PETITIONS, ETC.

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

9956. By Mr. BERLIN: Petition of 3,116 citizens of Blythedale, Smithdale, Buena Vista, Sutersville, Shaner, Greenock, Boston, West Newton, Versailles Borough, Elizabeth Township, Pa., and the vicinities of the same, petitioning Congress to have the necessary authority to proceed with the slack water of the Youghiougheny River from McKeesport to West Newton by the erection of locks and dams, as authorized by act of Congress; to the Committee on Appropriations.

9957. By Mr. CULKIN: Petition of 79 residents of Jefferson and Lewis Counties, N. Y., favoring passage of the Townsend plan; to the Committee on Ways and Means.

9958. Also, petition of the National Restaurant Association, protesting against Government competing with private business; to the Committee on Public Buildings and Grounds.

9959. Also, resolution of the New York State Planning Council, urging the passage of appropriate legislation by Congress to establish a permanent national planning agency to carry forward the planning work started under the temporary National Resources Committee; to the Committee on Ways and Means.

9960. Also, petition of the American-Italian Union, protesting against the passage of the neutrality bill; to the Committee on Foreign Affairs.

9961. By Mr. HILDEBRANDT: Resolution urging passage of House bill 3263, known as the Pettengill bill, which would abolish the long-and-short-haul clause; to the Committee on Interstate and Foreign Commerce.

9962. By Mr. HULL: Petition of 243 star-route patrons residing in the Ninth Wisconsin Congressional District, urging the enactment of legislation indefinitely extending all existing star-route contracts, and to increase the compensation thereon to a basis equal with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9963. By Mr. LAMBERTSON: Petition of Dora Weinmann and six other signers from Atchison, Kans., favoring passage of the Guyer Act, regarding liquor control in the District of Columbia; to the Committee on the District of Columbia.

9964. By Mr. LUNDEEN: Petition of the Minnesota Broadcasters Association, St. Paul, Minn., urging passage of the Duffy copyright bill (S. 3047); to the Committee on Patents.

9965. Also, petition of N. W. Elsberg, commissioner of highways, State of Minnesota, urging that the 1937 appropriation under the Hayden-Cartwright Act not be canceled; to the Committee on Appropriations.

9966. Also, petition of the Minneapolis Council of Americanization, Minneapolis, Minn., urging the enactment of the Kerr bill (H. R. 8163); to the Committee on Foreign Affairs.

9967. Also, petition of the Minnesota State Livestock Sanitary Board, St. Paul, Minn., urging that the unexpended $30,000,000 balance provided by the Jones-Connally Act for Bang disease and tuberculosis eradication be made available for the coming fiscal year; to the Committee on Agriculture.

9968. Also, petition of the Minnesota Farm Bureau, St. Paul, Minn., urging that the unexpended $30,000,000 balance provided by the Jones-Connally Act for Bang disease and tuberculosis eradication be made available for the coming fiscal year; to the Committee on Agriculture.

9969. By Mr. McREYNOLDS: Petition containing 77 signatures of patrons and citizens of star route no. 27217, Laurelburg to Rock Island, Tenn., favoring House bill 10756; to the Committee on the Post Office and Post Roads.

9970. Also, petition containing 87 signatures of patrons and citizens of star route no. 27215, from Doyle to Sam Hitchcock's residence, State of Tennessee, favoring support of House bill 10756; to the Committee on the Post Office and Post Roads.

9971. Also, petition containing 52 signatures of citizens and patrons of star route no. 27218, from Spencer to Crinkley, Tenn., in support of House bill 10756; to the Committee on the Post Office and Post Roads.

9972. By Mr. PETERSON of Georgia: Petition of numerous citizens of the First Congressional District of Georgia, requesting support of legislation proposed by the National Star Route Carriers Association; to the Committee on the Post Office and Post Roads.

9973. By Mr. PFEIFER: Petition of the New York State Conservation Council, New York City, urging increased appropriation for the Biological Survey, so that additional units may be established, including a unit for New York State; to the Committee on Appropriations.

9974. By Mr. SHORT: Petition of patrons of star route no. 45421, from Cassville to Eagle Rock, Mo., petitioning Congress to enact legislation indefinitely extending all existing star-route contracts and increase the compensation thereon to a basis equal that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9975. By Mr. SISSON: Petition of residents of Herkimer County, N. Y., urging the passage of House bill 8739, to restore to the District of Columbia its prohibition law; to the Committee on the District of Columbia.

9976. Also, petition of residents of Oneida County, N. Y., urging immediate passage of the Capper bill; to the Committee on Interstate and Foreign Commerce.

9977. Also, petition of members of the Evangelical Church of the Redeemer of Utica, N. Y., advocating complete neutrality of the United States, without exemption of any nation; to the Committee on Foreign Affairs.

9978. By Mr. TAYLOR of Colorado: Petition of citizens of Ragged Mountain, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

9979. Also, petition of citizens of Breckenridge, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

9980. Also, petition of citizens of Mancos, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

9981. By Mr. WILLIAMS: Petition of J. J. Rickman and others relating to the tenure of service and compensation of established star mail routes; to the Committee on the Post Office and Post Roads.

9982. By the SPEAKER: Petition of divers citizens of Moncks Corner, S. C.; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 6, 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 the calendar day Tuesday, February 4, 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 without amendment the following bills and joint resolution of the Senate:

S. 166. An act for the relief of Jack Doyle;
S. 246. An act for the relief of Elmer Blair;
S. 272. An act for the relief of William Frank Lipps;
S. 889. An act for the relief of Albert A. Marquardt;
S. 1010. An act for the relief of Fred Edward Nordstrom;
S. 1176. An act for the relief of Thomas A. Coyne;
S. 1298. An act for the relief of John Z. Lowe;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

S. 2321. An act for the relief of S. M. Price;

S. 2323. An act for the relief of Ida C. Buckson, executrix of E. C. Buckson, deceased;

S. 2343. An act for the relief of Maj. Edwin F. Ely, Finance Department; Capt. Reyburn Engles, Quartermaster Corps; and others;

S. 2741. An act for the relief of Maj. Joseph H. Hickey;

S. 2897. An act for the relief of Lt. Robert A. J. English, United States Navy; and

S. J. Res. 169. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba.

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

S. 2166. An act for the relief of Ludwig Larson;

S. 2691. An act for the relief of E. E. Sullivan;

S. 3186. An act for the relief of Edward H. Karg; and

S. 3934. An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935.

The message further announced that the House had passed the following bills of the Senate severally, with amendments, in which it requested the concurrence of the Senate:

S. 423. An act for the relief of Lynn Brothers' Benevolent Hospital;

S. 1950. An act for the relief of Julius Crisler;

S. 2044. An act for the refund of income and profits taxes erroneously collected; and

S. 3020. An act for the relief of A. E. Taplin.

The message also announced that the House insisted upon its amendment to the bill (S. 3612) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

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

H. R. 300. An act for the relief of F. P. Bolack;

H. R. 376. An act for the relief of Lillian M. Lanphear;

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1695. An act for the relief of Margaret Grace and Alice Shriner;

H. R. 2400. An act for the relief of Blanche Knight;

H. R. 2467. An act for the relief of Holy Cross Mission Hospital;

H. R. 3340. An act for the relief of Jesse S. Post;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 4219. An act for the relief of John J. Ryan;

H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;

H. R. 4796. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932;

H. R. 4797. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during a hurricane in Samoa on January 15, 1931;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;

H. R. 6668. An act for the relief of S. John Hegstad;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy;

H. R. 7463. An act for the relief of Lawrence R. Lennon;

H. R. 7788. An act for the relief of Mrs. Earl H. Smith;

H. R. 7818. An act for the relief of Caroline M. Hyde;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8094. An act for the relief of Dr. J. C. Blalock;

H. R. 8242. An act authorizing the President to order Louis U. LaBine before a retiring board for a hearing of his case and upon the findings of such board to determine whether or not he be placed on the retired list with rank and pay held by him at the time of his discharge;

H. R. 8465. An act for the relief of Zoe A. Tilghman;

H. R. 8824. An act for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly individually; and

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes.

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. 363. An act to increase the efficiency of the Veterinary Corps of the Regular Army;

S. 1301. An act to provide further for the maintenance of the United Soldiers' Home;

S. 2148. An act to provide for the leasing of restricted Indian lands of Indians of the Five Civilized Tribes in Oklahoma;

S. 2175. An act to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation;

S. 2206. An act for the relief of the State of New Mexico;

S. 2643. An act to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges;

S. 2877. An act to reimpose and extend the trust period on lands reserved for the Pala Band of Mission Indians, California;

S. 2891. An act to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries;

S. 3140. An act to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes;

S. 3381. An act to provide for the protection and preservation of domestic sources of tin; and

S. 3447. An act to amend an act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in The National Archives", approved March 3, 1925, as amended.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Benson	Burke	Clark
Ashurst	Bilbo	Byrd	Connally
Austin	Black	Byrnes	Coolidge
Bachman	Bone	Capper	Copeland
Bailey	Borah	Caraway	Costigan
Barbour	Bulkley	Carey	Couzens
Barkley	Bulow	Chavez	Davis

Donahey	Johnson	Murray	Smith
Duffy	Keyes	Neely	Steiwer
Fletcher	King	Norbeck	Thomas, Okla.
Frazier	La Follette	Norris	Thomas, Utah
George	Lewis	Nye	Townsend
Gerry	Logan	O'Mahoney	Trammell
Gibson	Lonergan	Overton	Tydings
Glass	McAdoo	Pittman	Vandenberg
Gore	McCarran	Pope	Van Nuys
Guffey	McGill	Radcliffe	Wagner
Hale	McKellar	Reynolds	Walsh
Harrison	McNary	Robinson	Wheeler
Hastings	Metcalf	Russell	White
Hatch	Minton	Schwellenbach	
Hayden	Moore	Sheppard	
Holt	Murphy	Shipstead	

Mr. LEWIS. I announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] is absent because of illness in his family, and that the Senator from New Hampshire [Mr. BROWN], the Senator from Connecticut [Mr. MALONEY], and the Senator from Missouri [Mr. TRUMAN] are necessarily detained from the Senate. I announce further that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

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

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

EDWARD H. KARG

The VICE PRESIDENT. The Chair lays before the Senate the amendment of the House to Senate bill 3186, to which the attention of the Senator from New York is called. The amendment of the House will be stated.

The amendment of the House of Representatives to the bill (S. 3186) for the relief of Edward H. Karg was, on page 1, line 7, to strike out "represents" and to insert "shall be in full settlement of all claims against the United States for."

Mr. COPELAND. I move that the Senate concur in the amendment of the House of Representatives.

Mr. McNARY. Mr. President, there is so much confusion in the Chamber that it is impossible to understand what is going on. I inquire what was the nature of the request of the Senator from New York?

The VICE PRESIDENT. The Chair laid before the Senate the amendment of the House of Representatives to a Senate bill, and the author of the bill, the Senator from New York [Mr. COPELAND], moved that the Senate concur in the House amendment.

Mr. McNARY. I understand that; but what is the nature of the bill?

The VICE PRESIDENT. The clerk will again state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 3186) for the relief of Edward H. Karg.

The VICE PRESIDENT. The Chair understands that these are all private-claims bills.

Mr. McNARY. Very well.

The VICE PRESIDENT. The question is on the motion of the Senator from New York [Mr. COPELAND] that the Senate concur in the House amendment.

The motion was agreed to.

HARTFORD-CONNECTICUT TRUST CO., INC.

The VICE PRESIDENT. The Chair lays before the Senate the amendments of the House of Representatives to Senate bill 2044, to which the attention of the Senator from Connecticut [Mr. LONERGAN] is called. The amendments will be stated.

The amendments of the House of Representatives to the bill (S. 2044) for the refund of income and profits taxes erroneously collected were, on page 2, line 7, after "limitations", to insert "*Provided further*, That in the settlement of said claim there shall be no allowance of interest"; and to amend the title so as to read: "An act for the relief of the Hartford-Connecticut Trust Co., Inc."

Mr. LONERGAN. I move the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

JULIUS CRISLER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1950) for the relief of Julius Crisler, which were, on page 1, line 5, to strike out "Julius Crisler" and insert "the executors of the estate of Julius Crisler, deceased"; on page 1, line 11, after "protest", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000"; and to amend the title so as to read: "An act for the relief of the estate of Julius Crisler."

Mr. HARRISON. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

A. E. TAPLIN

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3020) for the relief of A. E. Taplin, which were, on page 1, line 7, after "claims", to insert "against the United States"; and on page 1, line 11, after "inclusive", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. NORBECK. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

E. E. SULLIVAN

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2691) for the relief of E. E. Sullivan, which was, on page 1, line 13, after "unpaid", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. NORBECK. I move that the Senate concur in the House amendment.

The motion was agreed to.

REPEAL OF CERTAIN ACTS OF CONGRESS

The VICE PRESIDENT. The Chair lays before the Senate the amendment of the House of Representatives to Senate bill 3934, to which he calls the attention of the Senator from South Carolina [Mr. SMITH]. The amendment of the House will be stated.

The amendment of the House of Representatives to the bill (S. 3934) to repeal the Kerr Tobacco Act, the Bankhead

Cotton Act of 1934, and the Potato Act of 1935 was, on page 1, line 10, after "repealed", to insert "and all liens for taxes imposed as provided in subdivision (f) of section 4 of Public Law No. 169 are hereby canceled and released."

Mr. SMITH obtained the floor.

Mr. McNARY and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. The Chair recognized the Senator from South Carolina. Does he yield; and if so, to whom?

Mr. SMITH. I yield first to the Senator from Oregon.

Mr. McNARY. Mr. President, I did not hear distinctly the reading of the amendment proposed by the House. I assume the Senator from South Carolina is familiar with it. Will he explain the amendment adopted by the House to the bill as passed by the Senate?

Mr. SMITH. I think the amendment is all right, and I move that the Senate concur in the House amendment.

Mr. McNARY. Will not the Senator explain the amendment adopted by the House? I do not understand what it means from the reading by the clerk.

Mr. SMITH. It proposes to cancel the liens that are outstanding so as to liberate those affected from any further tax obligations. For instance, in the Bankhead Act——

Mr. McNARY. Does this apply only to cotton growers, or does it apply also to tobacco growers and all others named as growers of basic commodities in the A. A. A. Act?

Mr. SMITH. Three acts are to be repealed, to wit, the Potato Act, the Tobacco Act, and the Bankhead Cotton Act. That is all the bill does.

Mr. McNARY. It would relieve processors of payment of the processing taxes?

Mr. SMITH. Yes; from now on.

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

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

Mr. SMITH. I yield.

Mr. COUZENS. The Senator said "from now on." I understand the measure is retroactive.

Mr. SMITH. It would relieve processors of any taxes which are outstanding now; in other words, it puts the processors right where they were before any tax was laid or collected, and any liens for the payment of taxes are canceled.

Mr. McNARY. Does any obligation fall upon the Government by virtue of the amendment?

Mr. SMITH. None that I know of. These are private liens, as I understand, which may have been taken prior to the repeal of the three acts. I have made the motion that the Senate concur in the amendment of the House and hope the motion will prevail.

Mr. NORRIS. Mr. President, as I understand, this is an amendment by the House and I have no objection to it. It simply involves the repeal of three acts of Congress.

As a matter of fact, I think the whole plan is merely to get ahead of the Supreme Court. The Supreme Court was bound to repeal those acts anyway, and we are merely doing it first. So far as I know, the Supreme Court has not yet had jurisdiction of those acts. If it has, it would probably be improper for us to repeal the acts now and the Supreme Court would probably hold that we did not have the constitutional right to do so. If the Supreme Court has asumed jurisdiction in its legislative capacity, I suppose this measure will be of no avail, but if it has not the bill ought to be passed.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina that the Senate concur in the amendment of the House.

The motion was agreed to.

LYNN BROTHERS' BENEVOLENT HOSPITAL

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 423) for the relief of Lynn Brothers' Benevolent Hospital, which were, on page 1, line 8, to strike out "payment" and insert "full settlement of all claims against the United States"; and on page 1, line 12, after "paid", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. POPE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

LUDWIG LARSON

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2166) for the relief of Ludwig Larson, which was, on page 1, line 8, to strike out "being" and insert "in full settlement of all claims against the United States for."

Mr. SHEPPARD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate letters in the nature of memorials from V. M. Douglass, of Fulton, Ind., George C. Kennedy, of Beulaville, N. C., and F. M. Yeager, of Francis, Okla., remonstrating against the enactment of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the City Council of Trenton, N. J., favoring the enactment of legislation for the protection of inland ports, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions of the executive committees of the Missouri Bar Association and the Ohio Bar Association, favoring the enactment of House Joint Resolution 237, relative to the bequest of the late Justice Oliver Wendell Holmes of his library to the Library of Congress and of his residuary estate to the United States, which were referred to the Committee on the Library.

He also laid before the Senate resolutions adopted by the Graphic Arts Association of Grand Rapids, Mich., favoring abandonment of the use and installation in Government departments and agencies of printing plants and printing machines to the end that governmental printing may be produced by private industry, which were referred to the Committee on Printing.

He also laid before the Senate a resolution adopted by a mass meeting of the Collin County (Tex.) Agriculture Association, favoring the prompt enactment of legislation tending to preserve as far as possible the A. A. A. program for agriculture and to preserve and stabilize farm prices, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the City Council of Cleveland, Ohio, favoring the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by a mass meeting of farmers at Waco, Tex., held under the auspices of the Farmers' Protective Committee, favoring the prompt enactment of legislation to guarantee the proper use of the soil resources of the Nation, to bring about an orderly flow of agricultural commodities in the channels of trade, to reestablish and maintain farm purchasing power, etc., which was ordered to lie on the table.

Mr. NEELY presented a telegram in the nature of a memorial from the West Virginia Grand Lodge of the Order of Sons of Italy in America, Fairmont, W. Va., protesting

against the present neutrality policy, which was referred to the Committee on Foreign Relations.

Mr. SHIPSTEAD presented a joint resolution of the Legislature of the State of Minnesota, favoring the enactment of legislation to continue the W. P. A. program until January 1, 1937, on a liberalized basis so as to permit the employment of needy unemployed persons who are no longer capable of self-support without first requiring them to accept public relief, which was referred to the Committee on Appropriations.

(See joint resolution printed in full when presented by Mr. BENSON on the 3d instant, p. 1331, CONGRESSIONAL RECORD.)

BENEFITS OF A. A. A. ACT

Mr. FLETCHER presented a telegram from a committee of farmers of Jackson County, Fla., which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

MARIANNA, FLA., *February 4, 1936.*

DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.:

Controlled agriculture under the triple A programs has increased the income of the 4,000 farmers of Jackson County, Fla., more than $500,000 yearly. It has enabled the farmers of this county to regain partially their rightful place in the economic picture of the Nation. We do not intend having that place again taken from us. The Supreme Court's decision of January 6 was an effort in that direction. Friends of agriculture in Congress and the administration are making a supreme effort to enact as a law a program to take the place of the Triple A. We, the farmers of Jackson County and our friends, in mass meeting assembled, and representing 4,000 farmers of the largest agricultural county in Florida, demand your support of such measures. We go on record as being bitterly opposed to repayment of impounded processing taxes to processors, believing and knowing in many cases that these taxes were collected from both the producer and consumer and in no case represents profits which should have been earned by the processor.

W. B. ANDERSON,
P. H. HAND,
O. L. OLIVE,
R. L. TOOLE,
J. W. MCKNIGHT,
C. L. ALFORD,
Committee.

INTERSTATE COMPACTS

Mr. WALSH. Mr. President, I ask to have inserted in the CONGRESSIONAL RECORD, treated in the nature of a petition and appropriately referred, an editorial from the February 1 weekly issue of America in support of Senate Joint Resolution 28 and House Joint Resolution 146, to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries, the latter resolution having recently passed the House and been referred to the Judiciary Committee of the Senate, before which committee both resolutions are pending.

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

[From America of Feb. 1, 1936]

INTERSTATE COMPACTS

Ten days ago the House passed the Walsh-Tobey bill. Newspapers which noticed the event at all gave it only a few sticks on an inside page. Yet this measure initiates a movement which may prove to be of great importance. It is the first interstate labor agreement drawn up by the authority of Congress and is signed by representatives of the States of Massachusetts and New Hampshire. The compact is now valid as between these two States and will be further extended as soon as appropriate action is taken by the Legislatures of Connecticut, Rhode Island, Maine, New York, and Pennsylvania.

The compact establishes uniform conditions of employment and wages in industry and is intended to protect labor by abolishing unfair competition in rival States. This system has been attacked, notably by delegates at the last convention of the Academy of Political Science, as slow, cumbrous, and unwieldy. Against this it may be said, however, that it is undeniably constitutional. Perhaps the best known example of an interstate compact is that existing between New Jersey and New York with reference to port authority and an interstate park. Were the system extended and given fair trial, experience might show feasible methods of eliminating the features now said to be cumbrous and unwieldy.

When the framers of the Constitution provided for compacts and treaties between the States under the authority of Congress they probably had chiefly in mind the differences that had existed under the confederation as to geographical limits. It is also possible that they thought this power might be usefully employed in matters affecting interstate commerce. The extent of the power has not been defined, but it seems wide enough to include many of the problems which the administration sought to answer by direct congressional action. The administration's methods expressed through the Recovery and the Agricultural Acts have been held to be unconstitutional. If the administration's plans are now to be carried out, either the Constitution must be amended or recourse must be had to interstate compacts. Thus a neglected clause of the Constitution assumes new importance.

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3367) for the relief of James Gaynor, reported it without amendment and submitted a report (No. 1504) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 762. A bill for the relief of Stanislaus Lipowicz (Rept. No. 1505);

H. R. 2527. A bill for the relief of Mrs. Amber Walker (Rept. No. 1506); and

H. R. 3864. A bill for the relief of Gladys Robbins (Rept. No. 1507).

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2157. A bill for the relief of Howard Donovan (Rept. No. 1508);

H. R. 3184. A bill for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley (Rept. No. 1509); and

H. R. 5525. A bill for the relief of George Current (Rept. No. 1510).

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3655. A bill for the relief of the Vermont Transit Co., Inc. (Rept. No. 1511); and

H. R. 8069. A bill for the relief of Mr. and Mrs. A. S. Mull (Rept. No. 1512).

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 7001) for the relief of Alice Markham Kavanaugh, reported it without amendment and submitted a report (No. 1513) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6297) for the relief of Leon Frederick Ruggles, reported it with an amendment and submitted a report (No. 1514) thereon.

Mr. BURKE, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2336. A bill granting compensation to Mary Weller (Rept. No. 1515); and

S. 2922. A bill for the relief of Rose Stratton (Rept. No. 1516).

Mr. DAVIS, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2517. A bill to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired (Rept. No. 1517); and

H. R. 3604. A bill to place William H. Clinton on the retired list of the Navy (Rept. No. 1518).

Mr. DAVIS, also from the Committee on Naval Affairs, to which was referred the bill (S. 3333) for the relief of DeForest Loys Trautman, lieutenant, United States Navy, reported it with an amendment and submitted a report (No. 1519) thereon.

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

H. R. 2156. A bill for the relief of Cecelia Callahan (Rept. No. 1520);

H. R. 4047. A bill granting 6 months' pay to James Zanetti (Rept. No. 1521); and

H. R. 8872. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's

Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah* (Rept. No. 1522).

Mr. JOHNSON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 1381) to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy" reported it without amendment and submitted a report (No. 1523) thereon.

He, also from the same committee, to which was referred the bill (H. R. 7110) to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased, reported it with an amendment and submitted a report (No. 1524) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3395. A bill to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla. (Rept. No. 1525); and

S. 3521. A bill to authorize an exchange of land between the Waianae Co. and the Navy Department (Rept. No. 1526).

Mr. RUSSELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 7486) to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps, reported it without amendment and submitted a report (No. 1527) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2883) to provide for the further development of vocational education in the several States and Territories, reported it with amendments and submitted a report (No. 1528) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3761) authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo., reported it without amendment and submitted a report (No. 1529) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 7875) to provide for the transfer of certain land in the city of Charlotte, Mich., to such city, reported it without amendment and submitted a report (No. 1530) thereon.

INVESTIGATION OF CAMPAIGN EXPENDITURES IN 1936

Mr. GEORGE, from the Committee on Privileges and Elections, to which was referred the resolution (S. Res. 225) for an investigation of campaign expenditures of Presidential, Vice-Presidential, and senatorial candidates in 1936, reported it with an amendment, and moved that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

"MORRO CASTLE" AND "MOHAWK" INVESTIGATIONS—SAFETY OF LIFE AT SEA

Mr. COPELAND. Mr. President, I desire to submit a report from the special committee of the Committee on Commerce, pursuant to Senate Resolution No. 7, Seventy-fourth Congress. It will be recalled that the committee is investigating the question of safety of life at sea. It has made one preliminary report. I now submit another report (Rept. No. 776, pt. 2) which has to do with the use of the radio in connection with safety at sea.

To carry out our recommendations I introduce a bill covering them. Also, I ask that the report be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, and the bill of the Senator from New York will be received and appropriately referred.

The bill (S. 3954) to amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life through the use of radio, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

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. LEWIS:

A bill (S. 3940) to provide for the establishment of a Coast Guard station on the shore of Illinois, at or near Montrose Harbor, Chicago, Cook County; to the Committee on Commerce.

By Mr. McADOO:

A bill (S. 3941) to amend paragraph 1730 (a) of the Tariff Act of 1930, as amended, to provide that oil, meal, and other products produced from the processing of sardines by reduction process shall not be exempt from duty; to the Committee on Finance.

By Mr. ROBINSON:

A bill (S. 3942) granting a pension to Roland Burkhart; and

A bill (S. 3943) granting an increase of pension to Elizabeth Dunn; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 3944) for the relief of W. D. Lovell; to the Committee on Claims.

A bill (S. 3945) to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.; to the Committee on Commerce.

By Mr. BACHMAN:

A bill (S. 3946) authorizing the appointment of Edward Thomas Hayes as a pharmacist's mate, third class, United States Navy; to the Committee on Naval Affairs.

A bill (S. 3947) for the relief of Robert Roy Shelton; to the Committee on Patents.

A bill (S. 3948) granting a pension to William Lourance; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3949) for the relief of Charles N. Short (with accompanying papers); to the Committee on Civil Service.

A bill (S. 3950) to aid in defraying the expenses of the Fourteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937; to the Committee on Foreign Relations.

A bill (S. 3951) granting a pension to Mary L. Robinson; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3952) for the relief of R. E. Greer (with accompanying papers); to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 3953) for the relief of Thomas F. Gardiner; to the Committee on Claims.

(Mr. COPELAND introduced Senate bill 3954, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. MOORE:

A bill (S. 3955) to advance a program of national safety and accident prevention; to the Committee on Interstate Commerce.

By Mr. WHEELER:

A bill (S. 3956) for the relief of Jacob Kaiser; to the Committee on Claims.

A bill (S. 3957) granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; to the Committee on Irrigation and Reclamation.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 206) relative to the closing of Military Road intersecting the Washington-Hoover Airport; to the Committee on Military Affairs.

By Mr. WHEELER:

A joint resolution (S. J. Res. 207) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807); to the Committee on Indian Affairs.

HOUSE BILLS REFERRED

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

H. R. 300. An act for the relief of F. P. Bolack;

H. R. 376. An act for the relief of Lillian M. Lanphear;

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 1265. An act for the relief of N. N. Self;

H. R. 1695. An act for the relief of Margaret Grace and Alice Shriner;

H. R. 2400. An act for the relief of Blanche Knight;

H. R. 2467. An act for the relief of Holy Cross Mission Hospital;

H. R. 3513. An act for the relief of Archie P. McLane and Hans Peter Jensen;

H. R. 3914. An act for the relief of Oscar Gustof Bergstrom;

H. R. 4219. An act for the relief of John J. Ryan;

H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;

H. R. 4796. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932;

H. R. 4797. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during a hurricane in Samoa on January 15, 1931;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 4965. An act for the relief of M. M. Smith;

H. R. 5753. An act for the relief of Edith H. Miller;

H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;

H. R. 6668. An act for the relief of S. John Hegstad;

H. R. 6669. An act for the relief of Mrs. Earl Poynor;

H. R. 7463. An act for the relief of Lawrence R. Lennon;

H. R. 7818. An act for the relief of Caroline M. Hyde;

H. R. 8039. An act for the relief of John B. Meisinger and Nannie B. Meisinger;

H. R. 8094. An act for the relief of Dr. J. C. Blalock; and

H. R. 8465. An act for the relief of Zoe A. Tilghman; to the Committee on Claims.

H. R. 3340. An act for the relief of Jesse S. Post;

H. R. 5747. An act for the relief of Gordon McGee; and

H. R. 8242. An act authorizing the President to order Louis U. LaBine before a retiring board for a hearing of his case, and upon the findings of such board to determine whether or not he be placed on the retired list with rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

H. R. 7092. An act for the relief of Capt. Percy Wright Foote, United States Navy; to the Committee on Naval Affairs.

H. R. 7788. An act for the relief of Mrs. Earl H. Smith; to the Committee on Indian Affairs.

H. R. 8824. An act for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually; to the Committee on the Judiciary.

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes; to the Committee on Territories and Insular Affairs.

CHANGE OF REFERENCE

On motion of Mr. JOHNSON, the Committee on Pensions was discharged from the further consideration of the bill (S. 3839) granting a pension to Randall Krauss, and it was referred to the Committee on Claims.

PARK AND RECREATIONAL FACILITIES—REFERENCE OF BILL

Mr. WAGNER. Mr. President, I ask unanimous consent to have referred to the Committee on Public Lands and Surveys Calendar No. 1535, being the bill (H. R. 10104) 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.

This bill was placed upon the calendar undoubtedly by inadvertence when it was received from the House. It is a subject matter over which the Committee on Public Lands and Surveys has jurisdiction and to which that committee has given consideration. I ask that the bill be referred to the Committee on Public Lands and Surveys.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will be referred to the Committee on Public Lands and Surveys.

AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. GORE submitted an amendment proposing to appropriate $25,000 for the purchase by the Smithsonian Institution of the *Winnie Mae*, with the original instruments used by Wiley Post, intended to be proposed by him to House bill 9863, the independent offices appropriation bill, which was ordered to lie on the table and to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to House bill 10630, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 42, line 2, to strike out all after the word "available", to strike out line 3, and to insert in lieu thereof the following: "Until June 30, 1937, for the same purpose and under the same conditions, except as to recoupment of expenditures and payment of interest on unrecouped balances, which requirements are hereby waived."

AGRICULTURAL RELIEF—AMENDMENTS

Mr. CAREY, Mr. RUSSELL, and Mr. CONNALLY each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation, which were severally ordered to lie on the table and to be printed.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO MISSISSIPPI FLOOD-CONTROL BILL

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, which was referred to the Committee on Commerce and ordered to be printed.

OWNERSHIP OF GOLD STOCK IN THE TREASURY

Mr. SHIPSTEAD. Mr. President, I submit a resolution which I ask may be read and lie over 1 day.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The resolution (S. Res. 228) was read, as follows:

Resolved, That the Attorney General be requested to furnish the Senate with a formal opinion as to the ownership of, and encumbrances on, the gold stock of $10,182,372,580.54, reported on February 1, 1936, by the Treasury of the United States as among its assets, with particular reference to the status of the gold taken from the Federal Reserve banks.

Mr. ROBINSON. Mr. President, does the Senator ask for immediate consideration of the resolution?

Mr. SHIPSTEAD. I should like to have immediate consideration, if unanimous consent could be granted.

Mr. ROBINSON. I cannot consent to immediate consideration of the resolution. I suggest that it be referred, probably to the Committee on Finance, so the committee may consider it and report on it.

Mr. SHIPSTEAD. The resolution simply asks for information.

Mr. ROBINSON. I understand; but it calls for a legal opinion on the matter. I have some doubt as to the propriety of the resolution. I think it ought to be considered by the committee.

Mr. SHIPSTEAD. As to the propriety of the resolution, I think it is pertinent to have the information and opinion.

It has been stated here on the floor of the Senate that the gold was confiscated under the Federal Reserve Act——

Mr. ROBINSON. I cannot consent to the present consideration of the resolution.

The VICE PRESIDENT. The resolution will go over under the rule.

Mr. SHIPSTEAD. I am not asking that it be considered now. I wish to make a brief statement in view of the suggestion made by the Senator from Arkansas as to the resolution being pertinent.

There have been introduced in the Senate several bills to provide for the issuance of currency against the gold in the Treasury. It has been stated on the floor of the Senate, without giving any explanation therefor, that when the Central Government took the gold away from private citizens they took it from the Federal Reserve banks as well, and we are told they gave receipts to the Federal Reserve banks, which are private corporations, and that private persons did not get receipts. If there is any question about the ownership of the gold we ought to know it, because we are to be called upon to legislate on matters relating to it.

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

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

Mr. SHIPSTEAD. Certainly.

Mr. KING. Is it not a fact that the Government is merely acting as trustee, and that the equitable title, at least, is in the hands of a multitude of banks and individuals, who, in the last analysis, are the owners of the gold? My understanding is that less than $500,000,000 of gold in the Treasury of the United States is owned by the Government, and that the rest of it is owned by individuals; at any rate, they have the equitable title and they would have the right in morals and in equity to assert that claim at any time.

Mr. SHIPSTEAD. All I care to do is find out what is the legal ownership and where the title lies. I think Congress ought to know.

The VICE PRESIDENT. The resolution will go over under the rule.

Mr. FLETCHER. Mr. President, the suggestion has been made that the resolution ought to be referred to the Committee on Finance. I merely wish to say now that it ought to go to the Committee on Banking and Currency, instead of the Committee on Finance, if reference is to be made.

Mr. ROBINSON. Mr. President, I believe, with the indulgence of the Senator from Florida, that his suggestion may be correct.

The VICE PRESIDENT. Whenever the question arises of reference, the Chair will remember the suggestion of the Senator from Florida.

POSITIONS NOT UNDER THE CIVIL SERVICE

Mr. CAREY submitted a resolution (S. Res. 229), which was ordered to lie on the table, as follows:

Resolved, That the Civil Service Commission be, and it is hereby, directed to furnish the Senate with a full and complete list of all officers, positions, places, and employments, listing the same by departments, bureaus, boards, commissions, and independent establishments, including the government of the District of Columbia, unofficial observers, special attorneys or special agents, and Federal employments of all kinds, with the amount of salaries of each attached, under the Government of the United States and not under civil-service rules and regulations.

CONTINUATION OF THE GENERAL SURVEY OF INDIAN CONDITIONS

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 230), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, is hereby continued in full force and effect throughout the duration of the Seventy-fifth Congress.

SUPERINTENDENT OF SHILOH NATIONAL PARK

Mr. McKELLAR submitted the following resolution (S. Res. 231), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 198, agreed to June 13, 1934, authorizing a select committee to investigate charges of incompetency and abuse of official duties by the superintendent of the Shiloh National Park, hereby is continued in full force and effect until the end of the Seventy-fourth Congress.

WARREN A. SMALL—WITHDRAWAL OF PAPERS

On motion of Mr. HALE, it was

Ordered, That the papers accompanying the bill (S. 3621) granting a pension to Warren A. Small, Seventy-fourth Congress, second session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

TAXATION—ADDRESS BY SENATOR COPELAND

Mr. WALSH. Mr. President, I ask to have inserted in the CONGRESSIONAL RECORD a timely and able discussion on the subject of taxation, delivered at the annual dinner of the Real Estate Board of New York on February 1, by the senior Senator from New York [Mr. COPELAND].

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

It is not easy for one to serve as a pinch hitter. It is particularly difficult when asked to take the place of Sir Gerald Campbell, the charming British consul general.

I can well understand, however, the grief of Sir Gerald over the death of his sovereign. It seems appropriate for us to express sympathy for him and through him to the great British Empire in his grief and the grief of his nation over the death of King George V. Whether we are pro-British or otherwise, there is no doubt in the minds of all men that King George was a lovable, tactful, progressive king, interested in the welfare of his people, and anxious to serve them to the very limit of his energies and regardless of personal sacrifices.

Here is a group, the Real Etate Board of New York, organized to promote real-estate development, the building of great structures, and particularly the erection of homes for all classes of society. I served as a representative of the city of New York in the World Housing Conference in 1920, as I recall it. This meeting was held in London, and I am glad to say it attracted not only the endorsement of the King but his sympathetic interest in the world-wide efforts to place human beings in decent homes. Our hearts go out to Sir Gerald Campbell tonight, and no one more than I regrets that he could not stand here where I am to deliver to you the message he had in his heart.

It is well known to this audience that as a private citizen and as an official I have striven through many years to do what I could to promote home building in the city of New York. Long before I came to this State to live I had a more or less active part in the building-and-loan movement. It has been my pleasure as a Member of Congress to do what I could to promote legislation seeking to assist in relieving the housing shortage and to place the families of America in quarters appropriate to their welfare.

As I view it, bad housing is a menace to society. When you crowd into insanitary and unhealthful quarters a family of 8, 10, or a dozen persons you have created conditions which are dangerous far beyond the invasion of health. Needless to say, such manner of living is a menace to health, but, more than this, it is an attack upon morals and upon the very stability of orderly government. The surest guaranty of good citizenship is the housing of the family in respectable and healthful quarters.

If the home can be one owned by the family, it means everything to the civic life of the community. When once man and wife are living under their own roof, you may be sure that that family wants to know about community government, taxation, and the election of the right sort of men to public office. A worthwhile equity in a home is better than a bond to guarantee the integrity and right living of its possessor.

We were making progress in New York to the end that every family might live in a home of its own. With the onset of the war and the many social and economic changes which followed it, the picture was changed. It is only now that we begin to approach an era of better things in building and real-estate matters.

The real-estate board, no matter what its achievements were in the past, has an opportunity now to render a great and an unusual public service. I say this not to flatter you but in all sincerity. You are engaged in the real-estate business; there can be no more honorable calling in life. You are not in this business for your health; of course, you have a right to expect a reasonable return upon your investments and your efforts. There are few callings in life, however, where the opportunity for public service is so interlaced with private transactions.

Since I am invited here to speak, it must be because you expect from me some expression of opinion regarding the legislative activities of the Congress and the energetic undertakings of the administration. As regards the latter, I cannot pretend to speak in any authoritative manner. As regards the Congress itself, I may perhaps express some opinions, such opinions as one Member is entitled to hold and perhaps defend.

Wherever two or three Americans are gathered together, it is natural to ask, "Whither are we drifting? What is to be the future of our country, and how are we to deal with the increasing debt which is so rapidly accumulating?"

I am not distressed over the immediate effect of this great national debt. I assume it might be considerably greater than it is now without bringing immediate disaster. But it is not the immediate present that gives me greatest concern, although I should not be truthful if I did not admit I am worried about that. It is

the future, the burden upon our children and our grandchildren, that I have in mind.

Only this week a vast majority of the Senate voted for immediate payment of the bonus. I know how controversial is that subject, and I am not here to reopen it. My only purpose in mentioning it is to free myself from the charge of inconsistency in view of what I shall say about the increasing Federal debt. This is all I care to say about the bonus: The average citizen forgets that the country more than a dozen years ago committed itself to the payment of the bonus in 1945. In other words, we had to pay that debt, anyhow, 10 years from now; and so the only criticism that can be rightfully passed upon one who voted for it, is that we anticipated a debt which was not yet due. But I want to place emphasis upon the fact that we have been facing the necessity of paying it in 1945. In short, the present act was not the assumption of a new debt. It was merely anticipating what the Treasury had to bear and must bear, disregarding for the moment all the other arguments which were advanced for its immediate payment and which were a large factor in arriving at the decision. I am making this statement, not in apology, but to explain that the manner in which the bonus has been dealt with is a mere incident in the general financial and debt situation which must be faced during the next decade.

