incumbent of the Governor's chair in Harrisburg has certainly far exceeded the wildest ambitions of the former Governor with respect to such movements and machinations. Now it is not a custom to have highway workmen contribute only at election time.

The program now is that the contributions must be made monthly. Otherwise there be a chance of either dismissal of the employee or that he might die so that the funds that should fall into the Democratic coffers would not be forthcoming. I stand here today well satisfied that anything my genial friend said who spoke immediately preceding me, was purely a personal indictment against Mr. Pinchot and that he directed nothing against regular Republicanism in Pennsylvania.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I must always yield to the gentleman.

Mr. BOLAND. I will not embarrass the gentleman at all.

Mr. DITTER. Oh, I have no fear of that. He is too gracious to attempt it, and he could not if he would.

Mr. BOLAND. The gentleman referred to Mr. Pinchot as the "late" Governor. I presume he meant politically?

Mr. DITTER. The "former" Governor would have been better.

Mr. BOLAND. But the gentleman did say the "late" Governor. I think he meant politically?

Mr. DITTER. May I answer the gentleman by saying that with respect to the present Governor it is not a matter of being late, but never there. And, by the way, may I say further to my genial friend from the coal regions, that he knows that I happen to be the present Governor's Congressman.

Mr. BOLAND. But the gentleman will admit that he is probably the best Governor that the State of Pennsylvania has ever had.

Mr. DITTER. Only in the minds of those who have been deluded like my friend or who have no sense of real values.

Mr. BOLAND. And yet I imagine a majority of the people of Pennsylvania appreciate the fact that Governor George Earle is the best Governor Pennsylvania has ever had.

Mr. DITTER. And may I say that of course we are frequently subject to certain powers that determine what our opinions may be, and that I recognize the gentleman is required to express fealty and pledge loyalty to the present Governor, and that he is not expressing his real personal opinion.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Yes.

Mr. DUNN of Pennsylvania. Is it not a fact that Governor Earle has sponsored more humanitarian legislation than many of his predecessors, such as old-age pensions and unemployment insurance?

Mr. DITTER. In my opinion, the outstanding and real humanitarian legislation in Pennsylvania—and I believe the gentleman will agree with me in this—was when Pennsylvania started on a program of workmen's compensation when in many States workmen's-compensation laws were neither popular nor approved.

I stand here alone today as a Republican from Pennsylvania. [Laughter.] I am willing to accept all of the challenges that come from my Democratic brethren, but I want to warn them that they should talk during this session, for certainly their tenure is in danger as far as next year is concerned, when Pennsylvania is going to be Republican.

Mr. DUNN of Pennsylvania. Oh, no; it will not.

Mr. DITTER. May I say to the gentleman with respect to the humanitarian legislation that I believe the present Governor might have made gestures and overtures for the purpose of political expediency, trying to win around to him those who were prompted by humanitarian appeals.

Mr. DUNN of Pennsylvania. I should like to make a statement here.

Mr. DITTER. I hope the gentleman will not take all my time.

Mr. DUNN of Pennsylvania. I will see that the gentleman gets more time. I can prove and substantiate the statement I made. For example, let us take the pension for the blind in the State of Pennsylvania. Pennsylvania has one of the greatest laws for pensions for the blind in the United States, and it came under the Democrats, although I will say the Republicans supported the bill, but Governor Earle was the man who sponsored the bill.

Mr. DITTER. Now, I wish the gentleman would make his speech in his own time. I will answer the gentleman by saying that probably even with reference to the present Governor it might be said that "some good might even come out of Nazareth."

Mr. GRAY of Pennsylvania. Will the gentleman yield for an inquiry?

Mr. DITTER. I do not have much time.

Earlier in the day the distinguished gentleman from Texas [Mr. BLANTON] sought to indicate to the House a connection between communistic efforts and character education in the District of Columbia. To my mind, there is absolutely no connection between the two. The only basis on which the gentleman presented that plea to the House was the basis that the man who is one of the lecturers here in the District happened to be identified, in a lecturing capacity, with one of the universities of Moscow. The gentleman indicated that there was the possibility of a new philosophy of education being taught under Dr. Ballou's direction. Nowhere in his remarks and, to my mind, nowhere in the hearings, is there any warrant for claiming that the character-education program in the District of Columbia is in any way tied up with the communistic program. I am in hearty accord with the gentleman, as far as his campaign and crusade against communism is concerned. I take no issue with him on that, but I do take issue with him when he tries to indicate that character education in the District has no value, on the ground that it has a communistic taint. I will be with him all the way through on his program of anti-communism, but I differ with him when he definitely tries to lay at Dr. Ballou's door, in connection with his character-education program, any communistic efforts. Would that the distinguished gentleman from Texas were as zealous in removing communistic philosophy from the program of the New Deal as he is in his efforts in the District of Columbia schools.

Now, to direct my attention to that which I really intended to say when I was allotted my time before this field day of Pinchotism broke forth.

The deficiency appropriation bill now before the House includes an appropriation of $1,250,000 to the Secretary of Agriculture for carrying into effect the provisions of the notorious Potato Act of 1935. Because of the widespread and vociferous objections to the attempted curtailment of potato production by Federal fiat, doubt was expressed for a time of the advisability of attempting an enforcement of the legislation. It was thought that a policy might be pursued with this measure similar to the one taken by Postmaster General Farley in nullifying the provisions of the Public Utility Holding Company Act. For certain obvious reasons the Postmaster General decided that it would not be expedient to compel a compliance with certain mandatory provisions of the utility measure, and by formal order announced that he did not intend to comply with the requirements of the statute. While the unique and unprecedented nullification of an act of Congress by a Cabinet member, probably with Executive approval, startled those who still cherished the hope that we lived under a government of laws and not a government of men, nevertheless it was urged by some of the New Deal strategists to venture a similar hazardous course on the Potato Act and nullify it rather than invite the wrath and condemnation of the army of potato protestants. Apparently a deaf ear was turned to the storm of righteous indignation raised by the defenders of a "sterile morality of individualism" in potato growing, and the Triple A, more recently labeled a "cripple A" by the Supreme Court, determined to exercise in the potato field the prerogatives and powers of the Agricultural Adjustment Act. It was decreed that potatoes must be laid side by side with wheat and corn and cotton and suckling pigs on the altar of the gods of rigid regulation and regimentation.

We are now called upon to appropriate more than a million dollars to administer for 2 months the obnoxious and denounced Potato Act, and for the collection of taxes under that publicly rejected invasion of personal rights. Were my objections to the appropriation limited to the protests voiced in my district against regimenting potato growers, I might be confronted with the argument that the Potato Act is a part of the existing law and that Congress should provide the means to prevent nullifications whether by Postmasters General or Secretaries of Agriculture. In this case such an argument, however, is untenable. My objection to the appropriation goes beyond the question of potato control. It is based on the propriety of appropriating public money for purposes which are clearly indicated to be unconstitutional. In the light of the opinion of the Supreme Court delivered by Justice Roberts on January 6 of this year, no reasonable

and intelligent man can have any doubt of the fate awaiting the Potato Act. It is unconstitutional.

The act is a part of the general agricultural program of the present administration. It operates on the theory of curtailing production to increase prices. It attempts to justify the proposition that the less you produce the more you are worth. Mr. J. B. Hutson, Director of the Agricultural Adjustment Administration, appeared before the committee to attempt to justify the appropriation. In spite of the efforts of the Director to deny that the Potato Act sought to control the production of potatoes, its purpose is plainly manifest. In fact, he admitted that an allotment is made to a farmer of the potatoes which he may produce during a given period and that he is required to pay the tax on all potatoes over the allotment. As was well said by the chairman of the committee, "It is an effort to regulate production by a tax."

Certainly the words of Justice Roberts in the Agricultural Adjustment Act case apply with equal force here:

> The statute not only avows an aim foreign to the procurement of revenue for the support of government, but by its operation shows the exaction laid upon processors to be the necessary means for the intended control of agricultural production.

A further reading of this convincing opinion brings before us these significant statements applicable here, as in the case before the Court when the opinion was rendered:

> The powers of taxation and appropriation extend only to matters of national as distinguished from local welfare. * * * The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but means to an unconstitutional end.

The memory of the self-assertiveness of the American people when the Potato Act was passed and the vehement declarations opposing the measure which were heard on all sides lends added force to that part of the opinion bearing on the question of the voluntary cooperation of those upon whom the act seeks to forge its chains:

> The regulation is not in fact voluntary. The farmer, of course, may refuse to comply, but the price of such refusal is the loss of benefits. The amount offered is intended to be sufficient to exert pressure on him to agree to the proposed regulation.
>
> The power to confer or withhold unlimited benefits is the power to coerce or destroy * * *. It is clear that the Department of Agriculture has properly described the plan as one to keep a noncooperating minority in line. This is coercion by economic pressure * * *. At best, it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States * * *. An appropriation to be expended by the United States under contracts calling for violation of a State law clearly would offend the Constitution. Is a statute less objectionable which authorizes expenditures of Federal moneys to induce action in a field in which the United States has no power to intermeddle? The Congress cannot invade State jurisdiction to compel individual action; no more can it purchase such action * * *. Congress has no power to enforce its commands on the farmer to the ends sought by the Agricultural Adjustment Act.

What justification can be found for the appropriation of more than a million dollars for clearly unconstitutional activities by a governmental agency for the next 2 months? How much it would require for a year's unconstitutional excursion in the fields of potato growing can be readily calculated.

The possibilities of profligacy and extravagance in connection with the administration and enforcement of the Potato Act can best be ascertained by a reference to the hearings. The Director made the startling confession that the probable revenue from the measure would be $200,000 for a year, and that the cost for only a fraction of a year to collect this amount would be a million dollars. It was roughly estimated that the cost might reach $10,000,000 a year. The estimate for the year, however, is not before us. The request for $1,250,000 for 2 months is before us. What are our duties? Have we an obligation to those who provide the funds for the Public Treasury, the taxpayers? Have we so lost our realization of values in talking about billions that an unconstitutional appropriation of $1,250,000 makes no impression upon us?

No reason or excuse can be found to justify this appropriation. It has no place in the present appropriation bill. It is a gratuity to the Agricultural Adjustment Administration for the purpose of raising false hopes in the hearts of the farmers, and to continue in office a retinue of faithful political appointees where civil-service status is not a requisite. It contemplates $10,000,000 to be spent annually for unconstitutional interference with the personal rights of the people. It is the cost of maintaining and operating just another extravagant experiment.

We have a duty, an obligation, to reject this raid on the Treasury of the United States by eliminating $1,250,000 for potato control from this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DITTER] has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, this appropriation bill carries $1,250,000 to carry out the provisions of the Potato Act of 1935. The gentleman from North Carolina [Mr. WARREN], who is the author of the potato bill, states that he offered an amendment striking out the $1,250,000 and substituting therefor $1,000,000.

Mr. BREWSTER. Will the gentleman yield right there?

Mr. ROBSION of Kentucky. Yes.

Mr. BREWSTER. The gentleman said, as I understood him, "an additional million dollars." Did the gentleman understand that it was in substitution for the $1,250,000?

Mr. ROBSION of Kentucky. Yes. The amendment by the gentleman from North Carolina [Mr. WARREN] proposes to substitute $1,000,000 for the study of the potato and potato business.

In going through my district last year I spoke at many places and met a great many people. I received many inquiries from individuals and from audiences as to how I had voted on the potato-tax bill. I voted against it, and so stated. I do not know of any measure that has been passed since I have been a Member of Congress that has been so unpopular in my district with the farmers and the people generally as this potato bill. At the time it was up for consideration in the House last summer I could not see how it could be constitutional. It seems to me that a casual reading of the Constitution would convince anyone of its unconstitutionality. Furthermore, I could not see how it could serve any useful purpose.

The great Federal Government, in violation of the Constitution, disregarded the rights of the citizens in giving a lot of bureaucrats the right to say whether or not any citizen could raise a few potatoes without first going before some Government officer and making a declaration as to what land and how much he intended to plant to potatoes, and get a license from this bureaucrat to do so. Now if any farmer, gardener, or little truck-patch man or woman should fail to secure such license and produces more than 5 bushels of potatoes for sale and should attempt to sell more than 5 bushels, he or she would come under the condemnation of this fantastic and obnoxious law, and potato growers under the law would be required to put their potatoes in containers of certain shapes and dimensions and place a stamp thereon, and if the potato raiser should violate this law he would be subject to a heavy fine and prison sentence. Not only that but the person who bought his potatoes would be subject to the same fine, and furthermore, a person knowing of any violation of this law by the potato growers, or by the person who bought potatoes would also be subject to a heavy fine and prison sentence.

In all the history of this country no such fantastic, unfair measure was ever put through Congress. It not only violated the constitutional rights of the citizens of this country, but was ridiculous to the extreme. It was well known before the recent decision of the Supreme Court on the A. A. A. that this act is unconstitutional. It is now admitted by all that whenever this measure comes before the Supreme Court it will be knocked into a cocked hat.

My friend from North Carolina, Mr. WARREN, by his amendment, wants Congress to authorize the expenditure of a million dollars to investigate the potato and potato busi-

ness. The Department of Agriculture has been investigating and advising about the potato and potato business for many, many years. During my years of service here bulletins have always been available on every feature of potato growing and potato business. We are now taking an agricultural census, spending a tremendous sum of money, giving employment to thousands and thousands of good Democratic politicians. I am sure that they have and will inquire about the potato business. The Department of Agriculture was so well informed about the potato business that it recently was able to make allotments for every State in the Union under this fool Potato Act.

This million dollars is taking that much of the taxpayers' money to give more jobs to the bureaucrats and Democratic politicians. We are spending $12,000,000 a day more than we are taking in in the way of taxes and other revenues. In other words, the Government is going in debt more than $12,000,000 every day. The Government deficits are growing by leaps and bounds. It amounts to approximately $4,000,000,000 a year; yet here is a proposal to throw another million dollars at the birds. Think of it: the New Dealers pushing through Congress this unconstitutional act providing for a tax of 45 cents on the bushel. If this should be allowed to stand, about the next move would be to require each potato to be wrapped in tissue paper or enclosed in celophane. This ridiculous, fantastic measure gives the country some idea of the extent we are being carried by the follies of the "brain trusters" of this administration.

DISABLED VETERANS ARE BEING NEGLECTED

There is another matter to which I desire to call attention in this bill. Some time ago the Federal Government erected a neuropsychiatric hospital at Lexington, Ky., to take care of the mental cases of veterans in Kentucky. This hospital made provision for only 256 beds. It was soon filled. It now has 286 disabled veterans—30 more than its capacity. There are approximately 400 other disabled veterans in Kentucky who require this treatment and care.

Mr. C. N. Florence, chairman of the hospital committee of the American Legion of Kentucky, in a letter to me urged that the capacity of this facility be increased from 260-bed institution to that of a 560-bed facility. Enlargement of the facility at Lexington was likewise urged by Mrs. John Gilmour, president, American Legion Auxiliary, Department of Kentucky; Mr. G. Lee McClain, of the Kentucky Disabled Ex-Service Men's Board; Man O'War Post; and many other veterans' organizations of this state have been strongly urging this same relief for the veterans at this facility at Lexington.

I am advised that there are now more than 100 insane veterans in Kentucky on the hospital waiting list. There are more than 400 insane veterans in Kentucky in State institutions because there is no room for them in the veterans' hospital. It can be seen at once the urgent need of the enlargement of the facility at Lexington for the care of our insane veterans. We have had this matter up a number of times with the Veterans' Administration, and from what was said by them we were lead to believe that this deficiency bill would carry an appropriation that would take care of this situation. It has been pointed out that additional beds are being supplied at the hospital at Danville, Ill., but that institution serves a number of States, and the proposed addition there will not take care of the insane veterans of those States. The Lexington, Ky., facility is the smallest of its kind of any State in the Union.