Reverting to the statement made a moment ago, I do worry about the ultimate disposition of the national debt, which will become a staggering one, if it has not reached dangerous proportions already. The reason I speak about the future instead of the immediate present is because, whether it is wise or unwise, the financial demands can be handled so long as the Federal Government has borrowing power. But with any material revival of business, which we are praying for, there must come a time when the central Government can no longer depend upon the banks—which are now hardly more than fiscal agents of the Government—to supply the money for new or continued Federal projects.

Certainly there can be no such thing as balancing the Budget until we stop expanding our Federal activities, with the consequent demand for more and more money. To balance the Budget, there must be retrenchment, with ruthless cutting of expenditures, or else there will of necessity be markedly increased taxation. Income taxes will soon rise to the point of diminishing returns. Even though the base were broadened and persons of small income brought into the income-tax-paying class, there would not be money enough to meet our obligations. Indeed, if the entire revenue of citizens having incomes of $10,000 or more were confiscated, the Budget would not be balanced.

The levying by the various States of the nuisance taxes, which is added to the attack of the Federal Government upon these same sources, is another factor which must be worried over by somebody. Unless some method of cooperation is established between the Federal Government and the various States it is inevitable, as I see it, that ultimately real estate, including farm properties, will be called upon for such burdensome contributions to the State treasury that all hope of real-estate development will disappear.

I do not know how you feel about it, but I was much impressed with a recent statement by Mark Graves, New York State Commissioner of Taxation and Finance. According to the newspaper report I read, Mr. Graves believes it to be inevitable that in the future persons of modest means will pay larger taxes than in the past. There can be no question about that. The response to this demand for more tax income is regarded by Commissioner Graves as a question of method. If he is correctly quoted, he advocates a plan which would afford the consumer an easy installment method of paying taxes. It is natural, in view of his official position and experience, that he should add the comment that such a plan could be made possible without increasing the cost of collecting such taxes. With a widened income-tax base there would be almost insurmountable difficulties in applying justice to all concerned.

He then urged, as I read the report, that there should be early adoption of a general manufacturers' sales tax. With this proposition I find myself in complete accord, provided there is devised some plan of close cooperation between the Federal Government and the States in the uses to which such revenue would be applied.

Surely no one can doubt that we cannot maintain a healthy economic order unless, as Mr. Graves suggests, there should be a substantial degree of uniformity in the more important tax fields. He properly urged that we must avoid competitive and double taxation, because such an imperfect system as that must result in annoyance to all concerned. Worse than this, bad as such an effect would be, there would be an almost irresistible temptation to excessive and extravagant expenditures.

It is evident that unless some understanding is arrived at there will come into existence a permanent system of duplicate tax collection by the Federal Government and the States. That must inevitably result in an exhaustion of sources of revenue for the State and a consequent demand for increased real-estate taxation.

The last time the income-tax bill was up for discussion in the Senate, the able senior Senator from Massachusetts [Mr. WALSH], on the 31st of May 1933, presented an amendment, which I am glad to say I had some part in preparing. This provided for the imposition of a tax upon every article sold in the United States to be paid by the manufacturer or producer thereof. Exemptions were made as to foods and medicines. A tax on wearing apparel was to be imposed, but not until boots and shoes had reached $6 a pair and not on a suit of clothes or a dress selling at less than $35. Exemptions were made as to certain agricultural products, implements, and machinery, the hand tools of workmen, and articles used for fertilizers, newspapers, magazines, and other periodicals, as well as books, pamphlets, and music, particularly textbooks and Bibles, and articles of religious devotion, altars, pulpits, and the like.

A family having an income of $2,000 with the tax at 2½ percent, would pay less than a dollar a week for the support of Government. To pay that much would require that every penny of the income would be expended for nonexempt things. Of course, this would not be the case, so the tax would fall below a dollar a week, probably half the amount.

I do not know just how far this plan might go in the way of production of income, but it would be an enormous sum. A manufacturers' tax of 3 percent would amount to a billion dollars a year, I am informed. I do not undertake to fix the rate of such a tax or to enumerate the exemptions, but there is in this system a possibility of taxation without embarrassment to the low-income producing families of America. The one tax on cigarettes, 6 cents a package, produces an amazing return, and I doubt if one person out of a thousand knows that tax exists. I am well aware how seriously the sales tax, of which this is really an extreme example, is opposed by many in influential position.

In this connection it must not be forgotten that directly or indirectly, the great masses of the people pay the taxes anyhow. Indeed, it is estimated that out of the pockets of the poor comes at least 70 percent of the money paid in the way of taxes to one or another branch of Government.

But we face the cold fact that there must be found ways to provide more governmental income and to do away with the dreadful effects of a steady increase in a national debt until it rises far above the possibility of payment, with consequent perils of excessive inflation and even repudiation. As a matter of fact, the United States has already become a billion-dollar interest-paying country.

There is great force in Commissioner Graves' suggestion that the States should withdraw from the consumption-tax field in favor of the Federal Government, which would then have exclusive rights to tax motor fuel, liquor, tobacco, jewelry, and other things, but with the distinct understanding that the proceeds of these particular taxes shall be apportioned among the States. Likewise it is his view, with which I am in full agreement, that the receipts from the estate taxes should be left entirely to the States, with greater latitude also in the way of allowance of credits on the Federal taxes on amounts paid in response to the income-tax demands of the individual States.

I am not urging these things merely because I want to make the real-estate board members feel cheerful. I am not saying this to make the owners of farm and village properties feel better. I believe, as one interested in the welfare of our citizens, that all those things which make for increase of real-estate taxation should be examined under the microscope. In every State in the Union the real-estate burden of taxation is too great. In the State of Florida it has been necessary to make most amazing concessions to property owners. In that State, of course, there were special reasons why the taxes had been assessed upon values which were grossly inflated; but, nevertheless, no matter what the tax may be in any State, it is a burden to real-estate owners. If there were some way of making a distinction between the rich and the poor, the palace and the modest home, I wouldn't be so concerned over it. We cannot, under our American system, make such distinctions. It took an amendment to the Federal Constitution to validate the principle of the graduated income tax. We have no present power of graduating the real-estate tax.

I am glad that your organization favors the Federal mortgage-discount plan and the proposal of the State mortgage commission for the creation of State mortgage banks. You had much to do with the passage of the Mortgage Moratorium and the Deficient Judgment Acts. It is my feeling that they should be continued. Certainly this must be done if new burdens are placed on the owners of property who at this moment are just holding on by their teeth. It is calamitous to think of anything which may result in the widespread loss of equities in properties of which the purchase had required great sacrifices. I think of the wife and mother when I hear of foreclosures. We must avert these if we can.

In all probability the question of slum clearance and the use of Federal funds for subsidizing new buildings have been gravely studied by your group. The subject is so large that it merits the most solemn consideration before any conclusion is reached and large sums expended for this purpose, perhaps to the ultimate if not to the immediate disadvantage of our people.

As one whose business it was for years to deal with health problems in connection with our "old law" tenements, I have deep convictions regarding them. I have said a thousand times that if I had my way they would long ago have been dynamited and utterly destroyed. We thought we had entered upon a program in New York which would result in the elimination of slum life. But instead of demolishing these ancient and dangerous structures we boarded them up. With the lack of building through the war and the tremendous immigration immediately following it we found the boards taken off the broken windows and families by the thousand crowded into quarters which were not suitable even for cattle and hogs.

There is always a temptation to exploit humanity and to get money by utterly indefensible methods. But for my part, I never want to see that sort of thing happen again in this beautiful city which we love. I find myself cold to any program of so-called

slum clearance unless that plan carries with it exactly what the words mean, the actual physical demolition of those outrageous old slums. When anybody undertakes to build tenements and modest apartments such as we have in mind, it must be with the distinct understanding that these modern buildings are intended actually to replace old ones. The old buildings should be taken away and the land used for other purposes, perhaps for playgrounds and schools. Someone said to me, the other day, that unless these slums are eradicated they will be left as "a festering sore in the community where they exist."

Under certain conditions, I have no doubt liberal concessions would be made by private investors as to the rentals to be charged in new buildings. No doubt such improvements would be initiated if the menace of the old-time slum competition were removed, and the money could be obtained by private investors at low rates of interest. If I had my way I would have the laws so framed that this new construction would be done with private capital.

No doubt you feel sometimes that the Government in Washington is far removed from your influence. If the Government does not function as you think it should, perhaps it is in part due to the fact that you have failed to use your influence. Of course, it is the same in the House of Representatives, but I know I tell the truth when I say that there isn't a Member of the United States Senate who is not eager to be fully informed on matters under consideration, and to be assisted in the conclusions he is called upon to form.

In the city of New York, the biggest city in the world, we are sometimes impatient when we learn a new farm bill is being formulated. While I am out of patience with some more or less recent enactments in this direction and disturbed over the prospect of another proposal, I can understand the attitude of the farm States. I am out of patience because the cost of living in the cities and elsewhere, of course, has been so materially increased by most of these efforts at so-called farm relief. This is a consumer State, and it makes a vast difference to us what the price of meat is, the price of flour, and of other necessities.

Yet, let us consider our position as a city. New York is frequently spoken of as the great financial center of the country. It is that. Before the Government became so generous, whenever a community in the United States wanted to build a school, a hospital, or a highway, or to install a sewer system or waterworks, New York was appealed to for the money. It was and is the great financial center of America.

But how often do we think of New York City as a manufacturing center? The fact is that within the limits of this city the manufactures in bulk and value, exceed the combined output of Pittsburgh, Cincinnati, St. Louis, Milwaukee, Cleveland, Detroit, and Boston. The value of the furniture made here is greater than the value of the furniture made in Grand Rapids. Our manufacture of clothing and women's garments leads the world. What do we do with these things? We do not use them in New York. We sell them, and our chief customers are the farmers.

The thing I wish to bring out is that New York City has a definite, direct, and genuine interest in the welfare of the farm population of America. Unless the farmers prosper there are bread-lines in the cities.

I am telling you these things in order that you may not be impatient with the struggles of the agricultural group to accomplish their purposes. There is a lesson in this, however. We ought to be struggling to present our views and our needs. New York State is the tax-paying State. It is mere sophistry to say that New York is the reservoir into which flows the wealth of the Nation. That statement is made frequently to belittle New York and to lessen the effects of criticism emanating from our city, criticisms of the purposes of the Government and of the efforts of different groups to feather their own nests. It would be a form of insanity, however, to question the necessities of other localities and other groups. We can best promote our own appeals and desires if we view sympathetically the efforts and desires of other sections of the country to solve their problems.

I do not utter these things because of any sympathy I have for potato control, plowing under cotton, or killing little pigs. I cannot bring myself to believe that those things make sense. They represent the extreme movement in a certain direction which you and I do not approve. But in opposing these things let us not do it in the spirit of utter unwillingness to get the point of view of the other fellow.

We in New York are in the position of needing to attract the attention of the other fellow to the burdens imposed upon the great centers of population and to what might happen if there were widespread discontent among the crowded parts of the cities of America. Just as we have an interest in the prosperity of the farmer, they have an equal interest in the prosperity of the city dweller, because unless we can buy they can't sell. This whole problem of economics is a two-edged sword. It cuts both ways. It is a dangerous implement which must be cautiously used, as carefully used as the scalpel of a surgeon.

I have wandered somewhat. The particular thought I desire to leave with you is that upon the great group of men gathered here rests the responsibility of pointing the way to a better system of taxation. The power to tax is the power to destroy. There must be a restatement of the objectives of that authority and a better formulation of the tax laws. Otherwise, through the application of the taxing power will come destruction. There must be brains enough in the city of New York and in your organization to write a formula which can be used to solve not only the tax problems of New York but the tax problems of the Nation. I have faith and believe there is.

THE ROOSEVELT ADMINISTRATION—ADDRESS BY HON. JAMES A. FARLEY

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at Portland, Oreg., November 23, 1935.

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

It is fine to be back in the State where my friend, General Martin, is Governor; in a city where my equally good friend, Joe Carson, is mayor. Both of them carry out the thought that good government is more important even than party affiliation. They are examples of what I contend is the first principle of successful politics, and that is adequate, able, and single-minded service to the public is the only thing that makes for permanent party success. While I am on this subject let me tell you that Congressman PIERCE is not only a true, loyal Democrat in the National Legislature but that he is performing his duties so well that he is regarded as a public servant first and a party man second.

A great deal of water has gone over the dam and a great deal of wheat has gone to the mill since I addressed the Democrats of Oregon. I never come to this State except with a sense of gratitude. For I never can forget the generosity of this State; first, in assuring a Roosevelt delegation in 1932; and second, for the part played by your people in making it possible to place in the White House our President. In expressing this sentiment I do not merely express my own appreciation, but I believe I voice for the whole country its gratitude for your contribution to the establishing in office of an administration brave enough and capable enough to lead this country back to prosperity.

I have no doubt that next year Oregon, in company with practically the whole sisterhood of States, will vote to continue this administration to the end that the work which we have undertaken shall go on unchecked until all the pain and distress of the depression period is behind us.

I know, of course, that the New Deal is being attacked. I know that rich and powerful interests are at work seeking to break down the processes of rehabilitation. I know that they are gladly spending millions of dollars in this effort. You and I both know, because of the testimony brought out before an investigating committee in Congress, that they actually disbursed $2,000,000 in their endeavor to prevent the enactment of a single law aimed to break the grip of parasite holding companies on industries from which they extracted enormous fortunes for themselves to the detriment of shareholders and rate payers alike.

It is from such sources that we hear such expressions as that our present approach to prosperity is in spite of the New Deal and not because of it. I doubt if there was ever a more insolent, more baseless thought expressed in any politaical campaign. Roosevelt's advent to the White House found the country, as you know, in the throes of one of the worst crises in its history.

The enemies of the administration try to convey to you that our President is pursuing a revolutionary course. The talk of a revolution today is childish. But it was not childish when banks were toppling all over the country, when millions of people were threatened with starvation, and our whole economic fabric was reeling. At that time you heard no clamor against any expedient that the incoming President might suggest. From the moment he stopped the epidemic of failing banks by closing them all until there was opportunity to establish the good banks on a sound basis and restore confidence in them, and to rebuild such others as could be saved, everybody, without exception, accepted the President's administration with gratitude.

It was only when the returning tide of prosperity had emboldened them that big business linked hands with his political adversaries and sought to regain control of affairs. Control which had led us straight to the verge of destruction and which inevitably would dump us back into the hole in the course of a few more years!

Within the last few days the foremost political exponent of the old regime has renewed his prophecies of disaster in the event of the continuance of the Roosevelt administration. Really ex-President Hoover's recent utterances read like a sequel to his 1932 campaign cry when he exhorted the country to believe that grass would grow in our streets and panic would reign unchecked if the Democrats won the election. Now he has changed his simile but continues to preach that if the Roosevelt system goes on nothing can save us from destruction.

It is a curious position in which Mr. Hoover finds himself. He does not admit that he is a candidate for a come-back. But he rushes up and down the country conferring with everyone on the Republican side who had or has influence in that party's councils. He makes a speech and delivers a statement whenever the opportunity offers, in which he directly or indirectly contrasts what has been done by the party in power with what he did when he occupied the White House.

Instead of the grass-grown streets and shattered economic system, we read every day in the papers of some new manifestation of the restoration of commerce and industry to health. For example, on my way West this time I saw that the Union Pacific Railway reported net operating income of nearly $4,000,000 for October of this year, a good deal more than $1,000,000 over its net operating income over October of last year. I do not intend to bore you with masses of statistics. You have only to consult the headlines on the financial pages of your own newspapers to determine what is going on.

Officials of the same railroad system told me on the way across that they had just spent several million dollars for railroad supplies and that they had more men employed at this season of the year in fixing up the roadbeds than in any corresponding period since the panic struck us. You get the same story everywhere of corporations resuming dividends, corporations that have not paid dividends for 5 years; of increased business and higher net profits of department stores and mail-order houses; of the increase in the capital of insurance companies, manifested by the higher market value of the securities they hold; of increased travel; of profitable seasons at the summer and winter resorts.

Now, all of these things did not just happen. They were brought about because the man in the White House remained cool at a time when leaders of business were having fits, because he had vision enough to see a way out when nearly everybody else in the country could only moan in despair, because he had the fortitude to go before the people and tell them just what he was trying to do and the frankness to tell them that unless they cooperated the experiments he was trying could not succeed.

Nobody will contend that mistakes were not made, but add up all the possible errors and the aggregate of harm would not be a decimal fraction of the distress which would have resulted had he not taken the bull by the horns, had he not risked his political life and the agony of the whole Nation in his effort to accomplish the things which he had full faith could be accomplished.

Those who seek to smash the fabric he has erected are given to pointing to the N. R. A. as a sample of governmental blundering. The Supreme Court did declare the N. R. A. processes as outside of the Constitution. In that decision there was no criticism of the objects or of the goal sought to be won through the N. R. A. They merely decided that under the written terms of the Constitution there was no warrant for the codes.

Of course, that was a set-back; but let us not forget that during the 2 years when we thought the N. R. A. was as valid as it was useful a whole lot was done which might not have been done without it. The operation of the National Recovery Act harmed nobody. It helped millions. It put men to work at increased wages, diminished working hours; it eliminated child labor from our industrial system and suppressed the sweatshops. The N. R. A. and its twin brother, the A. A. A., gave business the impetus it required; made the farms again assets instead of liabilities. It is regrettable that under the law as construed by the Supreme Court Constitution provisions were infringed. I do not think, however, that the man or woman who got a job through the illegal N. R. A. feels very bad because he was an accomplice in lawbreaking. Nor do I think the business house that was temporarily freed of unfair competition by employers of child labor and sweatshop methods and so was able to stave off bankruptcy is very much disturbed.

Some of us, including the President, were dismayed because of the Court's decision; but nobody, least of all the President, resisted that decision or felt that the great Judges have been guided in it by anything but their own sincere and learned construction of the law. Somebody of statistical turn of mind recently reviewed the acts of Congresses and Presidents, both Republican and Democratic, and found that no modern administration had escaped the enactment of laws that were voided by the Supreme Court. So you see, when that curious aggregation of Liberty League lawyers, composed principally, if not altogether, of attorneys who had received large fees from the big-money fellows who are fighting the New Deal, solemnly announce in advance of the Court's decision that this or that law is unconstitutional, they are at least as likely to be wrong as right. Indeed, as a recent scrutiny of the Supreme Court record showed, the most eminent of these volunteer judges have been turned down by the Supreme Court on constitutional questions time and time again.

Never by any chance do you find one of these time-serving lawyers, or their clients, or the Republican high command, which takes its orders from them, admitting that by any possibility the President by himself can do a right thing. Their creed is that it is wrong if it proceeds from Roosevelt.

I am glad to say that while this is the attitude of the high command, there are Republicans who have realized that the value to the public of the Roosevelt measures for recovery and reform are more important than mere party affiliation. Many of these measures were adopted with the help of Republican votes, and I am happy to say that Senator McNary, although of the opposite political faith, on more than one occasion proved that he was more a patriot than a partisan, and assisted materially in getting through the legislation that the President asked, and I honor him for it.

The other day the President announced the completion of a reciprocity agreement with Canada by which we made certain tariff concessions in exchange for equal or greater concessions from the Dominion Government. The purpose of this agreement was evidently twofold—first, to improve our foreign trade, which languished partly as a consequence of the depression and partly because of the exorbitant tariff enacted by the last Republican Congress; and secondly, to check an undue advance of the cost of living in this country. The imports affected, by quota agreements, etc., are so small compared with the total consumption of these products as to be negligible. We will gain by increased business vastly more than we give up, which sounds to me like a pretty good bargain, and yet I note that Mr. Hoover sarcastically describes the incident as affording the more abundant life—for Canada.

It is quite possible that some few industries may feel disturbed by this agreement with Canada. Let me say of these industries that they do not permit themselves to be excited, even though it may appear that some products are brought in in competition with their own. In the first place, the amount of such imports is small. In the second place, the general advance in our economic situation, in consequence of increased foreign trade, will be of great, if indirect, value to them. Just let them wait and see how this thing works out, and I think I am justified in saying that within a very few months they will find that their fears are groundless and that the reciprocity agreement is really a good thing.

The former President's own adventures with the tariff, the apologies he made for signing an exorbitant tariff bill in the face of the protest of every economist in the country, hardly qualify him as an expert in such matters. But it was the act of Roosevelt and therefore, in his opinion, it was all wrong.

No; I do not know that Herbert Hoover is to be the standard bearer of the Republican Party next year. I have yet to read anywhere any disclaimer of his ambition in that direction. It is, of course, none of my business whom the Republicans nominate, but it does seem to me that Mr. Hoover's nomination would be quite logical. He represents more closely than any other individual the philosophy of those who are assailing the Roosevelt policies. If there is anything in their contention that the New Deal is a subversive, detrimental, communistic, dictatorial system, it would seem natural for them to put up as their leader in their fight against it the particular individual whose administration as President was definitely and positively the very opposite of the New Deal. But that, of course, is the business of the Republicans and not our business.

Among the many rich industries of your great State I believe agriculture ranks first. I assume that the A. A. A. is as popular with you as it is with the farmers of every other section of the Union. Yet every now and then some eminent Republican, particularly in the East, attacks the A. A. A. as socialistic. Or as former Senator Wadsworth, of New York, described it, "a senseless violation of the law of supply and demand." Of course, most of these attacks on the measure that is putting agriculture on a level with industry in the enjoyment of Government favor mostly proceed from the Atlantic coast. It so happens that control of the Republican Party is vested in the East. It has always been so. Consequently, it is only fair to assume that if the East dictates the candidate and the platform of the next Republican convention, a repeal of the agricultural legislation will be one of the principles advocated.

To be sure, every time one of the eastern spokesmen is bold enough to put this situation into words he is hushed into silence by the Republican strategy. They, of course, realize that this subject must be handled gingerly for fear of alarming the farm country, but the opposition has got to do something about the A. A. A. They cannot openly approve it, because that would be an admission that Roosevelt had contributed something to a recovery movement. So the general policy appears to have been adopted by promising something just as good or better than the A. A. A. for agriculture. Up to date, no opposition spokesman has outlined his substitute for the A. A. A., and it does not seem to me very probable that any considerable number of farmers are going to accept this vague, undefined, hazy solution of the problem in lieu of the process that has proved so beneficial to them.

"But," say the attorneys for Big Business, "the Supreme Court will declare the A. A. A. unconstitutional." I am not a lawyer, and if I were I am very much in doubt if I would try to decide a case for the Supreme Court. I do know, however, that the administration has proceeded on the advice of lawyers equally eminent, and that in their opinion the law as it stands is quite within the provisions of the Constitution. As near as I can figure it, the opposition's general position is that whatever Mr. Roosevelt does or proposes is unconstitutional, ipso facto—I think that is the proper legal expression. This may or may not be good politics, but not a good thing to bet on.

I don't know whether you people out here are very much concerned with the Guffey coal bill, which is another of the recent enactments that the hired lawyers of the big-money interests are saying "will be invalidated by the Supreme Court." It does, however, concern the living of about two and one-half million men, women, and children. The purpose of this act is to put an end to the demoralization of something that vitally affects our whole manufacturing structure. It is vitally important to the railroads, for example. Cutthroat competition forced even the most benevolent owners of coal mines to cut prices down so far that they could not longer pay their miners living wages, and as a natural result there have been recurring strikes and other disturbances.

The bill was enacted into law by the last Congress, and its purpose is to benefit the whole coal industry and to put an end to cutthroat competition. It raises the two and one-half million people dependent on the industry from the peril of serfdom to the dignity of citizens. It ends the menace of bankruptcy for the coal companies. In short, it is an earnest effort to correct an intolerable situation without injustice to anybody. When they enacted it, Congress sought for, and thinks it found, a method by which the objections raised in the Supreme Court to this sort of legislation were safely met. That, however, is something the Supreme Court of the United States, and not a body of lawyers voicing the desires of their clients, will determine.

We all know that despite the hysteria of the reactionary enemies to the New Deal neither President Roosevelt nor the Congress is moved by anything except the public interest. Nobody is seeking a change in our system of government. Nobody is seeking to take the profit motive out of business. It must be plain to every citizen with a capacity to think at all that the success of any administration is wrapped up in the same package with the success of business generally.

It is the job of any administration worthy of the trust imposed in it to not only lift us up out of the trouble into which we were plunged by the greed of some people who enjoyed special privileges, but it must likewise take steps to prevent a recurrence of such an economic catastrophe as that from which we are now recovering.

Really, the issue of the next year's campaign simmers down to the question of whether the welfare of the country or the opportunity to loot by a comparatively few selfish interests is to prevail. I haven't the slightest doubt in the world of the outcome of the election. The results of the recent elections in the East and in Kentucky show President Roosevelt is as strong or stronger than when he was voted into the Presidency. The people's faith in him has not diminished.

Against the clamors of a few men who happen to be very rich and political jackals, who are always on the side of those who can pay most for service, we can adduce the actual accomplishments of the Roosevelt administration. We can cite the betterment of the conditions of all of us and the progress made under his direction.

You may be sure that next November the President will have as great a tribute of confidence as he received before. This is not a political prognostication but a cold-blooded calculation based on every expression of public opinion that has been possible in recent months. But let us take the purely political angle. It is a maxim of politics that you can't beat somebody with nobody—and the Republican Party has nobody. Not only has it no candidate who commands the respect of a majority of its members, but it has not even the outline of a program that gives any promise of satisfying the widely divergent elements that compose it. I am sure of the general result, and I am equally sure that the people of Oregon will participate in bringing the general result about.

CREDITS AND INTEREST RATES—ADDRESS BY HON. JESSE H. JONES

Mr. RADCLIFFE. Mr. President, I ask leave to have printed in the RECORD an address on the subject "Credits and Interest Rates" delivered by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the Concord Club Jackson Day dinner in Baltimore, Md., on the 11th ultimo.

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

Mr. Chairman, Governor Ritchie, Senator Radcliffe, Mayor Jackson, ladies, and gentlemen, I appreciate the honor of dining with and addressing so important a body of men and women and on so important an occasion. I have been your neighbor now for 4 years, and have come to know a good many of you, both personally and in a business way. I see a number of friends of much longer standing.

It has been a privilege to cooperate with the leaders and the people of Baltimore and Maryland, during the trying period from which we are just emerging. I am also glad to say that every investment and every loan that we have made here has proven to be thoroughly sound, notwithstanding that Baltimore was hard hit, as was the entire United States.

We at the R. F. C. have seen and had dealings with people from all sections of the country. Most of them were in distress, many confronted by failure, seeing the savings and accumulations of a lifetime slipping away under the grinding juggernaut of depression and fear.

It was as impossible to protect one's self against the depression as against the infuriated elements. Baltimore was no exception, and you have cause to feel a just pride in the recovery thus far attained.

Reasonably good conditions prevail throughout the country, and we are now in such a comfortable state that we forget how distressed and how really miserable we were in the spring of 1933.

This, I understand, to be your annual dinner given in honor of that great statesman and patriot, Andrew Jackson. So much has been said about him the past few days that there is little I can add.

I have pride aplenty in his memory, because I, too, hail from Tennessee—the grand old volunteer State. He was a great character, Andrew Jackson—with great courage, great understanding, and great determination. He was of and for the average man, and with all his virtues had many human weaknesses.

I love and admire him for those weaknesses as much as for his great strength. They enabled him to better understand human nature and to fight for the rights and liberties of men.

Jackson was known to swear at times, and even to take a drink. He owned race horses and fought game chickens. He fought a duel and killed his antagonist, allowing him the first shot. He seized Florida from Spain before the National Government had authorized such action, and our diplomats had quite a job backing him up. He was quite a man and sometimes a little obstreperous.

I have often wondered what Jackson would have done in this particular period, as I have also wondered what Jefferson would have done.

We Democrats—and I believe all true Americans—hold these two great characters very high, and the further time takes us from them the greater are their statures. They stand out as guides and signposts, though, to the course the American people, as a people and as a government, should follow.

While wondering what either of these might have done during the several crises we have had during the past 50 years, I feel assured that either would, in the main, have followed the course Cleveland followed, and Wilson and Franklin Roosevelt. That is, they would have met the problems that confronted these three Democratic Presidents in much the same spirit, and with the same determination, insofar as the preservation of human liberties is concerned.

Those of us who lived during Cleveland's administration would not have done everything just as he did it, and that applies with equal force to Woodrow Wilson and Franklin Roosevelt. The same would have been true of Thomas Jefferson and of Andrew Jackson. But I believe we would have tackled their problems, had it been our responsibility, with as great determination. Few of us do anything exactly alike, or take the same route for a given destination. The object is to get there, or to accomplish the purpose.

The responsibility for the welfare of a great Nation is one thing, especially when millions are out of employment, with no way of making a living or taking care of their families. Criticizing the course taken by the leaders who have that responsibility is quite another.

Because of the unusual unemployment situation, and the utter despair in which President Roosevelt found the country at his inauguration, there have been more opportunities for error, in efforts to extricate the country from that despair, than was perhaps true ever before.

Looking back 3 years is much like looking down into a deep valley resembling oblivion, from which we have climbed by extreme effort, and under a leadership that has had but one purpose in mind. If at time we have felt that leadership was veering too far to one side or the other, we should not falter or turn back, any more than the army should fail to follow the general or the field marshal.

While out of danger, we are not entirely up the hill, and will not be until there is work for all who want work. We can get along—and very well—with a goodly number out of employment, but business and industry—and those with jobs—will have to support the unemployed. None can escape this responsibility, and none should want to. Certainly no one must suffer for life's necessities.

I have no desire to make a political speech, even at a Jackson Day dinner, but am glad to talk with you men and women about the serious side of our daily lives—about business.

I speak as a business man, as much interested in the welfare of business as any of you, or as any in business.

The word "business" encompasses almost every phase of human activities. We are a country of business. We are a country of free people who want the privilege of engaging in business, large and small, for a livelihood and for profit, whether that business be agriculture, industry, merchandising, banking, or what not.

And upon the whole, business is now very good. Certainly it is greatly improved over the past few years. Most people made some money in 1935. From the viewpoint of business, much ground has been regained, and we should feel good about it, and very hopeful.

I am aware that there is fear about what is ahead of us, but do not believe the fear justified. I have confidence in the wisdom of the American people to preserve our freedom and our liberties.

Certainly we do not want to go back, even to the days of 1929, because we would be sure to fall again. And it goes without saying we do not want to go back to '30 and '31 and '32 and '33.

I am not one of those to fix the responsibility for our depression troubles entirely upon a political party. I have felt, however, that we would not have gotten so far out of line, if the three preceding administrations had taken a different course.

But none of us call the doctor until we are sick.

There is much talk to the effect that business, industry, and banking are against the present administration. I do not believe in the final analysis, this will prove to be true. Why should it? We are doing very well in business, and much lost ground has been regained.

It is doubtful if we could have gotten a start back, without the bank holiday, and without the assistance given to banking, business, and industry through the R. F. C.

Home-loan activities and farm credits were very helpful, but it was absolutely necessary to repair the banks, and to get a sound banking system before a start or any progress could be made.

Probably the billion dollars capital stock invested by the R. F. C. in 6,000 banks, did more good than any other Government activity. It gave us a strong banking system. Our banks are now stronger in deposits, excess reserves, and in capital, than they have ever been. A strong banking system could support a distressed country. But weak banks could only add to the distress.

Rebuilding the banks was like putting a new foundation under the house. It was absolutely necessary to prevent the house falling down.

Another billion loaned for distribution to depositors in closed banks also helped greatly, and reached perhaps 20,000,000 depositors. The additional $1,200,000,000 loaned to going banks, over 84 percent of which has been repaid, was a very great benefit.

Over 72 percent of our loans to closed banks have been repaid; $140,000,000 of our bank capital investment has been retired, although maturing over a period of 20 years and payable only from a part of earnings.

We have authorized loans of all character, including investments in banks and insurance companies, in the aggregate amount of $7,923,000,000; $1,007,000,000 of these authorizations were canceled, the borrowers finding that they did not need the money. But the fact that it was available to them, and that the loans and the

security had been approved, made it possible for these borrowers to go about their affairs with confidence.

Approximately $1,072,000,000 of these authorizations are yet undisbursed, but still available to the borrowers. Much of this will not be taken, as recovery continues and private credit becomes operative.

We have actually disbursed on these loan authorizations, including investments in banks and insurance-company stocks, slightly less than $6,000,000,000, $5,873,000,000 to be exact, and our repayments have been $3,258,000,000, more than 55 percent.

We have bought $296,452,321.92 par value of securities from P. W. A., and have sold $147,205,200 of these at a premium of $4,870,000 above cost. We are authorized by Congress to buy P. W. A. securities and to have invested in them as much as $250,000,000 at any one time. By buying and selling these securities, we create a revolving fund for relending by P. W. A. for self-liquidating projects, greatly aiding employment and at no cost to the Government.

Our interest rates are approximately 4 percent, 1 percent more than we pay the Treasury for the money we borrow to lend, and our operating expenses approximately one-half of 1 percent.

This affords an operating reserve of approximately one-half of 1 percent to cover losses. This reserve, to date, is over $115,000,000, which, in the opinion of our directors, will cover all our losses from the creation of the Corporation, so that the operations of the R. F. C., extensive as they are, will not result in any loss whatever to the taxpayer.

We have tried to be prudent as well as helpful, realizing it is the taxpayers' money we are trustees for.

The R. F. C. is the original alphabetical agency, and as you know, was started under the former administration. It has been expanded many times under the Roosevelt administration, and we have endeavored to be of assistance to the President in his efforts for recovery. Without a doubt, R. F. C. activities have been helpful to every person in the United States.

I have said on many occasions, and here repeat, that I should like to see the Government out of the lending business, but not until credit is available from private sources at interest rates and upon terms that can be met without placing too great a burden upon borrowers.

It is the money borrower that feeds most of us.

Interest rates have been too high, and terms too exacting. I am convinced that potential borrowers will need to be encouraged to borrow. While depositors in closed banks have suffered, borrowers, as a rule, have had a tougher time.

We will not get back to normal conditions until the average citizen—the little fellow—can borrow within reason, at fair rates, and on more liberal terms of repayment.

The big fellow, with unquestioned credit, borrows on his own terms, and at very low rates. But credit for the average man, the average business, is too sparingly given, and at much higher interest rates.

And remember that there are millions in this class and that they constitute the great majority. They must be built up. They must be encouraged. They must be welcome in the big banks, and in the little ones. In the language of Amos 'n' Andy, they must be members of the lodge.

I believe Jackson would subscribe to these principles.

Some of my banker friends, and others in that environment, including some of our financial writers, are all hot and bothered about our efforts to reduce interest rates.

We are not only trying to help the average man—the small borrower—but we would like to help the railroads in getting lower interest rates. This is one way the Government can help the railroads, without loss to the Government.

I should like to repeat here, with emphasis, statements I have heretofore made, to the effect that too many of our railroads are dominated by bankers whose principle interest in them is to make money out of their financing.

That is within the law, but should not be.

The Great Northern—one of the best systems in the country, never having defaulted in its 57 years of existence—has been paying 7 percent on a $115,000,000 issue of bonds imposed by its bankers 15 years ago. And what is more, the bankers only paid the road 91½ for these 7-percent bonds, a discount of nearly $10,000,000.

These bonds mature next July, and it is our purpose to help them renew at 4 percent, a saving to the road of more than $3,000,000 a year. This will pay the cost to that road of the Social Security tax, and leave a handsome balance.

The bankers agreed to a 5-percent rate, plus an underwriting charge of a million dollars, and an additional 1 percent on such bonds as they might buy. Except for the R. F. C., this, or even a greater rate, would have been imposed upon the road. Incidentally, the bankers thought the deal was buttoned up, and the proposed 5-percent bonds were quoted on the New York market at a premium of 9 percent, $10,000,000 more than the road was to get for them.

We tried to prevail upon the bankers to underwrite these bonds at 4½ percent, with a half-million-dollar underwriting charge instead of a million dollars—R. F. C. agreeing to buy up to one-half of the issue, if not taken by the road's stockholders and by private investors.

If a bond is good enough for a banking house to recommend to its investors at 5 percent, I fail to understand why it is not a safer investment at 4 percent. Certainly the borrower has a better chance of meeting his payments at the lower rate than the high.

This applies with equal force to the small business man—the man who does not enjoy Triple A credit and cannot dictate terms to his bank.

We will save the Great Northern more than $11,000,000 on this one issue, under the best terms the bankers offered; that $11,000,000 will give many a man a job and incidentally improve the railroad.

Getting back to bank credits:

The Bank Act of 1935 allows national banks to lend on improved real estate for as long as 10 years and on unimproved real estate for 5 years. It allows loans to industry by national banks up to 10 years.

Such loans are available for borrowing or rediscount by the banks at the Federal Reserve, and there is no reason why commercial banks should not meet the legitimate requirements of real estate, business, and industry, in proper proportions to their lending funds, as provided in the 1935 Bank Act.

And there is no longer any valid argument for extreme liquidity, especially since approximately 98 percent of all depositors are insured by Federal deposit insurance, which make bank runs extremely unlikely.

There should be a change in the lending policies of many banks so that all deserving borrowers may be accommodated.

I say this with due appreciation of the responsibility which bankers feel for the funds of their depositors and their stockholders, and notwithstanding that many banks got in trouble by lending on security that was not readily convertible into cash.

That experience was not a fair test because of the unprecedented economic avalanche.

Obviously everyone cannot pay at one time. When that becomes necessary the game simply closes.

Business cannot be carried on without a free flow of credit, based upon a going country, and bankers must adopt that policy if the Government is to quit lending. As long as banks confine their lending to the Government, the Government will be forced to provide private credit.

I do not favor unsound banking in any sense, but most of our bankers have reached a stage where the only loan they are willing to make is one that can be collected practically on demand, or so secured that the collateral can be sold upon short notice. The borrower is given little freedom and little confidence.

Character and confidence are at a low ebb as a basis of credit, and, in my opinion, with few exceptions, every man, and every woman, should have some credit—maybe $50—maybe much more—but character, confidence in our country, and in each other are our greatest assets.

That is why we are talking about Andrew Jackson at this time—his character, his principles, and his faith in the country and in the people.

Those that believe with Jefferson, Jackson, Cleveland, Wilson, and Roosevelt, in my opinion, interpret the spirit of America.

The responsibility of our Government is with the President and the Congress—all duly elected by the people. It is for you and me to support them while in office and to register our approval or disapproval at the polls.

SUPREME COURT DECISION IN GREAT NORTHERN RAILROAD CASE

Mr. COUZENS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Washington Daily News of yesterday and also an article by Mr. Heywood Broun, both having relation to a recent decision of the Supreme Court of the United States in the Great Northern case. I believe the public will find interest in them.

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

[From the Washington Daily News of Feb. 5, 1936]

HIGHER AND BROADER

If "it is the office of a good judge to enlarge his jurisdiction", as Thomas Jefferson once mockingly said, then the six majority justices of the United States Supreme Court appear to be making good. For now, over protest of Justices Stone, Cardozo, and Brandeis, they have rendered another opinion vastly extending the High Court's jurisdiction, this time over the fiscal powers of a State.

The case was that of the Great Northern Railroad against the State of North Dakota. The opinion was read by Justice Pierce Butler, ex-railroad lawyer from St. Paul, a Harding appointee. It held that the State tax commission overassessed the railroad in 1933 by $10,000,000 by not giving "due weight to the sudden, progressive, and enormous declines of value" through that year.

This decision contrasts with one by the same majority of about a year ago—the Baltimore telephone case, in which they rejected a State commission's use of depression price indices to reduce rates to consumers.

It also conflicts with former decisions giving the States great leeway in their rights to levy and collect taxes. For instance, in 1931, the Supreme Court upheld Indiana's authority to levy a special tax on chain stores. Then Justice Roberts said: "The power of taxation is fundamental to the very existence of the States. * * * It is not the function of this Court in cases like the present to consider the propriety or justness of the tax, to seek for motives or to criticize the public policy which prompted the adoption of the legislation."

On Monday Justice Stone, for the minority, charged that for "the first time this Court is setting aside a tax as a violation of

the fourteenth amendment on the ground that the assessment on which it is computed is too high, without showing that the assessment is discriminatory or that the petitioner is in any way bearing an undue share of the tax burden imposed on all property owners in the State."

The present majority has zealously upheld "States' rights" in vetoing such acts as N. I. R. A. and A. A. A. Now it turns on States' rights in a matter hitherto sacred to the States—the right to tax. Does it propose to further extend its jurisdiction, and sit henceforth as a supreme board of tax appeals?

[From the Washington Daily News of Feb. 5, 1936]

IT SEEMS TO ME

By Heywood Broun

MR. JUSTICE BUTLER SPOKE VERY COMFORTING WORDS TO ALL WHO TRAVAIL AND ARE HEAVY LADEN; HE LIFTED A HEAVY TAX BURDEN FROM THE GREAT NORTHERN RAILROAD

They are having trouble with the light. Some of the Justices think it is too bright, while others find the room too somber. There can be no denial that in its brand-new building the Supreme Court has more space than ever before. In their old quarters in the Capitol there was scarcely room to turn around, but now there is sufficient space for all nine men to move about and stretch their arms and legs and elbows, and everything, in fact, except the strict construction of the Constitution.

I went into the sanctuary intent upon hearing judgment on the T. V. A., but though that issue was declined for the time being, I heard an opinion read which may turn out to be one of the most vital ever handed down by the high Court. Mr. Justice Butler spoke very comforting words to all who travail and are heavy laden. In his quiet way he lifted a sizable tax burden from the shoulders of the Great Northern Railroad. Recently I have read much of the desire of the Court to curb usurpation of powers by the Federal Government and return to the States that authority which should be theirs. But shortly after high noon on Monday Mr. Justice Butler went leaping over the State lines of North Dakota like an antelope, and he was closely attended by Mr. Justices Sutherland, Van Devanter, McReynolds, Roberts, and Mr. Chief Justice Hughes.

It seems that North Dakota set too high a valuation on the property of the Great Northern Railroad. Sitting for the moment as a board of tax assessors, the Supreme Court said the figure placed by the State authorities was too high. This was done under the due-process clause.

I came away from the Court in the company of an eminent lawyer. "Can I ask the Supreme Court to tell Connecticut that my farm is rated too highly?" I inquired.

"I see nothing to prevent you," he answered, "but my advice would be that you would do well first of all to incorporate yourself as a railroad."

Undoubtedly the learned legal luminary mentioned this because of the interesting career of Mr. Justice Butler. Al Smith told the Liberty League that God watches over the Supreme Court to see that it shall be conservative. By a fortunate, almost miraculous, coincidence Pierce Butler was ready at a moment when the Congress of the United States was about to embark upon railroad legislation. Mr. Butler knew all about railroads. He had been their attorney and representative for years.

Again the unseen hand moved to his defense. He was confirmed by a lame-duck Senate. SHIPSTEAD, who had defeated Butler's sponsor, Senator Kellogg, was not allowed to appear against him. It is a fine thing to have a Supreme Court which is stanch and true and not to be swayed by passing gusts of passion. That was vividly illustrated to me by the chance remark of a newspaperman in the chamber during the reading of the North Dakota decision. "This sounds like an important case", I said to the scribbling fellow who was sitting back half asleep; "why don't you pay some attention?" "I don't have to", he replied. "This is a railroad case and Pierce Butler is reading the opinion. I know how it will turn out."

These skilled reporters learn by years of experience to predict decisions. They know that "States' rights" is something which means that the farmer or the worker does not get the legislation he needs. And they know that "due process" is the very gentle quality of mercy which falls caressingly upon the shoulders of big business. The Supreme Court has invalidated more than laws. It has changed aphorisms. By a 6 to 3 vote the Court holds that the line should read, "God tempers the wind for the unshorn ram."

AMERICAN NEUTRALITY

Mr. GIBSON. Mr. President, Col. William J. Wilgus, a constituent of mine, is one of the outstanding railroad construction engineers of this day and generation. He has been the engineer in charge of the construction of many of the great railroad terminals of the country, including that of the Grand Central Station for New York City. He served overseas in the World War with the rank of colonel. He was Director of Military Railways and Deputy Director General of Transportation in the American Expeditionary Forces. He has been awarded the Distinguished Service Medal and is a member of the Legion of Honor.

Recently Colonel Wilgus held the important positions of director of works division, department of public welfare, and director of emergency relief bureau of works division, for the city of New York, and as an administrator dealt with the tremendous problem of relief for the millions of the largest city in the United States. He has recently written me a letter dealing with the important problem of neutrality. His letter is so well considered and fair that I think it deserves a place in the CONGRESSIONAL RECORD, and I therefore ask unanimous consent that it may be inserted in the RECORD.

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

WINTER PARK, FLA., *January 19, 1936.*

The Honorable ERNEST W. GIBSON,
United States Senator, Washington, D. C.

DEAR SENATOR GIBSON: I happen to belong to an organization which favors the adoption by Congress of a strong neutrality bill which may minimize the threatened danger of our participation in a European or Asiatic war, even at the sacrifice of some, if not all, of our trade.

This organization to which I belong believes that amendments should be made to the administration neutrality bill for the purpose of strengthening the mandatory provisions on embargoes, on munitions, on war materials (above peacetime quotas), and on loans and credits to all belligerents, instead of leaving them to the discretion of the President.

Like yourself, I am a veteran of the World War and look with horror on the possibility of our entry into another world-wide conflict. I am also vigorously opposed to our lending any more money to foreign nations, or their nationals, with the practical certainty that we will never see it returned, any more than we have received back the money we loaned to our Allies in the World War. I am also opposed to dollar snatching in a vast increase in our trade with belligerents, in which, naturally, would be included munitions, cotton, wheat, steel products, and innumerable other items, harmless in themselves but applicable to war purposes.

However, when I look on the other side of the shield I perceive the dangers that we face through the creation of embargoes on our foreign trade, with the resulting closure of factories, stagnation of trade, and agricultural depression—all sure to aggravate our present unemployment situation and grave social ills.

Therefore I hesitate, as an American citizen and one of your constituents, to press upon you a request that may have for its result the very disastrous consequences which we are seeking to avoid through the doing of business with belligerents. I can see that not only may we have serious internal difficulties as the result of an embargo on foreign trade but also the danger of inviting war with a country with which we may refuse to trade.

I have no hesitancy in saying that I should prefer to risk our trade rather than risk our sons, but the question is how to do it. You are in a position to hear all sides of the question, and all I can ask is that, in response to your conscience, your voice and vote may be in favor of such measures as in the light of all the circumstances you feel will protect our honor and at the same time keep us free from the claws of others and the machinations of those who would make money through the wasting of our blood and treasure.

Sincerely yours,

WILLIAM J. WILGUS.

PRESENT PROBLEMS—SPEECH BY HON. J. LEWIS HUGHES

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the Maury County (Tenn.) Democracy, endorsing Franklin D. Roosevelt, together with a speech on Present Problems by Hon. J. Lewis Hughes, of Columbia, Tenn.

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

Whereas the issues in the presidential campaign now at hand have definitely evolved into a contest between human rights and property rights—into a campaign between the masses and entrenched wealth—between fair play for the many and selfishness of the few; and

Whereas the Democracy of this Nation called to the Presidency in 1932 a great humanitarian to champion the rights of all the people—a man to bear the banner of the average man—a man to make war upon misery and to guarantee to every man and woman the right to earn a decent living; and

Whereas this great humanitarian President has rescued this Nation from threatened bankruptcy, has pulled it back from the brink of revolution, resulting from years of misrule and favoritism to great wealth; and

Whereas during the administration of this great President the United States has not only "turned the corner" but is now upon the highroad toward prosperity and the greatest era of progress this Nation has ever known; and

Whereas the confidence of the American people in their Government and in their institutions has been restored as the result of this administration: Therefore, be it

Resolved, That we, the Democrats of Maury County, Tenn., accept the gauntlet thrown to us by the greedy interests, by entrenched wealth; the issue is joined. We reaffirm our faith

and unbounded confidence in the leadership of our great President; and be it further

Resolved, That we commend him for the efforts he has successfully exerted for the "man in the street", for his relief of agriculture and labor; and, finally, be it

Resolved, That each and every member of this Democratic executive committee and every man and woman of Democratic faith in Maury County, be, and is hereby, constituted a committee of one to exert every effort humanly possible to bring about the renomination and reelection of great, warm-hearted, wholesome Franklin Delano Roosevelt—our President and the next President of these United States.

SPEECH OF CHAIRMAN J. LEWIS HUGHES

Fellow Democrats, one of the truest and most undeniable facts in connection with our national history is that in every period of crisis the Democratic Party has been called upon to furnish national leadership. It is equally undeniable that in each case the chosen representative fulfilled the hopes and expectations of the people by rendering service that is conspicuous in history.

Thomas Jefferson distinguished himself. As third President of the United States, and immortalized as the father of the Democratic Party, he set the high standard of public service that has been faithfully followed by his Democratic successors in office. His wisdom was embodied in the Declaration of Independence, in the drafting of which he had a commanding voice. It is no wonder that he entered George Washington's first Cabinet as Secretary of State. But he did not stop there. His principles of government had captured the popular fancy. The people believed in him and expressed that faith by electing him to the Presidency in 1801. I need not review his record. It established Democracy and Democratic ideals as the best expression of the operation of a government in the interest of the general welfare. It established the idea that the Government should be of and by the people and serve their interests rather than be controlled by special interests.

We find another illustrious example in the administration of our own courageous Andrew Jackson, the man of the plain people, who successfully championed the rights of the common man and restored the Government to the people over the protest of powerful financial interests. As the seventh President of the United States, this matchless Democrat retired from office to sleep beneath the trees on his beautiful estate in our own neighboring city, more popular than when he entered office.

But let's follow the record further. In time of national peril the Democratic Party gave Woodrow Wilson to the Presidency. But the world-wide reputation for statesmanship established by this twenty-eighth President of the United States is too well known to be repeated now. His example of service and of great leadership is fresh in our minds. It will always be a cherished memory.

A crisis as dangerous, as devastating, and as tragic as the terrible World War overtook us in 1930. Under the force of a violent depression, business collapsed, banks failed, bankruptcy was on every hand. Human misery, destitution, despair spread over our great and resourceful country. The entire economic structure became paralyzed. Farmers were losing their farms, home owners their homes. Millions of unemployed were begging for the actual necessities of life. Then the terrible monster fear began to spread its influence over the land. People wondered. They were stunned.

They had been taught to believe that such conditions could not be possible under our system of government. They knew the constitution upon which their government was founded, guaranteed "life, liberty, and the pursuit of happiness." They recalled that it pledged the Government to "promote the general welfare." Well, what was the Government doing to stem the tide of the depression? Each day was becoming darker than the day before. Had the Government collapsed, too? I think you remember the story. That is another thing you will never forget. You remember that the answer of the Hoover administration was: "Prosperity is just around the corner." That statement was an insult to the people who were losing confidence in their own Government and millions were actually hungry. Republican national leadership either did not try or did not know how to try to stop the downward spiral. In the midst of one of the most serious national emergencies in all history, the Nation was leaderless.

It was under these circumstances that the good old Democratic Party sustained its traditions. Its hour had come. Its representatives met in convention and nominated a man of proved qualities of leadership. They selected a man who had creditably discharged responsibilities almost as great as the Presidency. They nominated Franklin D. Roosevelt, former Governor of New York. In the following November election he won by a record-smashing majority. The voice of Candidate Roosevelt rang with sincerity. He revived and stimulated the hopes of the people. They believed he would do what he promised. His pledges were those of an honest man; his mind was that of a leader, endowed with the will, the purpose, and the ability to lead his people from the darkness of despair into the sunlight of a happier life. He was inaugurated in March 1933 at the most critical period in the country's history. The faith and hopes of the Nation's millions were concentrated in their new leader. Gravely he took the oath; bravely he assumed the task. From that very hour the national pulse began to revive. He closed the tottering banks and reopened strong ones. He gave the Nation a banking system that won public confidence almost overnight. And, to make them more secure, he gave us a guaranty of deposits. Within the space of 3 years bank deposits have reached a new high. The people have a comforting sense of security, and the banks have hugh excess reserves.

President Roosevelt knew that agriculture had always been the basis of wealth and that no system of prosperity could be established on a destitute agriculture. Under the influence of farm relief legislation he emancipated the farmers from economic slavery and gave them buying power for the first time in many years. As a result of the purchasing power of the farmer, industry began to revive, employment increased, and recovery spread into every segment of business. Steel mills long idle began to light the skies with their blast furnaces. Railroads began to load more cars, automobile factories went into peak production. By 1935 many industries had the heaviest production in history, even exceeding the boom days of 1929. Heavy inroads were made on the unemployed rolls. Public-works projects were started to absorb others and keep the wolf away from the door of millions of good American citizens who were destitute through no fault of their own. Cash income of farmers reached the highest total in many years, exceeding $6,000,000,000 last year, and we do not have to refer to statistics to find out what has happened in our own county.

Yet with the newspapers publishing recovery news, increased dividends, increased employment, and general business improvement day in and day out, a strange thing happened. Now that the patient was getting better some of our smart high-hat businessmen decided they could run their own business; that the Government was spending too much and that they would have to be taxed too much to pay the cost of the depression. They have started a campaign to kick the doctor out. These were the very same businessmen whom Mr. Roosevelt found on their knees at the White House door when he entered, begging for help and salvation.

But I am glad to know that this set of individuals do not represent the sentiment of the rank and file of the people of the United States. I also know that there is no considerable number who want to go back to the "good old days of Hoover." I am prouder of my party than I have ever been in my life, and am happy that I had a humble part in the nomination of Franklin D. Roosevelt at the Chicago convention.

And while the Liberty Leaguers and their Belshazzar feasts, the Talmadge grass rooters and their obscene tactics, and the Hoover Republicans with their Hearst-ridden skirmishes are running round and round in a desperate effort to frighten the people with fanciful tales of communism, anticonstitutionalism, and other crazy isms, the plain, thinking, and patriotic people of this country are going to do for Franklin D. Roosevelt just what they did before. We know what Mr. Roosevelt has done and will continue to do and are satisfied. There is no telling how harmful would be the undoing, if left to any of the Presidential possibilities, who have not as yet had the courage to announce their candidacy.

Maury County and every county in the United States owes a debt of gratitude to Franklin D. Roosevelt. We are going to discharge it with another overwhelming victory at the polls in November. Not only do we owe a debt of gratitude, but the very existence of our national life was saved for us and for our posterity by his inspired leadership. His policies are sound. They have saved the sinking ship of state.

As chairman of your committee I call upon you to hold high the Roosevelt torch. Let it be said of the Democracy of Maury County, though all others walk out, we are Democrats of the ranks who do not desert our leader.

THE CONSTITUTION AND THE COURTS—ADDRESS BY DR. CHARLES A. BEARD

Mr. THOMAS of Utah. Mr. President, the subject of the Constitution and the courts was recently discussed at a highly representative gathering of public officials, educators, social scientists, and farm and labor leaders. The meeting took place at the Cosmos Club on January 13 under the auspices of the Independent Legislative Bureau.

The chief address at this meeting was delivered by Dr. Charles A. Beard, noted historian and political scientist. Because of the special importance of the subject at this time, I ask that certain extracts from the address of Dr. Beard be printed in the RECORD.

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

The Constitution of the United States is like the Bible in some respects. Everybody has heard of it and feels competent to discourse on the subject. Yet it is safe to say that 99 percent of those who speak of the Constitution in tones of awe or disrespect could not pass a high-school examination on its phrases, principles, and applications. Fewer still could write a correct 50-word account of how it was framed and adopted.

Since the Constitution supports very well a host of lawyers, including the 58 self-constituted guardians of liberty, they in turn, as a Harvard wit has said, feel especially bound to support the Constitution. And in supporting it they emit hundreds of thousands of words annually and becloud the famous instrument with such a fog that the ordinary layman either cannot see it at all or becomes lost in the Delphic mysteries created by juristic minds.

But up to the present it is not unconstitutional to ask, What is the Constitution? Nor has the disaffection bill, sponsored by the Navy Department, as yet prescribed imprisonment for having a copy of the Constitution in one's library. Although great and learned constitutional lawyers shake warning fingers at him, the

poor layman may still ask the question and devote a little time to seeking an answer or answers.

If the language of our tremulous constitutional orators is to be taken seriously, then the Constitution is in all respects something about as clear, evident, and positive as the Washington Monument. It has been called our beacon, our lighthouse, our ark of the covenant, and our sheet anchor. If our orators are to be believed, it has been destroyed many times since it went into effect.

When it has not been destroyed, it has been undermined or overthrown. At all events it seems to be a kind of material object, like a marble chest, guarded by nine aged and eminent gentlemen in the temple of justice against reds, Roosevelts, and Representatives in Congress.

In its simplest terms, the Constitution is a written document, with a number of amendments, some of them added so recently that even school children in the District of Columbia may have heard about them. In reality the Constitution is all that has been said and done by Presidents, Congresses, Federal agencies, courts, political bosses, party conventions, and active citizens concerned with its applications since it went into effect in 1789. It is, as Judge Cooley remarked long ago, just what the American people in their practice under it have thought it to be. Just that, and little if anything more.

Some parts of the written document are so positive in its commands as to leave no room for interpretation. For example, it says that each State shall have two Senators. Everybody knows what the word "two" means. It is in the multiplication table. Everybody knows what a Senator is, at least in this connection.

But nearly all the important provisions of the Constitution dealing with the powers and limitations of government are open to diverse interpretations, and the guess of one season is often not the rule of the next. What is the meaning of general welfare, due process of law, all laws necessary and proper, post offices, and progress of science, for example? They have been interpreted by thought and practice in various ways in the past, and will be variously interpreted in the future if experience is any guide to knowledge.

Now there is not a word in the Constitution that, expressly or by implication, declares that the Constitution must be strictly interpreted by anybody. That is a fiction largely created by Thomas Jefferson when he was trying to unhorse Hamilton, and flagrantly violated by Jefferson all through his two administrations. There is not a word in the debates of the Convention which lends any sanction to the view that the language of the Constitution must be narrowly construed. Nor is there anything in the Constitution or the debates of the Convention which countenances the other fiction, namely, that the Government of the United States is one of strictly enumerated powers. Indeed the proceedings of the Convention show that a majority of the members deliberately rejected that mathematical view of the powers conferred upon the Federal Government.

Soon after the Convention was organized it adopted a set of broad principles in the form of resolutions which were to govern the committee of detail in making a draft of the Constitution for subsequent review. Among these resolutions was one adopted on May 29, providing that Congress shall enjoy "all the legislative rights vested in Congress by the confederation; moreover to legislate in all cases to which the separate States are incompetent, or in which the harmony of the Union might be interrupted by the exercise of individual legislation."

Sometime later when Paterson, of New Jersey, tried to induce the Convention to adopt a precise list of powers to be conferred on Congress, the majority voted him down with an emphasis that could not be mistaken. Then, to make sure that the drafting committee could make no error, the Convention, on July 17, added to resolution above cited an amendment giving Congress the additional power to legislate in "all cases for the general interest of the United States."

In its report of a detailed sketch of the Constitution to the Convention, the drafting committee gave a list of powers and then added the significant clause: "Congress shall have power to make all laws necessary and proper for carrying into effect the foregoing powers and all powers vested by this Constitution in the Government of the United States or in any department or officer thereof." Not content with this broad and sweeping provision, the Convention added to the draft an amendment empowering Congress to pay the debts and "provide for the common defense and general welfare of the United States." The words "general welfare" may be properly taken as equivalent to the words of the July resolution, namely, "general interests."

There can be no doubt whatever that a majority of the Convention intended to and did confer upon Congress, in addition to certain powers named, a substantial power to legislate in the general, as distinguished from local interests of the United States. This fact, long obscured for partisan reasons, has been recently brought to public attention by Dr. Lawson, of this city, in his noteworthy book on the general welfare clause, and to the attention of the House of Representatives by Hon. DAVID J. LEWIS, in a speech on August 30, 1935. For the benefit of true-blue Hamiltonian Republicans like Senator BORAH, it should be added that Hamilton urged the Convention to give Congress the power to legislate on every subject whatsoever. The Convention did not adopt his view, but it will apparently take a clause like that to convince the Supreme Court that Congress has the power to tax and spend money for the general welfare.

If the Constitution is to be strictly interpreted, as in recent months, then the Supreme Court would be stripped of its power to declare acts of Congress void. There is not a word in the Constitution which empowers the Court to invalidate acts of the Legislature. The whole creed was read into the document by logical inference in Marshall's opinion in the Marbury case. By equal logic Jefferson inferred it out again. Whether the Convention intended for the Court to exercise this authority is still a matter of unsettled debate. Personally, I am inclined to the view that a majority of the members of the Convention thought that the judiciary would exercise this power in the ordinary course, but Professor Corwin, of Princeton, says that I am entirely wrong. However this may be, the Court enjoys its power over acts of Congress only by inference and broad interpretation. If it applied to itself the strict rules applied to Congress it would go out of the business of demonstrating its capacity to govern.

No; the Constitution was intended by its framers to be an instrument of broad public policy, not a chopping block for splitting legal hairs. As Hamilton said in his paper on the bank, the general language of the Constitution cannot be made the subject of strict legal tests; questions arising under it are questions of general welfare, good conscience, and expediency. As Adam Smith would say, only interested sophistication could hold otherwise.

Only by broad and generous interpretation has it been possible for the Government of the United States to remain adequate to the exigencies of Government, and for the people to settle their controversies under the rules of law. Only once in nearly a hundred and fifty years has it been necessary to settle an issue by the old, old device, the sword. That was after the Supreme Court of the United States declared in effect, in the Dred Scott case, that the Government of the United States could not abolish slavery in its own territories. In 1862, a Republican Congress abolished it anyway.

Since that time, the Federal judiciary has thrown itself athwart powerful currents of public interest only three times. The first was during reconstruction days, and a Republican Congress disposed of the issue by stripping the courts of jurisdiction in the matter. The second was when the Supreme Court declared the legal-tender acts unconstitutional. A Republican President, Grant, disposed of that judicial intervention by appointing two new judges of "the right kind", and by gently inducing the Court to reverse itself. The third was in 1895 when the Supreme Court declared the income-tax law of 1894 invalid. A few years later a Republican Congress passed, and the States ratified, a constitutional amendment restoring to the Government a power it had once enjoyed before the Court struck it down.

We are in the presence of another judicial controversy. What will be the outcome? Any answer formulated will depend upon one's conception of the state of the Union. Does a period of booming prosperity for industry and agriculture lie ahead, with employment for most of the idle millions now living at public expense? And will this booming prosperity go on forever—at least until all our natural resources are exhausted and our best soil washed out to sea? If the answer to these questions is in the affirmative, then the present controversy over recent judicial decisions is a storm in a demitasse. If, on the other hand, we have reason for believing that the crisis is really not over, that the state of unemployment is a menace to health and morals, that agriculture already in distress, as tenants and share-croppers can bear witness, will take a downward turn, then we may expect a reversal of the recent judicial rulings by one or more of the well-known historic methods. Only on the theory that the country will never again have to face a crisis can we assume that a government stripped of the power to legislate in the general interest will endure. To cherish such a theory is to fly in the face of the recorded experience of this Nation and all mankind.

It would be, and may well be, one of the ironies of the ages if it should fall to the lot of the Republican Party to restore to the Government of the United States the powers recently taken away from it. Under the auspices of that party the Dred Scott decision was wiped out by an act of Congress, the Supreme Court was deprived of jurisdiction to pass upon reconstructive provisions, the Court's decision in the legal-tender cases was reversed, and the constitutional amendment undoing the income-tax decision was submitted to the country. A party that has been so broad in its constitutional views and so cavalier in its treatment of controverted judicial rulings may well continue its historic role.

W. P. A. WORK IN IDAHO

Mr. POPE. Mr. President, I ask to have printed in the RECORD several letters from prominent citizens of my State with reference to the work of the W. P. A. in several counties. This work has been so satisfactory and so outstanding that some of our prominent officials and leading citizens have written with reference to it. I ask accordingly that the letters be inserted in the RECORD.

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

BANNOCK COUNTY, IDAHO, *January 27, 1936.*

Senator JAMES P. POPE,
Washington, D. C.

MY DEAR MR. POPE: I am writing you in regards to the W. P. A. set up in our county. As a county commissioner and on the job practically all the time, I feel that I know the value of this work. We are doing, and have done work on the account of the

W. P. A. set-up that we could not have done had we not had it. We are surfacing some roads with gravel at a cost as low as 40 cents per yard; farm-to-market roads that are very important, and the people feel very grateful for this work.

Anything that you can do to continue the W. P. A. work in our county would be greatly appreciated by the people in this county. Wishing you every success, I beg to remain.

Yours very truly,

R. T. HALE,
County Commissioner.

IDAHO FALLS, IDAHO, *January 25, 1936.*

Hon. JAMES P. POPE,
Washington, D. C.

DEAR SENATOR POPE: I wish to call your attention to conditions in this territory since the W. P. A. went into effect, as regards labor and community welfare.

In Bonneville County we have, perhaps, the best group of worth-while projects it would be possible to have in any one county. This group includes a public park surpassing anything in any county of its size in the country; sanitation projects equaled only in cities double the size of ours; an armory in Idaho Falls; and an airport with the same capacity as the largest in this territory.

We are pleased to advise you that these projects, under W. P. A. supervision, have been built at a cost equal to, or under that which would have been paid had they been let to contractors; and that labor conditions have been cared for at the same time.

On four projects in Idaho Falls, the W. P. A. has spent very nearly $75,000 for labor alone, providing work for the heads of more than 300 families who, a year ago, were on some form of relief.

We are proud of these projects and wish to take this opportunity to thank you for your part in making them possible.

Very truly yours,

CLAUD R. BLACK,
City Engineer, Idaho Falls.

IDAHO FALLS, IDAHO, *January 25, 1936.*

Hon. JAMES P. POPE,
Washington, D. C.

DEAR SENATOR POPE: I wish to call your attention to conditions in this territory since the W. P. A. went into effect, as regards labor and community welfare.

In Bonneville County we have, perhaps, the best group of worth-while projects it would be possible to have in any one county. This group includes a public park, surpassing anything in any county of its size in the country; sanitation projects equaled only in cities double the size of ours; an armory in Idaho Falls; and an airport with the same capacity as the largest in this territory.

We are pleased to advise you that these projects, under W. P. A. supervision, have been built at a cost equal to or under that which would have been paid had they been let to contractors, and that labor conditions have been cared for at the same time.

On four projects in Idaho Falls, W. P. A. has spent very nearly $75,000 for labor alone, providing work for the heads of more than 300 families who a year ago were on some form of relief.

We are proud of these projects and wish to take this opportunity to thank you for your part in making them possible.

Very truly yours,

BARZILLA W. CLARK,
Mayor, City of Idaho Falls.

IDAHO FALLS, IDAHO, *January 25, 1936.*

Hon. JAMES P. POPE,
Washington, D. C.

DEAR SENATOR POPE: I wish to call your attention to conditions in this territory, since the W. P. A. went into effect, as regards labor and community welfare.

In Jefferson County we have, perhaps, the best group of worth-while projects it would be possible to have in any one county. This group includes a public park surpassing anything in any county of its size in the country, sanitation projects equaled only in cities double the size of ours, an armory in Idaho Falls, and an airport with the same capacity as the largest in this territory.

We are pleased to advise you that these projects, under W. P. A. supervision, have been built at a cost equal to, or under that which would have been paid had they been let to contractors, and that labor conditions have been cared for at the same time.

On four projects in Idaho Falls, the W. P. A. has spent very nearly $75,000 for labor alone, providing work for the heads of more than 300 families who a year ago were on some form of relief.

We are proud of these projects and wish to take this opportunity to thank you for your part in making them possible.

Very truly yours,

PARLEY RIGBY,
Postmaster, Idaho Falls.

RIGBY, IDAHO, *January 26, 1936.*

Hon. JAMES P. POPE,
Washington, D. C.

DEAR SENATOR: I wish to take this opportunity to thank the administration for useful, constructive, and timely aid furnished Jefferson County by the Works Progress Administration.

The projects now working are of a beneficial nature to the public in general, such as a city park in Rigby, which will benefit some 2,000 persons. Heretofore no recreational center has been available. This project employs around 40 men. The sanitary sewer project is a lifesaver to the city of Rigby, due to the fact that cesspools and outside toilets have been our only means of sanitation. This situation has become serious as the water supply comes from wells which could easily become polluted. One hundred and forty men are employed on this work.

From a construction standpoint, the W. P. A. is working 100 percent in this community, and I sincerely hope it will continue until the time when private industry can absorb all unemployed labor.

Very truly yours,

BASH L. BENNETT,
Mayor, City of Rigby.

RIGBY, IDAHO, *January 26, 1936.*

Hon. JAMES P. POPE,
Washington, D. C.

DEAR SENATOR: The Jefferson County commissioners at this time wish to take the opportunity of expressing their appreciation of the way in which the W. P. A. has and is operating in this county. Not only has the unemployment situation been helped but all of our projects are of a useful and constructive nature.

Under this administration we are able to produce lumber from the forest to use in the construction of bridges at a nominal cost. The bridge-building project will enable us to build some 85 bridges, ranging from 12-foot spans to 130-foot spans. Without the aid of the W. P. A. this work could not be done without a bond issue being floated, thereby raising our taxes, which are high enough due to the cost of maintaining these bridges which should be rebuilt.

Several school buildings and amusement halls are now under construction and are progressing nicely.

We feel that the W. P. A. is a constructive and worthy administration.

Very truly yours,

O. V. CABLE,
Chairman, Jefferson County Commissioners.

ADDRESSES BY I. M. ORNBURN ON LABOR PROBLEMS

Mr. WALSH. Mr. President, as chairman of the Committee on Education and Labor, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD two addresses by Mr. I. M. Ornburn, secretary-treasurer, Union Label Trades Department of American Federation of Labor, Washington, D. C. One address, delivered over the national network of the Columbia Broadcasting System from Washington, D. C., January 11, 1936, has to do with the solution of the unemployment problem through the device of the 30-hour week, offered by the American Federation of Labor. The other radio talk, given over the national network of the National Broadcasting Co., on December 16, 1935, has to do with the national campaign in the union-label trades, urging Americans to demand the union label, shop card, and button.

Mr. Ornburn, who was formerly a member of the United States Tariff Commission, and is now secretary-treasurer of the Union Label Trades Department, American Federation of Labor, Washington, D. C., is an authority on both these subjects. I feel certain that the views so ably presented by an authority on these subjects will be of public interest.

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

THE UNION LABEL AND THE LABOR MOVEMENT

(Jan. 11, 1936)

We are now passing into the seventh year of an economic depression which has never had its equal in all history. While there has been a large degree of recovery in certain business lines, and stocks are generally on the upgrade, the upturn has not been reflected into permanent employment for workers. It is true that through governmental projects and other Federal activities many men and women are temporarily employed, but there are still over 11,000,000 workers who are waiting for steady work at a wage which will keep their families in comfort according to the American standard of living.

Regular employment means increased purchasing power and only through work at decent wages for all can America pull itself out of this disastrous economic situation which still confronts over 40,000,000 souls when we include the entire family with 11,000,000 jobless workers who are willing to work.

What is the solution of this gigantic problem of the man who wants a job? Are we going to continue gambling with fate for another 7 years and just trust to luck as the dice thrower who mumbles "seven come eleven", hoping that it will be only 4 more years instead of 7. No; we can't, and Americans won't wait! We must solve this unemployment problem and the only practical solution is the one which is offered by the American Federation of Labor. It is shorter hours with no reduction in pay. By reducing hours, more workers can obtain jobs. By main-

taining the prevailing weekly wage scale, and with more men at work, we shall be able to increase purchasing power. It is simple arithmetic.

If, in 1930, Senator BLACK's 30-hour-week bill had been passed by Congress and signed by the President, it would have done more to solve the problem of obtaining jobs for the 11,000,000 idle workers than all the other legislation, with its uncertainty owing to inefficient administration and the interpretation of the courts.

Senator BLACK's 30-hour-week bill is the most constructive measure that has been advanced for the solution of unemployment. It will mean a 6-hour day and a 5-day week. It is the paramount issue of the American Federation of Labor. It is hoped that everyone who is interested in a shorter work week program will write to both their United States Senators and also their Representatives and ask them to vote for the Black-Connery 30-hour-week bill. Do not delay. Write today. These Members of Congress are your Representatives in the National Capital and are at your service. They will be glad to hear from you and know what you desire in legislative reforms. Everyone should know the names of the two Senators from his State and also the name of the Representative of his congressional district. Simply address them: Honorable, followed by his name, Washington, D. C.

The only certain way in which the workers of America can meet technological progress, that is, the use of machinery and new inventions, is to join a labor union, and when they have joined in sufficient numbers, they will be able, through collective bargaining, to shorten the hours of work and maintain the American wage standard.

When hours are shortened machinery will be a blessing instead of a curse. There will be more time for education and self-development. More time for spending the increased purchasing power, which will accrue from shorter hours with the same pay. This is the path, and the only path, on which America will work its way back to better times for the average citizen. It is true that a few may prosper now, and the newspapers may display this limited prosperity of the few as if it were the end of this depression for all of us, but the fact remains that millions of small independent manufacturers, businessmen, and professional men, as well as the jobless workers, have reached the last of their savings and equities and want a general upsurge like a great tidal wave across the entire continent instead of a few ripples in Wall Street stocks.

As hours are adjusted to absorb the idle workers, we must continue to buy our own products. First, we must buy all the American-made goods that we can to keep the purchasing power at home. Then we must buy union-made goods and union services to maintain the high standards of wages, hours, and working conditions which have been established by, and only by, the American labor movement.

The American Federation of Labor, and especially those labor unions affiliated with the union label trades department, are also deeply interested in the measure before Congress known as the Walsh bill, which provides that all persons who sell to the United States Government or enter into any contractual relations with it shall conform to the conditions contained in certain specifications, the purpose of which will be to maintain fair labor standards in connection with purchases, loans, or grants where Federal funds are involved directly or indirectly. This measure seeks to confirm in law the principle that the first charge on any industry is the performance of its duty to society by paying adequate wages and maintaining decent working conditions. It will prevent the purchase by Federal officials of foreign-made and other unfair products to be used by the Government. Uncle Sam should set an example by buying American products which are made under American standards of living established by the American Federation of Labor.

The bill has passed the United States Senate and is now before the House of Representatives. In behalf of the union label trades department, I urge all members of labor unions and their friends to write to their Congressman and ask him to support the Walsh bill.

A review of the progress made by the American Federation of Labor shows that at least 1,000,000 new members were gained by the labor movement in 1935. We feel confident that an equal gain will be made in 1936. A most conservative estimate places the organized workers at 6,000,000.

Wage gains made by the unions run into hundreds of millions of dollars. A $90,000,000 wage boost was made by one union affiliated with the A. F. of L. The railway labor unions succeeded in the restoration of a 10-percent wage deduction, adding $170,000,000 to their pay envelopes, and at the same time prevented a 15-percent cut in wages, which would have meant a loss to the railway workers of $217,000,000. Numerous other examples could be given wherein labor unions have either prevented wage reductions or gained increases.

Hours of labor have been reduced by 73 out of 109 national and international unions. There are now over 2,000,000 union workers on a 40-hour week, half a million on a 36-hour week, and over 13,000 have already won a 30-hour week.

These facts are actual proof of the benefits of labor unions to their members. The results give the union worker greater purchasing power and more leisure time to spend their earnings for self-education and advancement. Higher wages and shorter hours are the only remedies which have been advanced to cure depressions. They have been gained through the economic power of organized labor through collective bargaining. They can be maintained by the American workers through the collective buying of products and services that bear the union label, shop card, and working button.

Since the National Recovery Act and the Agricultural Adjustment Act have both been declared unconstitutional by the United States Supreme Court, the road to legislative reforms seems to be temporarily blocked. But workers and farmers can obtain substantial advancement through organization in the economic field. Great possibilities may be found in the reciprocal agreement which the Union Label Trades Department recently negotiated with the National Farmers' Union. These two organizations have agreed to buy each other's products. Time will not permit my giving in detail the provisions of this agreement, but if anyone is interested, he can obtain the facts by writing to the union label trades department. The first requirement in this plan is that city workers join a labor union affiliated with the American Federation of Labor, and that farmers join a farmers' union.

If you are a city worker and desire to better your own conditions and those of your fellow workers, you should become acquainted with the facts concerning the American Federation of Labor.

If you are a woman member of a worker's family, you can also become informed about labor unionism, and you can greatly help the cause of organized labor by buying only from firms that display the union label, shop card, and button.

If you desire to buy only American-made goods, made under American standards, always ask for union-labeled products.

If you want to obtain immediate results in securing greater purchasing power, try collective bargaining through a labor union and collective buying under the union label.

The labor movement is the only organized effort to place more money in a worker's pocketbook and that problem surely concerns most of us. Results are what count, and they cannot be obtained by acting alone. The big business interests may preach "rugged individualism" for the rest of us, but when it comes to action they join their own organizations, and through them they have obtained at least 80 percent of the Nation's wealth.

In the clamor of the approaching Presidential campaign when so much attention is focused on the National Capital, on account of the Federal Government's activities to regain prosperity, the fact is overlooked that private enterprises, including all industries, construction, and consumption, spent 90 percent of the total amount of money expended in this country during 1935. More stress should be placed on these private enterprises and a method through which the workers can obtain their equitable share of the wealth produced. The only method as yet devised, which has been successful, is the labor union. During these trying times many have been compelled to depend upon the Government, and I am making no criticism of the efforts of any administration to help the idle workers, but for a permanent remedy we must obtain greater purchasing power through higher wages. It will require collective action to obtain better wages, and that is why the labor union forms the most effective weapon. Then to maintain the higher standards of living, we must buy union-made goods and union services.

Not only has the American Federation of Labor been the single force in this Nation that has fought for and gained shorter hours and higher wages for all workingmen, but it has been the pioneer in education, social legislation, workmen's compensation and other laws which are not confined in their benefits to organized workers alone. Factory inspection laws have saved the lives of thousands of workers to such an extent that in the past 50 years, together with the advance of science, they have doubled the length of the average life.

No better summary of the benefits of labor unions can be made than the one expressed by the late Samuel Gompers, when he said:

"The trade-union movement fosters education and uproots ignorance, shortens hours and lengthens life, raises wages and lowers usery, increases independence and decreases dependence, develops manhood and balks tyranny, discourages selfishness and establishes fraternity, induces liberality and reduces prejudice, creates rights and abolishes wrongs, lightens toil and brightens men, makes the workers' shop safer and brighter, cheers the home and fireside, and makes the world better."

UNION LABEL LEAGUES

(Dec. 16, 1935)

The buying public has responded in a most loyal manner to our national campaign urging Americans to demand the union label, shop card, and button. Never since the establishment of the union label trades department in 1909 has there been such a growth of sentiment for union-made goods and union services. The union label is going to town and, I might add, it is going to the country also.

Allow me to express the deep gratitude of our department of the American Federation of Labor for this loyal support of all the patriotic citizens, who proved by their unparalleled action of even asking for union-made goods that they believe in the American standard of living. Let me also thank the thousands of volunteer workers for their militant campaign for union labels, shop cards, and buttons. The splendid results are evidence of their cooperation, and we are confident that these results will register in the pay envelops of every citizen who works for a living.

For those who are not familiar with what I mean by union labels, shop cards, and buttons, I shall give brief definitions of each.

The union label is a symbol which is displayed by means of a cloth or paper label, stamp, or other imprint upon products to indicate that they are made in unionized shops, factories, and other industrial establishments.

A shop card is a printed sign which is displayed in the window or on the wall of all shops and business places whose employees are unionized.

Working buttons are similar to the insignia of lodges or fraternal orders and are worn in the same manner. The working button gives assurance that the services are rendered by a member of a trade-union.

Others may ask, "In what lines of business are union labels, shop cards, and buttons displayed?"

The answer is, "In most every line."

Take, for example, a meal or a drink. The consumer should look for the union house card or the union bar card. The waiters and waitresses in every union establishment wear the working button. The bottle or barrel from which your refreshing drink is served is often union made and it was probably delivered by a member of a labor union. Even the horses are shod by union horseshoers. Again, if you want a cigar or a package of cigarettes, union brands bear the union label. The same is true of pipe and chewing tobacco as well as stogies.