We must not neglect those who defended us and who are not now mentally capable of taking care of themselves. May I strongly urge those who are in charge of these appropriation bills and may I also strongly urge the Veterans' Administration to provide this needed relief at Lexington, Ky.

I wish to point out another matter that I have discovered. I found a number of instances in my district where the insane veterans had married some years ago. At the time they became insane they had wives and children. These veterans, being totally and permanently disabled, under the law are allowed $30 per month. The families of the veterans to which I refer own no property and have no means of earning or providing support, except what they may receive of the veteran's pension of $30 per month.

It was brought to my attention that the Veterans' Administration requires the clothing of these insane veterans to be paid for out of this $30 per month. In one particular case the authorities at the facility at Lexington had bought two suits of clothes within a period of 6 or 8 months. Each of these suits of clothes took up almost a month's pension. The cost of the other clothing was very considerable, so that very little was left for the wife and children, and they must go without food, clothing, and shelter, or be provided for out of relief funds, and because of the fact that the veteran draws a pension they cannot secure relief. I cannot understand why an insane man should require so many suits of clothes. If he does, this great Government of ours ought to provide for clothing and not take these few dollars away from the poor wives and young children. I understand that the Veterans' Administration and those in charge of these hospitals insist they are forced to do this because of the Economy Act and the regulations issued thereunder by the President.

The administration and our Democratic friends in control of the committees dealing with these problems should report a measure that will correct this condition. This neglect of the insane veterans of Kentucky and their families should be corrected at the earliest date possible.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. KNUTSON. The Democrats no doubt feel that Kentucky is in the bag, so why should they spend any money in Kentucky when there are so many States that are not safely in the bag?

Mr. ROBSION of Kentucky. At some future time I shall give the facts and tell how the Democrats got it in the bag last fall by relief money, bribery, and intimidation.

Mr. KNUTSON. Whoever heard of giving bait to a fish after it was in the boat?

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MORITZ. The gentleman is not blaming all his difficulties entirely on the Democrats is he?

Mr. ROBSION of Kentucky. Why, yes.

Mr. MORITZ. The gentleman from Minnesota [Mr. KNUTSON] voted for the potato bill, as did Mr. BREWSTER. There is no more bitter enemy of the Democratic Party than Mr. KNUTSON.

Mr. ROBSION of Kentucky. However that may be, the Republicans are not responsible for this obnoxious potato-tax bill. The Republicans never would have conceived anything so foolish as that. The potato-tax bill came from the "brain trusters" and not the Republicans. [Applause.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it is with a great deal of hesitancy that I give even the appearance of torturing this subject which has been discussed by several of the members of the committee; that is, the subject of the lowly spud.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. WADSWORTH. I yield.

Mr. PETTENGILL. Does the gentleman believe that the eyes of the potatoes of the Nation are now upon us? [Laughter.]

Mr. WADSWORTH. Yes; and they are full of tears. [Laughter.]

Mr. Chairman, it is true, as the gentleman from North Carolina has stated, that I protested against this enactment publicly upon more than one occasion during the recent autumn months. My protest was on all fours with the protest which I made futilely here on the floor of the House when the Bankhead cotton-control bill was before us. I have not attempted to discuss the constitutional feature. My opposition to this sort of legislation, I may say, is in-

stinctive. It arises, perhaps, from my sense of rebellion against the employment of force by the Government against a citizen who is endeavoring to earn an honest living. Whether the Government has such power, I, a layman, am not competent to say. I very much doubt it; but whether it has the power or not, I shall ever protest against its employment.

Let us look at this law which is upon the statute books. I am not content to wait for a decision by the Supreme Court. Under its provisions, if I recollect them correctly, no person in the United States may produce and sell more than 5 bushels of potatoes in this next crop year without the permission of the Secretary of Agriculture. Permission, under the terms of the act, is to be evidenced by the granting of an allotment to any person who desires to sell more than that number of bushels. I have been told, during the interval between the adjournment of the last session and the convening of this session, that some authority has been found somewhere in this law to increase that 5-bushel limitation to 50 bushels, but I am not certain about that. Even if that were so, however, I protest against it as a matter of principle just as strenuously as I would protest against the 5-bushel limitation. An allotment having been made to a man who wants to produce, we will say, 10 bushels, he is to be furnished with stamps indicating that the 10 bushels he is selling are within his allotment, the stamps to cost him nothing.

If he should desire to sell more than his allotment of 10, 15, 20, or 1,000 bushels, no matter what it is, he must purchase another sort of stamp, a tax stamp, costing him at the rate of 45 cents a bushel for the excess potatoes that he desires to sell. I know very little about the price range of potatoes in Florida, from which they are now moving, or any other State lying to the south of us, but the price range in the part of the country in which I live during the potato harvesting and selling season was 50 cents a bushel. I know that from having personally engaged in the business. It is obvious that no person can afford to pay a tax of 45 cents per bushel, and it is not expected any farmer will do that. There is no thought of gaining revenue from this bill. For a man to pay any such tax as that on a large scale would simply mean ruin.

The tax is fixed at that rate in order to bring compulsion upon him and to force him to obey the decision of the bureaucracy in Washington. I care not under what auspices that bureaucracy is erected or maintained, I am against it under any administration when it reaches out for power of that sort. [Applause.]

The measure then proceeds, mark you, to provide that if any person sells potatoes above the allotment assigned to him by an all-wise Secretary of Agriculture without paying the 45 cents tax on each excess bushel, he may be fined, after prosecution in a Federal court. On a second offense he may be fined as much as a thousand dollars and sent to jail for as long as a year. Thus the club of the Federal policeman is swung over the head of hundreds and hundreds of thousands of decent men and women who are endeavoring to earn an honest living, and they are told "If you do not do as we say, you go to jail." That is the meaning of it reduced to its final analysis.

More than that, this most extraordinary law proceeds to provide that the purchaser of illegal potatoes shall be equally guilty with the seller, and subjected to the same fines and penalties, including imprisonment for a second offense. More than that, the law proceeds to provide that any person in the United States having knowledge of the illegal sale of potatoes and who fails to report the violation to the proper authorities is likewise guilty. In other words, the entire population of this country is invited, Mr. Chairman, to be snoopers. They are invited to sneak around to see if they cannot find out whether Mrs. Smith, residing in a village, went down the road a half mile to a farmer friend and purchased for her own use in her own house some illegal potatoes. If she is caught doing that a second time, she goes to jail under this extraordinary measure. That is what I mean by the employment of compulsion upon honest people.

Does anyone think that liberty can live in a country whose Congress passes act after act of this kind, if those acts are to be maintained upon the statute books? From the more practical standpoint, does anyone believe that such an act can be enforced? We have had some experience in this country in an endeavor to enforce unenforceable acts. Every time we have tried it we have raised up a welter of evasion, resistance, and corruption. I think it was the gentleman from Indiana who warned the Committee when he spoke upon this measure a little while ago against what he termed the "bootleg potato." Of course, bootleg potatoes would flood the country. There can be no question about that. I invite him to compare the penalties under this potato-control law with the penalties under the previous Volstead Act. Compare the penalties inflicted upon violators of that act who at that time were known as bootleggers.

The penalties for the violation of the Potato Control Act are just about double the penalties that used to be imposed upon bootleggers under the Volstead Act, and under the Volstead Act the purchaser was not subject to prosecution and penalty. Under the Potato Control Act he is. Under the Volstead Act no person in the United States was expected to be a snooper and report violations. Under the Potato Control Act every citizen is put on notice that if he ever finds out about a violation of this act and does not report that fact to the proper authorities he may be prosecuted and punished. One cannot help reaching the conclusion that the authors of this extraordinary measure decided that the lowly spud was more dangerous to society than bathtub gin, because they place a double penalty upon the potato violator as compared with the liquor violator.

There are one or two things in respect to this act that excite my curiosity. When the producer sells 5 bushels or more under a particular allotment, everything he sells must be packed in a container prescribed by the Secretary of Agriculture. It will be illegal for him to sell his potatoes in anything except that one type of container and this applies to the entire country. Think of it! I cannot sell to my neighbor a half mile down the road a single bushel of potatoes unless I pack them in a container prescribed by Mr. Wallace. That is utterly silly. I have been wondering what container is to be used. Perhaps it is to be cellophane; perhaps the potatoes are to be wrapped in cellophane and tied up in pink ribbons. Who knows?

My latest information is that the container which has been agreed upon in preliminary discussions as to the regulations for putting this extraordinary law into effect is to be a burlap sack, gathered together at the top and securely tied and closed; that attached to the sack where it is gathered together, there shall be a tag upon which the famous stamp is to be placed.

It is true that something like 70 percent of the potatoes that are marketed in this country are shipped in burlap sacks. The remainder are marketed in open bushel baskets, wagon boxes, wooden crates, tin pails, and, in fact, any kind of handy container that the farmer happens to have on his farm. That has got to be stopped. The wooden crate will be ruled out. The wagon box will be ruled out. The potatoes must be in a container fixed by the Secretary of Agriculture, and, I assume without having absolute knowledge, it must be a burlap sack. But, Mr. Chairman, I merely mention this as an example of the extraordinary length to which bureaucracy attempts to go in regulating the daily lives of the people. I am not discussing the constitutionality of this thing, although I cannot help agreeing with the gentleman from Indiana that it is unconstitutional. I rejoice at the signs of retreat announced by the gentleman from North Carolina [Mr. WARREN], that this thing is not going to be pressed for enforcement on the theory it is unconstitutional; but I am not satisfied with that. Frankly, I want to see this law taken off the statute books by the Congress that put it on. [Applause.] And, once more, I register my protest against the employment of force by government against honest citizens earning an honest living. [Applause.]

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUCKEY. I want to say to the gentleman that I am in hearty sympathy with everything he has said, and I have just now introduced a bill to repeal the Potato Act. I voted against this measure when it was before the House. I think there is nothing so silly and so nonsensical as this Potato Act, and it is just such measures as this that bring the ridicule of the Nation on the Congress of the United States, and I think it is time we stopped this kind of tomfoolery. The administration did not want this measure. Neither did the Department of Agriculture. The responsibility for this law rests on Congress.

Mr. WADSWORTH. Well, there are two of us.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, there is an item carried in this bill that interests me very much. I refer to the item relating to trade agreements.

I come from a dairy section in western New York. We have as many dairy cattle in my district as there are cattle in some of our States. If you gentlemen who do not come from dairy States were to travel through my district at about 4 o'clock in the morning, you would see at this season of the year the lights coming on in the stables and in the houses; the people would be getting up preparing an early breakfast. The men would be getting out to work to take care of their dairy herds. Later, about daylight, you would see the trucks or the teams on their way delivering milk either to the railway stations or to the creameries. If you were to notice the buildings on these farms, you would find they have excellent barns, sanitary and clean in every respect. You would see fine homes in these sections and you would see farms where the soil has not been depleted, but has been built up through the years to the highest point of production, and, largely, due to the fact that the manure from the herds of cattle has been utilized to fertilize the soil.

There is no question of soil conservation involved in the real dairy sections of this country. They are one class of farmers who have kept up the sustenance of the soil, so that any program along this line that might be adopted at this time would serve no useful purpose to the real dairy farmers of the country. If all farmers had done as well in supporting the farms, keeping up the soil and keeping up the buildings, there would be no problem along this line.

So it seems to me it is important to protect the dairy interests of this country. The dairy farmer is important to the welfare of this Nation. Moreover, if you go through my district and other dairy sections you will find splendid schools. I can take you into one county in my district where you will find in a small village a central high school costing $600,000 that has every improvement that a modern educational system can suggest, the finest architecture, and every facility for the comfort and convenience of the children. This has been due to the fact that the people who make up the dairy sections, particularly my dairy section, are intelligent, frugal, industrious, and fundamentally patriotic American citizens of the very highest type.

These dairy farmers at the present time are in great danger. Some years ago they had their backs to the wall and this Congress provided some protection through a tariff measure to save their markets from invasion by foreign countries shipping their butter and other dairy products into this country. I wish to call your attention to the fact, because it will appeal, for instance, to Wisconsin and some of the States further removed, that the cost of transportation of milk and butter from my district, at the extreme end of New York State, to the New York City market is more per gallon, per pound, or per ton than to ship similar amounts from Denmark to New York City. The cost of production of dairy products in these foreign lands is much lower than the production costs here. The requirements of sanitation or cleanliness are not so strict as in the State of New York or, as I assume they are, in many of the other States of the Union.

I am going to direct my remarks to a country, the competition from which is seldom mentioned on the floor of the House. I refer to New Zealand. The New Zealand islands are some 9,000 miles from our ports and, naturally, people say, "How can a country as far away as that offer any dangerous competition to the dairymen of this country?"

When England was debating the policy of developing New Zealand for agricultural production, the statesmen of that time assured the farmers of England that by no stretch of the imagination could New Zealand successfully compete with the English farmer in the English market.

And yet it was not many years before New Zealand was laying down farm products in Great Britain, in Liverpool and London, cheaper than the farmers outside the city could supply similar products to them. New Zealand has a farm area about as large as the combined area of New York, New Jersey, and Pennsylvania.

Pennsylvania and New York and Wisconsin are three of the greatest dairy States in the United States. And yet New Zealand at the present time has more dairy cattle than two of these States combined and almost as many dairy cattle as all three.

To show you the dangers of competition—and if I had time, I would read into the RECORD authentic statements showing that New Zealand has been shipping butter under a trade agreement which Canada had with Australia, under which New Zealand was permitted to ship her products into Canada; that these shipments so endangered the dairy interests of Canada that Canada sought to stop them by putting a 4-cent per pound duty on butter. But this did not stop New Zealand's shipments of dairy products into Canada, to the injury of her domestic market. The duty was raised to 8 cents a pound.

From that time the Canadian market steadily grew better. There came a time later, however, when Canada shipped her products into the United States; then the Congress put a tariff of 56 cents a gallon on cream and 14 cents on butter, and a duty of 6 cents on milk to relieve our dairymen from Canadian competition.

New Zealand has 17 natural ports, into which the largest steamers in the world that carry freight can enter. There is no cost for dredging. Not only that, but the New Zealand railroads are organized for the benefit of the farmer, and the man living on a farm 100 miles from a port can ship his product to the New Zealand ports for processing and export at the same rate that the farmer can who lives 10 miles from the port. This, of course, is done upon the theory that it makes the far-removed farm worth as much as the one close to the port of shipment, which in turn yields a larger revenue in taxation to the New Zealand Government when it comes to taxation of the remote farms. Not only that, but New Zealand has built a system of agricultural stations in every part of the island.

They have built with Government subsidies, creameries and cheese factories that are interchangeable. They can make butter one month and immediately shift to the manufacture of cheese the next month. They can watch our market, then manufacture and ship either butter or cheese, whichever offers the greater price inducement. Usually it is during the winter months that New Zealand dairy products are shipped into this country. These shipments depress the price when our dairymen need the higher prices. I could go into the question of the tonnage shipped into this country in years gone by, but have not the time. Here is what happens. This entering into reciprocal trade agreements and opening up our market to foreign countries is doing just this: New Zealand, Argentina, and other export countries are preparing to take advantage of the opportunity that the lowering of the tariff offers them to invade our market. If they find it is going to be the settled policy of the United States to open up the markets of the United States to the dairy products of other countries, then capital

is going into the dairy business in a large way, in foreign countries.

It is going to have the same effect on our dairy market that your cotton bill had on your cotton market. The University of North Carolina and Fiske University through their research departments have made a careful investigation as to the effect of a reduction of acreage in cotton. What do they find? That 50 countries are now engaged in the production of cotton and all going into it more heavily all the time; that our capital is going into Brazil and various other countries to engage in cotton production. Japan is working in unison with Brazil in her program. We want to be careful under these trade agreements. The production of dairy products is one of the largest agricultural interests in the country, and by your trade agreements you are going to ruin it. Not only that, the dairy farmers receive a larger cash income from their products than is received for any other product in agriculture.