If you wish to purchase food, inquire if the bread, crackers, or other confectioneries are made by union bakers. You should also look for the union market shop card when you buy meat. The retail clerks in all mercantile establishments can join a union. In this case the retail clerk's shop card is displayed.

There are union labels for every article of wearing apparel for men and women.

All engineers in buildings and on construction work have insignia. When having any building construction or repair work done, one should always look for the working button on all mechanics.

When wiring your Christmas greetings look for a button on the telegraphers.

When it comes to amusements, do you know that the moving-picture-machine operators and theatrical-stage employees are members of unions? Do you know that music is furnished by union musicians and before you go out for the evening, do you know that you can obtain a first-class shave or haircut in a union barber shop?

All the print crafts have union labels and these labels are often combined under one label of the allied printing trades.

The shops in which every kind of machinery is made and mechanical work performed, employ members of the metals trades unions. There are union machinists, molders, sheet-metal workers, iron, steel, and tin workers, and various other metal workers.

Any industry can obtain the right to display union labels. The greater the demand for union-made goods and union services, the sooner will all firms become unionized.

Anyone can obtain a directory showing facsimiles of all the union labels, shop cards, and buttons by addressing a letter to Union Label, American Federation of Labor, Washington, D. C.

The best way to promote union-labeled products is to organize a local union-label league. Hundreds of them have been formed in cities throughout the land. There is an initial fee of $1 to cover the cost of a charter. No additional charges such as dues or assessments are imposed by the Union Label Trades Department.

All that is necessary is to have an application for a charter approved by three local unions of the affiliated trades of the union label trades department. It must also be accompanied by an endorsement of the Central Labor Union, if there be one in the immediate vicinity.

For bylaws and full particulars, simply write to the Union Label, American Federation of Labor, Washington, D. C.

The women can also join a union label league. With a spending power of over $6,000,000,000 of union-earned money, they can "break into the big league" and become definite and vital factors in protecting the pay of all wage earners.

Stocks may boom and prices may soar, but it does not place any more buying power in the pocketbook of the average citizen unless he joins a labor union and trades with firms which display the union label.

In this way women can obtain better working conditions and wages for themselves and abolish child labor. Let's place our children in school and prevent their competing with heads of families for jobs. There is no child labor in unionized industries or other business places.

The Union Label League furnishes a constructive program for all citizens. It is thoroughly American because it starts with the buying of only American-made goods.

It is also American because union label buying establishes the American standard of living; by promoting union-made products which are made by American labor.

Some people purchase foreign goods because they are cheaper. They are cheap, but they are no bargain because they do not receive any more for their money. By buying foreign-made goods, our citizens only chisel on themselves and reduce their purchasing power. In fact, they cheat themselves and their own breadwinners. The best yardstick with which to measure American goods is the union label.

If the merchants who sell cheap oriental and Chinese merchandise placed behind their counters, as clerks, the workers of the unclean factories who produce these foreign-made products, American women would not buy from them. If their shops were as filthy and unsanitary as the sweatshops in which the goods are manufactured, Americans would not enter them.

Within our own United States we have unfair and unsanitary conditions in sweatshops. Since the N. R. A. was declared unconstitutional, child labor is increasing again. When the buying public patronizes firms which fail to display the shop card or button and do not sell union-labeled goods, Americans are encouraging the exploiters of children and women who work for scanty wages.

By purchasing unfair products of chiselers and foreigners, our own citizens are increasing unemployment at home and reducing the size of the pay envelope of everyone who receives a salary. They are likewise reducing mass-purchasing power, which is generally agreed to be the only means of obtaining permanent economic recovery. The union label is the best guarantee that goods are made in America and under fair labor conditions.

Here in the Nation's Capital last week at an industrial conference we witnessed the refusal of certain large industrialists to cooperate with the United States Government. These big business interests walked out of the meeting because, as they put it, they wanted to be free. Free for what? Free to exploit women and children? Free to cut wages and lengthen hours? These are the real reasons. While these large corporate interests refused to help solve our baffling economic problem, the American Federation of Labor has cooperated in the highest degree. With the aid of smaller independent business leaders, definite results may still be attained.

The chiselers want to continue the cutthroat competition which caused the panic of 1929. If these large industries were unionized and displayed the union label on their products, business conditions would be better for them as well as for the average citizen and permanent prosperity would return to America.

THE GOVERNMENT DEBT—EDITORIAL FROM DURANT (MISS.) NEWS

Mr. BILBO. Mr. President, I ask permission to insert in the RECORD an editorial from the Durant News entitled "Thirty Billion Dollars."

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

[From the Durant (Miss.) News of Thursday, Jan. 2, 1936]

THIRTY BILLION DOLLARS

Your Uncle Sam owes $30,000,000,000, says the Commercial Appeal in a long-winded and tedious editorial last Sunday. Granted. Granted that this is a lot of money. Granted that Government money should be carefully spent.

But the fact that we owe this amount, the fact that the Government is spending a lot of money, has become the wail of the plutocrats and the representatives of massed wealth, who know nothing of want, hunger, and human economic misery.

Let's keep the record straight: Much of the thirty billion we owe has been spent to pay for wars, for battleships, guns, and the instruments of butchery. The plutocrats are not crying out against this expenditure. Some of it has been spent, and is being spent, to relieve the hungry, to provide jobs for the unfortunate. This expenditure just burns up the big taxpayers, who have amassed vast fortunes.

We loaned foreign countries a lot of money during the last war. They have refused to repay us; they prefer to spend it preparing to shoot the next generation to pieces in the next war. We came out of the war owing about $30,000,000,000, the same amount we owe now.

This gruesome specter, the depression, was as bad as any war. I for one had rather our hungry, honest, but unfortunate citizens get some of it than to give it to a lot of Europeans to spend on future wars. Just after the last war Vice President Dawes was before a congressional committee. He was asked if it were not a fact that some money had been carelessly spent. His reply was a bit salty: "Hell, men, we've been in a war." So we may say to the Commercial Appeal, Maybe we do owe $30,000,000,000, but "H——, man, we've been in a depression." And there are a hundred men in America who could pay in taxes all that has been spent for relief and they could still stay off the relief roll.

Personally we would like to see some of the plutocrats and representatives of wealth who are trying to crucify Roosevelt have to get out and try to dig up something to eat, without money, a job, etc., for just a little while. They would probably be a bit more sympathetic.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation.

Mr. SMITH. Mr. President, what I am about to suggest is somewhat irregular.

The Committee on Agriculture and Forestry had under consideration the House text of the agricultural relief bill; and working on that they have authorized me, as chairman of the committee, to offer an amendment in the nature of a substitute for the pending bill. As the bill is the unfinished business, I take it that the Senate, of course, will waive any reference back to the committee.

In order to expedite business, I have had the amendment placed on the desks of Senators. I also have an explanation of the differences between the amendment and the pending measure. I should like to have the clerk read the explanation, as it was carefully prepared in response to and in keeping with the decision of the Committee on Agri-

culture and Forestry, which yesterday unanimously agreed to report the amendment. I mean, the action was unanimous on the part of those who were present; and a great majority of the membership of the committee was present. I do not think more than two or three members were absent.

I ask that the clerk may read this explanation in lieu of a report, so that the Senate may be thoroughly advised as to the differences between the amendment and the pending bill.

Mr. McNARY. Mr. President——

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

Mr. SMITH. I do.

Mr. McNARY. I have no objection, of course, to the clerk reading the explanation.

This is the fourth edition of a bill designed to take the place of the destroyed Agricultural Adjustment Act. As I recall, the first and most simple edition was withdrawn. Later the Senator from Alabama [Mr. BANKHEAD] proposed one which the Agricultural Committee, by a vote of 15 to 2, reported favorably, at which time he filed a report of about 18 pages attempting to describe the general objectives of that bill.

Yesterday the committee took up a bill denominated a confidential committee print. On account of a slight indisposition I was unable to attend the meeting of the committee. I secured a copy of the confidential print this morning, and I find that there are some changes, particularly as to the extension of the policy of cooperation between the Federal Government and the 48 States. With that I have no particular quarrel. However, the confidential print follows the line of the Bankhead bill, inasmuch as it postpones the operation of a larger and more permanent plan until 1938 or until the States may adapt themselves to the new formula.

Mr. SMITH. Mr. President, at that point I desire to say, if the Senator from Oregon will allow me, that the amendment does not postpone the operation of the plan as to individual States which in the interim will subscribe to the conditions set forth in it.

Mr. McNARY. That is technically true, but in practice it is not true. Anyone familiar with the sluggishness and slowness of State machinery knows that the States cannot adopt appropriate legislation or get in shape to handle this year's crops; hence, the Secretary of Agriculture must provide grants for the farmers with Federal funds for this year's crops.

The philosophy of the whole proposal is not offensive to the Senator from Oregon. I wish to conform as much as possible to the decision and opinion of the Supreme Court of the United States. I do believe that when we reach the point of cooperation, which is not practical before 1938, it may work out in a practicable and beneficial way; and if the Senator from South Carolina will say to me that he will withdraw all the provisions relating to present payments in violation of the decision of the Supreme Court, I shall content myself by withdrawing my opposition.

That, however, is not the primary purpose of the measure. Let me proceed for just a moment. I have not had the advantage of reading the confidential committee print until this morning. I have tried, in the little time I have had, to compare the provisions of the so-called confidential committee print and the provisions of the bill reported by the Senator from Alabama [Mr. BANKHEAD]. I find considerable difference, not in the present philosophy but in the future objectives of the two measures.

To my surprise, however, a moment ago another measure, which is the fourth edition, is placed on the desk, and called an amendment. I do not know whether or not it is the same thing I have been reading this morning. I do not know whether or not the report of the Senator from Alabama applies to the provisions and the purposes of this amendment. Consequently, I am laboring under a handicap which must be generally shared by everyone here. We are unable to know what we are to consider or what we are talking about. The chairman of the committee may know; but I desire an understanding that before we proceed today to anything like a final consideration of this measure we shall have it explained, and have every edition of it explained, and why these evolutions are taking place, and the reasons therefor, and whether or not this is the last proposal that is to be made. Each day I have had presented to me a new proposal, an enlargement, a supplement of something that has been presented the day before; and I desire to have an understanding that if the clerk reads this amendment we shall not go farther today than an explanation by the Senator from South Carolina, and such desultory remarks as may be made by other Senators.

Mr. SMITH. Mr. President, the Senator from Oregon misunderstood the request made by the Senator from South Carolina. I have had a copy of the amendment put on the desk of each Senator, and I said that those who had participated in presenting this amendment had had the proper parties draw up a full explanation of the purpose of the amendment, and the changes which constitute the differences between this measure and those that have gone before. Since this bill is the unfinished business, I thought if the clerk would read the explanation I have offered in lieu of a report, as it covers the entire bill, Senators would be advised as to the differences between this measure and the others.

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

Mr. SMITH. Yes.

Mr. BORAH. I have no objection, of course, to the clerk reading the explanation sent to the desk by the Senator from South Carolina; but how far does the Senator propose to proceed today with the consideration of the bill?

Mr. SMITH. As this measure is the unfinished business, I had hoped that, perhaps, we could continue the debate on the bill, or keep it before the Senate to its final conclusion.

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

Mr. SMITH. I yield.

Mr. ROBINSON. In answer to the question of the Senator from Idaho and also in answer to the statement of the Senator from Oregon, I may say that I do not expect the amendment which has been reported by the Senator from South Carolina to reach a final disposition today. I do feel, however, that the Senator from South Carolina should proceed with his explanation, and that other Senators who are familiar with the amendment, and who desire to do so, should continue the discussion.

For my part, with no disposition to interfere with the policy of the Senator from South Carolina, in charge of the bill, it does not seem to me practicable to attempt to reach a conclusion on the bill today. All I desire is that we may proceed with a discussion of the bill as far as it is practicable to do so. We have delayed action from time to time. I regret that the able Senator from Alabama [Mr. BANKHEAD], who has taken a very great interest in the subject matter of the proposed legislation, and whose bill is now before the Senate, is unable to be present today; but my information is that he will not be in a condition to come to the Senate for several days. For that reason it seems necessary to proceed. We can later determine what action shall be taken on the bill today.

Mr. SMITH. Mr. President, I think it is due the members of the committee that I should say that practically every member present at the meetings participated in the action of the committee. Since I have been chairman of the committee I have never known of an occasion where the framing of the terms of a bill was participated in by as many members of the committee as was true in this case. I think the Senator from Arkansas is right when he suggests that after the explanation I have sent to the desk shall have been read I should take occasion to give my understanding of the bill. Then I think it would be pertinent for those members of the committee who have dealt with certain particular features of the measure also to give the Senate the benefit of their views.

Mr. RUSSELL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Senate bill 3780 was originally reported by the committee with an amendment striking out all after the enacting clause and inserting certain language, the amendment being in the nature of a substitute. Is the substitute, as twice reported by the committee, still pending before the Senate?

Mr. SMITH. I have today, on behalf of the committee, offered a substitute for the substitute originally reported.

The VICE PRESIDENT. The Chair is advised by the Parliamentarian that the parliamentary situation is as follows: The committee originally reported a bill, Senate bill 3780, with an amendment in the nature of a substitute. The Senator from South Carolina has now offered an amendment, in the nature of a substitute, for that amendment.

Mr. RUSSELL. The point I desire to make is that if that be the parliamentary status, the substitute for the substitute would not be open to amendment, any amendment thereto being an amendment in the third degree.

The VICE PRESIDENT. It would be in order under rule XVIII.

Mr. RUSSELL. The second substitute would be open to amendment?

The VICE PRESIDENT. The Chair is so advised by the Parliamentarian.

Mr. RUSSELL. That is the matter I desired to have cleared up before we proceeded.

The VICE PRESIDENT. Does the committee desire to withdraw its original substitute and offer the one the committee last authorized to be reported? If so, the parliamentary situation may be simplified.

Mr. SMITH. Yes; that is what we desire, and I now offer the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, it is proposed to strike out all after line 6 down to and including line 2 on page 8 and insert the following:

That the act entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, is amended by inserting at the end thereof the following:

"SEC. 7. (a) It is hereby declared to be the policy of this act also to secure, and the purposes of this act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) reestablishment and maintenance of farmers' purchasing power, at prices for agricultural commodities fair to both producers and consumers; and (5) in carrying out the purposes of this act due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand.

"(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate one or more of the purposes of this section, by making grants under this section to enable them to carry out such plans.

"(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate one or more of the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

"(d) No such plan shall be approved unless by its terms:

"(1) It provides that the agency to administer the plan shall be such agency as is authorized by the State and approved by the Secretary;

"(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

"(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

"(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

"(1) Substantial accomplishment in effectuating one or more of the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

"(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

"(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate one or more of the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

"(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period.

"SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1938, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1937, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1938, and administrative expenses in connection with such payments or grants.

"(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in section 7 (a) by making payments or grants of other aid to agricultural producers in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) the acreage of crop land, or (2) the acreage of soil-improving or erosion-preventing crops, or (3) changes in farming practices, during such year on the land with respect to which such payment is made, or by (4) a percentage of the normal production on such land of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption through normal channels, or by any combination of the above. In determining the amount of any payment or grant based upon (1), (2), or (3) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section, the Secretary is authorized to utilize the agricultural extension service, county and community committees of agricultural producers organized for such purpose, or such other approved agencies as he determines will promote the effective administration of this section. In carrying out the provisions of this section, the Secretary shall not have the power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein.

"(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), or (3) of section 7 (a).

"SEC. 9. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively, the policy and purposes of section 7 (a). Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this act.

"SEC. 10. The term 'agricultural commodity' as used in this act means any such commodity and any regional or market classification, type, or grade thereof.

"SEC. 11. The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

"SEC. 12. Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (4) of section 7 (a), he shall use such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

"SEC. 13. Notwithstanding the foregoing provisions of this act, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under this act as he deems may be appropriately exercised by such Administration, and for such purposes the provisions of law applicable to the appointment and

compensation of persons employed by the Agricultural Adjustment Administration shall apply.

"SEC. 14. Notwithstanding any other provision of law, the action of any officer or employee in determining the amount of or in making any grant or payment under section 7 or 8 shall not be subject to review by any officer of the Government other than the Secretary of Agriculture."

SEC. 2. Section 32 of the act to amend the Agricultural Adjustment Act, as amended, approved August 24, 1935, is amended by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof: "The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will best effectuate the purposes of this section."

SEC. 3. The unexpended balance of the funds appropriated by the second paragraph of Public Resolution No. 27, Seventy-third Congress, approved May 25, 1934, to carry out section 6 of the act entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities and for other purposes", approved April 7, 1934, and the unexpended balance of the funds appropriated by section 37 of Public Act No. 320, Seventy-fourth Congress, entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", is authorized to be made available for the purposes enumerated in said acts until June 30, 1937. The authorization contained in section 37 of Public Act No. 320, Seventy-fourth Congress, is likewise authorized to be made available until June 30, 1937.

SEC. 4. Section 22 of the Agricultural Adjustment Act, as amended, is amended by inserting after the words "this title" wherever they appear the following: "or the Soil Conservation Act, as amended."

SEC. 5. (a) This act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in this act, the term "State" includes Alaska, Hawaii, and Puerto Rico.

(b) This act may be cited as the Soil Conservation Act.

The VICE PRESIDENT. The clerk will read the explanation sent to the desk by the Senator from South Carolina.

The Chief Clerk read as follows:

This bill provides for two types of administration. The first type is that which provides that the Secretary of Agriculture shall cooperate with the States in the execution of State plans designed to effectuate one or more of the purposes set forth in section 7 (a) of the bill. The other type of administration is the exercise of powers by the Secretary set forth in section 8 in administering Federal programs during the temporary period necessary to afford opportunity for legislative action by a sufficient number of the States to assure the effectuation of the purposes of the bill.

The first step that would be necessary in administering programs through cooperation with the States would be the enactment of appropriate State legislation which would form the basis of developing State plans approvable by the Secretary of Agriculture. The bill sets forth in section 7 (d) and (e) a number of conditions that would be required of any State plan if it was to be approved by the Secretary.

The most important of these conditions are, first, that the agency to administer the plan must be one that is lawfully authorized by the State and approved by the Secretary; second, that the methods of administration and participation by county and community committees or associations of producers organized for such purpose, must meet standards which the Secretary finds necessary for the effective administration of the plan; third, that the Secretary may require such reports from the States as he deems necessary to determine whether the plan is being carried out according to its terms, and he may take such steps as are necessary to give assurance of the correctness of such reports; fourth, that the plan offers reasonable prospect along with plans submitted by other States of effectuating the purposes of the act and that it will accomplish these objectives as well as could be reasonably expected from any action on the part of the State. These conditions insure proper coordination between the authorized State agencies and the Federal Government and also specify that producers are to be given an active part in the administration of the plan. Experiences during the past few years have demonstrated very clearly that if an agricultural program is to be successful it must be administered largely by farmers themselves.

In order to expedite the enactment of State legislation and formulation of State plans, the Secretary could issue a statement soon after this proposed bill becomes law, setting forth in more detail the requirements of any State plan in order to receive his approval. No doubt it would be necessary to require a considerable degree of uniformity in programs as between the various States and regions in order that the programs of some States would not tend to conflict with the operation of other State plans.

It would be possible under this bill for the States to adopt programs that the Federal Government is prohibited from carrying on as a result of the Supreme Court decision on January 6. The States could enter into contracts with individual producers. One of the primary objectives of any State program would be the preservation and improvement of soil resources, hence, programs under this statute would go even further than did the agricultural-adjustment programs in conserving and improving the fertility of our soil, which is so vital for the protection of the food supply of future generations.

Another important objective of State plans would be the reestablishment and maintenance of the purchasing power of farmers which has proved to be so essential to our national prosperity and security. Such State plans might well be similar to those which were undertaken so successfully by the Federal Government under the invalidated portions of the Agricultural Adjustment Act. Any plan adopted by States must not be inconsistent with the maintenance of an adequate supply of agricultural commodities at prices fair to the consumers thereof. This bill, therefore, safeguards the interests of the consumers in the near future as well as in the more distant future.

On or before November 1 of each year the Secretary of Agriculture would apportion among the several States the funds which would be available for carrying out the State plans during the next calendar year. In apportioning these funds to the various States, the bill provides that the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during some representative period. This would provide a simple and equitable basis for apportioning the funds to carry out the purposes of this act. By using the acreage and value of major soil depleting crops as a basis of apportionment, it would tend to distribute the funds in accordance with the need for preserving and improving the soil fertility, for promoting the economic use of land, and for diminishing the exploitation and unprofitable use of soil resources. By using the acreage and value of major export crops as a criterion, to that extent the funds would be apportioned in accordance with the degree of loss in prices and income as well as fertility which has resulted from the loss of our export markets.

Upon approval of a State plan, the Secretary of the Treasury would pay to the State agency designated to administer the plan, one-fourth of the amount of money allocated to the State. The remainder of the amount allocated to the State would be paid to that State in such installments as may be set forth in the State plan. However, no such installments would be certified for payment if the Secretary of Agriculture found that prior to the due date of such installment the State had failed to carry out the plan according to its terms. Furthermore, the total payment in the State would not exceed the amount which the Secretary of Agriculture finds necessary to carry out the program during the specified period.

One or two years would be required for the States to enact the legislation that would enable them to submit and administer State plans. Without any kind of program during this interim farmers would be forced to go back to the practice of depleting their soil by overcropping their land in an effort to obtain sufficient income to meet their fixed expenses such as taxes and interest on their mortgages. Therefore, if we are to hold the gains that have been made under the Agricultural Adjustment Act by diverting millions of acres from the production of cultivated crops to the production of soil-improving crops, it will be necessary to provide farmers with such aid as will permit them to continue these soil-conserving practices during this temporary period. Section 8 of the bill would make such a program possible.

It would give the Secretary of Agriculture the authority to make conditional payments or grants to individual farmers who have by voluntary performance shifted land from intensive crops to uses that conserve and build up the soil. The Secretary would announce in advance the conditions upon which such payments or grants would be made.

It is believed that by January 1, 1938, it will be possible for the States to put State plans into effect. For this reason section 8 provides that the Secretary could not exercise these powers to make conditional grants to individual farmers with respect to farming operations commencing after December 31, 1937. Furthermore, if one or more State plans are put into effect prior to that date, no conditional grants could be made to producers within such States with respect to farming operations commencing after the effective date of such plans. During the temporary period the Secretary of Agriculture could make conditional payments on the basis of any one or any combination of the following: (1) The acreage of cropland, (2) the acreage of soil-improving or erosion-preventing crops, (3) changes in farming practices on such land, (4) percentage of the normal production of such land of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption.

The Secretary would determine the amounts of payment that would be fair and reasonable for effectuating the purposes with respect to which such grants are made. If the payment is to be made on the basis of acreage of cropland or the acreage of soil-improving or erosion-preventing crops, the Secretary must take into consideration the productivity of the land in determining the amounts of payment.

In administering the programs during the temporary period the proposed bill specifically prohibits the Secretary from entering into contracts binding upon producers or acquiring any land or right or interest therein. This provision was placed in the bill in order that it might fully conform with the opinion of the Supreme Court, as set forth in its decision of January 6.

Section 13 of the bill authorizes and directs the Secretary to utilize the Agricultural Adjustment Administration in exercising such powers conferred upon him by this act as he deems may be

appropriately undertaken by that Administration. The Agricultural Adjustment Administration and the State boards and county associations organized by it can be easily and quickly adapted to the administrative needs of the temporary program. By using the personnel in the counties and States which has had experience in administering programs under the Agricultural Adjustment Administration it would be possible to very quickly put into effect and administer a soil-conservation program during the next 1 or 2 years.

The provisions for temporary programs set forth in section 8 clearly limit the actions that can be undertaken by the Secretary of Agriculture to those that promote conservation and improvement of soil fertility or economic use of the land. He could make grants only to those producers who have made such utilization of their land as will preserve and improve soil fertility, provide for the economic use of the land, or prevent the exploitation thereof. It obviously would be necessary for the Secretary to provide standards by which to measure such utilization. For example, one standard might be the increase above a specified base acreage that individual producers devoted to the production of such soil-building crops as grasses or legumes. Another might be the acreage diverted from the production of specified crops which deplete the soil to the production of crops which conserve or improve soil fertility.

It would also be necessary, as indicated earlier, for the Secretary to specify standards which would form the basis of measuring the amounts of payments to be made. He might make a specified payment per acre of soil-building crops on the individual farm, such payment depending upon the productivity of the land, or it might be provided that the payment will be based upon the increase in acreage of soil-building crops or the acreage diverted from soil-depleting crops to soil-building crops.

The Secretary would announce in advance the terms and conditions upon which grants would be made. The producer could be advised through the State boards and county associations what these terms and conditions would mean in terms of farming practices on his own farm. It would not be necessary nor permissible for a producer to execute any application, agreement, or contract binding him to carry out the conditions for a grant on his farm. The producer would merely make application for a grant after the planting season was ended, if he chose to do so. A representative of his county association could then inspect his farm to determine whether conditions for the grant had been complied with. If this was found to be the case, then the county association would make proper certification to the Secretary of Agriculture, recommending that the payment be made. If it was found that the producer had failed to meet the standards of performance necessary for obtaining the grant, the application obviously would not be accepted.

Simplicity of operation would be one of the most attractive features of such an administrative procedure. It would also have the advantage of involving a complete freedom of action on the part of the individual producer, but at the same time providing the necessary aid to those who have undertaken to maintain and improve the productivity of their land. This type of program and method of administration would also have the advantage of making it possible to have only one program per farm—a soil-conservation program—which would greatly simplify State and county administration and encourage producer participation. Farmers would have an opportunity during this temporary period to enter into a Nation-wide cooperative enterprise which would give them the much-needed relief from some of the crushing economic forces with which they are burdened and at the same time protect their investments in soil fertility.

Opportunity also would be afforded during this temporary period for building of sound foundations for the permanent State programs which are to follow.

Mr. SMITH. Mr. President, I do not propose to take up much of the time of the Senate in making further explanation of the bill. I think Senators who heard the reading of the report have gotten the main ideas which are incorporated in the bill.

First, it is a measure dealing with soil erosion and soil conservation; measures dealing with both subjects are already on the statute books. The bill is then fashioned to provide for the cooperation of the States in ultimately carrying out the conditions formulated by the Federal Government. Of course, after the States shall have acted, they may, under their reserved powers, go to any extent the jurisdiction of the State permits. However, the Federal Government, in cooperating with the States—I am now speaking of the ultimate object—will lay down certain conditions approximately such as have been laid down in the good-roads law and in farm extension work.

I do not think any Senator will question the legality or the constitutionality of that ultimate object. It is to coordinate the Federal power with the State power in order to accomplish the greatest possible good for agriculture. That means that when the Federal Government lays down certain conditions and the State meets them certain grants to carry out and effectuate that plan will be made by the Federal Government, the object being to preserve and conserve the productivity of the soil, to prevent erosion, and to prevent the depletion of fertility. That is the basic principle of the bill.

If certain benefits, which are indicated in the bill, should accrue incidentally, the result would be analogous to that in the case of the erection of a dam on a navigable stream for the improvement of navigation, where, incidentally, power is produced, and the question arises whether or not the Federal Government has the right to utilize that power for the benefit of the people.

Coming to the interim, the committee went over carefully the decision of the Supreme Court to find out how far the bill might go to stabilize conditions between the time of acceptance by the States and the immediate present. The committee, therefore, have recommended as to this soil erosion and soil-conservation project that there be utilized in the States those agencies that are now operating under present laws.

This is an extension of the Soil Erosion Act. It starts out by adding section 7 (a) to that act. It is proposed to utilize the agencies now at work to see whether or not the farmers of the country conform to the necessity of preserving their soil and preventing erosion.

Mr. HASTINGS. Mr. President——

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

Mr. SMITH. I yield.

Mr. HASTINGS. Let me ask the Senator a question. My information from reading the bill in the form in which it was reported this morning is that the purpose of the bill is to increase the products of the soil, which is exactly opposite to the purpose of the original A. A. A. Act. May I ask the Senator whether or not that is a correct general statement?

Mr. SMITH. I do not think it is a correct general statement.

Mr. HASTINGS. Is it not the purpose of this bill to put the country in a position where it can increase its farm production?

Mr. SMITH. Ultimately, if the necessity should arise.

Mr. HASTINGS. But it is proposed to make it effective at once. Is it not the purpose to put it into effect at once, and bring about an improvement of the soil of the country, so that we may be certain to increase the abundance of which we have been complaining for some 2 or 3 years?

Mr. SMITH. No; the Senator must understand——

Mr. HASTINGS. That is the ultimate effect, is it not?

Mr. SMITH. There may be vast areas which are now being farmed and which are being ruined by erosion. It may not be the proper thing to plant such areas in anything but rather to reforest them, in order to supply timber, which is rapidly being depleted. The utilization of those lands for timber might be infinitely better both for the individual owner of the land and for the general welfare.

Mr. CAREY. Mr. President——

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

Mr. SMITH. I yield.

Mr. CAREY. The Senator has stated that the purpose of this bill is to prevent soil erosion?

Mr. SMITH. And also to bring about soil improvement, soil conservation.

Mr. CAREY. Is it not also the purpose of the bill to be of some benefit to the farmers?

Mr. SMITH. Oh, that is the object of it all, or I presume the Agricultural Committee would not have considered the bill at all.

Mr. CAREY. Assuming a farmer's land was not being eroded, how would he get any benefit from the enactment of this bill?

Mr. SMITH. Our soil is being continually depleted. For instance, I do not know of a more exhausting crop than the wheat crop, and each year the production of a given farm is lessened by the amount of fertility exhausted in the

production of that crop. The object of this bill is to conserve the fertility of the soil by rotation or by crop-building plants, such as legumes and grasses, to provide that a certain portion of the land can be planted in those crops and thereby perpetuate for all time the proper return from the farm.

Mr. CAREY. Assuming that a farmer has 80 acres in alfalfa and intends to keep it in alfalfa, how could he get any benefit from this bill?

Mr. SMITH. I do not think it would be necessary for him to apply, and I do not know that he would get any benefit.

Mr. CAREY. But he needs assistance as well as the farmer who is endeavoring to grow other crops.

Mr. SMITH. The presumption is that so much alfalfa is being planted on land not adapted to it that the total amount produced might be detrimental to the marketing of the crop and to the general supply.

Mr. CAREY. Does the Senator mean that there would be taken out of production land that was in alfalfa?

Mr. SMITH. If the condition that I have indicated were apparent.

Mr. ROBINSON. If necessary to conserve the soil?

Mr. SMITH. If it was on land which was being eroded, yes.

Mr. CAREY. I do not know of any crop which is better for preserving land than is alfalfa.

Mr. SMITH. I think the Senator has asked a question that should be answered frankly. I think where an entire farm is planted in crops which improve and conserve the soil that there should not be any benefits accorded under this bill.

Mr. CAREY. A farmer, then, who is properly rotating his crops by planting, say, alfalfa, sugar beets, and grain, and then alfalfa again, intending to conserve the soil, would not be entitled to anything under this bill?

Mr. SMITH. I think not, provided it was apparent that he was carrying out before the passage of this bill the purposes of the passage of the measure.

Mr. CAREY. In other words, the poor farmer, the one who does not cultivate his land properly, is benefited while the other man, who is farming in a proper manner, is not benefited under this proposed act?

Mr. SMITH. The general effect on the public of the poor farmer is what we are now considering.

Mr. CAREY. I am considering all farmers; the good farmer is entitled to the same consideration as is the poor one.

Mr. SMITH. Exactly; but where there is no necessity—I want to be perfectly frank—for encouragement under this bill, it would be a work of supererogation to recompense him for doing what he is already doing. If he is as shrewd as most of the Yankees I know, the minute this bill becomes a law he will quit planting alfalfa and see if he cannot get some benefit.

Mr. CAREY. Cannot a farmer who is raising alfalfa ask for some benefit although he is conserving the soil? I am growing alfalfa, and I am interested in ascertaining the fact.

Mr. SMITH. I would state to the Senator that a farmer would be bound by whatever rules and regulations a State lays down. The virtue of this bill is that it leaves the matter of detail to the States.

Mr. CAREY. Mr. President, may I ask the Senator another question?

Mr. SMITH. Certainly.

Mr. CAREY. It is a fact, is it not, that under the bill the Secretary of Agriculture can prescribe the rules under which the States may operate? In other words, the farmers would be regimented by the Secretary of Agriculture?

Mr. SMITH. No.

Mr. CAREY. Why not? If he did not comply with whatever rule the Secretary might prescribe for the State, the farmer would get no benefit.

Mr. SMITH. No. If the Senator will read the bill carefully he will see that certain grants will be made to the States and the rewards will accrue after the crop is produced and inspection is made to see whether the individuals have done the things that are conditioned in this bill and recommended by the local State authorities.

Mr. VANDENBERG. Mr. President, may I ask the Senator whether any estimate has been made of the expenditure involved from the Public Treasury in respect to this program?

Mr. SMITH. I think there has been a preliminary estimate, of about $440,000,000. As I have been informed, that is approximately the amount.

Mr. VANDENBERG. Does the Senator mean $440,000,000 in the next fiscal year, or commencing with the enactment of this proposed legislation?

Mr. SMITH. I think it would have to be after the next fiscal year. That would be my judgment; I am not certain about that, however, for it might be from the enactment of the measure.

Mr. VANDENBERG. Then, is it contemplated that there will be a tax bill of some nature to provide $440,000,000?

Mr. SMITH. Now the Senator is in a realm where I know nothing about the procedure. I do not know whether there will be a tax bill or a bond issue or whether there will be certificates on the gold or silver held by the Government or pure greenbacks. I do not know as to that.

Mr. VANDENBERG. The plan which is submitted in great detail lacks that particular detail?

Mr. SMITH. Yes, because——

Mr. VANDENBERG. The Senator thinks that it is a matter of supererogation to inquire about that?

Mr. SMITH. The Senator should not use that sort of word in a farm bill. I did it a while ago inadvertently, because I was affected by my present surroundings. We will now get down to "farmer language."

I think the reason the matter to which the Senator refers was left out was because the amount necessary is not as yet fully determined upon, though there is pending, I understand, a preliminary estimate, which will be offered in due course.

Mr. President, let it be borne in mind that the object of this bill is the conservation of the soil, and the forces that will be used to attain that object are the forces already appointed by the States and cooperating with the Federal Government under the initial act, namely, those provided for in the Soil Erosion Act.

If there is any other explanation of the bill I should be glad if any member of the committee would take the floor; but I wish to say that I think it is necessary and essential for the Federal Government, so far as it can legitimately do so, to see to it that the farmers of this country have consideration preeminently above and over those engaged in every other vocation, avocation, profession, or business, because it is well known to this body that practically all industry is organized. Even our banking system is formulated and made to cater to organized business.

The farmer, in order to get the wherewith to conduct his farming operations, has to take the crumbs that fall from his master's table in the banking and financial world. The farmer is disorganized, and by the very nature of his business he cannot organize. The personnel, the difference in the financial and social standing make it impossible for him to unite; and yet, strangely enough—though it is not strange but a fact—the farmers are the producers of practically all the basic commodities upon which the superstructure rests. The aggregate of these impoverished individuals produce the raw materials of America, and immediately they leave their hands the raw materials are in the hands of organized industry and capital.

How many of us realize that the manufacturer produces his crop by laws which the manufacturer himself makes? In the cotton mill every piece of machinery that enters into production of the crop was fabricated and made to do that thing. The cotton manufacturer controls his entire output. He has no season. There is no winter, no summer, no spring, no fall. It is a perpetual activity. Snow does not deter him, heat does not halt him, and insects do not ravish the

manufacturer in the production of his crop. It is made under laws controlled by him.

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

Mr. SMITH. Not right now. I want to get through with this thought. I want to impress the Senate with the fact that any kind of law looking to the help and benefit of industry meets our hearty approval, but when we come to deal with the difficult problem of helping to finance and encourage American citizens who clothe and feed and shoe us, then every kind of obstacle presents itself. It is a serious problem.

I conclude what I have to say with this thought: We have heard much about the law of supply and demand. In the ultimate analysis it is true that that law prevails, but there is another law as deadly as the law of supply and demand. That is the law of the line of least resistance. I assert that that law does more to destroy the profits of the farmer than does the law of supply and demand. When the manufacturer begins to find that he cannot sell his cotton goods at a certain price per unit, where does he retrench? Does he lessen dividends? No. Salaries? No. Overhead? No. He simply takes it out of the price of the raw material. That is neither my law nor your law. That is nature's law.

Take a rough sawn board, tilt it at an angle, and pour water on it at the top. That water does not run downward in a straight line. It zigzags and runs around obstructions, and thus avoids difficulties. That is the theory in the economy of life. In that economy who offers the line of least resistance? It is the 40,000,000 farmers who produce the foodstuffs, the wheat, the cattle, and so on, and yet who, in their disorganized capacity, become the victims of the law of the line of least resistance.

When the meat packers find the products they have manufactured and are ready to sell meet sales resistance, they do not cut down their overhead or salaries or dividends. They simply lower the price of the livestock which constitutes their raw material. That is all they do.

In this hour of our Nation's travail who are the ones who suffer the blighting effects of a nation plunged into the abyss of depression? It is those at the bottom who suffer.

Here we come and say, Let us put up a line of resistance. Let the Federal Government, so far as it may, formulate a plan by which the farmer will be taken out, in part at least, of the category of the disorganized, who, in spite of their poverty, in spite of their lack of opportunity to operate collectively, produce all that keeps our civilization alive. Are we not under obligation to do that? Is it not our duty, so far as State and Nation can go hand in hand, to preserve the foundation upon which our economic, social, and political life depends?

Every Senator ought to feel it his duty and his obligation to his country and to his fellow men to use every means within his power to see that he who produces the wealth of the Nation shall enjoy his just part of the proceeds from that wealth.

We may not do this thing arbitrarily. The Federal Government has not the power and ought not to have the power—I state here frankly today that the Federal Government ought not to have the power—to dictate to 30,000,000 farmers specifically what they should plant, how much they should produce, but should leave it to the judgment of the several States, where the farmers are in intimate contact not only with the conditions but with those who represent him in his legislature, and the Federal Government, so far as its powers under the delegated powers of the Constitution allow it to go, should join hands with the State and see to it that the farmers shall be preserved.

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

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

Mr. SMITH. Certainly.

Mr. ASHURST. The Senator from South Carolina has not been admitted to the bar, but I have always regarded him as a student of our Constitution and his judgment is usually sound on questions of constitutional law. I do not know whether the Senator supported the A. A. A., but, if he did not, I know why he did not. Everyone knows why I did not support it.

I ask the Senator if it is not his opinion that the pending bill avoids the very objections which were urged to the old A. A. A. bill?

Mr. SMITH. It is.

Mr. ASHURST. Is it not his opinion that it is not beyond the power of Congress to enact this bill into law?

Mr. SMITH. I think it is clearly within the province of Congress to enact this bill into law.

Mr. ASHURST. I join with the Senator in that opinion, and, I repeat, the bill seems to me to be a successful effort to avoid the defects that overthrew, and I think, justly overthrew, the A. A. A. in the Supreme Court of the United States.

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

Mr. SMITH. I yield.

Mr. McNARY. I have unusual respect for the legal opinions of the Senator from Arizona.

Mr. ASHURST. I thank the Senator.

Mr. McNARY. I do not have the opinion of the Supreme Court before me at the moment. Will not the Senator state just what the Supreme Court said about the A. A. A.?

Mr. ASHURST. I would not presume to quote literally, but the reason for the overthrow of the A. A. A. was that it was beyond the power of Congress to enter into those intimate details which belong only to the States. The pending substitute, I understand, successfully avoids the very thing which overthrew the A. A. A., because it does not impinge upon the power and the rights of the States.

The State has the power to do anything not prohibited by the Federal Constitution, and under the Federal Constitution the Congress may do nothing except what the Constitution says it may do.