This is something more than a political question. We cannot afford, as a Congress, we cannot afford as a country, to adopt a policy, a plan, that will destroy one of our best industries, the one that produces the most cash and that in turn means more to the community than almost any other agricultural activity. While the trade agreements entered into do not specifically mention butter, the lowering of the duty on cream from 56 cents a gallon to 36 cents means that the cream will come in and be processed here. It, in effect, lowers the duty on imported butter.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. LANHAM. The gentleman made reference to cotton.

Mr. REED of New York. Yes.

Mr. LANHAM. Of course, we in the South are very much interested in that, especially in the State of Texas, which normally raises a third of the cotton of the United States and one-fourth of the cotton of the world. By reason of the fact that 90 percent of that crop normally is exported, the matter of our permanent prosperity, inasmuch as cotton is the money crop of the farmer, necessarily depends on the retention of our foreign markets. What suggestion would the gentleman have to make with reference to how those markets may best be maintained, or how the farmer, in view of a restriction of crops, may properly be compensated in connection with a retention of those foreign markets, inasmuch as cotton, being an export crop, cannot be protected under tariff regulations?

Mr. REED of New York. I am not suggesting a tariff for cotton, but certain steps can be taken. The point the gentleman raises should have been raised before we got into this particular method of handling the cotton situation.

Mr. LANHAM. May I say to my friend that I have heretofore spoken in this Chamber in reference to the necessity of retaining these markets, and also the unfortunate situation that obtains in the South by reason of the fact that many of the people who are on relief normally get their living expenses from some phase of the cotton industry.

Mr. REED of New York. Yes. The situation to which the gentleman refers is to be found in a research, which I read with care. I am not familiar with the cotton business except as I have read about it. The two southern universities to which I have referred, that have research departments, claim that because of our restriction of acreage in cotton 1,500,000 families have been put on relief from the South, and that means something like 5,000,000 people.

There is one thing that could be done in this country. If this situation goes on the foreign market will be captured, but there is one thing that the cotton farmers can do. They can at least save their home market. They cannot afford to let Japanese cotton goods come into this country and take what is left of the home market. It is their last line of defense. At the present time we know that these foreign goods are coming in here in terrific volume all the time, to the injury of the cotton farmers.

[Here the gavel fell.]

Mr. TABER. I yield the gentleman 3 additional minutes, Mr. Chairman.

Mr. DIRKSEN. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. DIRKSEN. Just to permit this observation: I want to say to the gentleman from Texas [Mr. LANHAM] that I believe the conclusive answer to his question is the philosophy of George Peek, namely, specific trading in specific items on a conditional basis rather than on an unconditional basis. That, of course, is the converse of the policy of Mr. Wallace with respect to foreign trade; but I do believe it is necessary to find a market for these basic commodities for which we have a surplus at the present time.

Mr. REED of New York. I want to say that if opportunity presents itself to vote for the repeal of this power to enter into reciprocal trade agreements, at least without an opportunity for the Senate to ratify those treaties, without opportunity for the interested parties to be heard and to have a chance to come before the committee handling these important agricultural problems, we should vote to repeal the law. It must be known to every reasonable person in this country who knows anything about the dairy situation that this thing is absolutely suicidal to the farmers of the States of New York, Pennsylvania, and Wisconsin. The people in my State have built up the finest dairy business in the world. Yet we are throwing our markets wide open to foreign countries, with their lower labor costs, with their low costs of water transportation, and with their government subsidies.

Under the system in effect in New Zealand the Government finances the farmers at ridiculously low interest rates, permits them to buy dairy farms, furnishes the money to build and equip creameries, furnishes them every possible facility to meet all competition. Needless to say, our farmers enjoy no such benefits through Government aid. The United States is the best cash market in the world, which rightly belongs to our farmers, and we must not surrender it under these trade agreements.

Mr. WEARIN. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. WEARIN. The gentleman has been directing his remarks largely to butter. Has not the importation of butter, to a considerable extent, prevailed for 10 or 12 years in the United States?

Mr. REED of New York. Yes; there has been a tariff built up, and the official reports show that whenever a tariff has been imposed on dairy products the importations decreased. It has improved prices of dairy products.

Mr. WEARIN. If the importations have prevailed for 10 or 12 years, why was not something done about it under the Republican administration and the Smoot-Hawley tariff bill?

Mr. REED of New York. A tariff was given in the Smoot-Hawley Tariff Act, and the higher rates accomplished great good; but now, under recent trade agreements, you are cutting it down. You are destroying the home market.

Mr. WEARIN. But the importations have continued under the Smoot-Hawley tariff bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman, it is not my purpose to make any extended remarks today, but there have been a considerable number of partisan political attacks made on the floor of this House since the session began. I am not very much of a partisan. As a student of history, however, I am essentially a Democrat; but I am an American first, and recognize the fact that there are good men in all parties. There have been attacks made on the floor of this House against the administration and against the New Deal. I have differed with the President on some of his bills and on some of his policies, but I have been honest in this stand. The President has told me himself that he respects honest differences of opinion. I am heartily with him in his general policies. Let us take two or three just at random. Take, for example, the bank-deposit guaranty bill, which was passed during the first session of the Seventy-third Congress.

Mr. MICHENER. Will the gentleman yield right there?

Mr. KNUTE HILL. I would rather go on.

Mr. MICHENER. But right in that connection the gentleman says he is in favor of the bank-deposit guaranty bill, but does he know that the President did not favor the bank-deposit guaranty bill? That was not his policy. Senator VANDENBERG, of Michigan, offered the resolution in the Senate, which the RECORD will show, and the President did not favor that thing.

Mr. KNUTE HILL. But it is a part of the New Deal and was signed by the President.

Mr. MICHENER. But it was passed in spite of the President.

Mr. KNUTE HILL. I refuse to yield further, Mr. Chairman, because I have statements to make, and I insist on making them and will then yield. Now, the bankers were opposed to that, and that very summer the Bankers Association passed a resolution unanimously condemning it and requesting us to repeal it. We rather strengthened it, as it was a protection to the depositors; and that is the New Deal.

There were also the utility bill and the security bill. The utility bill protected the stockholders. That is the New Deal. The A. A. A. protected the farmers, and that is part of the New Deal. I know there are people who say, "Thank God for the Supreme Court, because they declared that law unconstitutional." I am here to say to you: Thank God for a sane minority in the Supreme Court, that has the courage and the Americanism to insist that each department of government in the United States be limited to its constitutional functions—the legislative department to legislate; the judicial department to interpret the laws and construe cases under the law, and not to throw a law into the wastepaper basket; and then the executive department to administer and execute the law. These are some of the New Deals, and we believe they were upheld by the American people in the election of 1934. A larger Democratic majority than ever was returned to Congress, notwithstanding the hue and cry of unconstitutionality by special interests and the big dailies.

I do not need to defend the President of the United States; he is well able to defend himself. Franklin D. Roosevelt! Was it not he who went down into "the valley of the shadow of death" with that dread disease, the worst known to human kind, and because of his strength of will, his courage, his patience, and his sunny nature came back to health and strength again? Does he need defense?

Defend the President! Was it not he who 4 years ago at the Chicago convention fought the reactionaries of the Democratic Party and won out in that convention and won out in the election of 1932? He needs no defense.

The so-called "Happy Warrior" went down there to defeat him. He is coming here this week to speak at the Liberty League dinner. The Happy Warrior!—my dear friends, I would rather dub him "the dog in the manger"—opposing the man who twice nominated him for the Presidency and agreed—against his own inclinations on account of illness—to run for Governor of New York in 1928 in order to aid his friend in his candidacy for the Presidency. Rather should the President be called the "Genial General", the prince of men, who is leading us on to the right solution of our problems in this country.

Defend the President of the United States! Is he not the man about whose mental condition opponents whispered, the man who because of his vigorous speeches and extensive journeys has shown the people that he is strong and healthy in mind as well as in body? He came to us here on the 3d of January to deliver his annual message. Whom did he speak against? Was he partisan? Did he speak against the opposition over here on the left? He did not mention them. He mentioned only the 10 or 15 percent in the United States who have at all times exploited the people of the United States; and some of you over on this left side arose later to defend that 15 percent and make yourselves just as guilty as the men you defend. "If the shoe fits, put it on!"

He needs no defense, Mr. Chairman. A year from now President Roosevelt is going to sit in the White House at the other end of Pennsylvania Avenue, elected by the people of the United States for 4 years more to carry on the New Deal for the people of the United States. [Applause.] He needs no defense on my part.

In conclusion, may I say that I rose today to show you that dirt and vituperation is going to be used, and is being used, in spite of the fact that the opposition deny it. I have in my hand an issue of the Washington Herald for last Sunday. On the front page of this wonderful (?) sheet published by William Randolph Hearst is an editorial headed "Dirt and Slush." Here is what he says—he quotes Farley:

> Our opponents will make this the bitterest and certainly the dirtiest struggle that anyone can remember.

Then Hearst says:

> Everybody is surprised at Mr. Farley's declaration, patiently waits for Mr. Farley to submit some evidence in support of his statement, but Farley submits none, none at all; whereupon everybody remembers that the only bitterness which has so far appeared in the present political campaign, that Mr. Roosevelt opened with a bedtime story on the radio at the assembling of Congress, was Mr. Roosevelt's own attack upon American business.

On page 2 of this same paper appear these headlines:

> G. O. P. stickers are barred from the mails because of attack on the character of the President and his wife. It is ascribed to the National Council of Republicans in New York.

I wonder if that is dirt and vituperation! And they say they are not using it! My good friends, again let me say he needs no defense. He will come back, and you and I who have the courage, you and I who have the faith and the patience to go along with him to make the New Deal for the common people come true, will come back with him.

A great President, Theodore Roosevelt, said this, amongst the many great things he uttered:

> This country in the long run will not be a good place for any one of us to live in until and unless it is a good place for all of us to live in.

And Franklin D. Roosevelt, under God, is going to make this dream come true. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KNUTE HILL. I yield.

Mr. SNYDER of Pennsylvania. Did I understand the gentleman to say something about the Liberty League?

Mr. KNUTE HILL. The Liberty League, the Manufacturers' Association, the United States Chamber of Commerce, and such organizations are what the President assailed here; and these people who are defending them are as guilty as they.

Mr. SNYDER of Pennsylvania. Yes. I would like for the gentleman to name some of the contributors to the Liberty League.

Mr. KNUTE HILL. Well, there are the Du Ponts. The gentleman probably knows the Du Ponts.

Mr. SNYDER of Pennsylvania. I never met them.

Mr. KNUTE HILL. I have not had that privilege either. [Laughter.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, I do not intend to take 5 minutes. The gentleman from Washington, who preceded me, made some reference to so-called Republican stickers. I want to assure the membership of this House that no responsible Republican organization has anything whatsoever to do with those so-called stickers.

Mr. KNUTE HILL. Mr. Chairman, will the gentleman yield?

Mr. BACON. Let me finish my statement, and I shall be pleased to yield.

As far as we can make out, a self-constituted group calling themselves the National Republican Council, have taken quarters in the Hotel McAlpin in New York and are trying

to put out these stickers which I quite agree with the gentleman are in thoroughly bad taste.

Mr. Fletcher, the chairman of the Republican National Committee, as soon as it was called to his attention, issued a statement saying that the National Committee or none of its members had anything whatsoever to do with this so-called National Republican Council; and as soon as it was called to the attention of the Republican congressional committee, the gentleman from Ohio [Mr. BOLTON], the chairman, and myself, who happens to be vice chairman, also issued a statement repudiating it and denouncing it.

We are unable to find out who these people are. They have no connection with any Republican organization, either nationally, congressionally, senatorially, or with Republican committees in the State of New York or in the city of New York.

Mr. Chairman, I ask unanimous consent that at this point in the RECORD to insert a brief statement made by the chairman of the Republican National Committee, and a statement made by my colleague the gentleman from Ohio, Mr. BOLTON, and myself, repudiating these stickers. These statements have been given to the press.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The statement is as follows:

NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE,
1114 NATIONAL PRESS BUILDING.

[For immediate release, Jan. 15, 1936]

In response to a query the following statement is made, jointly, by Representative CHESTER C. BOLTON, of Ohio, chairman, and Representative ROBERT L. BACON, of New York, vice chairman of the National Republican Congressional Committee:

The National Republican Congressional Committee has no connection, directly or indirectly in any manner whatsoever, with the so-called National Republican Council, claiming quarters in New York City, or the cartoon poster stamps issued by that organization, or in any other activities that this organization may be engaged in.

The National Republican Congressional Committee adds its voice to that of Chairman Fletcher, of the Republican National Committee, in deploring the use of methods of this type. No recognized, reputable Republican organization would countenance the use of these particular stamps being circulated by an organization wholly unknown to any of the national organizations of the Republican Party.

There is no need for any Republican anywhere, individual or organization, to have recourse to this manner of campaigning. There is no call for any Republican to even attempt to sink to the level of presenting issues to an intelligent electorate as that where James A. Farley, Democratic National Committee chairman, now is found. Republicans will not resort to the invective of Mr. Farley. They will not lend aid to Mr. Farley in what he has prophesied will be the "dirtiest" possible campaign.

Facts, devastatingly convincing of the utter failure of the Roosevelt New Deal, are Republican weapons. They are the only weapons needed to insure Republican success.

Mr. BACON. Mr. Chairman, I also ask unanimous consent to insert in the RECORD, as a part of my remarks, a letter that I wrote personally and which appears in newspapers in my district denouncing these stickers as being in thoroughly bad taste and absolutely unauthorized by any Republican organization. This letter also quotes in full Chairman Fletcher's statement that I have referred to.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 14, 1936.

Mr. F. S. LAURENCE,
119 Bayview Avenue, Port Washington, Long Island.

MY DEAR MR. LAURENCE: I want to thank you very much for your recent letter with reference to the stickers gotten out by the so-called National Republican Council.

That this council's activity has absolutely no relation to any bona fide Republican organization, such as the Republican National Committee, the Republican State Organization of New York, or any other Republican movement that is officially sponsored, I want to make crystal clear at the beginning.

This council, from all the information I have, is a self-constituted body whose genesis no one seems to know. It has absolutely no connection or affiliation with the Republican National Committee.

I have gotten in touch with Chairman Fletcher, of the Republican National Committee, and he emphasized the fact that this group is not allied to the Republican National Committee, nor any member thereof; is not financed by it directly or indirectly; and that, in short, he knows nothing about it.

For your information, I quote a release from the Republican National Committee on the activities of the so-called National Republican Council:

"Chairman Fletcher, of the Republican National Committee, today made the following statement:

" 'My attention has been drawn to certain cartoon poster stamps, which, according to the New York Times of last Monday, have been issued by an organization calling itself the National Republican Council.

" 'That organization has no connection or affiliation with the Republican National Committee, nor any member of the committee. It is not financed directly or indirectly by the Republican National Committee, nor is it acting in any manner under the direction of the Republican National Committee, or with the advice or suggestion of the committee. In short, we have nothing to do with it.' "

And the Republican congressional committee, of which I am vice chairman, also make emphatic disclaimer of the activities of this council and of any connection with it, directly or indirectly.

I think the above definitely fixes Republican position in the matter, and that everybody who reads this will appreciate that there is no Republican organization connection with the enterprise of the so-called National Republican Council.

What right this council has to use in its trade name "National Republican" is something I cannot fathom. It strikes me they have plenty of that quality which common vernacular describes best as "crust."

These stickers, to my way of thinking, are nothing short of scurrilous. I could add much in the way of excoriation of the activities of this so-called council in its attempt to get these despicable stickers abroad, but I do not think it necessary.

What the aim of this council is is something I do not know. It has been suggested that perhaps the real desire is to pin this activity onto Republicans, and that subtle politics is at the bottom of the whole enterprise.

However, and whatever, the motives of this so-called council, its activities are receiving the condemnation of the Republican Party, which I think will be concurred in by every fair-minded individual.

Sincerely,

ROBERT L. BACON.

Mr. KNUTE HILL. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Washington.

Mr. KNUTE HILL. I am glad that the gentleman from New York disclaims any connection with this matter. It was not my intent to claim they were connected with it. My intent was to show that this paper, in an editorial, said that the opposition was not using dirt, and I do not mean by the "opposition" the Republicans. I mean all opposition. Then I went on to the second page of the paper and showed what the opposition was using, not meaning the gentleman from New York, but the opposition that is fighting the President of the United States.

Mr. BACON. I thought it would be fair to make a statement and tell the membership of the Committee that the Republican National Committee, the Republican State committee in New York, the Republican city committee in New York City, and the Republican congressional committee have nothing to do with it; they do not know who these people are, never heard of them, and repudiate absolutely the use of these stickers.

Mr. KNUTE HILL. It says right here, "Sponsored solely by the Republican National Council in New York."

Mr. BACON. We do not know who they are. However, we cannot prevent self-constituted groups calling themselves anything they please. There is no legal way by which we can stop them.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Has it ever occurred to the gentleman that perhaps this self-constituted group is engaged in a purely self-profitable enterprise?

Mr. BACON. As far as I know, it may be a racket.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I am particularly concerned with the item which has occasioned some discussion about providing under the amendment proposed by the gentleman from North Carolina [Mr. WARREN], that $1,000,000 shall be made available to the Secretary of Agriculture for the purpose of collecting and disseminating infor-

mation and data with respect to potato production and marketing within the United States.

I very much hope that the amendment to the pending bill, which I understand is acceptable to the members of the committee, may be adopted by this House, and the fund made available. I appreciate that the Potato Act is fair game. I appreciate the heroism and agility of the gentlemen, who almost remind one of a matador waving a red flag in front of a dead bull, as they have enjoyed this afternoon in kicking the poor Potato Act and its sponsors about this forum.

As one of those, to some extent, associated with the paternity of this act, about which there seems to be some dispute, it is most intriguing to discover the gentleman from Indiana [Mr. PETTENGILL] citing with such approval the President of the United States in opposition to this measure.

The potato producers of Maine—individualists for a century—were finally compelled to consider this legislation as the logical fruition of the agricultural policies pursued for the past 2 years, which had descended with a devastating impact upon the potato industry, producing the fourth food crop of the United States, by reason of acreage displaced from other crops. Finally this act was passed.

We defer to the judgment of the Supreme Court. We do not indulge in criticism of the Court. We respectfully and loyally accept its conclusions. But we earnestly hope that the problem of the potato growers of this country may still invite the sympathetic interest of this House. Potatoes selling last spring in Maine at 10 cents a barrel or 1 cent a peck came with a terrific impact upon our section and many other sections of the country.

We appreciate the dangers of governmental compulsion as pointed out by the gentleman from New York [Mr. WADSWORTH]. We also appreciate the dangers of economic compulsion brought about by situations such as these potato growers face with the producer more and more at the mercy of gigantic agencies of distribution.

Whether there is any solution of this problem yet remains to be determined; but we do believe, and earnestly urge that potatoes should be placed upon a parity with the other 14 major agricultural crops by accumulating without delay the information regarding individual growers, which is not yet possessed in spite of the various State allotments.

Mr. SNYDER of Pennsylvania. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Pennsylvania.

Mr. SNYDER of Pennsylvania. The gentleman's State and my State, Pennsylvania, are two of the great potato-growing States of the Union.

Mr. BREWSTER. Yes.

Mr. SNYDER of Pennsylvania. His in the number of bushels produced in 1933 and 1934 and mine in the number of dollars the potato growers received for their product. Were the potato growers in the gentleman's State as a whole satisfied in 1931, 1932, 1933, and 1934 with the price they were receiving for their potatoes?

Mr. BREWSTER. For the past 5 years the problem has been growing ever more acute. We had 1 good year out of the past 5 when we practically got back the cost of production. The rest of the time we lost money.

Mr. SNYDER of Pennsylvania. The same has been true in our State.

Mr. BREWSTER. Yes.

Mr. SNYDER of Pennsylvania. Does not the gentleman think something else should be done if this is not the thing to do to stabilize the business for our potato farmers?

Mr. BREWSTER. We are vitally interested in any constructive, constitutional legislation which can come to the assistance of this great and vital industry that means so much not only to the prosperity of our section but to the general welfare of citizens of the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I have been much interested in this discussion of the potato bill. I am not so sure about the million dollars. As a matter of fact, I might suggest to the gentleman from Maine [Mr. BREWSTER] that out in Indiana $1,000,000 is pretty expensive for a funeral. [Laughter.] I suspect, though, we are all interested in information and if this million dollars is to get a million dollars' worth of information, why, maybe we should not kick too much about it.

There is another matter, though, about which I wish to speak very briefly. From the inception there have been grave doubts on the part of many people as to whether or not any attempt would ever be made to enforce this iniquitous law. Why, even some of the people who were charged, under the law, with its enforcement, seemed to rebel at the idea of undertaking it. Out in my State the growers have been wondering, and are still wondering, whether or not the provisions of the law will be enforced. As a result, they are, today, spending their time and their money in an effort to comply or get ready to comply with the provisions of this law.

Now, I remember back along the line somewhere something was said by somebody that if any mistakes are made in any legislation in the Congress, he would be the first to recognize them. I say that a mistake has been made as far as this Congress is concerned in the original enactment of this law. Why not recognize it? Why not say, "Yes, we have made a mistake", and repeal the law [applause], to the end that these people in Indiana or in any other State who, today, are thinking about buying seed and fertilizer and arranging their farms for the production of potatoes this coming season, shall know that the law will not be enforced.

Now, I understand that enough things have been said here today to indicate to those of us who are here on the ground that no attempt will be made to enforce the law. But if it is admitted that the law is in violation of the Constitution, and if, as I believe, it is utterly unworkable and un-American, why not get back of one of these bills to repeal the law and get it off the books as a mistake that should be corrected [applause], then everyone will definitely know that it is not to be enforced.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I am reluctant to inflict myself on the Committee at this late hour in the afternoon.

I am sorry that at least one-half of the Members of the House have not been present to hear the felicitous admixture of politics, Pinchot, and potatoes. [Laughter.] It was enlightening and interesting to say the least. I presume it is proper for me to remain in character and also speak of the humble potato.

I had no idea when as a barefooted boy I chased the sprightly potato bugs in a potato field and carried cans of paris green, that the lowly spud would ever become a national issue. But apparently that is the case.

I want to address myself to that celebrated article of diet for only a moment, not so much from the standpoint of the potato bill as from the reciprocal trade agreement between the United States and the Netherlands that comes into being on the 15th of February of this year.

For your information, I want to say that the reciprocal-trade agreement with the Netherlands contains provisions that will reduce the tariff on 41 items—that will bind on the free list some 22 items, and retain the existing duty on 1 item.

It seems rather singular to me that we should reduce the duty on potato dextrine and potato starch and potato flour when a majority of this Congress has sanctioned an act to control the production of potatoes by legislation which is penal in character. I opposed that measure and can find considerable comfort in the efforts of some of the brethren on the majority side to escape the burdens of that act. Now, however, a reciprocal-trade agreement will permit the importation of larger quantities of potato dextrine and potato flour when no one has contended that we do not have manufacturing facilities sufficient for converting our own surplus of potatoes into flour, starches, and dextrines which

can be converted into glue, adhesives, and sizing, so much used in the textile mills. Instead of regimenting the production of the toothsome spud on the one hand and permitting the derivatives of potatoes such as flour, starch, and dextrines, to come in at reduced rates from foreign countries on the other, why not a consistent program of keeping out competitive potato products and expanding the domestic use of our own potato crops?

Still another item in the Netherlands treaty is tapioca and cassava starch. For years an effort has been made to secure the imposition of a duty of 2 cents per pound on these starches because they are in direct competition with the starches that are or can be derived from American-grown corn. That effort failed, but to make matters infinitely worse, tapioca and cassava starch have been bound on the free list so that it is impossible to secure relief from these competitive products. The administration, by this treaty provision, has in effect stated to the corn processors and corn farmers of this Nation: "Not only will we permit these starches to come in free of duty, but we will by this treaty give the Netherlands our solemn promises to bind them on the free list so that there will be no possibility of Congress imposing a protective duty on these items so long as this treaty is in effect." In other words, we prevail upon our farmers to curtail and adjust their corn acreage for the benefit of the coolie farmers in the Netherland West Indies. How truly the poet spoke when he said, "Consistency, thou are a jewel."

Approximately 160,000,000 pounds of tapioca flour come into this country annually and since it is in competition with products of corn that is grown in the Corn Belt, over which we have expressed so much solicitude that we made it a basic commodity in the Agricultural Adjustment Act, is it not rather strange, is it not rather short-sighted, rather visionary, that we take all these fertile acres of Illinois, Indiana, and Nebraska corn land out of cultivation, and then open the back door and let these competitive starches hurdle into the country, and thereby diminish the industrial outlet for corn grown in this country?

The same thing is true of other items. The same thing is true of gin. This treaty will permit Holland gin to come into this country at half of the previous duty, and what intrigues me most about gin coming from the Netherlands is the naive comment made by some gentleman in the State Department. You will find it on page 32 of the mimeographed copy of the Netherlands treaty which was sent to every one of us. That gentleman comments in this fashion. He says it is not improbable that revenues will increase rather than decrease as a result of a larger importation from the Netherlands in competition with gin manufactured in this country, and then he says it is not improbable that sales of gin will be attracted away from illegal sources, attracted away, mind you, from those who are illicitly engaged in the bootlegging of gin.

If you follow that theory out to its logical conclusion, then the gentleman might as well say, "Let us pull all the bars down, let us invite gin and distilled spirits to come in from every country in the world, because the more that comes in the merrier, because we will cure the bootlegging evil." By following that gentleman's philosophy to its logical conclusion, we cannot only put the bootleggers out of business, but we will put the legitimate distillers out of business and the farmers out of business, and then we can give the country back to the Indians, and I do not know what the devil they will do with it.

That is the way that theory works out. Then in connection with wheat and wheat flour that is to be exported from the United States to the Netherlands, go back and look at the very sanguinary comment in that treaty. They say that the Netherlands will buy from the United States an amount of wheat flour equal to 5 percent of its consumption, provided they can buy our wheat at a price delivered in the Netherlands that is world competitive, for a grade and quality of wheat that is comparable to our own. On a price delivered in the Netherlands! You have to analyze that fine-spun joker a little to see how little it means to agriculture. If we have to deliver wheat in the Netherlands at that price, how are we going to do justice to the American farmer and keep the domestic price of wheat up without paying a cash subsidy of 30 cents a bushel in order to take advantage of the treaty provision? Look at the figures that are available in the various reports from the Department of Agriculture and you will see that Liverpool prices, or world prices, have been 30 cents per bushel lower than the average price on the six major wheat markets in the United States.

If the Netherlands can buy wheat at 30 cents a bushel cheaper than the price that obtains here on the major wheat markets, do you think those folks over there who are motivated by Dutch thrift are going to pay us 30 cents more a bushel for our wheat, or pay us more for our flour on the basis of wheat that cost them 30 cents a bushel less? Indeed not. That is one of those jokers in the treaty, if you please, and that is the thing that is given to the country at large to show the beautiful benefits that redound to the country from reciprocal trade agreements. It will be interesting to examine the figures of the Department of Commerce that will disclose in the near future, with respect to our trade with Cuba under the reciprocal trade agreement.

They have been holding up Cuba as exhibit A. We shall find these two points of interest in connection with that treaty. In the first place, a treaty with Cuba is not on the same foundation as any other treaty. It is not on an unconditional most-favored-nation basis. Canada, the Netherlands, Switzerland, and all other countries cannot have the benefits that may accrue to Cuba or conversely, because we do not have that status with Cuba that we have with other nations. That is one thing. The second is that while our exports to Cuba will probably show an increase of about $15,000,000, the imports from Cuba to the United States will probably show an increase of about $37,000,000. There is exhibit A in this great program of reciprocal trade treaties, and you can take it for what it is worth.

I submit to you that the reciprocal-trade agreements are not going to do anything for the American farmer, but they are going to do plenty to him before they get through. [Applause.]

It is always a fair question as to what is to be done about foreign trade and its rehabilitation, if reciprocal trade agreements are wrong in principle and in practice. It is a fair question as to how the export markets for agriculture are to be regained.

The answer, of course, is a program of selective imports, together with tariff reductions only where they are specific advantages. It offers the only method of expanding our foreign trade in basic agricultural commodities and at the same time preserving our American markets. It is the old system of barter on an international scale. We can say to any and all nations with whom we seek to build up foreign trade, "You buy certain specific items from us to a given amount and we will in return buy certain specific items from you to a like amount." Such a system has the advantage of protecting our markets against an influx of foreign goods which tend to deprive the American farmer and American industry of its own needed markets and also protects the American worker against the dumping of goods made in countries where a low standard of living and a low-wage scale prevails. It is, if you please, the philosophy that has been expounded by Mr. George Peek, the first administrator of the A. A. A., and whether it is feasible and practical or not can best be judged from the fact that Great Britain has rebuilt her foreign trade to a higher level than any other nation on the face of the earth in the last 2 years by simply following that principle.

Since the provisions of the Netherlands Treaty, the Swiss Treaty, the Canadian Treaty, and all other trade treaties are available alike to every nation with whom we have an unconditional most-favored-nation status, it will be but a little while until this country may become a veritable dumping ground for cheap goods. Since goods are merely the

evidences of labor, we thereby take the bread from the mouth of an American worker and hand it to the workers in foreign lands. Since our standards are higher than in foreign countries, we cannot compete in a price market, and the inevitable result will be that our unemployment situation, which is almost as acute now as it was in 1933, will become a dread and permanent thing. When it does it will have deprived the American farmer of the best market in the whole wide world, namely, the American workingman.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I should like at this time to ask unanimous consent to extend in the RECORD a copy of a letter I wrote to the Secretary of State on December 12 on the subject of the reciprocal trade agreement with Canada.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The letter is as follows:

ELKHORN, WIS., *December 12, 1935.*

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In re Canadian trade agreement.

In a speech at Chicago last Monday President Roosevelt, in endorsing the new Canadian trade treaty, said:

"Agriculture, far from being crucified by this agreement, as some have told you, actually gains from it."

The further reference by the President to opponents of this trade agreement as "calamity howlers" and "political racketeers" leads me to the conclusion that the State Department and the President have not been fully or correctly advised with regard to all of the provisions of this reciprocal-trade agreement.

A few days ago I spent sometime in Monroe, Green County, in the First Wisconsin District, which is commonly known as the Swiss cheese capital of the United States. This is a distinction which Green County has enjoyed since it was first settled by Swiss immigrants nearly a century ago.

The making of cheese in Green County is not in the hands of one or two large companies but is a trade that has been carried on by a great many small factories operated by trained cheese makers since the county was first settled. These cheese makers feel that their industry is being seriously jeopardized by the trade agreement which the United States is making with Canada. Already the buyers for Kraft-Phenix Co. and the National Dairy Co. are using the argument with cheese producers in Green County that they have 50 carloads of Canadian cheese all ready to ship into the United States; that under the trade agreement it is more advantageous for them to purchase this Canadian cheese than domestic cheese, unless the price of domestic cheese is reduced to a figure that they are willing to pay.

At this point I should like to explain a development in the cheese industry which may not be known by the President or the representatives of the State Department who are negotiating this treaty agreement. A number of years ago the Kraft-Phenix Co. began to process cheese; that is, to heat cheese to the melting point, add other ingredients to give it a flavor, and then market this processed cheese in small packages. In the processing of cheese quality does not count. The processor merely uses the cheese as a base. As far as the processor is concerned, he would just as soon have cheese without any flavor at all and add his flavoring to the flavorless base. As a matter of fact, some of the big cheese-processing companies have tried to get these cheese makers to produce a cheese without flavor or any of the other qualities that go to make quality in cheese. These cheese makers of Green County, however, are old craftsmen who take pride in their work. It is for this reason that Green County has been able to maintain its reputation as the Swiss cheese capital of the United States for nearly a century.