It seems to me, without entering into a long discussion, that this substitute does not invade any of the rights of the several States; that it does not dictate to them what they shall do, but leaves it to their judgment, as was the case with the good-roads bill. Congress has the power to say that we shall appropriate money for good roads, and that State A or State B may have a certain part of that fund if they do this or that. This bill seems to me to be similar to that.

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

Mr. SMITH. I yield to the Senator from Oregon.

Mr. McNARY. The Senator from Arizona probably has not read this bill with the care with which he will read it if it shall go over for a few days.

Mr. ASHURST. Mr. President, frankness requires me to confess that I have not studied the measure as carefully as I should have.

Mr. McNARY. The Senator proceeds upon the erroneous theory that this bill is one to enable the Federal Government to aid agriculture in cooperation with the States. That is the base upon which he supports his argument. That will be true 2 or 3 years from now; but there is a gap between now and then which, in my opinion—and it is that to which I object—falls squarely within the prohibitory language of the decision of the Supreme Court, namely, that during that short period this measure in its present form does interfere with the reserved right of the States to control agriculture. It simply provides that certain crops may be planted to conserve, as it may be called, the fertility of the soil and prevent erosion, for which payment is to be made by the Federal Government; the main purpose, of course, being wholly to curtail production, to reduce acreage, and thereby to elevate the price levels. Everyone knows that that is the real purpose of the bill.

If that view is correct, if my statement is entitled to the credit that I think it is, will the Senator say that the Constitution does not contain the same inhibitions upon that which are pointed out by the Supreme Court in the case of United States against Butler?

Mr. ASHURST. I am not going to get into any argument with the able Senator from Oregon over constitutional law. As Saul sat at the feet of Gamaliel and learned all the ancient law, I think I could sit at the feet of the Senator

from Oregon and learn law. He was a distinguished judge, and the record he has made enriches the annals of his State. I still insist, however, with due respect to him, that there is a vast difference between the substitute brought in this morning and the old A. A. A. measure.

The last thing I should be tempted to do, however, would be to get into any argument today over the constitutionality of a bill. It is profitless, and probably I should not be pardoned for even expressing my own opinion on the subject, but I am glad to hear the Senator's.

Mr. McNARY. Mr. President, I am so enamored of the unusual legal acumen of the distinguished Senator from Arizona, who is chairman of the Judiciary Committee, that I am curious to know whether he has read the last product which has been placed on our desks, known as the amendment presented today.

Mr. ASHURST. If the Senator will indulge me, I read the substitute.

Mr. SMITH. Mr. President, while I think this very enlightening revelation of the esteem in which each Senator holds the other ought to go in the RECORD, and I am sure it has, because it is a great addition to the knowledge that some of us had, I think I shall content myself with one observation, namely, that we must not lose sight of the fact that this is a soil-erosion and soil-conservation bill.

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

Mr. SMITH. Yes.

Mr. McNARY. Will the Senator look serious the next time he makes that statement?

Mr. SMITH. Mr. President, I have lately reached a point where it is impossible to be serious.

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

Mr. SMITH. Yes.

Mr. ASHURST. I do not know that this should be said to a class of moralists, but we, as Senators, know that frequently in the practical affairs of life a man is like a person on roller skates—he goes partly where he wishes to go and partly where the skates take him—and that is not regarded as immoral or improper in legislation of this sort. In my judgment, we are not doing anything immoral or improper if forsooth we are here skating around that which is denied to us, but are reaching an objective properly, even if it be under the name of soil conservation.

Mr. SMITH. I am sorry the Senator has used the illustration about skates, because very often while skating we reach the position where we landed as a result of a decision of the Supreme Court.

I desire to make one more observation, and then I shall have concluded. If soil conservation and soil erosion are proper subjects of legislation by the Federal Government, then this bill, even in the interim, is constitutional, for the reason that it sets out to do the very thing and utilize the very same force that is utilized in carrying out those two laws.

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

Mr. SMITH. Yes.

Mr. VANDENBERG. Referring again to the ultimate appropriation which will be necessary to carry out the provisions of the bill, may I ask the Senator from South Carolina if it is not true that under section 8, which describes the immediate process, the amount of money involved will be entirely dependent upon the nature and character of the regulations established by the Secretary of Agriculture? In other words, he could establish a billion dollars' worth of regulation or a quarter of a billion dollars' worth of regulation, could he not?

Mr. SMITH. I think that is true.

Mr. VANDENBERG. Does the Senator think we should pass this bill without some limitation in terms of dollars and cents upon this unlimited grant of authority to the Secretary of Agriculture?

Mr. SMITH. I will state to the Senator that I took it for granted that those who were studying this proposal from the standpoint of financing it would take into consideration all the elements necessary to be considered and would bring in an appropriation of an amount limited to a common-sense administration of the proposed law.

Mr. VANDENBERG. For the sake of the argument, let us agree that subsequently we are to have a common-sense limitation. Does the Senator think that justifies the Senate in legislating upon the basic grant in utterly unlimited terms, leaving to the Secretary of Agriculture the right to establish rules that may run into an expenditure of $2,000,000,000 if he wishes to do so?

Mr. SMITH. Yes; I think that where provisions are as carefully laid down and limited as they are in this measure, the committee was well within its rights in setting forth the plan, and then allowing amendments to be made or an earmarked appropriation to be brought in for the purpose of financing the bill.

Mr. VANDENBERG. The Senator says he understands that the contemplated cost for the next fiscal year is $440,000,000.

Mr. SMITH. That is what I have heard.

Mr. VANDENBERG. Why should not that authorization be part of the bill, so that at least there will be somewhere an outside boundary when we are permitting the Secretary of Agriculture to do anything he wants to do with the Public Treasury?

Mr. SMITH. Mr. President, before we conclude the discussion of this bill I think those who, perhaps, are better qualified than the members of the committee will bring in, and it may be that someone will offer, an amendment of that nature to this bill; but the main object of the committee—and it took all our time—was to try to frame a bill which would help the farmers and not run counter to the decision of the Supreme Court of the United States.

Mr. VANDENBERG. I am not quarreling with the Senator on that score.

Mr. SMITH. So far as the amount is concerned, I think that can be easily taken care of before the adjournment of this session of Congress.

Mr. VANDENBERG. The Senator would agree with me that it would not be appropriate for us to leave to the Secretary of Agriculture the question of whether one or two or five billion dollars is to be taken out of the Treasury of the United States?

Mr. SMITH. Oh, no; I think not. If nobody else does it, I think the Agricultural Committee will decide upon and bring in an amendment stating what they think is the appropriate amount, if they may suggest it to the appropriating committee.

Mr. VANDENBERG. I suggest that the Senator do it in connection with an amendment to this bill, so that the whole subject will be before us in shipshape fashion.

Mr. SMITH. I think the point the Senator has indicated is well taken.

Mr. President, I do not think it is necessary for me to add anything to what I have said. I do wish to qualify my response to the Senator from Arizona [Mr. ASHURST]. I said that I believe this bill stays within the limitations of the Constitution as a soil-erosion and soil-conservation measure, and I repeat that statement. I think there may come about, incidentally, some benefits that cannot be escaped; but they are neither contractual nor are they made obligatory upon the individual.

Mr. ASHURST. Mr. President, will the Senator yield to me for just a moment?

Mr. SMITH. Yes.

Mr. ASHURST. Courts seldom inquire into what was in the minds of legislators when they passed a bill. I think the rule rather is that the courts do not often look at the debates. They sometimes do; but the better rule is that the courts look to what is contained within the four corners of the act itself.

Mr. SMITH. The text.

Mr. ASHURST. The text itself.

Mr. SMITH. That is the position I have occupied.

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

Mr. SMITH. I yield; yes.

Mr. McNARY. Mr. President, I am much interested in the Senator's very able discussion of the bill, and there is no one

better qualified to speak of its provisions, and to interpret them, than the Senator from South Carolina. That is the reason why I shall direct a few interrogatories to him.

I made a note, while the Senator was first discussing the bill, and particularly when he referred to the temporary plan and the permanent plan. I think the Senator will agree with me in what I am about to state; if not, I want him to indicate in what particular he disagrees, or to explain. There are two structures proposed to be created. One is the temporary one, which is to date from the present until the States place themselves in a position to cooperate with the Federal Government. That is a temporary period. Is that correct?

Mr. SMITH. That is correct.

Mr. McNARY. In all reasonable probability, that period will extend for 2 years.

Mr. SMITH. Yes.

Mr. McNARY. That is what I wanted to know. I do not care to deal with the permanent policy which may be in existence after 2 years. I think what we want to do now is to find out where we are going at this instant, and what is being provided for this year's crop and next year's crop. Does the Senator share that view with me?

Mr. SMITH. I do.

Mr. McNARY. I thank the Senator. So, when we are discussing the constitutional phases of this matter, we are not considering what may be the attitude of the Federal Government or of the States in their eventual cooperation, or the probable action of the courts. We must consider now whether the Federal Government, under the provisions of the bill, is interfering with the reserved rights of the States.

Mr. SMITH. Yes.

Mr. McNARY. And attempting to control production in the States. That is the question for us to determine and to discuss. The Senator agrees with me, does he not?

Mr. SMITH. I do.

Mr. McNARY. I again thank the Senator. That being the case, the issue is narrowed down, in my judgment, to the point where we can very clearly apply the law to the provisions of the bill, and determine the ultimate practicability and constitutionality of the measure, which I shall not discuss at this time, because I want to ask the Senator another question or two.

The benefit for which the farmer is to receive compensation is for the renewal of the fertility of his soil. That is correct, is it not?

Mr. SMITH. Yes.

Mr. McNARY. I think the Senator said a few moments ago that for that benefit bestowed upon the farmer he should receive no compensation.

Mr. SMITH. No.

Mr. McNARY. I thought the Senator said that. If he did not, of course I probably would agree with the Senator in his ultimate conclusion. I thought the Senator said that if a farmer planted what we call nitrogenous crops, or legumes, and thereby the fertility of the soil was restored, it would be a permanent benefit to that farmer, because there would be a larger productivity in the future. That is true, is it not?

Mr. SMITH. That is true; or at least, if he maintains what he has.

Mr. McNARY. If by the exercise of good business judgment he plants nitrogenous crops, and the pristine fertility of his soil is renewed, does the Senator believe the farmer should then be compensated for doing that particular thing?

Mr. SMITH. I said I did not.

Mr. McNARY. That is what I say.

Mr. SMITH. I want to make this clear. I see exactly to what the Senator is leading.

Mr. McNARY. Of course.

Mr. SMITH. If all the farmers of this country owned inexhaustibly fertile lands, and there were no erosion and a pouring of the soil down the rivers, the soil being carried into the sea, we would be asinine if we brought in any such bill, but there is soil depletion, evident in the fertile fields of the West, and more evident in the southeastern seaboard States, and it is an almost unbearable burden when the farmer is compelled to buy artificial fertilizers in order to make crops. Year by year every river carries untold tons of our soil to the sea, year by year untold volumes are shipped abroad in crops. The whole country is dependent upon returns from the soil. Therefore I think that as far as the Government may go it should go in preserving the fertility of the soil and preventing wastage of the land.

It is hardly worthy of the broad-mindedness of the Senator to take a little alfalfa field, some field which someone has planted in alfalfa and kept up by virtue of planting it in alfalfa, and expect us to go out and give that farmer compensation. I take the broader aspect that soil erosion and soil depletion are going on all over this country, and if someone incidentally does not benefit, the Government is not handing out largess to any and every one.

Under the terms of the bill, as I construe it, the Government is handing out the assistance where it is indicated; and if a bare subsistence is being made by some poor individual, or a number of individuals, where erosion and depletion are lessening the return each year, the Government steps in and takes a part of it and says, "We will compensate you to a degree for lessening the volume, but we will make up in the aggregate. We want to preserve and conserve your land and aid you in doing it."

Mr. LEWIS. Mr. President——

Mr. McNARY. I am not quite through.

Mr. SMITH. I should like the best way in the world to answer my colleague on the committee, whose judgment I have learned to respect and of whom personally I am fond, but I do not know whether I can help him. I do not want him to go too far.

Mr. McNARY. Mr. President, I have such a good opinion of the Senator that I do not know of any other human reservoir to which to go for information, unless I go to the chairman of the committee.

Mr. SMITH. That is pretty good judgment.

Mr. LEWIS. Mr. President, I should like to ask the Senator a question. Does the Senator from Oregon indulge the fear expressed by the Senator from Michigan [Mr. VANDENBERG] that under the bill as it now stands there could be an expenditure at the discretion of the Secretary of Agriculture which might reach $2,000,000,000?

Mr. McNARY. I am sure, I am positive that the Senator from Michigan made a proper statement as to the construction of the bill. There is no limitation in the bill upon the benefits and grants which the Secretary may pay to the farmers. There is no measure by which he can determine in what State the money will be expended, or in what amounts. Any farmer who plants some nitrogenous crop in order to perpetuate the fertility of the soil or to protect the soil from erosion can be paid upon that basis. It does not matter whether he is paid $10 an acre, $1 an acre, or $1,000 an acre. I challenge the able Senator from South Carolina to deny my assertion.

Mr. LEWIS. Mr. President, does the Senator from South Carolina indulge the belief which both the Senator from Michigan and the Senator from Oregon have expressed, that as the bill now stands such discretion is vested in the Secretary of Agriculture that he may expend as he pleases without any limitation on his judgment or qualification upon his authority?

Mr. SMITH. Let me state that the Senator from Alabama has already suggested an amount which, in his judgment, would be necessary. I take it that he has consulted with the powers that be, and they place it at $440,000,000.

I said to the Senator from Oregon that I thought, in the form in which the bill now is, it is capable of that construction; but surely, before the bill shall pass and become a law, either an amendment will be offered or a bill will be presented specifying just how much will be used for this purpose. I understand that already a definite amount of $440,000,000 has been indicated as necessary.

Mr. HATCH. Mr. President——

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

Mr. SMITH. I yield.

Mr. HATCH. I ask for my own information. Would the Secretary of Agriculture have any money to expend under the bill if the Congress did not make an appropriation?

Mr. SMITH. Not a penny.

Mr. HATCH. Before any sum could be expended, Congress would have to make the appropriation?

Mr. SMITH. That is correct.

Mr. HATCH. Congress, then, would retain within itself the power to place any limitation or restriction upon the Secretary of Agriculture?

Mr. SMITH. Certainly.

Mr. McNARY. Mr. President, I understand the Senator to admit that there is no restriction and no limitation placed on the Secretary of Agriculture, under any section of the bill, when it comes to spending money for benefits, but the Senator says that, of course, Congress, in its wisdom, will not let him go beyond the point of reason. I have never heard old or young Senators in this body say that we should pass a bill and authorize a department or agency of the Government to expend money, and then say that in the end we will control the appropriation. That is the explanation of the Senator from New Mexico.

The able Senator from Illinois has led me astray from my line of questioning, but in that lead he has touched upon one of the weaknesses of the bill. Let me read subdivision (b), on page 5. It is as follows:

(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in section 7 (a) by making payments or grants of other aid to agricultural producers in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) the acreage of crop land—

What does that mean? He is limited to making payment with respect to acreage of crop land. That means land in cultivation. He may go to Mr. Jones, who has 100 acres of land, and he may say to Mr. Jones, "If you will put only in 90 acres in wheat, and omit to plant 10 acres in wheat, but plant them in some legume, we will pay you $5 an acre for the 90 acres."

Mr. SMITH. That is through the State agents who are already set up under the crop-erosion measure.

Mr. McNARY. That does not have anything at all to do with the State agents.

Mr. SMITH. In conjunction with that, will the Senator from Oregon read who are the ones who are to receive and apportion this fund? The Secretary will, of course, draw his warrants for the individual funds; but payment is to be made though the agencies which are created by this bill.

Mr. McNARY. Mr. President, I do not care about agencies. I am discussing what crops are going to be involved, and what are the limitations placed upon the Secretary of Agriculture. He may pay on crop acreage. He may go to Mr. Jones and say, "If you take 20 acres out of the field you had planted to corn last year, and plant it to clover, we will pay you $10 an acre on the 20 acres you have taken out of corn production and placed in clover production in order to conserve the fertility of your soil and to prevent erosion." Is there anything in the bill which provides that the Secretary may not pay Mr. Jones $100 an acre, $10 an acre, or $5 an acre? He may pay either upon the basis of crop reduction or upon the basis of the amount of land the farmer takes out of crop production and plants in legumes in order to bring about soil fertility.

Mr. SMITH. The bill provides that the value must be taken into consideration. I understand that under the A. A. A., which has been held unconstitutional, the procedure was not along the line indicated by the Senator. We cannot estimate what is the value of certain land, because we do not know.

Mr. McNARY. The Senator is wholly wrong. What was the standard prescribed in the Agricultural Adjustment Act, which was much superior to this bill, because this bill does not supply a standard? The Agricultural Adjustment Act provided that the benefit a farmer was to receive for curtailing his production and decreasing his acreage was the difference between the current average price and the fair exchange value.

Mr. SMITH. That was the processing tax.

Mr. McNARY. Yes. That was the measure of the benefit he received. The processing tax was the measure of his benefit. There was the standard. There was the guide. If wheat during the base period was worth $1.50 a bushel, and the current average price was 90 cents, the processing tax in order to bring about that parity necessarily had to be in the vicinity of 60 cents a bushel.

Mr. SMITH. But the object there was to raise the price.

Mr. McNARY. And the object here is, of course, to raise the price. Otherwise, I should not be discussing this bill. If it has any virtue in the world—and let us be honest about it—it is to elevate the crop price to the farmer.

Mr. SMITH. Incidentally.

Mr. McNARY. Oh, incidentally!

Mr. SMITH. The purpose of this bill, as it says——

Mr. McNARY. I know what it says.

Mr. SMITH. The purpose is to prevent the depletion of the soil and soil erosion.

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

Mr. SMITH. I yield.

Mr. MURPHY. It has a further purpose. Clause (4) of section 7, on page 2, says that one of the purposes of the bill is the—

Reestablishment and maintenance of farmers' purchasing power, at prices for agricultural commodities fair to both producers and consumers.

Mr. McNARY. Certainly. Any sort of language may be found in the bill. I am not speaking of language. I am speaking about the objective of the bill, and its main purpose.

I desire to say to the Senator and to others let us not fool ourselves, because we cannot fool the Court, and we cannot fool the farmers. We have tried to fool them too often heretofore, as well as the public generally. Let us meet the issue squarely. If this bill has any virtue in the world, if it is worthy of our consideration, it is because it is based upon the theory that it is a crop-price-elevating scheme. That is the bill's commendable feature. It is to give the cotton producer and the wheat grower and the corn and the hog raisers—the basic-commodity growers—a higher price or a parity price with prices today. The prevention of erosion is an incidental matter.

Let me ask the Senator a practical question. In 1930 we were expending only $160,000 for the prevention of erosion. Then we developed the habit of spending for governmental activities large sums in 1933, 1934, and 1935; and last year the sum of $27,000,000 was set aside by the President for public works for erosion prevention. This year in the agricultural bill, I am informed, the same sum will be carried for erosion prevention. Here we are talking about jumping up from $27,000,000 to $450,000,000 in the name of preventing erosion! It is not true.

Mr. SMITH. Perhaps it was found out that erosion was the cause of the current low prices to farmers.

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

Mr. McNARY. I have not the floor. I am simply propounding a few questions to my dear and able friend from South Carolina.

Mr. SMITH. I yield the floor to the Senator from Iowa.

Mr. MURPHY. I submit we are not doing it in the name of erosion only. The purpose of the bill is not merely to conserve soil, but it has an object to which the Senator from Oregon subscribes, that object being stated in clause (4), on page 2, of the bill, as I read it a few moments ago:

Reestablishment and maintenance of farmers' purchasing power at prices for agricultural commodities fair to both producers and consumers.

So it is not fair to say of this measure that it is a mere effort to curtail production. It is not that. The Supreme Court has said that the Federal Government may not regulate production. This bill does not attempt to regulate pro-

duction. It attempts to serve the policy of conservation. The Senator from Oregon elects to say that that is an insincerely stated purpose; that the real purpose of this bill is to regulate production. The purpose of this bill is to increase the purchasing power of the farmer through conserving the soil.

Mr. McNARY. Yes; by increasing the price level of his product, a philosophy to which I subscribe.

Mr. MURPHY. Through conserving the soil. There is necessarily attendant upon that operation a restriction of acreage, a restriction of production; and related to the purposes is the desire not merely to conserve the soil but to conserve the farmer. That is the objective of this proposed legislation.

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

Mr. MURPHY. I yield.

Mr. KING. I should like to ask the Senator from Iowa if, in the last analysis, the purpose of this bill is not to have the Federal Government, through limitation and restriction, fix the prices of farm commodities so that the consumers will have to pay an increased price.

Mr. MURPHY. No; I should not say that. It is specifically set out in the bill that prices shall be fair. I repeat what I read before: One of the purposes is—

> Reestablishment and maintenance of farmers' purchasing power—

And this is an answer in terms to the Senator's question—

> Reestablishment and maintenance of farmers' purchasing power, at prices for agricultural commodities fair to both producers and consumers.

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

Mr. MURPHY. I yield.

Mr. KING. Then that must put the Federal Government much in the position of the Stalinites in Russia—that the Federal Government is to fix the prices for labor, the Federal Government is to fix the prices for commodities, and determine what land shall be cultivated and what shall not be cultivated. So, after all, is not this bill a measure akin to the socialistic measures which obtain in some of the European countries, and is it not an indictment of the competency of individuals, of local communities and States, to govern and determine their own affairs?

Mr. MURPHY. I should answer the Senator in the negative. I should say it is not that. Insofar as his reference to socialism is concerned, we heard recently from a very distinguished New Yorker that the methods we were employing were part of a socialistic scheme. The A. A. A. happens to be the farm policy which formed part of the Republican platform in the last election. The "socialistic scheme" which this Congress did not adopt was contained in the Democratic platform.

Mr. KING. Does the Senator from Iowa say that the Democratic platform endorsed the A. A. A. or the purposes represented by this bill?

Mr. MURPHY. No. It did not in language endorse the policy adopted by Soviet Russia. The Soviet Government handles all the surplus. This bill does not impose any compulsion upon anybody. It does permit the Secretary of Agriculture to enter into a contract with an individual farmer based on a system of rewards for doing specific, recited things. The farmer having done certain things with respect to his land, that farmer is compensated for what he did.

The Senator from Oregon [Mr. McNARY] a short time ago assumed that every farmer was so conducting his farm as to conserve the soil—possibly not every farmer, but he assumed it to be a general policy. It is true that if prices of farm commodities permit upbuilding the farms, the farmer adopts those upbuilding policies. If the prices of farm commodities are such as not to enable him to afford to let lie idle some of his acreage, or to plant it in clover, say, and turn that clover over, he cannot then afford to employ the policy of conservation, and he must suffer the depletion of his soil without replenishment of its resources.

Mr. McNARY. Mr. President, I note with some regret the temporary absence of my very dear friend the able chairman of the committee [Mr. SMITH], and I shall proceed for a few moments only.

I have great regard for the talents of the Senator from Iowa [Mr. MURPHY]. He has been a student of farm problems for years, and I have noted with pleasure the earnestness with which he has considered all the agricultural bills which have been brought to the attention of the Committee on Agriculture and Forestry. But, Mr. President, this bill, stripped of all unnecessary language and honestly considered, is simply a device, during a temporary period of 2 years, as I see it, to deceive the farmer, in view of the decision of the Supreme Court of the United States in the Butler case. That is a clear statement and a frank one.

I have stood on this floor for many years and advocated farm-relief measures. I know something of the trials of the farmer. This is the first time that I have ever opposed a farm bill. I oppose this bill because I earnestly believe that it is a subterfuge and that it will not stand the test of the courts. I will not go further and impugn the good faith of the committee or any of its members.

Everyone knows that in the A. A. A. bill which was declared unconstitutional there was a yardstick by which the benefits to be paid to farmers could be adjudged correctly. That yardstick was the difference between the current average farm price and the fair exchange value. That, after all, was reflected in the processing tax. We knew what the farmer's benefits were to be. The Secretary of Agriculture could go into a State and contract for the curtailment of corn production and wheat or cotton production—corn, wheat, and cotton being basic commodities. We knew what amount of benefits were going to the various States, because it was regulated under two standards and based upon the commodities produced in the respective States.

Have we a yardstick in the pending bill? No. Three plans are set forth without any measurement of the amount of money that may be paid to the farmers by the Secretary of Agriculture on their crops or on the land retired and placed in legumes or nitrogenous crops in order to prevent the ground from yielding to erosion. As stated by the Senator from Michigan—and it has not been disputed—there is no restriction placed upon the Secretary of Agriculture as to the extent of the benefits which may be paid or as to the source from which they are to come.

I do not wish to repeat what took place in the committee, but I did ask a question. The name of the party who responded I shall not give. I always endeavor to treat decently what occurs in executive sessions of committees, but that individual said there might be three sources from which, under the pending bill, money could be paid to the farmers. One source was a national sales tax; the second was the denounced processing tax; and the third was a draft upon the Treasury of the United States. This bill does not contain a sentence that states from what source the money is to be paid. In my experience as a legislator in this body, I do not recall any bill, an authorization bill or appropriation bill, that did not provide the means or the manner of paying the benefits or the rewards or the grants or whatever they may be called. Does anyone know where this money shall come from? If we are to follow the President in an evident purpose to decrease the expenses of the Government, are we to take the money out of the Treasury of the United States? Are we to fly in the face of the Supreme Court in the case of the United States against Butler, and attempt again to levy processing taxes in order to pay farmers for planting some of their acreage which they retire from the production of money crops in plants which go to promote the fertility and conservation of the soil?

Mr. MINTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. McNARY. Allow me to finish my suggestion. I will be very courteous to the Senator and will yield in a moment.

Are we to place a general sales tax upon the backs of the people of this country and pay the benefit to the farmers from that source? Why does not this bill say frankly where the money is to come from? Shall we vote for it in the blind and in the dark? Why does not the Secretary of Agriculture or the administration or the Senate committee or the Congress specify in what manner the benefits shall be paid?

I shall not support a processing tax, because the Supreme Court said it could not be levied. I doubt whether I would support a general sales tax for any purpose, and if I had, as I do have, an interest in balancing the Budget of the Government and cutting down the wastage and expense, I would not want to make a draft to pay these benefits by taking the money out of the Treasury.

Now I yield to the Senator from Indiana.

Mr. MINTON. Does the Senator take the view that the Supreme Court held in the case of the United States against Butler, that the processing tax as an excise tax was illegal?

Mr. McNARY. The Supreme Court in that case dismissed the subterfuge employed by the Congress in trying to base the legislation upon the power reposed in the Congress by the Constitution to levy a tax, or on the interstate-commerce clause, and said it was an open attempt to invade the rights of the States and control agriculture. Upon that broad basis I stand.

Mr. MINTON. But the Court did not deny the right to levy an excise tax known as the processing tax?

Mr. McNARY. Everyone knows that under certain conditions Congress is empowered by the Constitution to levy excise taxes, of course, but that has not anything to do with my argument and has nothing to do with the Supreme Court decision, because both are based on a broader ground than that.

Mr. NORRIS. Mr. President——

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

Mr. McNARY. I yield.

Mr. NORRIS. I am not sure but that the Senator has pointed out an infirmity in this bill that I had not given any consideration to, in that it makes no mention of the manner in which the money is to be raised. But the Senator is a member of the committee that reported this bill.

Mr. McNARY. Yes; but the Senator from Oregon was one of two who voted against it.

Mr. NORRIS. I am also a member of that committee, and perhaps we are both derelict in not proposing in the committee some amendment that would do that. It would be a simple matter to put on even on the floor of the Senate an amendment authorizing an appropriation. Probably there would be an authorization anyway; but usually authorizations are made in so many words.

The reason I speak of that is because I am moved by the terrible situation underlying the proposition before the Committee on Agriculture and Forestry, as I see it, anyway, and as I think as the members of the committee saw it. The committee did give honest and careful and candid consideration and sought information from lawyers, department chiefs, and all other available sources as to pretty nearly every item of this bill. I suppose none of the committee were satisfied with it, but they were making an honest effort to try to meet the objections made by the Supreme Court. We did not agree on that, of course. It seems to me that an honest and fair effort should be made now. If this bill is wrong we ought to remedy it; if the objection is immaterial we need pay no attention to it and may consider it afterward. But it strikes me, if this is a defect, that the Senator himself is equally to blame with myself for letting the bill come out of the committee with that defect after we had been considering it for more than 3 weeks, and, I think, trying to write a good bill.

Mr. McNARY. Mr. President, I am always willing to share my proportion of censure for anything that occurs over which I have any control; but I was one of the two who voted against this bill out of the 17 members of the committee. This is one of the reasons that I then had in mind; I have suggested it again; and I think the able Senator from Nebraska might at this time join me in saying that in his opinion this bill does not fall outside the prohibitory language of the Supreme Court decision.

Mr. NORRIS. Mr. President, if the Senator will permit me further to interrupt him there, I will say—and I want to elucidate it further sometime before we get through with the pending bill, but I interrupt now because the Senator has referred that matter to me—I think this bill is constitutional, but I doubt very much whether it avoids the Supreme Court opinion. I think there is a difference. This bill is constitutional, in my opinion, but I doubt whether it meets the requirements laid down by the Court. In other words, I want to draw a distinction between the Constitution and the judgment of the Supreme Court.

Mr. McNARY. I appreciate the very frank answer of the Senator from Nebraska. He always meets squarely the presentation of any question. I understand the Senator himself believes the pending bill to be constitutional, but, in view of the Supreme Court's recent decision, he does not believe the Supreme Court on constitutional grounds would sustain the bill. That is my understanding.

Mr. BYRNES. Mr. President——

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

Mr. McNARY. Certainly.

Mr. BYRNES. Do I correctly understand the Senator's objection, which he stated a while ago, is that there is no limitation upon the appropriation that could be made available for carrying out the purposes of the proposed act?

Mr. McNARY. That is one objection. Secondly, there is no measure by which the Secretary of Agriculture is directed to make benefit payments, whereas in the old law there was a measure of awards based upon crop production which involved the iniquitous processing tax. Under the pending measure the Secretary may pay one farmer $10 an acre and another 10 cents an acre, or if he wanted to do so he could pay $1,000 an acre. Those are two things in this bill that I consider to be vicious and bad.

Mr. BYRNES. Did the Senator vote for the original soil-conservation act?

Mr. McNARY. I suppose I did. I have not the record of the vote before me, but I am willing to assume I did and make the best of it.

Mr. BYRNES. That original act did not place any limit upon the expenditure. My understanding is the committee has been following the original act. If the Senator believes that is very important, I suggest to him that before the bill is passed a limitation can be placed upon the authority of the Secretary to spend in any fiscal year in carrying out the purposes of this amendment.

The Senator from Alabama [Mr. BANKHEAD] talked to the members of the Appropriations Committee about the matter. He suggested that, in the opinion of the Department of Agriculture, $440,000,000 was their best estimate for carrying out the purposes of the act for the next fiscal year, making the amount immediately available. When the independent offices appropriation bill comes before the Senate it is my purpose to offer an amendment appropriating that amount for that purpose. I think there is some merit in the Senator's position that we might place in this bill a limitation. I shall offer an amendment to place a limitation upon the amount which may be expended in any fiscal year.

Mr. McNARY. That is very interesting. The Senator from South Carolina wields large influence with that important committee. I am curious to know if he has given any thought to why we should estimate the benefits and liabilities and expenditures of the Government at $440,000,000?

Mr. BYRNES. No. The Senator from Alabama [Mr. BANKHEAD] presented the matter to the Committee on Appropriations, and I assumed that the Committee on Agriculture and Forestry had held some hearings which furnished a basis for the estimates the Senator from Alabama pre-

sented to the Appropriations Committee. Certainly if that has not been done, I would think that members of the Appropriations Committee, or of the subcommittee having in charge the independent offices appropriation bill, would like to call upon the proper officials for their estimate and the reasons for it.

Mr. McNARY. Mr. President, it is my idea, without being properly informed, that that estimate is based upon the benefits which have been paid under the A. A. A. Act and which in 3 years amounted to about $1,300,000,000. One-third of that amount would be about $440,000,000. Of course, it is based upon that, because we are proposing to do the very thing during this temporary period that we did under the Agricultural Adjustment Act. Under that act we took out what were called excess acreages in order to reduce production, which, in turn, elevated the price of level of farm products—a philosophy with which I have no quarrel and which I warmly favor. But the Supreme Court came along and said we could not do that particular thing.

Now, what are we doing? We are taking out the same acreage and following the same principle with a shade of a difference in practice. Instead of having the land lie idle we are saying to the farmer, "Put this land in nitrogenous crops—clover, vetches, soybeans, or similar crops, for two purposes, one to protect the land from soil erosion and the other to add fertility to the soil."

The Government then will come along and pay $440,000,000, the figures given by the able Senator from South Carolina, and say to the farmer, "This is your reward for retiring this excess acreage, which permits us to curtail production and therefore bring about a larger yield financially to the farmer." It is exactly the same thing with a little different dress, but one not quite as becoming as the old, in my opinion.

I am not complaining about the philosophy of that proposal. I have always thought the farmer should be placed on a parity with industry, but I do not want to tell the farmers of the country that the language of this bill brings it outside of the prohibitory language of the Supreme Court's decision. When the provisions of this proposal are applied under the most favorable terms under a construction which is undeniable, it adopts the same plan and brings about the same result as the act which was denounced by the Supreme Court. Hence I cannot support what I am pleased to call, without intending to wound anyone or be harsh, a mere subterfuge and artifice. We have carried out the substantive law which, as I said a moment ago, carried $27,000,000 last year. If this is an erosion bill why do we multiply this amount several times in a few weeks?

Mr. President, I have no doubt—and I challenge anyone on this floor to contradict this conclusion—that if the A. A. A. had not been declared unconstitutional there would have been no effort made to increase the appropriation for soil erosion in the agricultural bill of this year. In itself it tells the story that we are not trying to conserve soil, but we are trying to avoid the decision of the Supreme Court.

I had not intended to get into a discussion of this point, and I shall not do so deeply, but I am not satisfied that the Soil Erosion Act would stand the test of the Supreme Court. I believe it was the case of *Kansas* v. *Colorado* (206 U. U. S. 46), where the State of Colorado attempted to divert the waters of the Arkansas River for irrigation purposes, and upon intervention by the Federal Government the Court held that that was an attempt upon the part of the Federal Government to invade the rights of the States. If we could not divert the water of the State for purposes of irrigation to produce crops, and if that was an invasion of State rights, then a measure to control the land of private ownership from erosion or increased productivity is likewise an invasion of the sacred rights of the States, as denounced by the Court. That is the basic law.

I am not willing to accept the doctrine of the statement that the Erosion Act we passed in 1935 is constitutional. There is a very grave question in my mind if it would stand the test of the Court. However, the pending bill must stand on its own legs. It is a modification of that act, and toward that we look; and I have tried to discuss it briefly in view of the findings of the Supreme Court.

I had no intention of speaking today, and had not felt so inclined. I have looked at the bill with most kindly eyes and most sympathetic consideration because of my manifest interest, which has been shown in a great many cases by voice and vote to support legislation calculated to benefit the farmer; but I cannot persuade myself, after the most careful consideration and thought, that we have here a bill which would stand the test at all. Everyone knows the embarrassment which the Federal Government is undergoing today in the matter of processing taxes, the uncertainty the farmer has as to what his price level will be next year, whether he will control his planting this year and the production of his crops later in the season. He has in mind the harvest time. Why should we pass a bill which is so full of doubt and question?

I stated to the very able Senator in charge of the bill, the Chairman of the Committee on Agriculture and Forestry, that I would not oppose the bill if it could be so framed as to meet the situation in a way that can be upheld; that the Federal Government 2 years from now probably could cooperate with the States through the extension service and the experiment stations in handling erosion in a way that incidentally might elevate the price level by curtailing production of farm products. I am willing to meet them on that matter. I am willing to go back to the committee and work for weeks, if necessary, on a bill which will bring about that result, which is so much needed, and one which, in my opinion, might not impinge upon the decisions of the United States Supreme Court.

Mr. President, for that reason, and with that short and rather desultory explanation, I shall rest the matter for this day.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 3421. An act to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929;

H. R. 3709. An act for the relief of the Norfolk Southern Railroad Co.;

H. R. 4805. An act authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia;

H. R. 4858. An act for the relief of Edward Shippen West;

H. R. 6402. An act for the relief of Julia M. Crowell;

H. R. 7680. An act to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers;

H. R. 7814. An act to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes;

H. R. 7995. An act to authorize a preliminary examination of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.;

H. R. 8515. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

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; and

H. J. Res. 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."

SUPPLEMENTAL DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS 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. 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", having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendments numbered 1, 17, 18, 23, 30, 34, 36, 37, 41, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 9, 10, 11, 15, 16, 20, 21, 22, 26, 27, 28, 29, 31, 32, 35, 38, 39, 40, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, and 61; and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "attorneys of record for the contestant, to wit: Grant P. Hall and George H. Williams"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "each; in all, $1,200"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "Printing and binding: For the printing of 10,000 additional copies of No. 71-A of Senate Document 92, Seventieth Congress, first session, $2,800."; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lines 7 and 8 of the matter inserted by said amendment strike out the word "purchase", and after the word "maintenance", in line 8, strike out the comma; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In line 4 of the matter inserted by said amendment, strike out the following words: "any purpose in connection with the"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 13, 24, 25, 33, 62, and 63.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

EDWARD T. TAYLOR,
C. A. WOODRUM,
JOHN TABER,
Managers on the part of the House.

The report was agreed to.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute reported by the committee.

Mr. HATCH. Mr. President, a short time ago, in directing inquiries to the chairman of the committee, the Senator from South Carolina [Mr. SMITH], I asked him if certain limitations might be placed upon the power of the Secretary of Agriculture by virtue of an appropriation bill and that method of controlling the expenditures of the Secretary of Agriculture under this bill. The very able Senator from Oregon [Mr. MCNARY]—whose years in this body are many, and whom I would not attempt to answer—took me to task for that explanation, stating, as I understood, that no such thing had ever before been done by the Congress. I think the Senator from South Carolina referred to the original soil-conservation act. There was so much noise in the Chamber that I could not hear what he was saying; but I think he directed the attention of the Senator from Oregon to that original act, which by its terms is almost as broad and almost as comprehensive as the bill we are studying today. It provides for contracts with individuals, the payment of benefits to individuals, the purchase of land from individuals, and many other things, and for moneys to be expended by the Soil Conservation Service. That bill passed the Senate, as I recall, without a single dissenting vote; and I am quite sure those who oppose this bill today would likewise have opposed that bill then, upon the same grounds they now raise, if this were such a strange, unusual, and peculiar practice as has been stated today on the floor of the Senate.

It was also said, Mr. President, that the appropriation for the original Soil Conservation Act has been greatly increased by the plans now on foot—from $57,000,000 to $440,000,000—and it was declared that if the Agricultural Adjustment Act had not been held to be unconstitutional, that additional appropriation would not be made. Perhaps that is true; but I direct the attention of Senators who so think to the fact, which has been established and is conclusively shown by the records of the Agricultural Adjustment Administration, that under that Administration soil conservation was carried on to an extent almost as great as that which is proposed under the present bill. It was one of the prime objects, and one of the major purposes of the administration of the original act, to conserve and preserve the soils of the land. It may well be true that that very laudable purpose has been ended and destroyed by the decision of the Supreme Court and it is now necessary to carry on that work because the decision of the Supreme Court stopped it. I submit that the work of the Agricultural Adjustment Administration did carry on, throughout its entirety, the theory of soil conservation.

Mr. President, as a member of the Committee on Agriculture and Forestry, I have given considerable study to the problems raised by the decision of the Supreme Court and by the objections which have been made to this bill. I am not unmindful of the fact that it is charged that this bill does not solve the entire agricultural problem; that it will not and cannot be effective in accomplishing the desires and aims many of us have of raising agriculture prices so the products of the farmer, his land, and his labor will bring to him some degree of that prosperity which must be his if our country is to regain a permanent condition of prosperity. It has been said the bill is only a subterfuge to avoid the decision of the Supreme Court of the United States and that it is in conflict with the Constitution.

In my opinion, it is true that the bill does not solve the entire agricultural problem, in that it does not present a complete farm program. It does not in itself constitute the last and final word on that great subject. I doubt, Mr. President, whether that last and final word will ever be said during the lifetime of any of us present here today; but I think it can be truthfully said that the bill expresses an earnest desire on the part of its author, the members of the Agricultural Committee, and the Agricultural Department to do something constructive and worth while to aid and assist agriculture within the limits of the Constitution and in accordance with the doctrines laid down and announced by the Supreme Court in the Butler case.

The ends sought to be accomplished are certainly legitimate, and I believe the vast majority of the Members of the Congress are in sympathy with those purposes, and all readily agree that some method should be found to aid and assist the farmers of America.

If this bill is not constitutional, and if there is no constitutional way to attain those ends, then, as fair, square Americans, we must say that there is no constitutional method; and, if the people desire to provide the means, then let the change be authorized in the regular constitutional manner. This does not necessarily mean that the Congress has no remedy within itself to provide methods and means

to place its acts on a more secure foundation. It is argued by many that the Congress should place certain safeguards around the legislation regularly enacted by Congress and approved by the Executive, and that the Congress does have the power to provide constitutional and lawful safeguards; but those questions are not involved here. At the moment we are confronted with the pending bill, and are concerned with its legality in the light of conditions as they are now, as they exist today.

It seems that much of the confusion which exists, and perhaps some of the criticism, arises because the bill before us has been greatly misunderstood, and its objects and purposes are not rightly comprehended.

I, myself, had been led to believe that the measure was sponsored as a complete farm program; that it was put forward as a mere subterfuge for the Agricultural Adjustment Act; that all the functions carried on under the Agricultural Adjustment Act could be carried on and performed under this measure; and that in reality, as said by the Senator from Oregon [Mr. McNARY], it was the same thing in a different dress.

With that conception of a building line, and thinking that that might be its true purpose, I did not see how it could be any more valid than the original act. "What cannot be done directly cannot be done indirectly" is a principle of law, not only in which I have concurred, but it has always been one in which I firmly believed. Therefore, I have said, and I repeat here, that if this is a measure under which the same plans and programs will be carried on in the same way as they were carried on under the A. A. A., if it is a subterfuge, a mere change of clothes in an attempt to evade the decision of the Court, of course, it will be held to be unconstitutional.

But before condemning a measure which does have a purpose we all endorse, let us again observe some of its provisions and its purposes as disclosed by the bill itself. Here let me say that not only we but the courts will look to the bill to determine what is sought to be accomplished and enacted into law. The bill must speak for itself. This rule is well known to lawyers and courts and has been announced many times. It is true that the entire bill must be examined. A stated policy or purpose will not control over plain and unmistakable objects and purposes disclosed by other parts of the bill. It will be examined as a whole, and from that whole will be determined what is proposed to be done.

With this thought in mind, we read from the bill that it declares itself to be a measure for soil conservation. It amends and becomes a part of the original Soil Conservation Act of 1935. It enters into a field already covered in part by legislation which we have passed. The legislation already enacted is clearly and surely a soil-conservation program. It is that and nothing more.

The original Soil Conservation Act is somewhat limited and relates to soil-erosion control more than it does to soil conservation. One is negative and the other is affirmative. One is the control and holding in check of destructive forces; the other is constructive, not only including the control and prevention of destructive elements and forces but it builds and recreates that which previously has been destroyed.

As to the necessity for such a program, the original bill, not the one we have here today but the original bill, contained this declaration:

> Depletion of the soil and the improper use of the soil resources of the Nation impede the orderly flow of agricultural commodities in channels of trade, endanger the assurance of an adequate supply of such commodities at a fair price to producers and consumers, endanger the reestablishment and maintenance of farm purchasing power, and otherwise adversely affect the national welfare.

Perhaps those who seek flaws will imply a purpose to go contrary to the decision of the Supreme Court from the use of this language. Those who seek evil may find it here. Those who prefer to read with an open mind and judge by what is written rather than to seek ulterior motive or purpose, will agree heartily with every word set forth in that declaration.

If we live long enough, we shall see, to our sorrow, that depletion of the soil does endanger the assurance of an adequate supply of such commodities at a fair price to producers and consumers, unless a real soil-conservation program is adopted. The depletion of the soil and the improper use of the soil resources of the Nation do endanger the maintenance of farm purchasing power; not only do they endanger the farm purchasing power but in certain sections of our country that farm purchasing power has already been partially, and in some places almost wholly, destroyed by ill effects of unwise tilling of the soil. The dangers from depletion of the soil and the improper use of the soil resources of the Nation are not imaginary dangers; they are destroying forces which are already at work on millions of acres of farm lands in America today.

But whether one agrees with the language used in the original section 7 is not so important at the moment. The language I have just quoted need cause no alarm, for it is now omitted from the substitute. Even if not, the words were but a mere statement of a condition as it exists, a statement of fact, and nothing more. They are not words of legislative character; they command nothing and grant no power. The declared purposes are contained in the following policy, specifically declared and set forth. They are:

> (1) Preservation and improvement of soil fertility.
> (2) Promotion of the economic use and conservation of land.
> (3) Diminution of exploitation and wasteful and unscientific use of national soil resources.
> (4) Reestablishment and maintenance of farm purchasing power at prices for agricultural commodities fair to producers and consumers.

The statement following subdivision 4 expresses the purposes of Congress to carry out the program with due regard to the maintenance of a stable supply of agricultural commodities adequate to meet all consumer requirements.

In the stated policy no objections will be raised to subdivisions 1, 2, and 3.

(1) "Preservation and improvement of soil fertility" is clearly a proper function of soil conservation.

(2) "Promotion of the economic use and conservation of land" can cause no argument.

(3) "Diminution of exploitation and wasteful and unscientific use of national soil resources" is in keeping with the conservation program.

Subdivision 4, relating to the "reestablishment and maintenance of farm purchasing power at prices for agricultural commodities fair to producers and consumers", may cause concern. Here the opponents of the measure may direct their fire.

Also, do the "provision for and maintenance of a continuous stable supply of agricultural commodities adequate to meet consumer requirements" and the "reestablishment and maintenance of farm purchasing power" have anything to do with soil conservation? These considerations may be important in thinking of the measure for the period before the State plan becomes operative.

In this connection, we must bear in mind that the pending measure has two distinct features. One relates to the period of time which necessarily must elapse before State plans can be formed and put into effect. I shall refer to this as the temporary period, or the temporary plan. The other part of the bill contemplates the establishment of a more or less permanent farm program. Its main objective and feature may be a plan for the regulation and control of crop production but if so such would come by and through the States. It differs from the Agricultural Adjustment Act in that the plan must be operated by and through the several States. Each State must set up its plan and receive payments from the Secretary of Agriculture according to the terms of the plan set up by the State and approved by the Secretary. This feature of the bill is clearly designed to meet the decision of the Supreme Court. Under it the States will exercise the power and occupy the field which according to the opinion of the Supreme Court, is reserved exclusively to the States. In the administration of that fea-

ture of the plan, the States will not be limited by soil-conservation measures, but may, if they so desire, deal directly with the subject of crop control and crop regulation. However, there are those who believe even the State plan must be related to the subject of soil conservation.

But before that feature of the plan can become effective, an interval of time must necessarily elapse. It will require months and months to develop and carry on any sort of a State plan, either for crop control and regulation, or for soil conservation. Therefore, it is necessary to discuss the features of the bill which relate to this temporary period. As I construe the bill, the purposes and policies for the temporary period are exactly the same as those for the permanent program, except that under the permanent program, as I have said, the States can separate crop control, aid, and assistance to agriculture, and maintenance of farm prices from the soil-conservation feature, and can adopt a plan embracing those ideas alone and without any regard to any idea of soil conservation. It is not so for the temporary period. During that time the Secretary of Agriculture will administer the act to carry out the intents and purposes as expressed in the act, except during the temporary period the efforts looking toward the establishment and maintenance of farm purchasing power, and the maintenance of a stable supply of agricultural commodities sufficient to meet all consumer requirements must be limited to the main purpose and objective of soil conservation. These things must be a necessary part of a soil-conservation program, or the Secretary cannot do the things authorized by the act. During this temporary period, his efforts must be circumscribed and limited to a soil-conservation program.

I submit that legally those features must be a part of a soil-conservation program or the act will be unconstitutional so far as the temporary period is concerned. Therefore, for that temporary period, it may be important to discuss whether or not the maintenance of a continuous stable supply of agricultural commodities and the maintenance of prices fair to consumer and producer are parts of a soil-conservation program. Are they, or are they not?

If one views a soil-conservation program from the standpoint of one or two scattered tracts of land, a farm here, a national forest there, a gully wash some place else, the question is unanswerable. They have nothing to do with and nothing in common with such a program.

This proposed law, even for the temporary period, does not deal with soil conservation in such a manner. If I understand the purposes of this measure, it is to approach the whole task of soil conservation from a Nation-wide standpoint. Each and every farm in the United States may be involved. Uses of land will be changed, crops will be reduced in some places, other lands may be totally abandoned for crop purposes. Lands which have grown cotton or wheat or some other clean-tilled crop for years without soil restoration may be changed from those basic fundamental crops. It may be necessary to plant them in non-cash-producing crops in order to restore and protect that fertility which is the life of the Nation. Corn may give way to grass, cotton may be supplanted by alfalfa, wheat land may be given over to soybeans, and other changes not only may appear to be the part of wisdom but it may be absolutely necessary to make such changes, not on a local, small, county-wide, or even State-wide scale, but the changes may and probably will extend over the entire Nation. And speaking strictly from a standpoint of soil conservation, it may be necessary to make these changes.

When dealing with crops necessary for the food and clothing supplies of the Nation and necessary to provide revenue and income for the farmer, the Secretary, as a wise man, must take into consideration the effect of such a program upon the food supply of the Nation and upon the revenue and income of the farmer. I repeat, the Secretary, as a wise man, must take into consideration the effect of such a program upon the domestic supply of the Nation, upon her exportable surpluses, and upon the purchasing power of the men who will voluntarily cooperate with such a program.

Suppose a Secretary of Agriculture, to imagine an extreme case, should be a soil-conservation zealot to the extent that he would go to the States of Kansas and Oklahoma alone and say to the wheat farmers of those States: "Your lands having been planted to wheat for many years, are being destroyed", as they are, and as the Secretary might truthfully say; and suppose in the interests of soil conservation he should say: "The Government will aid you in retiring all your wheat lands from production of wheat." These two States furnish a large part of the wheat necessary for our domestic uses; much of it goes into foreign commerce when we have a surplusage for foreign uses. Removing these States from the production of wheat would upset the balance of wheat farming in the whole United States. No matter how worthy the soil-conservation program might be, the Secretary of Agriculture must deal with such a basic crop in a way which will not upset that balance, and a continuous, stable supply of wheat must be maintained.

The same thing can be said of the cotton farmer. Cotton lands have been and are being depleted. The soil fertility is being destroyed, and for soil-conservation purposes it might be wise to remove all cotton lands from the production of cotton, but it could well be imagined what disaster would result to our domestic supply of cotton if our Secretary encouraged or aided such a program even in one or two of our cotton-producing States. The Secretary must maintain a continuous and stable supply of cotton adequate to meet domestic and foreign consumption requirements, or at least his entire program must be carried on with such in mind.

Likewise, the same thing is true as to farm purchasing power. The Secretary must keep in mind maintaining the farm purchasing power of the Nation. Under such a method, and conceding it would be the part of wisdom to retire a large part of our farm lands from the production of what we call cash crops—and it is the production of such cash crops which has caused the greatest destruction of our soil—a program might be inaugurated which would so lessen the purchasing power of the farmer, because he had lost the revenues from his cash crop, that disaster would confront such farmer.

It must be borne in mind that the farmer gets his cash revenue from these crops which do work the greatest damage to the soil. That is the reason why he plants them, rather than crops which would be of a more beneficial nature to the soil. He is compelled to have revenues from some source; and most of the farmers over the country are dependent upon those very crops which are destroying the fertility of our lands. It is necessary that the farmer's losses and income from those cash crops be supplemented and aided in some way. Therefore, to carry on a real conservation program it is necessary that the farmer's purchasing power be maintained.

What is said about the farmer's purchasing power applies in a like sense to maintaining the prices of agricultural products at a level which shall be fair to the consumer. If a program should be carried out which resulted in a great scarcity of farm commodities which form many of the necessities of life, the consumer would find the prices of those necessities so increased, as a result of the program, they would be entirely beyond his ability to meet. In a well-rounded program it is absolutely necessary to consider the price effect on both producer and consumer.

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

Mr. HATCH. I yield.

Mr. WAGNER. I am seeking enlightenment upon the point which the Senator is now discussing. What limitation is there in the bill fixing a standard to prevent production from being curtailed to a point below the normal domestic consumption?

Mr. HATCH. That is exactly the thing I am trying to point out at this moment—that in this bill we command that prices be maintained; that the Secretary of Agriculture keep in mind that prices must be fair both to the producer and the consumer. Therefore, you cannot engage upon a curtailment program which will promote such a scarcity that it would make the prices to the consumer unduly high. That is why that command is placed in the bill.

Mr. WAGNER. But the command is in the form of a delegation of power to the Secretary of Agriculture. Whether or not the curtailment will cut into the demands of normal consumption rests with him alone. I wish to ask the Senator from New Mexico whether it would not be wiser, for the protection of the consumer, who, after all, ought not to carry the entire burden of this project, to provide some such limitation as this:

The production of greater and more stable national wealth in the form of supplies of agricultural commodities adequate to maintain domestic consumption at the normal levels of the period between 1920 and 1929.

The reason I have selected 1920 to 1929 is because that is generally accepted as the period of normal per-capita consumption in the United States. If anything, consumption was insufficient even then, and we are hopeful that it will become a great deal more. But as the bill now reads, there is nothing to prevent the curtailment of production to such an extent as to bring about the very situation that the Senator views apprehensively, namely, a manufactured scarcity with prices abnormally increased and consumer supply cut down. Certainly that would not be the administrator's intent, but why leave the door open?

Mr. HATCH. I am sure none of us approve a program of scarcity. That word has been used throughout the country, but there is no one in the administration that I know of who favors such a program, and the command was put in the bill in order to protect the consumer and also to protect the producer. The reason I am developing it is simply this: It is said that it makes the bill a price-fixing measure, and it takes the place of the original A. A. A. Act and violates the Constitution and the Supreme Court's decision.

I quite agree with the Senator. I should like to make the bill just as strong as it can be made to assure two things: A price fair to the farmer in order to raise his purchasing power, and also a price fair to the consumer.

Mr. WAGNER. In regard to delegation of power, I think the present bill is perhaps even more objectionable than the prior legislation. You have no standard whatsoever except the judgment of the Secretary of Agriculture. It seems to me it would aid the legislation in the courts if there were some limits below which production could not be decreased. This would also give more assurance to the large population of urban consumers. Remember that these consumers want to do everything possible to lift the standards of the farmer, to give him purchasing power, for his welfare is essential in order to keep our urban factories going. There is an economic interdependence that none of us can sensibly now dispute. Scarcity is bad for all.

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

Mr. HATCH. I yield.

Mr. MURPHY. I think the point which the Senator from New York makes is specifically covered in the fifth provision on page 2, line 5:

In carrying out the purposes of this act—

The purposes of this act being stated in (1), (2), (3), and (4).

Mr. WAGNER. Yes; I have read them.

Mr. MURPHY. I continue to read—

due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand.

The Secretary of Agriculture cannot arbitrarily fix a specific amount of pork to be produced, a specific number of hogs, a specific number of pounds of beef to be produced. He cannot do that. So, necessarily, it has to deal with that in general terms. Those general terms could not, it seems to me, be better or more concisely stated than that he shall, in carrying out the purposes of the act, have due regard for the maintenance of a continual and stable supply of agricultural commodities adequate to meet consumer demands.

Mr. WAGNER. Of course, I shall not attempt to predict what a court might do in interpreting this delegation of power in general terms. My own view is that is it too general and does not really fix a very definite standard.

Mr. MURPHY. Would the Senator be able to suggest offhand how he would fix a definite standard?

Mr. WAGNER. Yes. I just suggested one. We ought to take a period of time when we regarded consumption as normal—say, the period between 1920 and 1929—and prohibit curtailment below that level.

Mr. MURPHY. I have never subscribed, I will say to the Senator, to the idea that the period he has designated should be taken as the standard, because that was a period of depressed prices in this country.

Mr. WAGNER. I think the Senator is mistaken about that.

Mr. MURPHY. Very well, but I will let my statement stand.

Mr. WAGNER. In any event, if it was a period of depressed prices, it was also a period of inadequate consumption. All I say is that we should not force consumption even lower. Besides, the A. A. A. has already aided the farmer to the extent of bringing his prices up to within 10 percent of parity. I am hopeful they will reach parity very soon.

Mr. MURPHY. May I say that the Senator has in mind that the present supplies of food products are wholly attributable to the operation of the A. A. A. That is far from the truth.

Mr. WAGNER. I did not make any such statement.

Mr. MURPHY. No; but I think that idea has influenced the Senator's thought in relation to farm legislation. The prices of food have been so high, in his estimation, as in many instances to work a hardship upon his people.

Mr. WAGNER. I have not said even that.

Mr. MURPHY. No; the Senator has not said it, but I think that is in the mind of a good many people.

Mr. WAGNER. Do not put words in my mouth that I have not said.

Mr. MURPHY. But I think that is in the mind of a number of those who view with askance any agricultural legislation that may affect prices. The truth is the prices have been largely influenced by the drought, by an act of God, back in 1934.

Mr. WAGNER. I understand that.

Mr. MURPHY. The prices of today have been influenced by that drought. If we should adopt the suggestion made by the Senator that we go back and fix a period of time when there was a consumption of a certain amount of food, a drought might upset the whole program.

Mr. WAGNER. That would not be the responsibility of the Secretary of Agriculture. But I do not think that I have made myself very clear to the Senator. I admit that farm prices should be fair, and that the Government should do whatever is necessary to keep them fair. But I say we must do this without forcing consumption even below the pitifully inadequate levels of 1920–29. To say that fair farm prices must be based on such action is hopeless defeatism. It will ruin the whole country.

Mr. MURPHY. I should think there might be the same confusion then as there is today. The A. A. A. is held responsible for present food prices, whereas they are in very large part the result of the drought.

Mr. WAGNER. The Senator has put words in my mouth that I did not utter at all. I am talking about basic consumption needs. Prices must be built on that.

Mr. MURPHY. Then I withdraw what I said insofar as it related to the Senator from New York.

Mr. WAGNER. All that I want to do is to prevent any apprehension throughout the country that this bill might involve a new program of scarcity. Undoubtedly, the power to reduce production below normal consumption requirements exists under the present language. In order to remove any apprehension as to that, and also to help the situation insofar as the courts of the country are concerned, a more definite standard should be fixed.

Mr. HATCH. Mr. President, I call the Senator's attention to the fact that this bill, which involves merely the expenditure of an appropriation, is not the delegation of such power as was delegated under the N. R. A. Act, for instance. I do

not believe the lack of a standard would make it illegal. Does the Senator from New York so think?

Mr. WAGNER. I cannot agree with the Senator. I do not say that I agree with the N. R. A. decision at all. But accepting it as the law of the land, sanctioned by a unanimous Court, I think that what it said about improper delegation is even more applicable to the pending measure. Nor do I say that I agree with the A. A. A. decision. But if controlling domestic production by Federal action was held bad in that case, it is indistinguishably bad under the present bill.

Mr. HATCH. I shall discuss that a little later.

Mr. WAGNER. I shall be delighted to hear the Senator discuss it.

Mr. HATCH. But I wish to say that the Senator will recall the decision in the N. R. A. case involved the code-making power, the delegation of legislative power. We have, however, here no such delegation. This is merely the delegation of the power to spend money, which I have always understood was not restricted by the same standards and requirements as are other powers.

Mr. WAGNER. Is there not involved in the expenditure of money the control of production as well? The Senator calls it soil conservation, but in fact it is control of production.

Mr. HATCH. I cannot agree to that.

Mr. WAGNER. Well, there is a very tenuous distinction between the two; one results from the other.

Mr. HATCH. If we agree that this is merely a program for crop control and regulation, under the Supreme Court decision, there would be no use in enacting the legislation.

Mr. WAGNER. The Senator is going to show us the distinction, I take it?

Mr. HATCH. I would not say that, but, to my mind, there is a very clear distinction. I think soil conservation is altogether different from crop control and regulation; in fact, I see no connection except when one necessarily flows from the other.

Mr. WAGNER. I hope the Senator is right.

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

Mr. HATCH. I yield.

Mr. MINTON. Under just what provision of the Constitution do soil conservation and erosion come?

Mr. HATCH. They come under the general-welfare clause. I shall quote the Senator from Indiana directly on that point, I think.

Mr. MINTON. In my opinion, the bill now before us is constitutional, and I think crop control is constitutional, for the reason that I think it is all in the interest of the general welfare and is wholly within that provision of the Constitution. For the same reason I think a bill that would absolutely control crop production would be constitutional.

Mr. WAGNER. I hope the Senator listened to my reservation. I said that my remarks should not be interpreted as an agreement with the majority opinion in the A. A. A. case. But there it is, the law of the land, and we cannot remove it by closing our eyes to it. I think the pending bill falls under the decision. If A. A. A. was unconstitutional, so is the present bill.

Mr. HATCH. I misunderstood the Senator.

Mr. MINTON. And I am taking the Court's opinion as the law of the land and still finding fault with it. I say, with that opinion as the law of the land, we may yet pass this kind of legislation.

Mr. WAGNER. Possibly the Court will say this bill comes within the general-welfare clause, and does not in any way control what the Court regards as the purely State function of agricultural production.

Mr. MINTON. They expressly refused to decide anything about the general welfare in the Butler case, and said expressly that they did not decide that an appropriation in the interest of agriculture was not for the general welfare.

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

Mr. HATCH. I yield.

Mr. VANDENBERG. The Senator is very familiar with this bill. For my information, I should like to ask his interpretation, if I may, of the language of the proposed substitute in section 12 at the top of page 8. This is the section, the Senator will recall, which proposes to give to the Secretary of Agriculture a rather general authority to do practically anything he desires for the purpose of reestablishing and maintaining farm purchasing power, and so forth.

Mr. HATCH. From what page is the Senator reading?

Mr. VANDENBERG. I am reading section 12, starting at the bottom of page 7 and going to the top of page 8. The language I am asking the Senator to interpret is at the top of page 8, and I call the Senator's attention to the fact that this very general, broad power applies not only to the commodities but to "the products thereof." I wish to inquire whether the soil-erosion bill applies not only to the commodities but gives the Secretary of Agriculture a regulatory authority over all of the processed results that flow from commodities?

Mr. HATCH. My opinion is that it would not.

Mr. VANDENBERG. What does the language "or the products thereof" mean?

Mr. HATCH. I would say—my theory of the bill is that, as a whole, including this section, during this temporary period everything the Secretary does must be related to the soil-conservation program; and if by the use of the language "or the products thereof" or something else there has been inadvertently stated something which is not a part of a real soil-conservation program, the Secretary cannot lawfully do that thing.

Mr. VANDENBERG. I am not meaning to be controversial about the matter; I am inquiring in entirely good faith; but would it not occur to the Senator that the language "or the products thereof" is language quite foreign to the asserted purpose of the bill?

Mr. HATCH. Of course, the Senator is as able as is the Senator from New Mexico to answer his question. That language, as I recall, received no particular consideration in the committee. I could give no explanation of that from the committee that would be helpful to the Senator. He himself can interpret the words.

As I have just stated, the Secretary, during his administration of the act in this temporary period, must relate all his activities to the conservation program.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from New Mexico yield to the Senator from Montana?

Mr. HATCH. I yield.

Mr. WHEELER. The section reads:

> Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (4) of section 7 (a), he shall use such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof.

In other words, the words "or the products thereof" are just a limitation upon the commodities in the finding of new and additional markets.

Mr. VANDENBERG. I thank the Senator and ask him to notice the repetition of those words at the top of page 8 in a different connection:

> Or for the removal or disposition of surpluses of such commodities or the products thereof.

Mr. WHEELER. That means for the removal or disposition or sale of those commodities or the products thereof.

Mr. VANDENBERG. Let me personify it and see if I understand what the Senator means. Manifestly it would include wheat. That is a commodity.

Mr. WHEELER. Yes.

Mr. VANDENBERG. Would it include breakfast food which might be a product of wheat?

Mr. WHEELER. Yes; the finding of markets, either domestic or foreign, for the purpose of selling any of the products of wheat or hogs or other commodities. That is all it has reference to.

Mr. HATCH. And all must be related to the purposes of the act.

Mr. WHEELER. Yes. It has nothing to do with the control of breakfast foods or the paying of processing taxes on them or the regulation of them. It simply relates to the sale and distribution or removal of those surpluses in the United States. I do not know whether there is a surplus of breakfast foods in Michigan; but, if so, the producers would like to find a market for them. If the Secretary of Agriculture can use some of these funds to find a market for such surpluses, he may do so.

Mr. VANDENBERG. And he may establish any regulation he wants in respect of the sale of any breakfast-food commodity?

Mr. WHEELER. Not at all. All he can do under the terms of this bill is to try to find markets for the sale and disposition of the surplus.

Mr. VANDENBERG. I thank the Senator for his reassurance.

Mr. WHEELER. I think the language, if the Senator will analyze it carefully, will reassure him.

Mr. HATCH. Mr. President, in sincerely and honestly carrying on the soil-conservation program, the Department of Agriculture, during this period, will be able to cooperate with the farmers in removing from cultivation and crop production lands being destroyed but which nevertheless have contributed in the years past to the burdensome surpluses. The removal of such lands constitutes a logical, reasonable, and legal effort to conserve our lands and soil. But frankly it is hoped, and I trust that the conservation of such lands will aid materially in restoring and maintaining the proper balance between supply and demand so that the farmer will receive better prices and more profit and thereby enjoy, by and through the assistance of the Government, some of the benefits which have been accorded to industry for many years through the medium of the tariff and such measures.

Here opponents of the bill may say the commands of the Supreme Court are violated. I think not. The Supreme Court has not said the Congress cannot aid agriculture; the Supreme Court has not said that a soil-conservation program is purely a local matter for the States; the Supreme Court has not said that efforts to restore the farm purchasing power to the Nation are invalid. The Supreme Court expressly refrained from saying that an appropriation in aid of agriculture is unconstitutional.

In this connection, the Supreme Court said:

> 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 foregoing language states plainly and clearly the holding of the Court. It condemns—

> A statutory plan to contract and regulate crop production.

The Court further said:

> But if the plan were one for purely voluntary cooperation it would stand no better so far as Federal power is concerned. At best it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States.

The Court condemns contracts for the reduction of acreage and the control of production, because such contracts relate to a subject beyond the Federal jurisdiction, and the same opinion also condemns purely voluntary plans of cooperation. Apparently the Court means exactly what the quoted words imply, that before a statute can authorize expenditure of Federal moneys to induce action in a field, the field must be one in which the United States has the power to "intermeddle." In other words, before any valid Federal legislation may be enacted, the subject of that legislation must be within one of the specifically granted powers of the Federal Constitution.

As a lawyer, I so read the opinion of the Court. I am constrained to believe the Supreme Court of the United States has said and means that control and regulation of agricultural production is entirely within the field of State supervision and control alone, and the Federal Government cannot enter that field. In honesty, I must say that if the pending bill is not in reality a bill the main purpose of which is soil conservation, and if it is merely a scheme to regulate and control crop production during the temporary period, it violates the decision of the Court and is unconstitutional. But as a bill to aid agriculture by benefit payments and as a soil-conservation measure, it may well be upheld until the permanent plan may become effective, even during the temporary period and before the plans for the different States became effective.

The opinion seems to point out a difference between a statute stating conditions upon which money shall be expended and one effective only upon assumption of a contractual obligation to submit to regulation. In this connection the Supreme Court says:

> We are not here concerned with a conditional appropriation of money, nor with a provision that if certain conditions are not complied with the appropriation shall no longer be available. By the Agricultural Adjustment Act the amount of the tax is appropriated to be 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 money shall be expended and one effective only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced. Many examples pointing the distinction might be cited. We are referred to appropriations in aid of education, and it is said that no one has doubted the power of Congress to stipulate the sort of education for which money shall be expended. But an appropriation to an educational institution which by its terms is to become available only if the beneficiary enters into a contract to teach doctrines subversive of the Constitution is clearly bad.

Here the Supreme Court may intend to open a way for a conditional appropriation to be expended, upon conditions laid down, but which do not contemplate the requirement of a contractual obligation to submit to a regulation which otherwise could not be enforced. Many very able and learned lawyers construe the opinion of the Supreme Court in this light and believe the Supreme Court did point the very way for aid and assistance to be given to agriculture in a lawful, constitutional manner. In any event, the language of the opinion which I have just quoted would justify Congress in assuming the Supreme Court did not intend to exclude all plans for the aid of agriculture. Especially is this true when it is remembered the Court expressly refrained from saying aid to agriculture is not within the welfare clause.

In connection with the Court's decision it must always be borne in mind that the views of the Court can never be derived by picking out sentences of the opinion here and there any more than isolated sentences from a statute can be selected to show the purposes of the law. The whole opinion must be looked into in determining what is the exact holding. After all, the definite ruling of the Supreme Court was in condemnation of a statutory plan to control and regulate crop production. The Court was dealing with the question of contracts, by which crop production was attempted to be controlled by contract.

The pending bill does not purport to give the Secretary of Agriculture power or authority to go beyond the field of soil conservation, which we believe to be strictly a Federal field, nor can he under this measure enter into contracts designed to regulate or control crop production. Under the pending bill the Secretary cannot do that. The most the Secretary of Agriculture will be able to do will be to announce a program of soil conservation establishing certain benefit payments which will be made to those who furnish evidence of their compliance therewith. If we are correct that soil conservation is a proper Federal field, then a bill authorizing soil-conservation contracts could be provided for in all propriety. Here lies a vast difference between the case before the Court and the pending bill. Here we enter into and occupy a field which is not reserved to the States—that of soil conservation. The other bill, the Agricultural Adjustment Act, did enter a field, according to the opinion of the Court, which is reserved to the States. Under the permanent plan the States will act rather than the Secretary.

If soil conservation is a Federal power and function, as those of us who are interested in the conservation of the soils of the country believe, then we are not trespassing

upon State rights or State authority, and the question which the Court answered negatively in the Agricultural Adjustment Act must now be answered in the affirmative.

Perhaps I assumed too much in saying that soil conservation is within the general-welfare clause. It has been questioned here on the floor today. I think the Senator from Oregon [Mr. McNary] said that he doubted whether the Soil Conservation Act of 1935 was constitutional because it entered into a field reserved for the States. However, such a construction does not appear to me to be the proper one. It seems to many of us who have made a study of the question of soil erosion and of soil conservation that it is a field of national concern, one which is beyond the power, control, and jurisdiction of the several States; that the Federal Government, and it alone, can exercise jurisdiction here.

I know it is not enough to say that a problem is one of national concern to bring it within the general-welfare clause. Astute legal minds may cleverly distinguish and divide as to where the general welfare begins and where it ends. Hewing closely to the lines established according to their own ideas, technical lawyers may say that the conserving of the soils of the country is a matter for each State and for the States alone; but that is a doctrine hard for me to believe in regard to soil conservation.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Indiana?

Mr. HATCH. I do.

Mr. MINTON. If the Government of the United States had the power to purchase all of Louisiana Territory, does it not have power to conserve its purchase?

Mr. HATCH. According to my thoughts, it certainly has. According to others, that power might be solely reserved to the States which were carved out of that Territory.

Mr. NORRIS. Mr. President, what does the Senator think the power would be according to the Supreme Court?

Mr. HATCH. I should defer my humble judgment to that of the Senator from Nebraska. I should much rather hear him express himself on that subject.

Mr. MINTON. But he does not have the last guess.

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

Mr. HATCH. I yield.

Mr. POPE. Does the Senator make any distinction between soil erosion, which conceivably would have some relation to navigable streams to which the Federal power might extend, and soil conservation, which covers a very much larger field, as the Senator himself has demonstrated? Is there any distinction there which the Senator recognizes?

Mr. HATCH. I think soil erosion and soil conservation go hand in hand. I think the control of erosion is a part of conservation, and that they cannot be separated.

Mr. POPE. The point is that under the Constitution, soil erosion might be related to navigable streams, to which the Federal power extends; but is there any contention that the whole field of soil conservation even remotely relates to navigable streams, to which the Federal power extends?

Mr. HATCH. It is pointed out in the committee report that at the last session of the Congress a law to prevent soil erosion was passed. It happened to be my privilege to serve on a subcommittee of the Senate which considered that measure, and which heard the testimony of experts concerning the ravages of erosion and the damage which has already been wrought. The Senator from Kansas [Mr. McGill], the Senator from North Dakota [Mr. Frazier], and myself were members of that subcommittee. We were greatly aided in our work by the Senator from Colorado [Mr. Costigan], the Senator from Arizona [Mr. Hayden], and the Senator from Oklahoma [Mr. Gore]. I recall the interest, aid, and help given by these gentlemen as well as by many other Members of the Senate. While that bill dealt with soil erosion, it also included the thought of soil conservation. At the time the bill was passed, as I recall, no question was raised on the floor as to its constitutionality. As I recall, all the Senators familiar with the terms, purposes, and objects of the bill favored it, and none seemed to feel that there was any threatened invasion of constitutional rights.

During the hearings much very interesting and enlightening testimony was adduced. It is a matter of common knowledge that one of the greatest sources of injury to farm lands and to their ultimate destruction is the American way of farming extensively and intensively on a one-crop program which tends to realize the greatest possible cash benefit from the soil, but takes no heed of the damage and injury which is being done by the constant wrongful use of the land. Millions of acres of valuable farm lands in the United States are being sapped and drained in this manner, without thought of the morrow, when the present fertility of the soil shall be gone. The uses of land in America today, and for years past, have tended to destroy the land; and eventually the time will come when America shall pay the price of her folly.

Just here it may be interesting to note briefly some observations of men closely connected with the study of the problem of soil wastage and loss.

Dr. H. H. Bennett, Director of the Soil Conservation Service, appeared last year before a Senate committee and gave testimony. He said:

> We have recently completed an erosion survey of the United States. That shows that we have essentially destroyed, practically destroyed, approximately a hundred million acres of formerly cultivated land. * * * Perhaps we can afford to lose that much land, which formerly was for the most part good land. But, in addition to that, we find that in the neighborhood of 125,000,000 acres of land, much of it now in cultivation, has lost all or the greater part of the top soil, and many of the farmers operating on this land have been reduced to the stage of—well, practically it amounts to bankrupt farming on bankrupt land.

Again, he says:

> In addition to that, we find approximately 100,000,000 acres of land now in cultivation on which erosion is getting actively under way and will surely become as unproductive as the second class I mentioned.

In his testimony, Dr. Bennett made very clear the dangers of improper farming methods. Further, he says:

> So what we have been doing in this country, in cultivating the clean-tilled crops year after year without practicing rotations or without providing any measures for controlling erosion, has been the exhaustion and destruction of large areas of agricultural land at a rate much faster than the average person knows anything about.

The dangers from erosion applies not alone to the actual land being destroyed. While it reduces the fertility of the land, according to Dr. Bennett from 2 to 40 times, or destroys it outright, the products of erosion also go to fill up stream channels, harbors, and reservoirs, and also to cover valley lands with comparatively infertile subsoil material washed out of gullies or washed out of the fields where the top soil has been stripped down to the poor subsoil.

The estimate of the Soil Conservation Service is that erosion is costing the people of the country more than $400,000,000 every year in direct impoverishment of the soil, reduced crop yields, and in damage to lower-lying land and filling of reservoirs; and, of course, in addition to that cost must be considered the great cost involved in the destruction of our land resources, such as throwing farmers on the relief rolls, and the destruction of irrigation civilizations when the reservoirs are filled.

On the 20th day of January the senior Senator from Tennessee [Mr. McKellar] inserted in the Record an article which was prepared by Hon. Chester C. Davis, of the Agricultural Adjustment Administration. The article appears at page 764 of the Record, in the Appendix. It was written for the Country Gentleman and is entitled "Rise of Grass." To those who are interested in the national problem of soil conservation I commend this article. Read what is set forth concerning the damage already wrought. Mr. Davis has written another interesting article which appears in the current issue of the American Magazine. I suggest it as being well worth reading. I wish I had the time to quote from these and other articles, definitely and clearly pointing out the disaster which confronts America if her lands be not conserved.

In the hearings before the committees of the Senate and the House, the testimony of Dr. Bennett, of the Soil Con-

servation Service, from which I have already quoted, was most interesting. Other witnesses appeared before those committees, and gave testimony which will arouse the concern and interest of every person interested in the welfare of the Nation. In fact, so convincing is that testimony that one is compelled to say that soil conservation is a problem of national concern, and the proper protection and preservation of the lands of America is for the general welfare of the country.

But far greater than the testimony of witnesses, or the articles of learned men, is the mute evidence displayed on the farms and hillsides, in the valleys, the rivers and reservoirs of our country. One needs but to see to be convinced. In my own State, a great reservoir planned to last for more than 200 years seemed destined to fill up and be destroyed, and its usefulness ended, within a period of 60 years, not from today but from the date of its construction, due to soil erosion. Fortunately, the National Government—the Federal Government, if you please—under the Soil Conservation Act of last year is now expending great sums of money which I hope are being expended constitutionally, and in accordance with the opinions of the Supreme Court but, whether that is the case or not, I desire to say that that work is adding years and years to the life of that reservoir, and is saving valuable, fertile valley lands in the State of New Mexico today. I repeat, I hope the Soil Conservation Act is constitutional.

But gentlemen may say, "Soil conservation is a problem of local concern and applies only to the States." To these gentlemen I would say, "Look at your rivers, your streams, your floods, your windstorms, and tell me they are only local." When the heavy rains come in the mountains of New Mexico, and dash down through the canyons, gorges, and arroyos with tremendous force and volume, sweeping across the State of New Mexico, gathering power and flood proportions as they go, carrying the soil and dirt of New Mexico down through the Panhandle of Texas, through the rich lands of Oklahoma, destroying and damaging all along the way, let the Senators from Oklahoma and Texas rise in their seats and say to the floods, "Recede! Go back to New Mexico! You are a local problem." When the high western winds sweep with force and fury across the regions of the West, carrying dust and dirt, destroying land and soil, let those who say only local issues are involved erect their signboards at the State lines and say, "Winds, you must not cross! Here is a State line."

When the high windstorms blow out of the west of my State, as they do, and sweep down over Texas and Nebraska and Kansas and the rest of the United States, perhaps the chairman of the Agricultural Committee of the House, who resides in the State of Texas a short distance from my own town, may wish to go down on the State border and erect a sign and tell those winds to stay within New Mexico; they are ruining and damaging the lands of Texas, as they are. As the Senator from Iowa [Mr. MURPHY] suggests, surely that must be unconstitutional!

I repeat that these are matters of such grave national concern that they are bound to come within and be within the general-welfare clause; and I perhaps am foolish enough to believe that even the Supreme Court might so hold, should this bill ever be presented to it.

Turn back the pages of your daily newspapers to last spring and read of those windstorms which were a repetition of the storms 12 months before, and say, "Here is no national concern. Only local problems are involved." When the men, women, and children of the Panhandle of Texas and elsewhere took pneumonia and died, as they did and as medical history records, as a direct result of the dust-laden air, shall we repeat that it is "only a local problem?"

When in the years to come, if proper steps be not taken, the life of America shall be threatened with an inadequate supply of foods, and our lands no longer produce enough for our own needs, let the National Government wash its hands and say, "The fault is not ours. Every State should have carried on her own program."