It is regrettable that the American consuming public does not appreciate what constitutes good cheese and that it is possible for great corporations with superior merchandizing organizations to sell the poorest kind of cheese with certain flavoring added at practically the same price as that which the very best cheese commands. Kraft-Phenix price list, given me at Monroe, shows that they are receiving 23½ cents for their processed Swiss cheese, while, at the same time, the best type of fancy A no. 1 Swiss cheese in Wisconsin commands only 24½ cents. If the cheese makers in Wisconsin had the right to process cheese, they might also convert the cheap and inferior grades of cheese into processed and packaged cheese and in this way compete in the domestic market. As it is, the great corporations owning the patent rights to the processing methods buy up the cheap and inferior grades of cheese, process it, and use this inferior grade of cheese to destroy the market for the superior brands of domestic cheese.

It should be explained that the method used in the processing of cheese is covered by patents and that these patents are the property of Kraft-Phenix Co. and other large corporations. I was told that a certain cheesemaker in Green County had some litigation on the subject of processing cheese, but that he spent $25,000 in litigation without getting anywhere.

The trade agreement with Canada would, in my opinion, not result in any great benefit to the Canadian cheesemakers. The benefits of this trade agreement would go primarily to Kraft-Phenix and other great corporations who control the right to process cheese in the United States. For instance, the buyers for these great corporations are now using the argument with the cheese producers in Green County that the Canadian cheese has a moisture content of only 33 percent, while the domestic cheese has a moisture content of 39 to 40 percent.

A cheese with a moisture content of 33 percent is not palatable, but, of course, this means nothing to the processors, because they can add the moisture in the course of processing. This gives to the Canadian cheese a much greater advantage in competing for the domestic market than at first seems apparent.

Because a few great corporations in the United States own or control the use of processing patents, they are the ones who are going to benefit from this reciprocal trade agreement. It is doubtful if the consumers will get any great benefit in the way of reduced prices. These processors will merely play the Canadian producers against the American producers, with very little gain to the former, with great loss to the latter, and the real gain to themselves, the $100,000 a year executives, and the small number of people who own stock in these great corporations.

When I was in Green County a few days ago a small cheese producer brought in a picture of a 1-ton cheese that had just been presented by the Cheese Institute of America to the President of the United States. He told me that he had cut this picture out because, as he said, he "smelled a rat."

It should be noted that the Cheese Institute of America does not represent the thousands of small cheese producers in the United States who built the industry, but the great corporations who, because of a monopoly position due to large organization and patent control, have been able to foist on the American public the cheapest kind of cheese, nicely packaged and flavored, at a price as high as that of the very finest kind of domestic cheese. These small, individual cheese producers unfortunately do not have an organization and are not able to reach the officials who are negotiating the actual terms of the reciprocal trade agreement. I do not know if the sending of a high-priced lawyer with a ton cheese to Washington will have any influence with the officials who are negotiating this reciprocal trade agreement. I do know, however, that the corporations behind the Cheese Institute of America are not in the habit of throwing their money away, and presumably they can see where they are going to get their money back. The cheese producers in Green County are beginning to see it too.

The dairy farmers of the United States have received little or no consideration from the New Deal. In protesting against the recent reciprocal trade agreement they are not "political racketeers" or "calamity howlers." If the sacrifice of their interest would result in an increasing gain to the farmers of Canada, which in turn would reflect itself in gains to the industrial sectors of American life, they might see some justification for this trade agreement. As matters stand they can see in this trade agreement only the giving of undue advantage to a few great corporations who are virtual monopolists in their fields and who are enjoying an unconscionable advantage because of patent protection.

Very sincerely yours,

THOMAS R. AMLIE.

Mr. AMLIE. Mr. Chairman, I should like to refer in the beginning to a statement made on this floor this afternoon by the gentleman from Wisconsin [Mr. SAUTHOFF]. It was a very capable and very complete statement of the economic condition in which the dairy farmers of the United States find themselves.

I doubt if the Members of this House, particularly the Members who represent districts that have received real benefits from the A. A. A., realize how little has been done for dairying in this country. The dairy industry is more important, from an agricultural standpoint, than is any other type of farming, whether it is the raising of wheat or cotton or cereals or fruit or anything else. The dairy industry has received no benefits from the New Deal program. In addition to that, the interests of the dairy farmer has been sacrificed under the recent trade agreements, because it has permitted, for instance, the importation of cheese from Canada at a lower tariff rate.

Unfortunately, the admission of this cheese is not going to result in benefits to the cheese producers of Canada, but rather to the Kraft-Phenix Co. and other large corporations in this country that own the patents controlling the processing of cheese. I am not going to go into that because I have outlined that carefully in my letter.

We have been in a rather difficult position from the dairy States in outlining a program for the dairy industry, to bring it within the underlying philosophy and purpose of the A. A. A. There are many Representatives who believe that we should have had, in the past, a program calling for the reduction of dairy products. I am not one of those who has ever seen a solution for our difficulties in reducing agricultural products, with the possible exception of wheat, because we do not have production enough to give the American

people the liberal diet outlined by the Department of Agriculture.

If we were to give the American people as a whole a liberal diet we should have to increase our production of butter by 100 percent, we should have to increase our production of milk by 70 percent. As we see it, there is no solution in further reducing production of these essential food elements if we are at the present time only producing 50 or 60 percent of that needed to give the American people a liberal diet. If we were to give all of the American people a liberal diet we should have to increase our production of meat by 10 percent. We should have to increase our production of poultry by 35 percent. We should have to increase our production of milk 70 percent; fresh fruits, 70 percent. These statements are based on the cash value of those crops in 1929 and comparing this value with the cash value of crops necessary to give all of the American people in that year the liberal diet, worked out by the Department of Agriculture.

The recently completed survey of national potential product capacity demonstrated that the American farmers could raise the foodstuffs necessary to give all the American people a liberal diet.

The following figures indicate what we produced in 1929 and what we need and can produce in order to feed the American people adequately.

	Produced 1929	What we need and can produce	Percentage increase needed
			Percent
Meats	$5,413,000,000	$5,955,000,000	10
Poultry	879,000,000	1,196,000,000	35
Milk	2,587,000,000	4,449,000,000	75
Butter	1,142,000,000	2,331,000,000	100
Cheese	220,000,000	378,000,000	70
Fresh fruits	955,000,000	1,748,000,000	70

While we produced 25 percent more wheat than we really need, there was only a slight overproduction of corn and hogs in 1929 and actually no overproduction of cotton, if the needs of the people are to be considered. Nevertheless, cotton acreage last year was actually curtailed by 28 percent.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. AMLIE] has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, had had under consideration the bill H. R. 10464, the deficiency appropriation bill, and had come to no resolution thereon.

EXPLANATION OF VOTE

Mr. DUFFEY of Ohio. Mr. Speaker, early this afternoon, during roll call no. 9 on the Senate amendment to the bonus bill, I was unavoidably absent from the Chamber on account of important business. If I had been present I would have voter "aye."

CENTENNIAL EXPOSITION IN TEXAS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 459, to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Reserving the right to object, and I think perhaps this bill is all right, I think the gentleman should explain to the House exactly what this will provide, so that there will be no misunderstanding later on.

Mr. LANHAM. I shall be glad to. The Members of the House, of course, are familiar with the original joint resolution which passed this body with reference to the Federal participation in the centennial celebration in Texas to be held this year. An appropriation was made for that purpose by the Federal Government, and a Federal Commission appointed to handle it from the Federal angle.

The purpose of this joint resolution is twofold. The need for the amendment proposed here has risen by reason of the fact that certain expenditures which the Federal Commission wishes to make, have met with the suggestion on the part of the Comptroller General that there should be an amendment of the original act to permit them. In other words, as the most striking illustration which really led to the introduction of this amendment, I cite the following: At the battlefield of San Jacinto, one of the decisive battles, I think, of the world, but certainly of this country in the preservation and promotion of liberty, it is contemplated to erect a monument with part of these funds. This monument, of course, would be a permanent structure, and the original authorization does not provide for permanent structures. The Commission wishes to devote some of the funds to this purpose, but the Comptroller General has recommended that the original action be amended to permit it.

The second section of the amendment comes about by reason of the fact that in the original action there was no recommendation and no authority with reference to what the Commission would be authorized to do with any property that came into its hands in the exercise of its functions at the close of the exposition. So this section 2 provides liberal authority in this regard in order that it may be given to the State of Texas or to any public or private agency in the discretion of the Commission that would be most suitable.

Mr. SNELL. At the time we originally passed this resolution, of course, it was not intended that this appropriation or participation on the part of the Federal Government should be for the purpose of erecting permanent monuments, or anything of this kind. It was understood then that the resolution was to provide for participation in the everyday functions of the exposition and for our exhibits down there.

Mr. LANHAM. That is true. It was somewhat broad in scope; but the Commission, in view of the fact that the Battle of San Jacinto was such an important one, especially in the history of our own country, wished to devote a part of these funds to some suitable monument.

Mr. SNELL. Is the entire cost of this monument to be paid out of the Federal appropriation?

Mr. LANHAM. I do not think so. The State of Texas, as the gentleman perhaps knows, has appropriated $3,000,000 to be expended in Texas in conjunction with the money appropriated by the Federal Government.

Mr. SNELL. It is to be taken out of the general fund?

Mr. LANHAM. To be sure.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Gladly.

Mr. JOHNSON of Texas. In connection with the centennial it was contemplated that the main centennial should be held in Dallas; but it was contemplated, also, that there should be markers placed at historic spots in other parts of the State in reference to the historical development of the State. I may say to the gentleman from New York that the expenditures made for these markers will be more or less permanent and will be better expended, perhaps, than though it went for some other purpose.

Mr. SNELL. I agree with the gentleman that some of this money will not be spent to the greatest advantage. I take the position, however, that the original resolution did not provide for the erection of permanent monuments. If the situation is as the gentleman states, and I take the gentleman's word for it, I shall not, however, interpose objections.

Mr. LANHAM. The Commission thought the act ought to be amended so there can be no question about its authority to do these specific things.

Mr. SNELL. I think we may as well spend the money on this as to waste it on something else.

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

There was no objection.

The Clerk read as follows:

Joint resolution to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"

Resolved, etc., That the United States Texas Centennial Commission established by the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", approved June 28, 1935, is authorized, in its discretion, to allocate funds from the appropriation made to carry into effect the provisions of such joint resolution, to the Texas Centennial Commission, the Commission of Control for Texas Centennial Celebrations, the Texas Centennial Central Exposition, and to any executive department, independent office, or establishment of the Government for the purchase of historic papers and paintings by contract or otherwise without regard to the provisions of section 3709 of the Revised Statutes, the construction and erection of monuments, statues, markers, buildings, and other structures or any part thereof, including purchase of sites, the restoration of historic structures, and the purchase of land in connection with historic structures. The funds so allocated may be expended by such State bodies and Government departments or establishments in any part of the State of Texas in accordance with the allocation by the Commission. Funds allocated to be expended in Bexar County shall be expended in connection with historic purposes only.

SEC. 2. Monuments, statues, markers, buildings, and other structures, erected or constructed, and lands, historic papers, and paintings purchased from funds allocated as herein provided shall become the property of the State of Texas, except that in such cases as the United States Texas Centennial Commission deems it desirable and in the public interest, any such erection, structure, land, or article shall become the property of such organization, or public or private agency as it may designate, subject to such requirements as the Commission may deem necessary or appropriate.

The House joint resolution 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.

PHILIPPINE INDEPENDENCE

Mr. GINGERY. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include therein a radio address made by Secretary of War Dern on January 13, 1936.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GINGERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. George H. Dern, Secretary of War, over the N. B. C. network on January 13, 1936, 10:30 p. m.:

Philippine independence is a vital subject in the Philippines. Every Filipino is interested in it and knows about it. Every American ought to be interested in it too, and ought to know about it, for it involves our honor in keeping our promises.

The Philippine Islands are the only Christian country in the Orient, and are about to become the only true Republic in the Far East. Philippine development has been profoundly influenced by two contacts with the Western world.

In 1521, or more than four centuries ago, the first man who ever sailed around the globe, Ferdinand Magellan, by chance brought a Spanish squadron to the Philippines. Sailing across the Atlantic around South America which Columbus had discovered only a few years before, through the Straits which now bear his name, he struck boldly out across the vast unknown western ocean which he named the Pacific, landed first on Guam, now an American island, and then discovered the Philippine Archipelago. He came to the Island of Cebu, with the Bible in one hand and the sword in the other, for he was not only an intrepid explorer and colonizer but also a zealous missionary. He claimed the country for Spain, and within a few days he had baptized the King and most of the population of Cebu. A little group on the small island of Mactan, who had never heard of the great King of Spain, and who objected to having Christianity thrust upon them, gave battle, and Magellan was killed near the spot where his monument now stands.

Magellan's exploits caused other Spanish expeditions to be sent from Mexico, for the Philippine Islands were colonized and governed through the Viceroy of Mexico until Mexico threw off the Spanish yoke and became an independent nation early in the nineteenth century. Forty-three years before the first permanent English settlement in the United States at Jamestown, Va., Legaspi sailed from Mexico, and finally conquered the islands. He named them for the prince who became Spain's great King, Philip II. Gradually Spanish civilization and culture were established among the natives. This was the first contact of the Philippine Islands with western civilization, and it lasted more than 300 years.

The Spaniards gave the Filipinos a religious ideal and the beginnings of education and increased knowledge, as well as better buildings and roads, something like uniform laws, and the outline of a coordinated political system. Nevertheless, the Filipinos were never contented under Spanish rule. During the three centuries between 1573 and 1872 it is estimated that there were more than a hundred revolts, large and small.

On June 19, 1861, was born the great Filipino patriot, Jose Rizal, whose monument now stands in the plaza of practically every considerable town in the islands. He is revered as the national hero and martyr who brought about the downfall of Spanish misrule. He is an outstanding example of that small, select group of men in human history who have profoundly influenced the destiny of their people, and whose names symbolize their national aims and aspirations.

Through his novels and other writing Rizal aroused the Filipinos to a keen sense of their wrongs and a passionate longing for relief. He himself never counseled a violent revolution, but hoped to bring about reforms by peaceful means under the Spanish flag.

Since Rizal would not lead them to revolt, other leaders did so, and on August 26, 1896, the Philippine revolution against Spain began. Rizal was arrested, unjustly accused of having incited the revolution, and on December 30, 1896, was executed.

The revolution gained force, and soon a new leader came to the front. He was a youth of 27 years, only lately out of college, but Emilio Aguinaldo quickly showed great talents of command. Under his direction rapid military progress was made in every Province, until he had driven the Spanish troops into Manila, and had the city surrounded and beseiged, except by way of the sea, the avenue through which the Spanish Army could still get supplies and reinforcements.

Then, on February 15, 1898, the United States battleship *Maine* was blown up in Habana Harbor, precipitating war between Spain and the United States, which was declared on April 21. On May 1, 1898, occurred the Battle of Manila, in which the Spanish fleet was destroyed by the United States Asiatic squadron, under the command of Commodore Dewey.

Since a fleet alone cannot take and hold territory, American soldiers were sent to Manila, and on August 13 the Spanish authorities surrendered the city to the United States forces. Aguinaldo was not permitted to enter the city with his troops, and friction between him and the Americans developed. On January 21, 1899, General Aguinaldo promulgated the Constitution of the Philippine Republic, and was inaugurated as president, and 2 weeks later the Philippine Insurrection against the United States commenced.