It has even been suggested that the proper preservation of the soils of America could well be laid on the grounds of national defense. One more or less eminent authority stated that if we were at war, every step taken to conserve soils and insure a proper flow of food supplies for domestic and foreign requirements could well be sustained on the theory of national defense. To those who hold that view, may not the suggestion be made that we do not wait for war to build our battleships, equip our armies, or provide aircraft? Must the armies of America be actually threatened with shortages of food before any step can be taken to protect and preserve the source of our food supplies?

There is no use in prolonging these suggestions. It seems to me to be almost beyond argument that soil conservation is of national concern; it cannot be handled by the States, and it is for the general welfare of the Nation.

I reassert, Mr. President, that the measure we are discussing today is not unconstitutional, that it can be upheld and can be sustained, first, upon the theory advanced by the Senator from Indiana, that it is in aid of agriculture, and therefore within the general-welfare clause, and is not prohibited by the Supreme Court decision; and, secondly, that soil conservation is its major objective and purpose, and that soil conservation surely is within the general-welfare clause.

There are those who profess to see in the pending bill something in the nature of an afterthought; that the great concern for soil conservation has only arisen since the decision of the Supreme Court in the Butler case; that the officials of the Department of Agriculture and the President of the United States are using the present concern for soil conservation as a mere pretense to avoid and evade the decision of the Supreme Court.

Fortunately, the record was made in many ways before the Supreme Court announced its decision. The Agriculture Adjustment Administration had prepared, for general circulation, a pamphlet on soil conservation, stating how the Agricultural Adjustment program brings about better use of farm land. The pamphlet had been completed and was ready for the printer before the decision of the Supreme Court of the United States. On the first page thereof we find a statement by President Franklin Delano Roosevelt entitled "A Permanent National Soil Program."

I see many members of the committee present. They know that the committee worked day after day, and obtained the best advice possible, both from a legal standpoint and from the standpoint of the Department of Agriculture, even calling the Solicitor General before us to ask him as to the constitutionality of the measure. Even today, after meeting practically all day yesterday, we submitted again a substitute measure, and what I consider to be on the part of the committee, and everyone charged with anything to do with this measure, an honest and sincere effort to present a constitutional measure, one which will at the same time carry out the purposes and objectives we have.

The President said:

> Present and future production of supplies of food and fiber ample for this country's needs and for available export markets is a sound objective. However, there was nothing sound in the situation in the past when, spurred by ruinously low prices, farmers have been compelled to mine their soil of its fertility by overintensive cultivation in a race to make up in volume of units what they had lost in unit price. This has resulted in a waste on a colossal scale. Dust storms and mud-laden streams have been symbols of this exploitation.
>
> Already the adjustment programs have made important gains in conservation and restoration of soil fertility. Many millions of acres which farmers have signed contracts to divert from surplus production are being devoted to legumes, pastures, hay, and other crops which fertilize the soil and protect it from blowing and washing.
>
> The long-time and more permanent adjustment program will provide positive incentives for soil conservation. The benefit payments can be made on a basis that will encourage individual farmers to adopt sound farm management, crop rotation, and soil conservation methods. The crop-insurance features afforded by benefit payments will help farmers to maintain these beneficial systems of farming without interruption in poor crop years. Long-time adjustments can be adapted to natural soil advantages of regions and localities. Already the Adjustment Administration has under way local studies to help in working out farm programs on a county basis so as to fit the best permanent use of the vary-

ing soil resources of the county, up to that county's share of available domestic and foreign markets. Thus, plans are being worked out that should encourage widespread cooperation of farmers in a permanent national soil-maintenance program.

When one reads the President's article and observes how, when it was thought the Agricultural Adjustment Act was constitutional, he then advocated that benefit payments should be made on such a basis as to encourage farmers to adopt sound farm management, crop rotation, and soil conservation methods, it almost seems the President spoke with the spirit of prophecy and had in mind the exact bill which we are this day discussing.

In that pamphlet, which I urge should yet be published and circulated, there is much information as to the efforts of the Agricultural Adjustment Administration to conserve the soils of the land. The same authority suggests there might well be crop rotation, planting of legumes, terracing, contour cultivation, stripped cropping, grass planting, putting the knowledge gained by research into actual experience, the shifting of acreage, the doing of all the things contemplated to be done under this bill. On the last page of the pamphlet the Secretary of Agriculture says:

The strongest criticism which can be made of the old order of things is that it has permitted and encouraged the ruthless and rapid exploitation of our natural resources without regard to the future. Under the doctrine of free competition this country has done an extraordinary job of gutting its forests, silting up and polluting its streams, and mining its soil fertility.

To end these processes of destruction and take measures to undo the damage that has been done is one of the principal tasks of the present generation. I believe that more persons, in and out of Government, than ever before are looking to a new order in which resources may be used without being abused, in which forests may yield lumber without the forests themselves being destroyed, in which fertile farm lands may yield food and fiber without the soil fertility being lost.

The 3,000,000 farmers cooperating in agricultural adjustment programs, who are shifting some of their acres from unneeded crops that deplete the soil to other crops that conserve and build up the soil, are doing their part in the new effort to save the Nation's heritage of natural resources. Their crop-adjustment measures not only increase their own income and promote national recovery but safeguard the interests of consumers of this and later generations by helping to assure plenty for both present and future needs.

There is no afterthought here; there is no evasion. The President and the Secretary made their record, uttered their thoughts, and declared their policies long before the Agricultural Adjustment Act was held unconstitutional. A broad Nation-wide program of soil conservation had been laid down; the needs and necessities therefor had been recognized. The doing of that work was then of vast importance and was so considered. Even the things to which Senators may object as not necessarily flowing as incidentals to a soil-conservation program were set forth and declared as necessary, a natural and logical part of the long-time policy. I quote again:

The crop insurance features extended by benefit payments will help farmers to maintain these beneficial systems of farming without interruption in poor crop years.

Thus, in these words, the President of the United States describes an essential element of the present bill, and he thinks of it and talks of it in terms of soil conservation. Even the effects on prices were considered by the President when he used the following language:

There was nothing sound in the situation in the past when, spurred by ruinously low prices, farmers have been compelled to mine their soil of its fertility by overintensive cultivation in a race to make up in volume of units what they had lost in unit price. This has resulted in a waste on a colossal scale. Dust storms and mud-laden streams have been symbols of this exploitation.

The whip and spur of ruinously low prices developed and brought on the devastation and waste of our soils on a colossal scale, said the President. "Dust storms and mud-laden streams" are the result of that exploitation, the President argued, at a time when there was no occasion to think of Supreme Court decisions. He treated the problem of soil conservation as a national one, and in his characteristic language, pointed out the direct relation and connection between prices, proper methods of farming, and soil conservation.

The Secretary of Agriculture, referring to the crop-adjustment measures and the beneficial results obtained by the shifting of acres from unneeded crops which deplete the soil, to other crops that conserve and build up the soil, declared, at a time when an adverse Supreme Court decision was not contemplated, that such measures did safeguard the interests of consumers of this and later generations by helping to assure plenty for both present and future needs. Again I say, the President of the United States made his record and the Secretary of Agriculture made his record, and each word contained in the present bill is consistent and in exact accord with the details and policies announced and proclaimed long before the Supreme Court spoke in the Butler case. Those who say the policies set forth in this measure are but afterthoughts and are mere evasions, have not read the record. This record, made long before the Supreme Court decision, is full of sincere and earnest efforts to save and conserve the lands of America. A record it is of which none need be ashamed, and for which future generations shall rise up and call us blessed.

Further, let all those who condemn hasty legislation, and let those who say that Congress should take its full responsibility for the passage of laws, understand that the pending bill was originally introduced by the Senator from Alabama [Mr. BANKHEAD]. He introduced the bill in the Senate in regular form and in regular way, and it went to the Committee on Agriculture and Forestry. There were some of us on that committee, including the Senator from Alabama, who believed the bill could be improved. The chairman of the committee repeatedly stressed the thought and desire of preparing a constitutional bill. Manifesting his deep interest in the problem of agriculture, which has always been close to his heart, he sought only to prepare a bill which would give some measure of relief to the farmer and still be within the Constitution and the decision of the Supreme Court. There were others on that committee who entertained similar thoughts.

The subcommittee met. We were offered the original bill; we raised our objections and suggested things which we believed would improve the bill. The bill was redrafted, at the suggestion of the subcommittee. New features were included. The subcommittee voted to report the bill to the full committee. Still not satisfied, still mindful of his high duty and obligation, the chairman of the committee called the full committee into session and laid before it the report of the subcommittee, and then suggested that time be taken for each member of the full committee to study the bill as it had come back from the subcommittee. Action on the bill was deferred for that purpose, and then, still in order that each Senator might have an opportunity to express himself, the chairman of the committee again called the committee into session. The Secretary of Agriculture and the Administrator of the Agricultural Adjustment Administration, Mr. Chester C. Davis, men from the legal division of the Agriculture Department, and finally the Solicitor General, Mr. Stanley Reed, were called in and asked to advise with us concerning the constitutionality of the bill.

Finally, after reporting to the Senate, the committee again met and offered the pending substitute. The chairman of the committee and the members of the committee have exercised every care in the preparation of the bill. No person has been denied a hearing. I believe I can truthfully say it has been the earnest desire and purpose of the chairman of the Senate committee and of each member of that committee to have legislation enacted which will be constitutional and within the limits of the Supreme Court decision.

Regardless of what others may say, the bill is submitted to the Senate upon the theory that:

First. For the temporary period no powers may be exercised by the Secretary of Agriculture except those for the purposes and objects of soil conservation and natural and logical incidents thereto.

Second. The benefit payments to the farmers made during this period must necessarily flow as incidents to a soil-conservation program.

Third. That soil conservation is a proper field of Federal activity; it is not one reserved to the States.

Fourth. That the program during the temporary period could well be said to be in aid of agriculture, and therefore within the general-welfare clause, coming within the thought suggested by the Supreme Court when it said the Court did not hold that aid to agriculture was not within the general-welfare clause.

Fifth. The permanent features of the bill authorize conditional grants to the States to carry out plans inaugurated by the States, thereby coming squarely within the Supreme Court's decision.

It may be the bill is defective. It may not be a complete solution of our agricultural problem. Certainly it is not a perfect measure; but because it may not be complete, because it may not be perfect, it does not follow that it should be rejected. Surely it will be an aid and of great help to all those engaged in agriculture. It seems apparent this measure can be passed by the Congress.

I see nothing in the bill which will prevent the adoption of any better plan. The policy of making grants to the States and working through the 48 different States is yet to be worked out. States must provide and set up the necessary machinery. If Senators have other or better plans which can be carried on under the Constitution, there is no reason why the adoption of the pending bill should hinder or prevent a presentation of such plans. My thought is that, imperfect as the bill may be, it is a step toward the end which we all have in mind. Let us take that step today. Let us conserve our soil, protect our lands, and aid the farmer as much as we can now. If tomorrow brings a better solution, adopt it. Let us do what we can today to accomplish the end we all desire, the restoration of our greatest single industry to that place where it will be on an equality with those favored American industries which have long received the benefits of a high tariff laid in the name of protection.

Mr. BYRNES. Mr. President, so much has been said about the decision of the Supreme Court with reference to the unconstitutionality of the Agricultural Adjustment Act that I ask unanimous consent to have printed in the RECORD the roll call in the Senate upon the passage of House bill 8492, amending the Agricultural Adjustment Act. It was voted upon July 23, 1935, and I noticed that the senior Senator from Idaho [Mr. BORAH], one of the very distinguished Members of the Senate who have often discussed the Constitution, voted for the passage of the bill amending the Agricultural Adjustment Act, and the senior Senator from Oregon [Mr. MCNARY] was also among those who voted for it. I wish to say to the Senator from New Mexico that, even though the Senator from Oregon today expressed his doubt about the constitutionality of the pending bill, the fact is that the Supreme Court did not agree with the Senator from Oregon when the Senator from Oregon voted for the A. A. A., and the Supreme Court may now not agree with him in his contention that the pending bill is unconstitutional.

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

Mr. BYRNES. I yield.

Mr. O'MAHONEY. Will not the Senator amend his request so as to have the clerk now read the roll call?

Mr. BYRNES. I will ask the clerk to read it in my time.

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

The Chief Clerk read as follows:

The result was announced—yeas 64, nays 15, as follows:

Yeas—64: Adams, Austin, Bachman, Bailey, Bankhead, Barkley, Black, Bone, Borah, Brown, Bulow, Burke, Byrnes, Capper, Caraway, Chavez, Clark, Connally, Costigan, Duffy, Fletcher, Frazier, George, Gibson, Guffey, Harrison, Hatch, Hayden, Holt, Johnson, La Follette, Logan, Lonergan, Long, McAdoo, McCarran, McGill, McKellar, McNary, Minton, Murphy, Murray, Neely, Norbeck, Norris, Nye, O'Mahoney, Overton, Pittman, Pope, Radcliffe, Reynolds, Robinson, Russell, Schwellenbach, Shipstead, Smith, Steiwer, Thomas of Oklahoma, Trammell, Truman, Van Nuys, Wheeler, and White.

Nays—15: Ashurst, Barbour, Bulkley, Davis, Donahey, Gerry, Hale, Maloney, Metcalf, Moore, Schall, Tydings, Vandenberg, Wagner, and Walsh.

Not voting—17: Bilbo, Byrd, Carey, Coolidge, Copeland, Couzens, Dickinson, Dieterich, Glass, Gore, Hastings, Keyes, King, Lewis, Sheppard, Thomas of Utah, and Townsend.

So the bill was passed.

Mr. BYRNES. Mr. President, in conclusion, I merely desire to say that the reading of the roll call would indicate that the only constitutional lawyers who voted against the passage of the Agricultural Adjustment Act were the constitutional lawyers who come from States in which the large cities of the country are located.

EXECUTIVE SESSION

Mr. BARKLEY. 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. SCHWELLENBACH in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. DONAHEY, from the Committee on Interstate Commerce, reported favorably the nomination of Percy Tetlow, of Ohio, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nominations of the following persons to be regional directors of the Resettlement Administration:

Robert W. Hudgens, of South Carolina, vice Philip Weltner;

Lillo H. Hauter, of New Mexico; and

Jonathan Garst, of California.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

Lee C. Gunter, of Tennessee, representative of the producers, to be a member of the Bituminous Coal Labor Board for a term of 4 years from September 21, 1935;

John J. O'Leary, of Pennsylvania, representative of the organized employees, to be a member of the Bituminous Coal Labor Board for a term of 4 years from September 21, 1935;

Thomas M. Woodward, of Pennsylvania, to be consumers' counsel of the National Bituminous Coal Commission;

Charles F. Hosford, Jr., of Pennsylvania, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935;

Walter H. Maloney, of Missouri, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935;

George E. Acret, of California, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935;

Lee M. Eddy, of Missouri, to be a member of the Railroad Retirement Board for a term of 4 years from August 29, 1935;

Otto Beyer, of Virginia, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1938;

James A. Dailey, of New York, to be a member of the Railroad Retirement Board for a term of 3 years from August 29, 1935; and

Murray W. Latimer, of New York, to be a member of the Railroad Retirement Board for a term of 2 years from August 29, 1935.

Mr. NEELY, from the Committee on Interstate Commerce, reported favorably the nomination of C. E. Smith, of West Virginia, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

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 business in order on the calendar.

POSTMASTER AT NORTH, S. C.

The legislative clerk read the nomination of Eugene C. Jones to be postmaster at North, S. C.

Mr. McKELLAR. I ask that the nomination go over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

POSTMASTER AT CODY, NEBR.

The legislative clerk read the nomination of Maude S. Yancey to be postmaster at Cody, Nebr.

Mr. NORRIS. Mr. President, I desire to make a few remarks upon the confirmation of the nomination for postmaster at Cody, Nebr.

Cody is a very small town. I am not acquainted with the nominee. I have no personal knowledge of any of the recommendations, nor am I personally acquainted with any of the persons who protested the nomination. I do not feel justified either, Mr. President, in submitting to the Senate the various objections and reasons for objections which have come to me, because, not knowing personally about them, I might do an injury to a worthy person.

Mr. President, I am not able and I am not attempting to defeat the confirmation of the nominee; but I desire to take this occasion to give to the Senate my idea—which I have often given to the Senate—of the method which has been practiced by the party now in power, and by the party heretofore in power, by which the law applying to the appointment of postmasters has frequently been violated, at least indirectly.

I am not going to complain, either, of officials of the Government or of Senators or the Members of the House for the position they have taken. They come into office and become part of a system—and it would be well-nigh impossible for them completely to take themselves out of it—a system based upon incompetency; a system which is entirely wrong from every standpoint; a system which, in the end, is injurious to the Members of the House and the Senate who participate in it. However, since this system has been in operation for years and years, at least ever since I have been in public life, it is probably expecting too much to expect that any Member of the House or the Senate, or member of the Cabinet, or other official, should at once cease to participate in this method of appointing postmasters, unless he should be backed up either by an order of the President extending and modifying the present rule of the Civil Service Commission applying to these appointments or by some positive act of Congress.

It is with the hope that at some time Congress will enact such a law, and take the Post Office completely and entirely out of the control of politicians and job hunters, that I am offering the few remarks I submit today.

I am using as an illustration this Nebraska post office because I have no interest whatever in it. I have no acquaintance with anyone on either side of the controversy which has been going on in this little village for more than 2 years in regard to the settlement of the question. I think, however, it illustrates the evils which exist in our system; and I make these remarks with the hope that at least at some time what may now be said may be of some benefit and some good in bringing to an end a system in regard to the appointment of postmasters that has controlled our official life for 100 years.

At Cody, Nebr., which, as I have said, is a very small municipality, a vacancy occurred in the office of postmaster. I do not remember now just how it came about. I think it came about by reason of the death of the former postmaster. A lady by the name of Mrs. Yancey was appointed acting postmaster under the law. That appointment was made on February 18, 1934. The Post Office Department asked the Civil Service Commission to hold an examination for eligibles from whom a permanent postmaster could be appointed. The Civil Service Commission held such an examination on the 24th day of March 1934, practically 1 month after Mrs. Yancey had assumed charge of the office.

I am making no complaint thus far. I am giving a chronological explanation of just what happened.

The results of that examination were certified to the Post Office Department on May 23, 1934, practically 3 months after Mrs. Yancey had been appointed acting postmaster. As a result of that examination and the certification of the results thereof to the Civil Service Commission, the list of eligibles was by the Post Office Department submitted to the Representative from the district. This submission was made in order to get his recommendation of one of the three highest eligibles on the list. But it seems, Mr. President, that the list was not satisfactory. It did not contain the name of Mrs. Yancey. She took the examination, but failed to qualify. In the examination, as I remember, her mark was 60 or 65. She was far down on the list. So a request for review was made; and, through the Post Office Department, the Civil Service Commission was asked to review that examination, the purpose being, I presume, to see whether any error had occurred, and whether it was not possible under that examination for Mrs. Yancey to be higher on the list.

In accordance with the request of the Post Office Department, the Civil Service Commission reexamined that record, and found on reexamination that there was nothing wrong with the record; and they refused to change it, and so certified to the Post Office Department. They did this on March 25, 1935, and reported to the Post Office Department that the Commission could find no basis for changing the ratings of the applicants.

This information was promulgated through the proper source, I presume, to the Democratic representative. Then came a request that the Civil Service Commission hold a new examination. They first held the examination; they reviewed it and found nothing wrong with it, and then were asked to set it aside and hold another one.

So far as I know, no charge has ever been made that there was anything wrong with the first examination, but the Civil Service Commission proceeded to hold another examination. They held that examination on July 25, 1935, more than a year after Mrs. Yancey had been installed into the office as acting postmaster. She had been to school at the expense of the Government for a year and had had ample opportunity in that time to prepare herself and pass a better examination, which she did. Upon the second examination Mrs. Yancey was one of the eligibles; she was the lowest one, however; she was at the bottom of the list, but she was appointed, and her nomination is now before the Senate. About a year and 5 months, as I remember, elapsed after this postmaster was installed into office before she succeeded in passing the examination the second time and getting on the bottom of the list as an eligible and receiving the appointment.

I have had some correspondence with the Civil Service Commission and the Post Office Department in regard to this case, and I want to quote from a letter which I received from the President of the Civil Service Commission. He says:

> I have repeatedly stated that the present system of selecting Presidential postmasters is not going to work satisfactorily, and, of course, the same method of determining qualifications is followed today as has been followed under previous administrations.
>
> If legislation placing the positions of Presidential postmasters within the classified civil service could be enacted a complete change of procedure would be necessary. If appointments were not made for a term of years but on a permanent basis it would, of course, result in a far lesser number of examinations. This would enable the Commission to make a thorough investigation of the qualifications of the applicants, which would result in those persons best qualified being placed at the head of the lists. This procedure would also avoid the reannouncement of examinations where there are existing lists of eligibles and would require selections from lists of those found qualified within a reasonable time after certification is made.
>
> The Commission believes that the present system, with all its imperfections, has accomplished some good, in that persons who do not meet certain requirements as to experience or who are found to be wholly unfit are not qualified and, therefore, are not made available for regular appointment. On the whole, however, the system is unsatisfactory and is not resulting favorably to the regular merit system of appointments.

Mr. President, I said at the beginning—or I intimated, at least—that, in my judgment, in this particular case—and it is only a sample; it is only one of a great many—the intention of the law, of the statute, had been violated. I am going to read that statute.

Mr. McKELLAR. Mr. President, before the Senator does that, I wish to ask him, does the President of the Civil Service Commission offer any reason why the first examination and declaration of eligibles were entirely set aside?

Mr. NORRIS. He only states that the request to hold another examination came from the Post Office Department, and that it was complied with. I understand that such a request is one of the means by which favored persons are gotten onto the list and that it has been the practice for a great many years and under different administrations that when the Post Office Department asks that another examination be held, the Commission proceeds to hold it.

Mr. McKELLAR. I do not know how that may be. The President of the Civil Service Commission, however, is mistaken in reference to previous administrations. The Senator from Nebraska will recall that in President Wilson's administration he invariably selected the highest man on the list of eligibles, unless something could be shown affecting his moral character.

Mr. NORRIS. Yes.

Mr. McKELLAR. And I think that system was really the very best system we have ever had in the selection of postmasters. It is very much better than the present one.

Mr. NORRIS. I agree with the Senator.

Mr. McKELLAR. But it was done away with.

Mr. NORRIS. And that system, followed out in good faith, would avoid the necessity and even the probability of Members of the Senate and of the House of Representatives ever interfering in the appointment of postmasters.

Mr. McKELLAR. Yes.

Mr. NORRIS. They would have to show some cause and would have to have some personal knowledge of the circumstances before they could have anything to say about it. I want to say that under that system—and I am speaking from memory now—I called attention during President Wilson's administration at least to one very grave instance in my own State where they had done, as I now remember, practically the same thing that is being done here; and yet I can say that during the term of President Wilson, though I do not know how soon after he became President, he promulgated the rule to which reference has been made.

Mr. McKELLAR. There was a law authorizing it to be done, which I think was passed early in his administration.

Mr. NORRIS. I do not know when that was done, but that rule is much better than the rule now in force, to certify three names, and then let a political committee really name one of the three, if they succeed in getting any of their political favorites on the list, and if they do not succeed in getting them on, then to have the Civil Service Commission set the proceedings aside and hold another examination, in the hope finally that they can get some of their job hunters on the favored list.

Mr. McKELLAR. My judgment is that the only fair way is to select the highest man on the list, and make that selection final.

Mr. NORRIS. I agree with the Senator that, if we are going to continue the present system, that ought to be done.

Mr. WALSH. Mr. President, may I make an inquiry of the Senator from Nebraska?

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

Mr. NORRIS. Yes.

Mr. WALSH. The Senator refers to a second civil-service examination. If I understand the practice, in most cases the examination consists of the sending of a questionnaire to the applicants to be filled out by them; then inquiry is made through the medium of correspondence by the Civil Service Commission of some of the patrons of the office in the locality where there is a vacancy, and then there is a rating made of the various applicants based upon the questionnaires and the letters received, and sometimes an eligible list is then and there established and made final and the nomination for the office of postmaster is made from one of the three highest on the civil-service eligible list.

Another course, which sometimes is followed, is, before the final rating is made, to have an inspector of the Post Office Department and an inspector representing the Civil Service Commission make a personal investigation. They interview persons in the locality and conduct a thorough investigation into the qualifications, experience, and moral fitness of the various candidates. Then a rating is made, based upon the questionnaire and correspondence and the personal investigation.

I will say to the Senator that in one case in my State after a first examination was made, namely, through questionnaires and correspondence with the Civil Service Commission, one applicant was given a rating of 85 percent and a second applicant a rating of 78 percent. In this case, a request was made that the papers be returned to the Civil Service Commission and that a personal investigation be made of all the applicants, so that the final rating would include a personal investigation of all candidates in the locality where the applicants lived. When that examination was made and completed the applicant who received the rating of 85 percent was found to be so addicted to the use of intoxicating liquors as to be unfit, and he was found ineligible by the Civil Service Commission.

The second applicant, who received a rating of 78 percent, was found to be unfit for in a community of some 30 prominent citizens, only three interviewed, could be found who considered the applicant capable of performing the duties of postmaster. The result was there was no eligible list reported to the Post Office Department by the Civil Service Commission.

What I am trying to show is that it is impossible to be able to get at the merits of applicants for a postmastership through an Executive order permitting the examination to be simply a questionnaire and correspondence with certain people in a particular community whose names happen to be submitted to the Civil Service Commission. It is absolutely essential to have a personal investigation. The important thing is the kind and nature and thoroughness of the civil-service examination provided by Executive order.

I have a case pending now where an applicant for postmastership in his questionnaire is alleged to have falsified as to the positions he had held showing himself fit to hold an executive position. The Civil Service Commission had no evidence to the contrary. They took his statement at its face value and rated him accordingly. There had been no personal investigation made. The facts, when ascertained, disclosed that the positions he claimed to have held had never been held, and yet his statement gave him the standing with the Civil Service Commission that resulted in his being found eligible for appointment as postmaster. The examination permitted fraud because it was necessarily superficial.

My judgment is that in all cases, especially in the important offices of the first and second classes, there ought to be a personal investigation upon the premises so that all possible light can be thrown upon the fitness, capacity, and character of the various applicants. The Executive order can provide for this and can embrace other requirements that will eliminate inefficiency. I hope I have not interfered with the trend of the Senator's discussion. I want to impress upon the Senate the importance of a full, thorough, and searching examination of all applicants of the public service as to efficiency and the selection of postmasters is to be made from the applicants most highly qualified.

Mr. NORRIS. The Senator has made a very valuable contribution to the discussion, and I thank him. I agree with every word he has said. There will be mistakes made under any system.

The president of the Civil Service Commission has pointed out, in the letter which I have read, what would happen or what could happen under these examinations if Congress

should change the term of the postmaster and make it during good behavior instead of 4 years. The Commission would then be able with the same amount of money to give better examinations and to make a full personal examination wherever circumstances in the case indicated it ought to be made.

In the case of which I have been speaking I am not complaining of any man who thougnt the examination was wrong and knew something about it and asked that another examination be held. I am not complaining that the Post Office Department upon any proper showing should ask that a review be had. But upon the review, so far as I know, there was nothing in the record indicating that there was any charge that there was anything wrong or anything done in the examination that ought not to have been done. No charge was made of any irregularity. When the Commission reexamined and certified to that effect, leaving the eligibles the same as they were before and leaving off the list the one whom the politicians wanted on it, then they got a new examination simply by asking for it.

It will be found, perhaps in a large majority of the cases, when the Commission holds these examinations, that an investigation such as has been referred to by the Senator from Massachusetts should be made and an investigator should be sent out on the ground to make a personal investigation. Those cases would be exceptional, of course. Something would happen, something would show on the face of some of the papers that there was something wrong, or some individual interested would call attention that something was wrong, and then the Commission would make a personal examination.

Mr. WALSH. That is done in very few cases.

Mr. NORRIS. Certainly. If we were not required to fill the post offices every 4 years and thus limit the term of office, there would of course be a much smaller number of examinations and appointments than are being held and made now. The fact is, as clearly indicated from the record and the letters from the Post Office Department and from the Civil Service Commission in this case, that there never was anything wrong with any examination, but that the applicant, the present appointee, was the person they wanted to name as postmaster. She had been appointed as acting postmaster under the law. They kept working the machinery through a year and a half of education of this applicant until she was able to pass a better examination, although hers was the poorest showing of any of the eligibles. In that way she was put on the eligible list. It does not make any difference what position she occupied on the eligible list, if the political authorities that wanted her for postmaster were anxious, as they were, they would of course select her and recommend her to the Post Office Department, and she would be named.

I started to read the law which applies to acting postmasters, and while there is very little of it that applies to this particular case, yet for fear of misunderstanding I am going to read the whole section:

> Whenever the office of a postmaster becomes vacant through death, resignation, or removal, the Postmaster General shall designate some person to act as postmaster until a regular appointment has been made by the President in case the office is of the first class, second, or third class, and by the Postmaster General when the office is in the fourth class; and the Postmaster General shall notify the General Accounting Office of the change. The postmaster so appointed shall be responsible under his bond for the safekeeping of the public property pertaining to the post office and the performance of the duties of his office until a regular postmaster has been duly appointed and qualified and has taken possession of the office.

Here is the point that has particular application to this case and all other similar cases where an attempt has been made to get some particular person into the position of postmaster:

> Whenever a vacancy occurs from any cause the appointment of the regular postmaster shall be made without unnecessary delay.

In this case there was between a year and 2 years of time elapsed before that was done.

Mr. CONNALLY. Mr. President——

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

Mr. NORRIS. I yield.

Mr. CONNALLY. The Senator indicated a moment ago that he would prefer an indefinite tenure of office during good behavior. Does it occur to him that if that were the case, postmasters might become rather arbitrary and hard-boiled in their treatment of the public?

Mr. NORRIS. That might occur sometimes.

Mr. CONNALLY. The Senator no doubt has had that experience in the bureaus of the Government.

Mr. NORRIS. That might occur, and if it should, the only thing to do as I see it would be to remove such a man from office.

Mr. CONNALLY. That is a rather difficult thing to do.

Mr. NORRIS. It is not very difficult. It only takes one sentence with the right name attached to it, and out he goes.

Mr. CONNALLY. The President is the only man who could do it and it would be difficult to get him to oust some postmasters.

Mr. NORRIS. It is just as easy for the President to remove a postmaster as it is to appoint one. The President acts only informally. He cannot have personal knowledge in all cases. He does not know anything about the circumstances in any given case.

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

Mr. NORRIS. In just a moment. I will say to the Senator from Texas that while I think the term of office ought to be for an indefinite period, that is not the object I have in mind and that is not what I am trying to bring before the Senate at this time. I am trying to show that this law has been violated for many, many years in a large number of cases where some partisan political committee is undertaking to get a job for a faithful partisan.

I yield now to the Senator from Wyoming.

Mr. O'MAHONEY. Is the Senator aware of the fact that the Civil Service Committee of the House of Representatives has reported a bill placing all postmasters of the first, second, and third classes under the civil-service law in the same degree that postmasters of the fourth class have been under that law for a great many years?

Mr. NORRIS. Yes; I am aware of that.

Mr. O'MAHONEY. And is the Senator aware that that measure was called up upon the floor of the House a few weeks ago during the consideration of the Consent Calendar and was objected to by the ranking member of the House Rules Committee?

Mr. NORRIS. Yes; I am aware of that.

Mr. O'MAHONEY. Of course, then, the Senator must recognize that no change can be made in the traditional method of selecting and appointing postmasters except by action of Congress; and that bills are pending, both in this body and in the House, to place the selection of postmasters upon a different basis.

Mr. NORRIS. It would not take an act of Congress to remedy the evil of which I am complaining in this case. It could be entirely remedied if the Department wished to place the Post Office Department upon a business basis instead of a job-hunting basis.

Mr. WALSH. Mr. President, of course an Executive order could change the method.

Mr. NORRIS. Exactly.

Mr. WALSH. President Wilson, by an Executive order, declared that no one but the first person on the list found eligible by the Civil Service Commission should be appointed. The present Executive and the other Executives after President Wilson left it to the discretion of the President to say which one of the first three persons found eligible should be appointed. Am I correct?

Mr. O'MAHONEY. The Senator from Massachusetts, of course, is aware of the fact that under the civil-service law as it now stands, the first person found eligible is not selected for any place in the civil service. In every instance, in every Department, wherever an examination of any kind is held or a register is established, the names of three indi-

viduals are submitted, for the obvious reason that to select the first person might bring about the very result to which the Senator himself has just alluded, when it developed in a Massachusetts case that the man with the 85-percent record, at the top of the list, was wholly and totally incompetent to hold the place.

Mr. WALSH. But is it not a fact that President Wilson's Executive order did call for the naming of the first person on the list?

Mr. O'MAHONEY. It did call for the appointment of the person who was first on the list; and that was the first time, so far as I know, in the history of the Government, when a President required such a showing.

Mr. NORRIS. Mr. President, it seems to me that possibly that is not practicable here; but, since this colloquy has occurred between these two Senators, it does seem to me that if an order to appoint always the person having the highest grade were issued and enforced, it would always be possible for any patron of the office, either at the examination or afterward, to make a complaint setting forth the irregularity, if there were one, or the incompetency of the person selected. Patrons of the office ought to have that privilege, and ought to have a hearing on the charge, and ought to have the right kind of an investigation made to ascertain its truth or falsity.

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

Mr. NORRIS. I yield.

Mr. McKELLAR. As I understand the Senator from Nebraska, he favors putting all classes of postmasters under civil service, and appointing the highest man on the list when the examination is held. Substantially, that is his position?

Mr. NORRIS. No; if I had my way, I would not do that.

Mr. McKELLAR. I may be mistaken as to the Senator's position.

Mr. NORRIS. If the Senator will examine the bill which I have pending before his committee, upon which he very courteously gave me a hearing, he will find that my bill does not provide for that; but I would a great deal rather have that than the present system.

Mr. McKELLAR. I have this idea about the matter: Of course, any system of appointment of postmasters is difficult, and is beset with many troubles that we all know about.

Mr. NORRIS. Yes.

Mr. McKELLAR. In my own judgment, the country would get better postmasters if their selection should be left entirely to the discretion of the Representative from the district, who ordinarily is familiar with the qualifications of every man in it. Then, if there should be any trouble about the selection, let the Senate, when it comes to confirm, bring out that trouble. I believe that is the best way to select postmasters.

Mr. NORRIS. Of course, a constitutional question is involved there; about the Constitution giving the President the right to appoint officials of the Government.

Mr. McKELLAR. Of course.

Mr. NORRIS. But, eliminating that for argument's sake, and assuming that that kind of a law would be constitutional, it could not be passed through Congress with a four-horse team.

Mr. McKELLAR. No; I suppose not.

Mr. NORRIS. I say that because Members of Congress would then realize that they were going to have a responsibility, which they ought to have if they should name the postmasters. The law would be a proper one. I should support it if it were a constitutional measure. If we are going indirectly to let a Senator or a Member of the House arbitrarily name postmasters, then I should like to put upon him the entire responsibility and let it rest on his shoulders.

Mr. President, I think a better system would be to eliminate entirely the Post Office Department from politics. I believe that would do the work. It would save Senators and Members of the House not only a lot of work but an untold amount of embarrassment.

I am not now blaming them. I myself was in that class for a long while, and it was one of the greatest burdens I had. We could not get out of it now if we wanted to, because we have had the system so long and the pressure would be so great that it would be too much to expect; but we could pass a law, or, if not, we could get some benefit from the right kind of an Executive order, such as the Senator from Massachusetts [Mr. WALSH] has referred to, which would be a great relief.

Let me tell the Senate what I was informed by a member of the British Government. Several years ago, when the Labor Party won its great victory, and there was a complete change of administration in Great Britain, I was told that less than 100 administrative officers were changed on account of that election. In Great Britain nobody thinks of a postmaster being selected by a Member of Parliament; or, as it would be in this country, nobody would think of having a postmaster selected by a Member of Congress. It is not now part of his official duty. It is a burden that injures him.

I can name man after man of my acquaintance who went down to defeat as a candidate for reelection to the House of Representatives and some men who went down to defeat as candidates for reelection to the Senate for the major reason, and sometimes the sole reason, that they had too much patronage to handle, and they had to disappoint too many men and too many women who wanted jobs.

For the benefit even of the Members of Congress we ought to relieve ourselves of this burden, and we ought to give to the country, especially in the Post Office Department, a system which has nothing to do with politics, from the Postmaster General down to the janitor. We ought to relieve them entirely, and they ought to relieve us, so that politics would not enter into the selection of postal employees; but business ability, competency, and honesty would be the only things to be considered.

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

Mr. NORRIS. I yield.

Mr. McKELLAR. The Senator refers to the English post-office system and to political changes not being made there. I imagine the Senator has had some experience with the English post office. He has been in England, has he not?

Mr. NORRIS. I do not think I have ever been in an English post office.

Mr. McKELLAR. I have not been in any English post office; but I have been in England a number of times, and I desire to say that in my judgment the American postal system is as far superior to the English postal system as day is different from night.

Mr. NORRIS. Let me ask the Senator from Tennessee a question. Does he think that superiority of our postal system over theirs comes about because our postal system is in politics and in the control of politicians, while theirs is not?

Mr. McKELLAR. I have not the same antipathy toward politicians that the Senator from Nebraska has.

Mr. NORRIS. I have not any antipathy whatever toward politicians.

Mr. McKELLAR. I think there are a great many politicians who are very excellent men; and I do believe, as honestly and sincerely as I ever believed anything in my life, that the Representative from a district has an infinitely better grasp and knowledge of the ability and capacity of the men in that district to serve as postmasters than has a person here in Washington.

Mr. NORRIS. Suppose that be true, Mr. President, nine times out of ten the Representative or the Senator selects the man for postmaster who has rendered him the best political service. That is natural, and that is the practice. I could tell the Senate the political connection in this particular case. This nominee is a sister of the chairman of the Democratic county committee in the county involved, and with his power and his pull with the Representative he is able to get her into this position. That is not good service.

Mr. McKELLAR. I agree with the Senator; it is not. I think that sometimes happens. But in the great majority of cases the Representative, who is familiar with the man in each town in his district, in his own self-defense, in order to make his record correct, selects the best man. They do not select inferior postmasters, and as a rule I think we get the best postmasters from those who are acquainted with the people in the particular localities.

Mr. NORRIS. In this case we are not getting the best qualified. There had to be a second examination even to get the nominee on the list, and when she was placed on the list she was at the bottom of it.

Mr. McKELLAR. I agree with the Senator.

Mr. NORRIS. If a Senator or a Member of the House had nothing to do but to select postmasters, and pass on their qualifications, they would do a much better job than they would when they are trying to hold positions in Congress and desire to get all the support they can from their constituents. If a district consisted of one city, for instance, or two cities, with one or two postmasters, the Representative or the Senator would more than likely have some personal knowledge of the applicants.

I represented a district in the House of Representatives for 10 years, and 8 years of that time my party was in power. For the first part of it, at least, I was in good standing and named the men and the women who were appointed as postmasters. I did not know them from Adam a great many of the times. When they are scattered over a territory covering a large portion of a State the Representative cannot personally know them; he does not personally know the qualifications of the aspirants for post offices in all the towns of the district, two or three hundred in number, unless he disregards his duties here, unless he forgets his duty here, and does not try to do anything for the country or the State at large, but devotes all his time to job hunters.

I submit that is not the duty, under the law, of a Senator or of a Member of the House. He should not have his time taken up with those matters, and some of the smallest post offices in the land will take the most time. I could give instances in my own experience where I have tried my best to do what was right and found it almost impossible. But if the officers in the Post Office Department, having the obligation and the duty to appoint postmasters, were not interested in the election, interested in holding offices themselves, or in the election of someone else to hold office, if they were passing on the appointments judicially, we would have a system which I think would bring much better results, would give greater efficiency, and in the end would satisfy the country, and the present system does not do that.