And so we found ourselves fighting the Filipinos—a people who were struggling for independence. Our occupation of the Philippines was not premeditated, but had come about entirely through the fortuitous chance of war. Whatever may be said of us, we certainly did not take the Islands with any thought of territorial aggrandizement. What was then to be the attitude of the United States toward a freedom-loving and freedom-seeking colony which it had so accidently acquired?

There were some imperialists among us who looked toward a policy of colonial expansion and exploitation, and who said, "Where the American flag once goes up it never comes down." Such a departure from our national ideals never commended itself to the American people.

Wisely or unwisely, we had taken the Philippines. Wisely or unwisely, we had assumed the burden and responsibility of governing them. And yet we said the Philippines belonged to the Filipino people; that we were merely their trustees, and that when they were competent to take care of themselves we would resign our trust and let them govern themselves.

Colonial exploitation was repugnant to our minds. We declared that the good of the colony, not our own good, must be the first consideration, which was perhaps a brand new idea in a world which had always colonized for quite different reasons.

Through no fault of their own, the people of the Philippines had not been trained in the difficult art of self-government, and had never been given an opportunity to demonstrate whether they could rule themselves or not, nor whether they would respect the rights and property of others.

How could we tell whether they had been disciplined, as Anglo-Saxons had been disciplined for centuries, to submit to the expressed will of the majority, no matter how wrong the individual might deem that decision to be? Where that principle is not accepted democracy must fail.

And so we set up a military government and proceeded to put down the insurrection. We soon discovered that we had a first-class war on our hands. At first there was heavy fighting between the two armies, in which the Filipino forces were driven back and broken up into small bands. A period of guerrilla warfare ensued, which lasted more than a year and a half. We had more than 70,000 troops scattered all over the Philippines, and we had a garrison in every town of importance and in many places that were mere villages. But the guerrilla warfare continued, under the direction of General Aguinaldo, who was in a remote hiding place. There is no telling how long the insurrection might have lasted if General Frederick Funston had not accidentally learned the whereabouts of General Aguinaldo, and, by bold stratagem, captured him.

The capture of General Aguinaldo soon terminated the insurrection, and the islands were rapidly pacified. The military gov-

ernment, after having established peace and order, and after having made the beginnings of the American type of administration and jurisprudence, of popular education, of building roads, and of modern sanitation, was superseded by a civil government, and step by step self-government was introduced. The second contact of the Philippines with western civilization had begun, this time according to the American style of liberty, enlightenment, and progress. What has been accomplished in the last 37 years is a marvelous story.

Popular election of municipal and provincial officers was instituted 3 years after American occupation, and so the school for democracy was under way. So apt were the native officials that 5 or 6 years later the popular election of the lower house of the Philippine Legislature went into effect. The results were entirely satisfactory, and in 1916, with the encouragement of President Wilson, the Jones Act was passed, making the entire Philippine Legislature elective, and giving the Filipinos an enlarged part in administrative affairs. This was a long step toward self-government.

Let me invite your attention to portions of the preamble of the Jones Act, which was passed by almost the unanimous vote of both parties in Congress:

"It was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"It is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

This preamble can only be construed as a definite promise of eventual independence. The Jones Act gave the Filipinos a large measure of self-government and they responded magnificently to their new responsibilities and opportunities.

Meanwhile, that great symbol of democracy, the "little red schoolhouse" of the United States, was transplanted to the Philippines, and universal popular education became and remains as much a Philippine ideal as it is an American ideal. The hunger of the Filipinos, young and old, for education has been remarkable.

At the beginning of American occupation there were practically no decent roads in the Philippines. Today there is an excellent system of highways, those indispensable requisites to agriculture, commerce, industry, and social intercourse. I wish I had time to tell you how the health and well-being of the people has been improved through modern sanitation since American occupation; how public works of various kinds have added to the security, comfort, and self-respect of the people; how the courts have been made temples of justice for rich and poor alike; and how the well-being of the islands has been improved by introducing and fostering new industries which increase the national income, furnish employment, and raise the standard of living.

Perhaps the greatest thing that the United States has done for the Philippines is to give them free access to our markets. Since they have been able to ship their sugar, coconut oil, hemp, tobacco, and other products to the United States without paying duty they have prospered marvelously and are now enjoying a higher standard of living than any other country in the Orient.

Notwithstanding the tremendous benefits which the Filipinos had received from their connection with the United States, their longing for independence continued, and finally the Tyding-McDuffie Act, which is entitled, "An act to provide for the complete independence of the Philippine Islands", etc., was passed. I have just returned from the Philippines where, on the 15th of November, I participated in the inauguration of the new government which was thereby authorized.

By virtue of the independence act there has been created a government called the Commonwealth of the Philippines, which gives the islands almost complete autonomy in their local affairs, putting not only the legislative but also the executive and judicial departments into the hands of the Filipinos. The people elect their own President and Vice President, and also the members of their own legislative department, which consists of one house, known as the National Assembly, and they elect or appoint their own judges.

The inauguration of the Commonwealth of the Philippines deserves to be rated as a historic event in the annals of both the United States and the Philippines.

The question is sometimes asked, "Why does the United States give up so valuable a territorial possession as the Philippine Islands?" The answer is that the value of the islands to the United States does not enter into the calculation. We give them up because we promised them their independence and because of the American conception of the fundamental right of peoples to govern themselves. When the American flag finally comes down in the Philippines it will come down with increased honor for our country.

It is not often that a new nation is launched with such cordial friendship and mutual good will. Often new nations are born in the welter of battles and bloodshed.

President Manuel L. Quezon and Vice President Sergio Osmena are the two undisputed leaders of the Filipino people and have been intimately connected with the development of self-government and the movement for independence. Their long experience in governmental affairs affords every reason to expect a successful administration of the Commonwealth.

Independence is not yet complete, and the islands will remain under American sovereignty for another 10 years. At the end of that period American sovereignty will be withdrawn and the Philippine Republic will supersede the Commonwealth of the Philippines as a completely independent nation.

The 10-year transition period was deemed wise and prudent, principally to enable the Philippines to make the necessary readjustments in their economic life. If they were suddenly required to pay full tariff rates on their exports to the United States, it was feared that it would ruin some of their most important industries, thereby throwing a great many people out of employment and causing much hardship and suffering. The transition period is, therefore, intended to benefit the Filipino people, and to give the new nation a better chance for success. Moreover, the transition period will give the Filipinos a period of training in the executive branch of the government.

The United States still reserves certain powers, including direct supervision and control over foreign affairs, and, in general, the right to intervene in case of serious disorders or failure of the Commonwealth government to meet its obligations. We keep a United States High Commissioner in the islands as the representative of the sovereignty of the United States. The first High Commissioner is the last Governor General, the Honorable Frank Murphy, who has made such an outstanding record during the past 2½ years that he deserves to be ranked among the greatest Governor Generals whom we have sent to the Philippines.

Those who have been in a position to observe closely the part the Filipinos have played in the development of their civil government have nothing but admiration for them and have no misgivings about their fitness for self-government and independence. I see no reason why the Commonwealth should not be a success and why complete independence should not be achieved on schedule time. Certainly we ought to do everything we can to help them on their way.

In granting independence to the Philippines we are fulfilling a promise, and, as President Roosevelt said a few weeks ago, "It is good for a nation to keep its word."

As Americans, therefore, we may be pardoned a natural feeling of gratification over having been true to our national ideals and doing a deed worthy of our ancestry. We rejoice at having had this opportunity to "proclaim liberty through all the land unto all the inhabitants thereof", and to give the world an example of the true meaning of American democracy. May we never falter in putting human rights, human liberties, and human welfare above all selfish ambitions, individually or nationally, at home or abroad, and thereby help to make the world safe through democracy, which may, after all, be more to the point than making the world safe for democracy.

If our own cooperation with the Filipinos in a practical way to establish a new democratic republic, fashioned after the American plan, shall renew our devotion to the high principles which gave birth to our own Nation then our sojourn in the Philippines will have been a blessing to ourselves no less than to the Filipinos. Men always benefit by obeying their noble impulses, and so do nations. The performance of one righteous, unselfish act by America makes it easier and surer for her to be just and upright in all her international relations. It is a proper ambition for her to deserve the esteem and affection, not of the Filipinos alone, but of all right-thinking nations. To deserve them she must keep on high ground.

POLITICAL PHARISEES AND THE CONSTITUTION

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an editorial appearing in the Bergen Evening Record, of Hackensack, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Bergen Evening Record, of Hackensack, N. J.:

[From the Bergen Evening Record, Tuesday, Jan. 21, 1936]

Former Presidential candidate Alfred E. Smith and his strange bedfellows, the Liberty Leaguers, are vociferously defending the much-revered but overexploited Constitution of the United States. They imply the American democracy was founded upon that document, when, as a matter of historical fact, the Republic was established upon a prior and more liberal Anglo-Saxon assertion of human rights.

The foundation of that new theory of government was the Declaration of Independence, which was adopted in 1776, and became finally effective, after 7 soul-searing years of bloodshed and privation, in 1783. Six years later, in 1789, and 13 years after the signing of the Declaration, the Constitution was adopted, not to establish a new principle of government but to secure by fundamental law and give practical effect to the human governmental principles enunciated in the Declaration itself.

With regard to the Constitution and its inviolacy, its rather pharisaical defenders forget that only 1 year after its adoption, in 1790, 10 amendments had to be annexed to it, and that in every grave national crisis thereafter the document had to be amended to meet the changing human needs in a democracy. Now, there are 21 amendments, all made pursuant to article 5, which prescribes the manner in which such changes may be effected.

The Declaration asserted: "We hold * * * that all men * * * are endowed * * * with certain unalienable rights; * * * that to secure these rights (life, liberty, and the pursuit of happiness) governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its power in such form, as to them shall seem most likely to effect their safety and happiness."

In 1933 when the present administration assumed the burdens of government there were 15 million unemployed, who with their 25 million dependents comprised a third of the Nation's population. Failure of the administration to provide relief for these 40 million citizens would have been an omission that most certainly could be destructive of their rights to at least life and the pursuit of happiness.

In some agricultural States the farmers, due to a national economic crisis beyond their control, were faced with the loss of their homes and their means of livelihood through wholesale foreclosures. In their dire necessity they figuratively told the law and the Constitution to go to Hades when by display of organized resistance they compelled local judicial authority to desist from enforcing the mortgage foreclosure and tax-sale laws. Organized society could then have enforced the letter of the Constitution by sending the Federal troops to quell that civic insurrection; but if it had, a conflagration would have resulted that instead of altering a form of government might conceivably have abolished it.

In such circumstances it became necessary for the people of a democracy to preserve at least the liberal spirit, if not the meticulous letter, of their Constitution. Humanity, if not self-preservation, demanded that the other 80 million Americans become their brothers' keeper through any orderly governmental process available to them. They, through their duly elected President and Congress, met that national crisis in the legislative manner prescribed for them by experience and expedience.

The resultant legislation unquestionably relieved a critical condition even though the Nation's future had to be emergently mortgaged to do so, but to assert that our economic and civic problems have been definitely solved is self-delusive. There are still 10,000,000 unemployed and 15,000,000 dependents who, without governmental made work or the morale-shattering dole, would starve and freeze. The other 100,000,000 Americans could not live in social security if those human needs were unprovided for either by industry or by government.

Far from solving our still grave national problems, the adverse decisions of the Supreme Court which have given administration critics so much recent joy have therefore merely accentuated them. Its nine cloistered members doubtless followed judicial precedent faithfully by interpreting meticulously the letter of the Constitution. As the lawful guardians of it, they performed their functions courageously and in accordance with precept.

But the President and Congress, in closer touch with human needs in a period of acute national travail, tried to apply the broader spirit of both the Constitution and the declaration of governmental principles and human rights which was the foundation on which the Republic was established 13 years before the Constitution was adopted.

Liberty Leaguers are trying to capitalize "Thou shalt not", which is exactly what the original Pharisees tried in a grain field to embarrass a great Teacher 20 centuries ago. He replied: "The Sabbath was made for man, not man for the Sabbath." The present administration might just as aptly reply to the modern pharisees: "The Constitution was made for the people, not the people for the Constitution."

NEUTRALITY LEGISLATION

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a radio talk delivered the other evening on the question of neutrality by Mr. Walter Lippmann.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following talk delivered by Walter Lippmann over WEAF, Saturday, January 18, at 11 p. m.

Ladies and gentlemen, in the course of the next 4 or 5 weeks Congress will have to pass some kind of law dealing with the subject of neutrality. I think you will agree that that is a very short time in which to deal with a very big subject. It would be hard enough if Congress had nothing else to do than to discuss this one question for the next month. But there are a dozen other important questions which it has to discuss at the same time. It has the bonus to deal with and the Budget and relief and what is to come after the A. A. A., and the plain fact is that neither Congress nor the President nor the country can give its undivided attention to the question of neutrality. Yet it is perhaps the greatest of all questions. For on it may very well depend the lives of millions of men and the security of the American Republic. It is a question of such overwhelming importance that no one who has any sense of responsibility will wish to settle it in a hurry; to settle it without thorough debate and careful thought.

Why, then, must this momentous question be dealt with in such a hurry? The answer to that is that it is wholly unnecessary to settle it in a hurry. There is now on the statute books a law passed last August which governs American neutrality in the war that is being fought between Italy and Ethiopia. This law is working well enough. It has not involved the United States in any serious controversies with Italy or with Ethiopia. No American interests have been endangered. There is nothing in the immediate situation which gives anyone reason to fear that the United States might be drawn into this particular war. In other words, the law we now have is achieving what the American people want a neutrality law to achieve. It is keeping us out of war with our vital interests and our honor unimpaired. There is only one trouble with the present law. It expires automatically on the 29th of February. So far as this particular war goes, all that is needed, therefore, is for Congress to extend the present law for another year or so. That could be easily done.

If there were no other war in sight that would be all that any one would wish to do. But, of course, there are other wars, much greater wars in sight, and it is these greater wars that Congress and the administration and the people are worried about. There is good reason to be worried. The plain fact is that all the great powers of Europe and Asia are arming feverishly and preparing for war. There is the war in Africa. There is something very much like a war in China. There are gigantic armaments being prepared. There are alliances being formed. There is powerful propaganda in several nations to implant in the minds of the people the conviction that there is no solution for their difficulties except by a resort to force and violence. In short, there exists the real danger of a very great war that might easily involve almost all of the nations of Europe, Africa, and Asia.

Clearly, it is our duty to take every precaution we can take to see to it, if such a great war breaks out, that it does not involve the United States.

The practical question now before the country, the question that has to be decided at once, is whether Congress can, before the 29th of February, determine exactly how the United States shall act in the event of a great European and Asiatic war.

This is the fundamental question on which the American people have to make up their minds. It should be clearly grasped. Can Congress in the next 4 weeks decide how the United States shall act in the event of another great war? This is the real question on which Congress is divided. This is the real issue between the administration and those who think as Senator Nye thinks. It is no use arguing about loans and munitions and cotton and oil and steel and ships and submarines until we make up our minds on this basic question: Are we going to decide now, in the next month, what must be done about all these things? Senator Nye wishes to say what must be done. He wishes to go as far as he can in laying down a rigid policy which the Government must follow.

Those who are opposed to him say that it is in the highest degree dangerous to attempt to say now exactly what the policy of the Government must be. Their contention is that while Congress should give the Government all the powers it might need in order to preserve American neutrality, it is wrong, it is unwise, it is dangerous, for Senator NYE or anyone else to attempt to say precisely what must be done. No one has any objections, on the contrary, everyone agrees, that it may be necessary to do all the things that Senator NYE and his friends wish to do. No one has any objections to giving the Government the power to do them. But there is the most serious objection to saying now, to deciding in a hurry before February 29, that any or all of these things must be done no matter what the circumstances, no matter what the conditions, no matter what the crisis may be, which may at some future time confront the American people.

The attempt to write a binding, cast-iron law today to fix American neutral policy in another great war is like saying, "I may have to play a game of bridge next week and I have decided to lead the eight of diamonds." It is like saying, "I may play football next autumn and on the second play I am going to call for a forward pass." It is like saying, "I have decided that my grandchild is to be a prize fighter", without knowing whether your grandchild is to be a boy or a girl.

In the case of a possible great war in the future nobody knows today, nobody in the Senate, nobody in any country anywhere, when it will break out. Nobody knows where it will break out. Nobody knows who will be fighting. Nobody knows who will be neutral. Nobody knows who will be allied with whom. Nobody knows whether it will be fought on the sea, in the air, or on land. Nobody can look into the future and predict the character of the war which Congress is to make laws about. How, under these circumstances, can any Senator pretend that he knows enough, that he is sufficiently a prophet, to write a law which fixes in advance the correct policy of the United States?

The best proof that this is impossible is to be found in the fact that 17 years after the end of the World War a Senate committee has just spend a hundred thousand dollars trying to find out how and why the United States entered it. That war is over. Yet here we are still arguing and quarreling, still writing books, still making speeches, still holding investigations, and still uncertain as to why we entered the war. If we do not know yet why we entered the last war, how on earth can Congress write a law in 4 weeks telling us exactly how to behave in the next war?

I do not mean to say that we cannot learn much from our mistakes in the last war which will help us to act more wisely the next

time. I am sure we can, and that it is our duty to study carefully and dispassionately the history of our attempt to maintain neutrality and the events which caused us to fail. But I am equally certain that we shall not learn much from that experience, if we start with the notion that we already know all about it.

As a matter of fact, if it were possible today to describe the character of the next war, if it were known who is going to fight, and where, and what the military plan of the next war is to be, the next war would almost certainly not take place. If it were known who is going to attack, when he is going to attack, where he is going to attack, who is going to oppose him, there would be no great difficulty in preventing the attack. The very essence of the war danger, however, lies in the inability of the governments and the people to foresee the future. The essence of the danger is that the time, the military strategy, the purposes cannot be foreseen—that the war, if it comes, will come as a surprise and at a moment when the world is not ready for it.

The moral I draw from this is that for the United States to tie its hands today is to increase the danger to the United States, not to diminish it. The only way to be prepared for an unpredictable emergency is to be able to move, to have your hands free, to be alert, resourceful, powerful, and unentangled. These proposals to settle American policy in advance are an attempt to say that we know better today what the emergency will require, though we do not know what the emergency will be, than the President and Congress who actually see what the emergency is.

It is a pretty good rule in human affairs that men should solve the problems of their own day and not try to tell their descendants and their successors how to settle their problems.

The policy of the United States Government is to remain unentangled and free. Let us follow that policy. Let us remain unentangled and free. Let us make no alliances. Let us make no commitments. By the same token let us pass no laws which will bind the future, tie the hands of the Government, deprive it of its freedom, cause it to be entangled in a statute based on what somebody at this moment thinks the Government ought to do in the future.

The simple truth is that we are not wise enough to tell a future Congress and a future President what they must do. We shall be very fortunate if we are wise enough to decide what we must do in the situation that is right before our eyes. We shall need all the wisdom we can find to cross the bridge that we are now trying to cross without deciding also how our successors shall cross the bridges that they will have to cross.

HONOR TO RESERVE OFFICERS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Reserve officers, and to include therein an article prepared by myself and published in the magazine "The Reserve Officer."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, by permission of the House, I am offering for printing in the RECORD, as part of my remarks, an article prepared by me and published in the Reserve Officer for January 1936. This magazine is the official publication of the Reserve Officers Association of the United States, an organization composed exclusively of Reserve officers and having a membership of approximately 28,000. Of course, all of the 110,000 Reserve officers are eligible for membership in this association. I regard it as a very useful organization of patriotic citizens who devote their time and talents to the cause of national defense, without receiving or expecting any compensation whatsoever.

As I point out in these remarks, military preparedness is the "hobby" of these officers. They are civilians like the rest of us and have to work to support themselves and their families in ordinary business pursuits. But this particular class of citizens, the Reserve officers, devote most of their leisure time to the study of matters affecting their respective military activities. I should personally be greatly pleased if all Reserve officers could see their way clear to become members of this association. The organization uses its strength and influence solely to advance the cause of national defense. They have no selfish ax to grind. I have been more or less intimately associated with this organization for the last 10 or 12 years, and, though I am not now eligible to be a member, I can endorse whole-heartedly and enthusiastically its work.

Mr. Speaker, to you who come from the Volunteer State, this article, emphasizing the high qualities of the volunteer soldier, ought to be very full of appeal. Such a soldier was Andrew Jackson, and such have been practically all of the citizens of Tennessee whenever the Nation has been at war. But Tennessee in this respect is but typical of all the States and of all the sections and of all the citizens of this Republic. But peculiar mention is due to the citizen who, looking far ahead, sees the day of inevitable emergency and begins to prepare in advance, so that he may be the more useful in serving his country.

Here is the article to which I refer:

LET US HONOR THOSE WHO PREPARE

(By Hon. JOHN J. McSWAIN, M. C., chairman, House Military Affairs Committee)

The Romans had a maxim that "Who gives quickly, gives twice." On the same principle, he who volunteers before war to become prepared to fight during war to defend his nation should be twice honored, first for his good sense and vision and next for his patriotic sacrifice of time and strength. All honor to the volunteer soldiers of every war, but more honor to those who volunteer before war and equip themselves to be instantly ready for any unexpected outbreak of war.

Such is the case of the Reserve officers. Since they receive no pay for their time and efforts to become prepared, certainly their motives are not mercenary. Since their services are absolutely vital to the defense of America, they should receive our thanks and our honor. All history, all experience, and common sense warn us that war may break any day. War comes like a thief in the night. I pray never again to see the scourge of war afflict our Nation, but I cannot forget that twice since I was 21 years old wars have come to America and they were separated by 19 years. I volunteered for both, but circumstances prevented my seeing service in the Spanish-American War. If we take the same measure of 19 years, who would be surprised to see war break upon us in 1937? The average interval of time between wars in our history has been about 25 years. Yet who is now ready for war? Have we profited by the great lessons of the last war and the lessons of our history in all wars? Have we passed the necessary law to prevent profiteering upon our Government and upon our civil population? Have we prepared a financial plan whereby we may "pay as we fight"? Have we enough officers competent to organize, train, and lead the millions of unorganized militia? Who would rather see our Nation defeated than to help it become properly prepared to defend itself? Who can guarantee that no war will be forced upon us within 10 years? Who will take the responsibility of having our Nation remain unprepared? Why cannot all of us look ahead and prepare for the possibility of war, just as the Reserve officers are preparing? However peaceful our intentions are, who dare take the risk of having some of the dictators and military cliques of the world force war upon us? Who would have America submit supinely to such dictators and militarists rather than stand up and fight for our rights as our fathers and their fathers have done?

Why be so much interested in the Reserves? Because I am interested in national defense, and because more than 90 percent of the officers who will lead in combat the citizen soldiers mobilized to defend our Nation must be Reserve officers. Ninety percent will certainly leaven the whole lump.

DEFENSE DEPENDS ON THE RESERVES

Since we must have a system of defense, and since the actual defending forces in the field will be led by Reserve officers almost exclusively, the degree of effectiveness of our defense depends upon the efficiency and character of our Reserve officers.

Now, of all times, we must be building up the quality and character of our Reserve officers. The disturbed condition of world affairs, with dictators here and there having hair-trigger power to start a war at their own whim and fancy, and with absolute monarchies under control of militaristic groups, it is necessary for America to look to her defenses. We are the great creditor Nation of the world; we are the richest Nation of the world; we are the most peace-loving Nation in the world. It is therefore too easy for some dictator or militaristic clique to assume, as did the Kaiser and his advisers back in 1915, 1916, and 1917, that Americans will not fight to defend their land, their possessions, their rights, and their honor.

The Kaiser and Von Bethmann-Hollweg and Von Tirpitz discovered their mistake to their sorrow, but we were fortunately circumstanced then, in that the Allies were holding back the German onrush. Though bled almost white and fighting with their backs to the wall, France and Great Britain held the line until the Americans got there. We were slow in getting there. We hardly knew how to start to get ready to fight. It was nearly a year and a half after we declared war before sufficient American armies were organized and trained and put into position to relieve the French and English and to push back the Central Powers so hard that they surrendered. We dare not count upon such a fortunate situation next time. The allies of today may not be our allies of tomorrow. We may have to fight alone a great combination of powers. So long as we fight to defend our own land, if our forces are adequately trained and equipped and provisioned with supplies and ammunition, we will be able to resist invasion and to save our land.

We cannot judge of our adequacy of defense merely by pointing to the Regular Army. It would be hardly a drop in the bucket. Most Regular Army officers would be in position of high command and in staff positions, training and organizing, equipping and supplying the vast armies of civilian soldiers. The officers of the platoons and the companies, and the battalions and of many of the regiments, and of some of the brigades and divisions, must be Reserve officers. These are the officers who will smell the powder, catch the bullets, breathe in the noxious gases, sustain the shock

of high explosives, and lead our troops either to victory or defeat. It must not be defeat. Therefore, our Reserve officers must be encouraged and assisted to the highest possible degree of efficiency. They are carrying on a magnificent, unselfish work of preparation. They are constantly studying, answering questionnaires, attending lectures and, as often as Congress appropriates the funds, attending camps for instruction.

Most of these Reserve officers are well educated; most of them are succeeding in their private businesses and professions; most of them have high qualities of natural leadership; most of them are rapidly attaining knowledge and experience in the handling of troops and in the conduct of combat. I lift my hat in honor of these unselfish patriotic Reserve officers.

PREPARATION IS "HOBBY"

A great thinker has said that the character of a man is determined largely by the nature of his hobby. By "hobby" we mean how a man spends his leisure time away from the business by which he makes a living. With the Reserve officers, the study of military history and science, and practicing the art of tactics, constitute their "hobby.' After these officers spend a day at hard work to support themselves and their families, and to pay their taxes to their Government, they spend their evenings studying text-books, attending lectures and answering questionnaires to increase their proficiency as officers. Why do they do this? Certainly not for money, because they are paid nothing. After keeping themselves uniformed and paying the expenses of attending lectures, Reserve officers, even those who attend camp, come out at the end of the year showing a loss by reason of working at this "hobby.'

This influences their character, this marks their character, because it shows they have the volunteer spirit, the spirit of a patriot and of a far-seeing patriot at that. Most any citizen will volunteer to defend his nation after war breaks. It is the citizen who takes the long look into the future after surveying the history of the past, and realizes that war may break in his age and generation, and realizes that his country will need trained officers as leaders of those who do not look so far ahead, who is a volunteer without compensation, gives his time, his strength, his abilities to preparation as against the day when his country will need him, he is certainly a patriot of the highest type. Such an officer is a volunteer in advance of war. Such citizen is a volunteer soldier of the *n*th degree. Such an unselfish, far-sighted patriotic citizen is entitled now, in peacetime, to the respect and admiration of his fellow citizens. It is common for the Nation to admire and to love those who volunteer in war to defend our shores, but our people ought to admire and love more those citizens who volunteer before war, and get ready for war, so that they may be more useful and helpful, in conducting a war of defense.

NO WAR EXCEPT FOR DEFENSE

In conclusion, I emphasize the thought of defense and defense only. America will never inaugurate a war of aggression. Our people think peace, talk peace and pray for peace. We want to be let alone, but our people, like all worthy people, as revealed by history, will fight and fight heroically in defense of their homes and rights. Without this spirit of willingness to defend by force if need be, our land and our rights, we would not be a Nation today.

I realize the dangers of allowing a militaristic clique to get into control of our Nation. But I also realize the dangers and the fate that awaits a nation not prepared to defend itself. History is full of examples of both sorts of people. But America is not in danger of falling into the hands of a militaristic group. Our system of government, our ideals, and the nature of our people forbid it and will prevent it. On the other hand, America must look to her gates and face the facts of her own history, and of all history, and especially realize that as the world is organized today some unimportant murder, a bullet fired by a maniac assassin, some strange sinking of a ship, may thrust us against our will into a situation where we must fight or surrender our rights. Americans descended from Pilgrim Fathers, from Cavalier pioneers, from all who sought here civil and religious freedom, from fathers who followed Washington, and later followed Jackson, and later still followed Scott and Taylor, and even later still followed Grant on one side and Lee on the other, such Americans, from such sires, knowing their rights, will dare to maintain them. While we wish peace, and seek not only our own peace but the peace of the world, yet we know that times do come when honorable peace, just and enduring peace, may come only at the price of blood and suffering. As sons of sires who settled this land, achieved its independence, erected its Government, developed its resources, and established world leadership in civilization we must be prepared to suffer and sacrifice and shed our blood, in order that the Nation so established by such fathers may be preserved. This is not jingoism; this is not sword rattling; this is not the mark of militarism. It is simply common sense Americanism. It is that America whose defense rests upon civilian soldiers, led by those volunteer soldiers who volunteer to prepare themselves in advance of war. These are called Reserve officers.

These Reserve officers save us from militarism. They are our American substitute for a standing army. They also save us from flabby, selfish, defenseless pleasure-seeking. They keep iron in America's bloodstream. They follow both the example and teaching of Washington. They are preserving our peace, by standing as a warning to any invader.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

JANUARY 22, 1936.

Hon. JOSEPH W. BYRNS,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby resign my membership from the following committees, to take effect immediately: Merchant Marine and Fisheries; Insular Affairs; Education; Revision of the Laws.

Sincerely,

LOUIS C. RABAUT, M. C.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BUCHANAN, for 1 week, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9870. An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6137. An act for the relief of the Otto Misch Co.; and

H. R. 9870. An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

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 5 minutes p. m.) the House adjourned until tomorrow, Thursday, January 23, 1936, 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:

614. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 20, 1936, submitting a report, together with

accompanying papers, on a preliminary examination of, and review of reports on, Sabine-Neches waterway, Texas, authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Commerce, United States Senate, adopted May 25, 1935; to the Committee on Rivers and Harbors.

615. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of, and review of reports on, Hendricks Harbor, Maine, authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Commerce, United States Senate, adopted March 28, 1935; to the Committee on Rivers and Harbors.

616. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1936, to remain available until expended, for the Department of Agriculture, amounting to $296,185,000, together with a sum equal in amount to certain unexpended balances (H. Doc. No. 396); to the Committee on Appropriations and ordered to be printed.

617. A letter from the assistant secretary to the President, transmitting a bound volume of World Peaceways Pledges of Support, together with copies of correspondence pertaining thereto; to the Committee on Foreign Affairs.

618. A letter from the Secretary of the Treasury, transmitting a draft of a bill 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.

619. A letter from the Secretary of the Treasury, transmitting a proposed bill to provide for the settlement of claims against the Government for damages arising from the operation of vessels of the Coast Guard and the Public Health Service; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JOHNSON of Texas: Committee on Foreign Affairs. House Joint Resolution 459. Joint resolution to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; without amendment (Rept. No. 1920). 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. DISNEY: A bill (H. R. 10483) to provide revenue from the importation of crude petroleum and its products; to the Committee on Ways and Means.

By Mr. BACHARACH: A bill (H. R. 10484) to authorize the Secretary of Commerce to convey to the city of Atlantic City, N. J., certain portions of the Absecon Lighthouse Reservation, Atlantic City, N. J.; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYLAN: A bill (H. R. 10485) relating to the compensation of certain Immigration and Naturalization Service employees; to the Committee on Immigration and Naturalization.

By Mr. UTTERBACK: A bill (H. R. 10486) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes; to the Committee on the Judiciary.

By Mr. DIMOND: A bill (H. R. 10487) to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods; to the Committee on Flood Control.