If the Senator thinks it does, I wish to tell him now that many Democratic Members now in the House will go down to defeat at the coming election because they had postmasters to appoint. I do not charge them with doing anything wrong; I do not charge them with having any evil intent; they probably have done the best they knew how. Nevertheless, they have to suffer for the mistakes they inevitably make in the minds of a great many people in regard to something that is not part of their official duty. They should not be weighed by the people who have to elect them in accordance with whether they got jobs or did not get jobs for people. Their constituents ought to be able to pass on them according to their qualifications and their work in Congress.

Mr. McKELLAR. Mr. President, I agree with the Senator about where the principal work is. It is here. But I wish to say to the Senator in all frankness that I believe we get infinitely better postmasters, taken as a rule, by having the Representatives from the several districts make the appointments than we would get by having an official in the Post Office Department appoint all the postmasters in the United States. I do not believe that a man here in Washington could ever become well enough acquainted with the people of the entire Nation to make those appointments in a way that would be fair and would result in getting the best men for the particular places.

Take the Senator's own case. He and I both served in the House, and we both had to recommend postmasters from time to time when we were Members of the House. I would a thousand times rather have had the Senator's judgment on a man in his district than the judgment of a clerk in the Post Office Department.

Mr. NORRIS. Speaking of not knowing all the postmasters—and a Representative, of course, could not know them—under the present law, with the exception of fourth-class postmasters, the President of the United States has to make every appointment, and the Senator knows, and I know, that not in one case in a thousand does he have any personal knowledge about the appointee. The fourth-class postmasters are appointed by the Postmaster General, and he does not know. He gets advice. Does he get it from disinterested people? No; he gets it from politicians, and he would get the same kind of advice, probably, if I gave it to him. I am not complaining about that. It is our system that is wrong. He gets prejudiced advice, biased advice; he does not get the right kind of a picture.

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

Mr. NORRIS. I yield.

Mr. O'MAHONEY. The Senator's discussion, of course, has been most interesting, and I agree in the main with everything the Senator has said. But I think the RECORD ought to show that the only effort which has been made to change the system which he condemns has been made by Democratic Presidents, first by President Wilson and then by President Roosevelt. It was President Wilson who issued the Executive order, to which the Senator from Massachusetts alluded a little while ago, requiring the appointment of that man who stood highest upon the list when the Civil Service Commission held its examination. Prior to that order the Civil Service Commission was never recognized in the appointment of postmasters. Immediately after the administration changed, and Senator Harding succeeded to the Presidency, that Executive order was changed for the purpose of restoring the system which the Senator now condemns.

Mr. NORRIS. I know that. I remember when it was done, and if the record could be examined, I think the Senator would find on file there as bitter a protest as I could write against that change. I am not making any charge against any particular political party.

Mr. O'MAHONEY. Certainly not.

Mr. NORRIS. I am making the charge against all political parties which have permitted this condition to exist.

Mr. O'MAHONEY. I rose only for the purpose of making the record clear. Whatever progress has been made has been made under the leadership of Democratic Presidents. When this administration began, the present President requested the Postmaster General to see that a bill was drafted which would take the selection of postmasters altogether out of the system which the Senator condemns. That bill was drafted, and has been introduced in the Senate. A similar bill was introduced and discussed in the House of Representatives and, as I stated a moment ago, the Committee on Civil Service in the House reported the bill favorably, and the chairman of the House Committee on Post Office and Post Roads spoke in favor of the bill upon the floor of the House.

As I said, I make these remarks merely for the purpose of not allowing anyone to understand that the criticism which the Senator from Nebraska is making can be directed against the present administration. It may be directed only against the system which has been handed down over many, many years.

Mr. NORRIS. Mr. President, I did not intend to say this, but in view of what the Senator has said I think I ought to say it. Everyone knows it is true. It is no secret that I supported President Roosevelt when he was running for office. It is no secret that I intend to support him again. On the whole, I think his administration deserves enthusiastic support, and I am going to do the best I can, if I have any influence, to see that he is reelected. Yet I think he

can be justly criticized for not taking the right stand in this particular kind of business. And I am going to say to the Democrats that the fact that it has not been done is going to make his road much more thorny than it otherwise would be; it is going to make my job in trying to do what I can to help him much more difficult because it has not been done.

One order from the President would go a long way, not to bring us perfection, but it would go a long way to get us out of this terrible dilemma in the Post Office Department. You may take it from me now—and I regret the condition just as much as you do—that, in my opinion, there are going to be millions of votes in the coming election that would be for Mr. Roosevelt's election which will be against him because of dissatisfaction with the way the Post Office Department has been handled.

Mr. McKELLAR. What would the Senator have put in that order?

Mr. NORRIS. I would put these postmasters all under civil service.

Mr. McKELLAR. Well, they all are under civil service as far as it can be done. The President could not on his own authority go further.

Mr. NORRIS. I will say what the President could do. The President could issue a statement to the American people, which ought to have been issued at the very beginning of his administration, that from now on politics is going to be abolished entirely and completely in the selection of every postmaster in the land, and the men are going to be appointed according to qualification and merit. If they are in the office, doing satisfactory work, regardless of their politics, they are going to be reappointed to that office.

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

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I desire to give an illustration from my own experience. I happened to be First Assistant Postmaster General when this administration began. In the course of my duties in that position it became necessary for me to examine the record of the postmaster in a certain town in Nebraska. I found that that postmaster was not an efficient postmaster, and I found that in addition to that he had been one of the men in the State of Nebraska who had worked in an entirely improper manner for the nomination for Senator of the grocer, George W. Norris, in a campaign in which the Senator from Nebraska took a prominent part.

Mr. McKELLAR. A successful part.

Mr. O'MAHONEY. I removed that postmaster who had thus assisted the grocer, George W. Norris. Within 3 weeks after that removal order, although the President of the United States had attempted to banish politics in the Farm Credit Administration, that man was appointed to a position in the Federal land bank at Omaha under the Farm Credit Administration. So that no matter what the President tried to do it was quite evident that politics was not adjourned. It was not adjourned, because, though the administration was Democratic, the appointments were being made by Republican advice.

Mr. NORRIS. Mr. President, that calls forth something else. The Senator does not know about it, and I suppose no other Senator knows anything about it, but in my State, in one of the largest cities, in the last Presidential campaign, the postmaster was the chairman of the Republican county committee. As soon as Mr. Roosevelt was elected some steps were taken, either to remove him, or not appoint him again—I do not remember which—and immediately the high officials in the Republican Party, some of them my very best friends too, came to me with a complaint and wanted me to intercede to have him retained in his office, and when I got the facts as they gave them to me themselves, I answered the letter and said "no." Among other things, this man had always been a friend of mine, so they said. I do not know whether that was true or not. If I had the power I would have removed that postmaster immediately. Then they came back and said, "What would you do with the Postmaster General, the head of the Department, who is chairman of the National Democratic Committee?" I said, "I would remove him, too."

I think the Department was justified in removing a man who was chairman of the county committee and had the management of the campaign in his hands. That is not the way to keep postmasters out of politics. That is the way to put the Post Office Department into politics.

Mr. O'MAHONEY. Mr. President, that is a point upon which I disagree with the eminent Senator from Nebraska. I feel that as long as we attempt to cast opprobrium upon political service we may expect only service which is not disinterested. So far as my experience goes in my State—the Senator may speak for his own—I can say in all sincerity that the men who are interested in politics, both upon the Republican side and upon the Democratic side, the men and women who are chairmen of their county or State committees, are men or women who deserve the confidence of their communities. Observe, I say communities, not committees.

Mr. NORRIS. I do not want the Senator to get any idea that I am casting any reflection on a man simply because he is the chairman of a Republican committee or a Democratic committee. I do not wish to do that.

Mr. O'MAHONEY. I think the Senator from Nebraska does do so when he says that the chairman of a county committee should not be considered as qualified to be postmaster.

Mr. NORRIS. No; a man managing a campaign is not and should not be considered competent to hold the office of a postmaster.

Mr. O'MAHONEY. Why not?

Mr. NORRIS. Because by doing so you are putting the Post Office Department right into politics—the very thing that the Senator wants to avoid.

Mr. O'MAHONEY. It depends upon what the Senator means by politics. I think politics is a noble game.

Mr. NORRIS. It depends upon whose ox is gored. When they are engaged in such things they ought not to be in the Post Office Department.

Mr. O'MAHONEY. I am reminded of the statement that Speaker Thomas B. Reed is credited with making—that a statesman is a dead politician.

Mr. BARKLEY. If I understand the rules now governing matters of that sort, they are that no postmaster can manage a political campaign. I think the rules governing the conduct of postmasters prevent them from actively engaging—certainly in pernicious political activity—while they are postmasters. It does not follow, of course, that men who have been active in the management of campaigns and who may have been chairmen of their committees should not be postmasters. The chairmanship of a political committee ordinarily carries with it the implication of some standing in the community. I take it that as a rule men who are selected as chairmen of political committees in both or all political parties are men of standing. There may be some exceptions now and then. However, I do not see myself why a man who is a sufficiently honorable man to be qualified for such a position should be barred from the holding of a postmastership simply because he has managed someone's campaign. Frequently such men are elected by the people to the office of sheriff, or clerk of the court, or judge of the court, and there is just as much reason to assume that we should bar from any local office men who have engaged in any political activity as that we should bar from the positions of postmasters men who have been engaged in political activity.

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

Mr. BARKLEY. Certainly.

Mr. NORRIS. The Senator is assuming I am doing something that I am not doing at all.

Mr. BARKLEY. I do not want to do that, of course.

Mr. NORRIS. I do not have any objection to a man being postmaster who has been governor or sheriff or clerk of the court, or judge. That is entirely beyond what I am advocating. What I did say is that here is a man who, while he was postmaster, was also chairman of the county political committee and managed the campaign. Does the Senator think he ought to be postmaster?

Mr. BARKLEY. That is certainly an outstanding exception to the rule. I know that where any postmaster, either Democrat or Republican, has been engaged actively in a campaign in my State, there have been charges filed against him because of his pernicious political activity, investigation was made, and, if the charges were sustained, he was removed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Maude S. Yancey to be postmaster at Cody, Nebr.? Without objection, the nomination is confirmed.

POSTMASTER AT NORTH, S. C.

Mr. McKELLAR. Mr. President, a little while ago the nomination of Eugene C. Jones to be postmaster at North, S. C., was passed over at my request. Since that time the two Senators from South Carolina have indicated that they have no objection to confirmation. Accordingly I ask that the nomination of Mr. Jones may be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERIOR DEPARTMENT

The legislative clerk read the nomination of Miss Evelyn S. Adams, of California, to be recorder of the General Land Office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Mrs. Gladys Huyck to be register of the land office at Carson City, Nev.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George Finley to be register of the land office at Roseburg, Oreg.

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 remaining nominations of postmasters on the calendar 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. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 7, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 6 (legislative day of Jan. 16), 1936

PUBLIC WORKS ADMINISTRATION

Thomas D. Rose, of North Carolina, to be State Engineer inspector for the Public Works Administration in North Carolina.

PROMOTION IN THE COAST GUARD

Commander James L. Ahern to be captain in the Coast Guard of the United States, to rank as such from October 7, 1935.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Samuel C. Cumming to be a lieutenant colonel in the Marine Corps from the 8th day of October 1935.

First Lt. Samuel K. Bird to be a captain in the Marine Corps from the 1st day of October 1935.

First Lt. Edwin C. Ferguson to be a captain in the Marine Corps from the 1st day of December 1935.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of February 1936:

Martin S. Rahiser
Frank J. Uhlig
Adolph Zuber

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6 (legislative day of Jan. 16), 1936

RECORDER OF THE GENERAL LAND OFFICE

Miss Evelyn S. Adams to be Recorder of the General Land Office.

REGISTERS OF LAND OFFICES

Mrs. Gladys Huyck to be register of the land office at Carson City, Nev.

George Finley to be register of the land office at Roseburg, Oreg.

POSTMASTERS

MINNESOTA

William Danielson, Cyrus.
William J. Crook, Pipestone.

NEBRASKA

Maude S. Yancey, Cody.

PENNSYLVANIA

Morris A. Rood, Albion.
Rosa V. Hawk, Cresco.
Margaret M. Kavanagh, Fort Washington.
Harold D. Akens, Linesville.
Delia Dina Fornataro, Russellton.

SOUTH CAROLINA

Eugene C. Jones, North.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 6, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art supremely holy, we approach Thee in an attitude of prayer that we may be clothed with that spirit which knows no anger, turmoil, or strife. At Thy footstool may we reconsecrate ourselves to purity and truth; bind us together in the bonds of cooperation, brotherhood, and in that love "that thinketh no evil." We pray that our minds may be deep and broad, craving knowledge and wisdom for the pursuit of our daily tasks. We urgently ask Thee, our Father, to unite our country to revere the laws which mold our public life and safeguard our destiny. Do Thou enthrone in the very heart of our Nation that divine momentum and unfailing spiritual power that radiate from the heart of the Almighty One. Give us strength for fresh endeavor and bring forth in our own breasts a beautiful and transcendent experience, and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

METHOD OF PAYING THE BONUS

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Maryland [Mr. GOLDSBOROUGH] for 15 minutes.

Mr. GOLDSBOROUGH. Mr. Speaker, in casting around for a practical method of paying the bonus—that is, a method which would cost the Federal Government nothing, and at the same time would not offend those who are opposed to paying the bonus with new currency—it has occurred to me that the thing to do is to have the Government sell to the Federal Reserve banks the bonds necessary to pay the bonus.

Under the original Federal Reserve Act, the Federal Reserve banks were allowed to earn 6 percent on their capital, plus a certain surplus; the remainder was to be paid into the Federal Treasury as a franchise tax. Under the Banking Act of 1933, and, of course, against the objection of many Members of the Congress—and no one objected more strenuously than I—the act was amended so that the Federal Reserve banks receive the entire profit on their transactions.

I have introduced a bill this morning—H. R. 10974—providing that after the Federal Reserve banks make a profit of 6 percent, the remainder shall be paid to the Federal Government as a franchise tax; in other words, recapturing practically the Federal Reserve Act as it was from 1913 to 1933.

Then the question arises, would it be safe to sell the bonds to the Federal Reserve banks. It will be said that when the Federal Government gets this $2,000,000,000 and pays it to the veterans, and it goes into the member banks, and then goes back to the Federal Reserve banks as the member banks' reserve, the member banks' reserves will be increased by $2,000,000,000. As they have to maintain only a 10-percent reserve, their lending capacity would be increased not by $2,000,000,000, but by $20,000,000,000 or more, which would create a dangerous possibility of inflation. So, in the bill I have incorporated the language of the House bill of 1935, which was the administration bill, language which gives the Federal Reserve Board power to raise and lower reserve ratios in the member banks in their discretion.

In the consideration of the Banking Act of 1935, I was one of the conferees, and every possible effort was made to keep the provisions of the House bill in, but the best we could do was to give the Federal Reserve Board the right to raise reserves up to 20 percent instead of 10 percent, and the way we did that was this: We called attention, in conference, to the fact that giving the power to the Federal Reserve Board to raise reserve ratios, tended to restrain inflation; and this argument, which was absolutely unanswerable, resulted in our getting some consideration for the attitude of the House in the matter of reserve ratios of member banks.

By recapturing the Federal Reserve Act practically as it was between 1913 and 1933 as to the profits of Federal Reserve banks, and by making into law the House banking bill of 1935 as to member bank reserves, it would be possible for the Government to sell to the Federal Reserve banks $2,000,000,000 worth of bonds and pay the bonds without costing the Federal Government a single dollar and without costing the Federal Reserve banks a single dollar.

A proposition of this kind satisfies those who do not think the bonus money should be raised by taxation and those who want the usual procedure of borrowing from banks.

This idea of other than banks borrowing from Federal Reserve banks is not a new idea, because in the Banking Act of 1933 we gave the Federal Reserve banks, along with the Reconstruction Finance Corporation, the right to lend even to private business.

Now, someone may say, however the money is raised, if it is not raised by taxation, it will be inflationary. Suppose the Government needs $100,000,000; under our present system the Government takes $100,000,000 in Government bonds to the Chase National Bank of New York, let us say. The Chase National Bank makes a book entry in favor of the Government for $100,000,000, less the discount, and the Government proceeds to check on that $100,000,000. All that has happened is that the bank, which has relatively nothing, lends to the Government, which has everything, $100,000,000, and the Government lends it back to the bank and proceeds to pay interest on it, and proceeds to check on it. So it is just as inflationary for the bank to issue money in the shape of bank credit to the Government as it is for the Government to issue money directly.

Let us see why this proposal would not be inflationary. You cannot have inflation until your production has reached 100 percent of its possibilities.

Let us assume—and this is a very modest assumption—that we are producing 50 percent of what we can produce. Let us assume that $2,000,000,000 more of money is put into the hands of people who will spend it. You have not done anything to raise the price level. Of course, before production catches up with the extra buying power there will be a slight flurry in the market. Soon production will catch up with the money you have put into circulation so that you will have no permanent rise in prices.

After you have reached the limit of buying power, when a country is producing all it can produce, and still issues more money, that is the time and the only time when you will have inflation. As long as you keep the circulating medium on a parity with production you have no inflation. It is a mathematical impossibility.

The enactment of this bill will make it possible for the Government to sell its bonds to the Federal Reserve banks, when the Federal Reserve banks will place the credit on its books, the Government will check out the money, and nothing will happen except that $2,000,000,000 more of the potential production of the country will be available to the people of the country who spend the two billion. That is all that will happen, and there will be no inflation. [Applause.]

Mr. CRAWFORD. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CRAWFORD. What was the accumulation of the Federal Reserve banks since 1913 over and above the 6 percent?

Mr. GOLDSBOROUGH. I think a half a billion dollars; but I think what the gentleman is interested in is that they have almost $10,000,000,000 in their reserves.

Mr. MAIN. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. MAIN. What does the gentleman mean when he says that the banks have nothing and the Government has everything?

Mr. GOLDSBOROUGH. I mean, of course, that while the banks have their capital stock and their undivided profits and surplus, they still have, relatively speaking, nothing. The total capital, surplus, and undivided profits of all the banks in the country is less than $7,000,000,000, and on that shoestring they are practically issuing the currency of the country.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3001. An act for the relief of Walter F. Brittan;

S. 3274. An act for the relief of Mary Hobart;

S. 3647. An act to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes", and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes"; and

S. 3686. An act to amend that provision of the act approved March 3, 1879 (20 Stat. L. 412), relating to issue of arms and ammunition for the protection of public money and property.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 423. An act for the relief of Lynn Brothers' Benevolent Hospital;

S. 1950. An act for the relief of the estate of Julius Crisler;

S. 2044. An act for the relief of the Hartford-Connecticut Trust Co., Inc.;

S. 2166. An act for the relief of Ludwig Larson;

S. 2691. An act for the relief of E. E. Sullivan;

S. 3020. An act for the relief of A. E. Taplin;

S. 3186. An act for the relief of Edward H. Karg; and

S. 3934. An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10464) entitled "An act making appropriations to provide urgent supplemental appropriations for

the fiscal year ending June 30, 1936, to supply deficiencies in certain approriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes."

AMERICAN 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 brief resume of the questions of neutrality by a supreme court justice of the State of New York.

The SPEAKER. Is there objection?

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 brief prepared by Judge Salvatore A. Cotillo, a justice of the Supreme Court of the State of New York, in his individual capacity as a citizen, who has spent many months in study and preparation of the brief which he recently submitted to every Member of the House of Representatives and the United States Senate. The following remarks represent a brief abstract of that scholarly document, which we have all read with great interest:

The momentous interest in pending neutrality legislation, now before the Foreign Affairs Committee of both Houses, is obvious to any visitor of official Washington. When Justice Cotillo saw Senator PITTMAN and Representative MCREYNOLDS, during the Christmas vacation, the respective chairmen of the Foreign Relations Committees in Congress, he expressed his interest to them as an American citizen concerning this topic. He was informed by them that any data or even briefs containing information on this subject would be welcomed by them and their colleagues. Justice Cotillo discussed neutrality legislation in person with Secretary of War George H. Dern, Vice President Garner, Speaker Byrns, and many others at Washington.

In an analytical brief submitted to the members of the Foreign Relations Committees of both Houses and to the individual Members of Congress, Justice Cotillo gives his views concerning pending American neutrality legislation. In a memorandum brief which extends throughout more than 55 pages, Justice Salvatore A. Cotillo, in his capacity as a private American citizen, surveys the situation facing the American Congress in its task of formulating a policy of uniform neutrality.

The memorandum or brief presented discloses a keen appreciation of the tangled skeins of logic and diplomacy behind the neutrality problem itself. Foreign relations at best is never a simple topic, and past experiences show how unexpected have been the turn of events.

Justice Cotillo briefly brings out the relationships of this country with the countries at war and with the League of Nations. He characterizes the League of Nations as a political instrumentality subservient to the great powers. He considers that the present Ethiopian war is of slight importance when the fundamental issues are discussed relative to the so-called silent principals, namely, Germany, France, and England.

It is Cotillo's contention that the commitments we make in 1936 determine conclusively the alinement or side we must take tomorrow when the larger conflict involving the tinder-box peace of Europe is concerned.

Cotillo believes the present war is the result of the iniquities of the Versailles Treaty in 1918. He warns us as Americans that we must be on guard and doubly cautious in avoiding taking sides in future wars.

For instance, America has been the foremost exponent and champion of neutral rights since the decline of the Dutch as a maritime power several centuries ago. We fought two wars to maintain the doctrine of the freedom of the seas unimpaired and in full vigor. In 1812 when England interfered with American ships we fought her and won; in 1917 when Germany violated our rights as neutrals we fought her and won.

On the basis of past experience, America should be, and is, says Cotillo, a firm believer in the doctrine first enunciated by Grotius—that the seas are free and equal to all.

Before the Congress today there are up for consideration two sets of bills contemplating a departure from our domestic law and international law as well.

For instance, the administration favors bills presented by Senator PITTMAN and Representative MCREYNOLDS relaxing our freedom-of-the-seas doctrine.

It is proposed in these bills to permit only normal trade with belligerents. Abnormal trade is barred in that such excess would not be permitted to enjoy American diplomatic or naval protection. The President is granted under said bills the discretion to determine what goods should be protected and in what amount. This elasticity, it is claimed, is what best answers the interests of the American Nation.

Judge Cotillo likewise discusses the bills sponsored by Senators NYE and CLARK in the upper House and by Representative MAVERICK in the lower House. These latter bills make mandatory certain features which in the administration bills are declared a matter for Presidential determination.

For instance, under the Nye-Clark-Maverick bills the President is told what goods may be embargoed. Furthermore, the time which is to measure the period by which normal trade is determined is fixed for him. In the mandatory-legislation bills this period referred to is given as the 5 years immediately preceding the outbreak of any war.

The injustice of this arbitrary designation of time is immediately apparent. So much so is this a fact that Representative TINKHAM, of Massachusetts, is likewise about to present a bill exempting pre-warring nations from the applications of this new change in law.

In the Senate, Senator THOMAS has already introduced a resolution demanding that our existing 1935 Neutrality Act be continued 1 year. The merits of these two last proposals appear on their faces. Cotillo shows that they are designed to hush any criticism, that this country is unfriendly to Italy, also to prevent the accusation that while in the midst of a going war we changed our position in order to help the League of Nations.

Referring further to the mandatory legislation introduced by Senators NYE and CLARK, this bill would compel the President to declare our neutrality legislation operative with the outbreak of war. Under the administration bills the President is empowered to proclaim our neutrality at any time during a war.

Finally in the "mandatory legislation", the President is permitted to further apply for additional restrictions, if, by his application of sanctions, limiting goods to warring nations, does not suffice to protect America's interests.

Justice Cotillo concludes from his examination of these new variations in diplomatic relations, that they are proper subjects of criticism by Americans because (1) they fail to prevent America's entrance into future wars; (2) they fail to protect our rights as neutrals; (3) that the discretion called for in the neutrality bills asked by the administration, compels the President to make a decision as to who is right and who is wrong in each and every military dispute.

In a nutshell, the legislation is termed vicious, cowardly, and un-American, because it has characteristics of all three of these vices. For instance, it is vicious, in that the basis for the discretionary policy asked by the State Department is aimed to shorten the duration of wars. This, Cotillo says, can only be accomplished at the expense of assuming the role of a judge and choosing between who is right and who is wrong. Inasmuch as in no war is one side wholly right and the other side wholly wrong, we are letting ourselves in for a lot of unnecessary trouble and abandoning the wisdom and admonition of our first and great President, George Washington, who warned us to avoid foreign entanglements.

It is cowardly in that it fails to live up to the doctrines we have espoused in the past and for which we have fought two wars and shed many American lives.

It is un-American in that a policy of granting discretion to one man, the President, violates the Constitution of the United States, which declares that our relations with foreign governments should be wholly within the purview of Congress.

Judge Cotillo recalls that Woodrow Wilson was elected by the American people on a platform that he kept us out of war. Yet the Munitions Committee investigations printed at length in the public press show that whenever there was a conflict between neutrality and commercial relations or economic necessity, that neutrality gave way.

What proof have we, asks Cotillo, that the present President or any future incumbent of that high office, will be able to withstand what history shows that tremendously capable and forceful President, Woodrow Wilson, was not able to stand? If the investigations of Senator NYE's committee mean anything, they reveal how, at the beginning, this country was determined, at all hazards, to keep out of war. Yet circumstances compelled a change of policy.

Under the mandatory legislation, it is contended by Cotillo, the prohibition of exports, arbitrarily takes as a basis for measurement, the last 5 years which, if applied in the present war, would be all depression years. It, too, abandons orthodox international law when it abandons American neutrality rights.

A startling contention presented in the brief is that another war will obliterate western civilization; that England, by magnifying the little Ethiopian war into a world-wide conflagration is threatening the existence of western civilization.

The analysis of this proposition proceeds as follows: Should the United States favor the German side in any future conflict between her and France and England, that this world would then be compelled to witness the same sad picture where, the English with their backs to the wall at Calais, and the sea behind them would be duplicated.

Another French bloodletting of a nation already deficient in manpower and military manhood, would pulverize that nation. The consequences become unthinkable.

On the other hand, should the United States favor England and France, inasmuch as the League of Nations would be a belligerent under the proposed bills, we would be piling up on our shores enormous embargoes of oil, cotton, copper, and thus face another depression which we would have to carry on our backs. But more, we would have to wage actual warfare because of letting England have our goods and refusing them to Germany.

Judge Cotillo states, the gravamen of the harm done is in the selection for emphasis and action of clause 16, relative to sanctions by the League of Nations and its abandonment of clauses 19 and 22, relative to the expansion of powers and their relationships to backward states. These latter clauses, history shows, have been kept as a dead letter by the League.

The proof of this statement lies in the fact that in 1928, when the Chaco war broke out, although the League of Nations was both legally and morally bound to act, it did nothing. Again in 1931,

when Japan invaded Manchuria, the League took 2 years to investigate, and though Lloyd Lytton's committee finally reported that the Japanese invasion was a distinct act of aggression, still the League has failed to act up to this very day.

Moreover, when, allegedly, Germany violated the disarmament clauses of the Versailles Treaty, contending that this constitutes a potential menace to the peace of Europe, again the League remained passive. Judged by its past, the League stands indicted as a political instrument with a moral facade available at will, by England, its master state.

The memorandum in analyzing this relation of England to the League of Nations points out that even before a vote of sanctions was taken England had marshaled 72 warships in the Mediterranean; that she was allowing tariff reductions and favored markets to Yugoslavia for her vote on sanctions and contemplated doing the same for Rumania. That in return for their military support Greece had demanded the island of Cyprus; Turkey had demanded the right to refortify the Dardanelles; and France asked a written agreement supporting her against Germany. All these examples demonstrate that the morality behind the League action is purchasable for a price.

Italy has had the audacity to threaten Lake Tana, Egypt and England's life line to India, through the Mediterranean. For doing this England has sought to punish her.

Cotillo makes a very significant distinction with respect to the problem of collective security, which is the basis of the so-called "new neutrality" discussed today. Cotillo's brief makes special mention of the fact that Italy does not repudiate this new doctrine of collective security. This is demonstrated by the fact that, though affirming the point that the League is unfairly ignoring clauses 19 and 22 to the Covenant, nevertheless Italy has not deserted Geneva. Thus she remains within the orbit of its influence.

Cotillo continues: "As hard as practical realists, the Italian thesis is this: Italy, while believing in collective security, thinks national security must take precedence. The English seem to think the opposite, at least when the national-security question is not Britain's. By virtue of this reasoning, the difference between Italy and Great Britain is not a difference in principle so much as it is in degree of emphasis. This distinction is important."

Judge Cotillo would have America not fail to overlook this significant distinction, because he alleges by a policy of discretion in Senate bill 3474 and House Joint Resolution 422 we are nevertheless promoting a principle than aiding and abetting one of the two parties to a dispute. Therefore the memorandum makes this reflection:

"Who can say that granted the elimination of Italy's apprehensions for the safety of her colonies in Africa, she would not be more able to dedicate herself to the organization of peace in Europe more whole-heartedly? She has already proved this at the time of the recent Austrian crisis when her lightning-like mobilization at the Brenner Pass was deemed of decided aid to the principle of collective security."

Cotillo would have us look at the facts facing the world today through the eyes of a stern realist. He assays for us a picture of the manifold conflicts, widespread throughout all lands. He warns America not to be inveigled into a false security and recommends a sturdy and courageous insistence upon our neutral rights. He says:

"Let America's rejection of a policy of discretion be based upon her understanding of these fundamental circumstances. Let us call collective security by its true name. This is a term used to designate a military alliance—no more, no less. It is simply another one of the older forms of pacts which, masquerading under the term 'collective security' is aimed to preserve intact the spoils of the 1918 Versailles peace. That is the peace, you Members of Congress must recall, which was imposed by force on conquered nations. Let us not use American energy, American dollars, American soldiers, to enforce the fruits of war, whether it be under the title of 'collective security' or any other name."

What is the lesson to be learned from all this, asks Cotillo. He concludes that by giving discretion to the President, what we are in fact doing is to pass a law, the true label of which should be "An act to ensure the entrance of the United States into all wars." Further, that too much emphasis has been laid on pacts and agreements and security alliances, and not enough on improving human nature.

Judge Cotillo offers a bit of advice. He urges that we retain our freedom-of-the-seas doctrine. He contends that the administration bills suffer from the just criticisms that they reflect a negative policy which can easily develop into a policy adverse to what are legitimate American interests.

The only conclusion one is compelled to adopt, he contends, is that we should stick to international law; follow that which has been tried and tested in the past; build up an adequate Army and Navy sufficient to protect our rights as neutrals and display a courage sufficient to convince all nations, whether they be pro-League or anti-League, that if they interfere with our rights as neutrals, we will hold them to account. Such a policy is courageous, is correct, is consistent, and in accord with sound legal principles.

If the argument is advanced that this policy fails to utilize American force and American influence in shortening wars, the reply must be that in all wars there is some right on both sides. Judge Cotillo then offers a series of practical recommendations for us to follow if we should stick to a true Americanism and advance the cause of uniform neutrality. They are as follows:

1. Reenact our present neutrality legislation and have it operate until the present conflagration is over.

2. Debate the decision to abandon neutrality when no war is on. Such discussion should be focused on the question of neutrality as an American policy in international relations. If the pros and cons cover the same ground as in public debates which took place when we rejected entrance into the League of Nations in the past, then we are to be congratulated in being able to utilize our greater wisdom by seeing how our adherence would have brought us to Italy's door today crying "wolf", due to a decision made, not in Washington, but in Geneva.

3. Collective security is too risky to attempt as an American policy. Today this is a phrase designating a band of timorous and quaking nations sitting on a powder magazine.

4. Resist all endeavors to subordinate logic to more emphasis and seek with might and main to have the question to be publicly debated, limited as follows: "Does the outbreak of new wars mean that we must inevitably be drawn in? If so, what should our decision be in all such cases?"

(5) As a guide to determining the answer to this last question, we should constantly analyze this proposition, apart from the heat of any present existing war. How far has the principle of collective security been a factor in preserving the peace? Or of accomplishing its goal to prevent wars?

(6) Illustrative of our past neutrality, which has efficiently kept us out of war, except for 1917, when, because of the violation of our neutral rights as a nation and the pressure of war credits and loans to Europe. If Italy does not violate our rights as a neutral nation, and assuming the nonexistence of any Italian war loans or credits to be preserved, we should not change or abandon the only American policy open to us, nor to become unneutral for the sake of helping the present European set-up of military balances of power.

(7) As it is obviously the iniquities of the Versailles peace which account for the 1935 Ethiopian war, let us be on guard so as not to be drawn in under the guise of so-called League forces which are primarily concerned with the question of our putting teeth behind an impossible treaty.

(8) Judged by its own record in the past, the League of Nations stands convicted as a political body, instead of a moral body. She should be treated by us simply as another foreign country with European and not American qualities. Therefore, let us turn our backs on the proposition that our neutrality legislation should in anywise be designed to shorten wars.

(9) Help avoid another world conflagration as predicted by Frank H. Simmonds in Current History Magazine by remaining neutral.

(10) Get a common agreement on the definition of the word "aggressor."

(11) During peacetime arrange a series of pacts with as many nations as possible concerning the rights of neutral nations. Emphasize the rights of neutrals as against the rights of belligerents.

(12) a. Keep our feet always on the ground. Pacts and treaties are one thing; revamping human nature is an entirely different matter. Progress comes as a result of the latter primarily.

(b) We need to devote as much, if not more, attention to how to meet the expanding necessities of various groups of the human race, as to perfect collective force agreements to maintain the status quo of things. Both are inimical to the maintenance of world peace when out of focus with human needs. We have ignored the one and overemphasized the other.

(c) The compulsory maintaining of the status quo, based either on individual or collective force, is based on theories essentially predatory in character and represents another illustration of might making right.

(d) How to meet the legitimate demands of expanding nations is a problem which began since the march of time and will continue until the proverbial crack of doom. The fallacy committed by the League of Nations was in emphasizing clause 16 of the covenant against Italy, relating to sanctions, and in ignoring clauses 19 and 22, which are of equal magnitude. Neglecting one clause and emphasizing another is an illusory method of preserving peace or getting the principle of collective security accepted by those nations, like the United States, who are outside the zone of involvement.

(e) Get the American public to debate the issues in accordance with this analysis; that judged by its past, the League stands indicted as a political organization and is being used by the two great powers to maintain the present status quo or balance of power in Europe. It is the political instrumentality with a moral facade used by the principal powers in jockeying to maintain the present tinder-box peace. If we play their game, we are lost. American diplomacy thus inescapably becomes an appendage to that of Geneva. Avoid this at any cost.

(f) Our safety, it can never be sufficiently repreated, depends on the maintenance of an American policy of strict and uniform neutrality toward all nations with whom we are at peace.

(g) It is positively un-American to abandon neutrality by giving discretionary powers to the President. It represents the taking of sides in every military dispute.

(h) Recognize the baneful influence of loans and credits in past wars. The House of Morgan served its client, the British Empire, well during the last war in these very United States. Remove the same identical threat in future wars by eliminating Presidential discretion to permit under section 5, subdivision (a), the continuance of ordinary commercial credits.

(i) To eliminate war, recognize that we must eliminate the causes of war. This is the message Congress itself can give and should give to the many peace society lobbyists in Washington today and now on behalf of the whole American people. No motives are more worthy than a genuine attempt to save mankind from war's horrors. Yet Europe cares less for these effects on America's well-being—witness England's willingness to enlarge the Ethiopian colonial war into a world-wide conflagration—than it does for preserving the precarious set-up of powers through security pacts and regional agreements predicated on Old World suspicions, jealousies, and, most of all, fears.

In conclusion, let us pass neutrality legislation which will spare our President the dilemma presented in 1917, when it became necessary for our Secretary of State to write the Chief Executive as follows:

"We are face to face with what appears to be a critical economic situation which can only be relieved apparently by the investment of American capital in foreign loans to be used in liquidating the enormous balance of trade in favor of the United States. Can we afford to let a declaration as to our conception of the true spirit of neutrality made in the first days of the war stand in the way of our national interests, which seems to be seriously threatened?"

To be a shrewd banker is one thing. To insure against compulsory entanglement in order to protect financial investments is an entirely different matter. One can find no fault because of the former; it is the duty of Congress to guard against the latter.

If our neutrality legislation fails to close the door tight against future wars for America, it fails to accomplish its purpose. If our neutrality legislation fails to keep us out of wars, then we must know now that the many white crosses on Flanders Field betokening the graves of our American dead represent sacrifices which have been made in vain. Let us gage this next step we take in the light of that past experience! Let us pay, with millions of dollars if necessary, to prevent a reoccurrence of those sacrifices. But not one American life let us give over again to the gods of war.

THE RIGHTS OF THE FARMER

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, there is a popular tendency to refer to bankers, capitalists, and financiers as businessmen to the exclusion of farmers and workers.

Years ago William Jennings Bryan told the Democratic National Convention that nominated him for the Presidency, "You have made the definition 'a businessman' too limited in its application." What Mr. Bryan said was true then, and it is true now. There is no more essential businessman than the man who tills the soil and produces food for the country. Food is a primary necessity—the necessity above all other necessities, to be exact. The man who provides it is the greatest businessman in the country and is entitled to be so recognized. How unfair to classify the speculator, the profiteer, the legalized gambler, as a businessman while disregarding the man who creates wealth, who furnishes food, who develops the soil's resources.

Fortunately, public opinion has changed considerably and we have learned by experience. We no longer look with disdain on the man with the plow, the man who raises potatoes and wheat and corn, the man who labors in the field. We realize that he is as important in the economy of things as the captain of industry and the lord of money—and more so. We appreciate his value. We honor him. We look on him as fundamentally necessary.

The Roosevelt administration has done much to make the position of the farmer more comfortable. There are many things remaining to be done, of course, and I am one of those who have urged further legislation for the benefit of the agriculturist. But credit should be given where credit is due, and, while admitting that much remains to be accomplished, it is only just to pay full and honest homage to the Government for the service it has rendered to the man who feeds the Nation.

Some months ago there was much ado about the delegation of farmers who came to Washington in behalf of the A. A. A. Aristocratic snobs spoke sneeringly of the farmers' lobby. As if it were improper for the farmers to have a lobby! As if the farmers were guilty of violating a code, legal or moral, when they lobbied! How ridiculous! If there is any class in the world that is entitled to lobby, to press its claims, to insist upon its rights, it is the farming class. Whether the A. A. A. is perfect or not is aside from the point. It is not perfect, of course. Nothing is perfect in this or any other Government, but we are at least trying in sincerity to give the American people a Government that is frankly representative of them and that protects them from their economic enemies. And we feel that, after all these years, it is quite proper and right that the farmers should be permitted to do a little lobbying—to voice their appeal; to express their desires.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1937

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that debate upon the pending bill, H. R. 10919, the Treasury and Post Office Departments appropriation bill, may continue throughout the day and for 2 hours tomorrow, the time to be equally controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. The gentleman from Indiana asks unanimous consent that general debate upon the pending bill continue throughout the day and for 2 hours tomorrow. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. Are those 2 hours tomorrow to be taken up by the Committee or by some others?

Mr. LUDLOW. There has been no understanding as to that. Of course, I shall want to make a statement, and the gentleman from New York [Mr. TABER] will want to make a closing statement.

Mr. TABER. It will be consumed entirely by the Committee on this side.

Mr. ZIONCHECK. I think it should be confined to the bill tomorrow.

Mr. LUDLOW. Mr. Speaker, I modify my request that general debate may continue throughout the day and be closed at 2 o'clock tomorrow afternoon.

The SPEAKER. The gentleman from Indiana asks unanimous consent that general debate upon the pending bill, the Treasury and Post Office Departments appropriation bill, shall continue throughout today and until 2 o'clock tomorrow, the time to be equally divided between himself and the gentleman from New York [Mr. TABER]. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. If the time can be fixed at 2 hours tomorrow, I think it will be quite satisfactory, but if we say until 2 o'clock, then if we have any special orders or if a conference report should come in, we will be apt to be crowded down to an hour