By Mr. KENNEY: A bill (H. R. 10488) to establish a United States Army air base at Teterboro, Bergen County, N. J., to provide a supporting Army air base at a favorable and strategic location for the protection of the North Atlantic coast and coast cities and the national defense; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H. R. 10489) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.; to the Committee on Coinage, Weights, and Measures.

By Mr. WILCOX: A bill (H. R. 10490) to amend chapter 9 of the act of July 1, 1898, 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. McSWAIN (by request): A bill (H. R. 10491) to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

By Mr. KRAMER: A bill (H. R. 10492) granting a renewal of Patent No. 60731, relating to the badge of the Girl Scouts, Inc.; to the Committee on Patents.

By Mr. PALMISANO: A bill (H. R. 10493) to authorize the Commissioners of the District of Columbia to reappoint Henry Lee Woods in the police department of said District; to the Committee on the District of Columbia.

By Mr. STEFAN: A bill (H. R. 10494) to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

By Mr. GAVAGAN: A bill (H. R. 10495) to authorize the President of the United States to appoint a board of five members to receive donations for establishing a National Conservatory of Music for the education of pupils in music in all its branches, vocal and instrumental, and for other purposes; to the Committee on Education.

By Mr. LUCKEY: A bill (H. R. 10496) to repeal the Potato Act of 1935; to the Committee on Agriculture.

By Mr. McSWAIN (by request): A bill (H. R. 10497) to provide that the holders of the Medal of Honor, Distinguished Service Cross, or the Navy Cross, shall be employed in the civil service without a competitive examination; to the Committee on the Civil Service.

By Mr. RAMSAY: A bill (H. R. 10498) providing for the establishment of the National Memorial Prehistoric Mound Park in the city of Moundsville, Marshall County, W. Va.; to the Committee on the Public Lands.

By Mr. KOPPLEMANN: A bill (H. R. 10499) to incorporate the Italian-American World War Veterans of the United States; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 10500) to make further provision for the conservation and proper utilization of the soil resources of the Nation; to the Committee on Agriculture.

By Mr. DUFFEY of Ohio: A bill (H. R. 10501) to amend the National Housing Act, as amended, so as to permit the insurance of financial institutions making certain loans and advances of credit subsequent to March 31, 1936, and prior to April 1, 1938; to the Committee on Banking and Currency.

By Mr. FERGUSON: A bill (H. R. 10502) to amend the Revenue Act of 1934, so as to impose taxes upon the processing of certain agricultural commodities; to the Committee on Ways and Means.

By Mr. KENNEDY of New York: A bill (H. R. 10503) to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low-rental dwelling accommodations,

and to further national industrial recovery through the employment of labor and materials; to the Committee on Ways and Means.

By Mr. REILLY: Joint Resolution (H. J. Res. 463) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CONNERY: Joint resolution (H. J. Res. 464) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BLOOM: A bill (H. R. 10504) for the relief of Booth & Co., Inc., a Delaware corporation; to the Committee on War Claims.

Also, a bill (H. R. 10505) for the relief of Patrick Joseph McEntee; to the Committee on Immigration and Naturalization.

By Mr. BOLAND: A bill (H. R. 10506) for the relief of Thomas A. Coyne; to the Committee on Military Affairs.

Also, a bill (H. R. 10507) granting a pension to Mary Elizabeth O'Keefe; to the Committee on Invalid Pensions.

By Mr. BREWSTER: A bill (H. R. 10508) for the relief of the Van Buren Light & Power District; to the Committee on Claims.

By Mr. CRAVENS: A bill (H. R. 10509) authorizing the President to present in the name of Congress a medal of honor to Harold R. Wood; to the Committee on Military Affairs.

By Mr. CROSBY: A bill (H. R. 10510) granting a pension to Lizzie Lawson; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 10511) granting an increase of pension to Christiann Perrego; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 10512) for the relief of Sarah Antokoletz Weintraub; to the Committee on Immigration and Naturalization.

By Mr. HIGGINS of Connecticut: A bill (H. R. 10513) for the relief of Janet Hendel, nee Judith Shapiro; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10514) for the relief of Lena Hendel, nee Lena Goldberg; to the Committee on Immigration and Naturalization.

By Mr. KNUTE HILL: A bill (H. R. 10515) granting a pension to Jennie Ledford McNeill; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 10516) granting an increase of pension to Mary T. Eagy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10517) granting an increase of pension to James E. Mulford; to the Committee on Pensions.

By Mr. JACOBSEN: A bill (H. R. 10518) for the relief of Charles French; to the Committee on Military Affairs.

Also, a bill (H. R. 10519) for the relief of Martin W. Duffy; to the Committee on Claims.

By Mr. KOCIALKOWSKI: A bill (H. R. 10520) for the relief of Joseph A. Plozy; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 10521) for the relief of Joseph Mossew; to the Committee on Claims.

By Mr. LUCAS: A bill (H. R. 10522) granting a pension to Anna Angelow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10523) granting a pension to Agnes G. Smith; to the Committee on Invalid Pensions.

By Mr. McKEOUGH: A bill (H. R. 10524) granting a pension to Ella F. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10525) granting a pension to Annie Marie Swingle; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 10526) for the relief of Edgard B. Ligon; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 10527) for the relief of Harris Bros. Plumbing Co.; to the Committee on Claims.

By Mr. MAIN: A bill (H. R. 10528) granting a pension to Lena P. Riddick; to the Committee on Invalid Pensions.

By Mr. MARSHALL: A bill (H. R. 10529) for the relief of Ethel Hale Hayes; to the Committee on Claims.

By Mr. PALMISANO: A bill (H. R. 10530) granting a pension to Sarah J. Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10531) granting a pension to Annie M. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10532) granting a pension to Lucy Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10533) for the relief of Chaim (Hyman) Kaplan; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10534) for the relief of the Marocco Construction Co., Inc.; to the Committee on Claims.

By Mr. REILLY: A bill (H. R. 10535) granting a pension to Minnie G. S. Spink; to the Committee on Invalid Pensions.

By Mr. SHANLEY: A bill (H. R. 10536) for the relief of Kramp & Co., Inc.; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 10537) for the relief of Rachel (or Rose) Nussbaum Shildkraut; to the Committee on Immigration and Naturalization.

By Mr. TOLAN: A bill (H. R. 10538) for the relief of Richard Killman; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 10539) for the relief of Max Weinrib; to the Committee on Immigration and Naturalization.

By Mr. WERNER: A bill (H. R. 10540) granting an increase of pension to Philip F. Wells; 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:

9607. By Mr. ANDREW of Massachusetts: Petition of National Association of Cotton Manufacturers, protesting against continuing the present policy of the Government which allows imports from foreign countries where wages are less than one-tenth of what is paid in this country; to the Committee on Ways and Means.

9608. By Mr. CHURCH: Petition of Victory Memorial Hospital Association, signed by Fred B. Whitney, president, against enactment of excise or other taxes in lieu of processing taxes; to the Committee on Ways and Means.

9609. By Mr. CONNERY: Petition protesting against United States participation in the Olympic Games in Germany; to the Committee on Foreign Affairs.

9610. Also, declaration of principles of the Clan-Na-Gael, of Greater Boston, and endorsed by the Emmet Associates of Lynn, Mass., denouncing the activities of the Carnegie Foundation and its subsidiaries, and asking for a congressional investigation of the Carnegie Foundation and its subsidiaries; to the Committee on Rules.

9611. By Mr. CULKIN: Petition of seven residents of Cazenovia, Madison County, N. Y., favoring passage of House bill 8739; to the Committee on the District of Columbia.

9612. By Mr. DELANEY: Petition of the American-Italian Union of New York City, requesting the Members of Congress to reenact the neutrality legislation which is now in full force and effect, because the only safe and realistically neutral policy for this Nation to attempt is a policy based upon sound, tested, and accepted international law; namely, to refuse to deal in munitions with any and all nations at war and to trade other commodities freely with all nations, either at war or at peace, provided that in our trade relations with warring nations we treat both equally and alike; to the Committee on Foreign Affairs.

9613. Also, petition of the Italian Chamber of Commerce of New York City, requesting that in the framing of any neutrality law full consideration be given to the legitimate interests of industry and trade, so that the natural flow of trade between the United States and any nations of the world shall not be hindered, but that such a law should

limit an embargo on arms, ammunition, and implements exclusively prepared for war purposes; to the Committee on Foreign Affairs.

9614. By Mr. GAVIGAN: Memorial of the Isabella Council, No. 873, Knights of Columbus, supporting policy of allotment of 50 percent of all radio frequencies to educational, religious, agricultural, labor, and similar non-profit-making and human-welfare associations; to the Committee on Interstate and Foreign Commerce.

9615. By Mr. GOODWIN: Petition of citizens served by star route no. 7467 in the towns of Columbiaville, Stottville, Stockport, and Stuyvesant Falls, N. Y., urging legislation that will indefinitely extend all existing star-route contracts, and increase the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9616. By Mr. HILDEBRANDT: Resolution submitted by the Sioux Falls Chamber of Commerce, relative to bringing about legislation which will place the farming industry on an equality with other industries; to the Committee on Agriculture.

9617. Also, petition urging immediate provision for seed loans by members of Farm Bureau, the Farmers' Union, Farm Holiday Association, the Grange, or members of allotment committees; to the Committee on Agriculture.

9618. Also, petition of patrons of star route no. 59102, between Sisseton, S. Dak., and Browns Valley, Minn., urging legislation which will extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9619. By Mr. JOHNSON of Texas: Petition of W. A. Crawford, publisher of the Blooming Grove Times, Blooming Grove, Tex., favoring Senate bill 2883, which provides for funds for vocational agriculture and home economics; to the Committee on Agriculture.

9620. Also, resolutions adopted by Navarro County farmers at Corsicana, Tex., favoring the equalization and adjustment of the tariff burden upon the agricultural classes; to the Committee on Agriculture.

9621. By Mr. KENNEDY of New York: Petition relating to foreign affairs; to the Committee on Foreign Affairs.

9622. By Mr. KENNEY: Resolution of the New Jersey State Planning Board, urging the passage of appropriate legislation by Congress to establish a permanent national planning agency in general accordance with the recommendations of the national resources committee; to the Committee on Appropriations.

9623. By Mr. LORD: Petition of Granville J. Burton and 135 other citizens of Chenango County, N. Y., requesting the enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

9624. By Mr. LUNDEEN: Petition of the Minnesota State Grange, urging passage of legislation providing for a continuation of some form of production control; to the Committee on Agriculture.

9625. Also, petition of the league of Minnesota Municipalities, Minneapolis, Minn., urging passage of Senate bill 2883, providing for Federal aid to vocational education; to the Committee on Education.

9626. Also, petition of the State Conservation Commission of Minnesota, urging passage of House bill 6594, providing additional park facilities and recreational grounds; to the Committee on Public Buildings and Grounds.

9627. Also, petition of Lake Stay Local No. 178 of the Farmers Education and Cooperative Union of America, Minnesota Division, Ivanhoe, Minn., urging passage of the Frazier-Lemke farm refinancing bill, and the Thomas-Massingale cost-of-production bill; to the Committee on Agriculture.

9628. Also, petition of the County Board of Lincoln County, Minn., urging the passage of the Frazier-Lemke farm refinancing bill; to the Committee on Agriculture.

9629. By Mr. MERRITT of New York: Resolution of conference of mayors and other municipal officials of the State of New York, endorsing Senate bill 2883; to the Committee on Agriculture.

9630. Also, resolution of Isabella Council, No. 873, Knights of Columbus, representing 300 men of the city of New York, supporting the policy that 50 percent of all radio frequencies be allotted to educational, religious, and other non-profit-making associations; to the Committee on Interstate and Foreign Commerce.

9631. Also, telegram sent by the New York Chapter of American Veterans Association to the national commander of the American Legion; to the Committee on World War Veterans' Legislation.

9632. Also, resolution of the Queens Branch of the American Association of University Women, whose members number 75, urging our Senators and Representatives in the present session of Congress to support all legislation that tends toward world peace and to cooperate in all international efforts to suppress war by pacific methods; and we also ask the neutrality of the United States to the extent that we do not become involved in war, and do not contribute in any way to a prolongation of war by other nations; to the Committee on Foreign Affairs.

9633. Also, resolution of the American-Italian Union, New York City, regarding proposed neutrality bill; to the Committee on Foreign Affairs.

9634. Also, resolution of the Grand Lodge of the Order Sons of Italy in America; to the Committee on Foreign Affairs.

9635. Also, petition of the Italian Chamber of Commerce, regarding proposed neutrality bill; to the Committee on Foreign Affairs.

9636. Also, resolution of the Pontier Democratic Association, Inc., advocating immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

9637. By Mr. MICHENER: Petition signed by Dale Scofield and 21 other residents of Jackson, Mich., urging that legislation be passed at this session of Congress providing for the indefinite extension of all existing star-route contracts, and for increasing the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9638. By Mr. MONAGHAN: Petition of star-route contractors, for extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9639. Also, petition of star-route contractors, favoring extension of all existing star-route contracts and increase in compensation to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9640. Also, petiton of star-route contractors, for extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9641. By Mr. PFEIFER: Telegram of the Italian Chamber of Commerce in New York, Ercole H. Locatelli, president, concerning neutrality legislation; to the Committee on Foreign Affairs.

9642. Also, petition of the International Union of Operating Engineers, Local Union No. 319, Brooklyn, N. Y., favoring the Walsh bill (S. 3055); to the Committee on Labor.

9643. By Mr. TARVER: Petition of Mrs. R. E. Hamilton and 10 other ladies of Douglasville, Ga., in the interest of world-wide peace and legislation outlawing war; to the Committee on Foreign Affairs.

9644. Also, petition of Mrs. V. R. Smith and nine other ladies of Douglasville, Ga., in the interest of world-wide peace and legislation outlawing war; to the Committee on Foreign Affairs.

9645. By Mr. WOLCOTT: Petition of Thomas A. Nichol, of Filion, Mich., and 80 other citizens of the Seventh Congressional District of Michigan, urging the enactment of legislation to indefinitely extend all existing star-route contracts,

and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9646. By the SPEAKER: Petition of the Pontier Democratic Association, Jamaica, N. Y.; to the Committee on Ways and Means.

SENATE

THURSDAY, JANUARY 23, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock m., on the expiration of the recess.

MILLARD E. TYDINGS, a Senator from the State of Maryland, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 22, 1936, was dispensed with, and the Journal was approved.

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 a joint resolution (H. J. Res. 459) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.;

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

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

Mr. MINTON. I announce that my colleague the senior Senator from Indiana [Mr. VAN NUYS] is unavoidably detained from the Senate.

Mr. LEWIS. I announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

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

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

Mr. BAILEY. Mr. President, I call attention to the fact that on yesterday, in the matter of the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, I was appointed a conferee on the part of the Senate. I wish to withdraw as such conferee, and to ask that the Senator from Nebraska [Mr. BURKE] be appointed in my place. My reason for making the request is that I am opposed to the bill, and not in a position to serve as a Senate conferee in the conference.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Chair appoints the Senator from Nebraska [Mr. BURKE] as a conferee on the bill referred to in place of the Senator from North Carolina [Mr. BAILEY].

AMENDMENT OF BANKRUPTCY ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a proposed draft of legislation 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, relative to corporate reorganizations, which, with the accompanying paper, was referred to the Committee on the Judiciary.

DAMAGES ARISING FROM OPERATION OF VESSELS OF COAST GUARD AND PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service, which, with the accompanying paper, was referred to the Committee on Claims.

AMENDMENT OF PERMANENT APPROPRIATION REPEAL ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 21 of the Permanent Appropriation Repeal Act of 1934, and so forth, so as to except specifically from its operation any check heretofore or hereafter drawn by the Treasurer of the United States on account of the public-debt obligations of the Philippine Islands or Puerto Rico, and to authorize the Treasurer to refund the amounts of such checks, which have remained unpaid, to those governments under certain conditions, which, with the accompanying paper, was referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Kentucky, which was referred to the Committee on the Library: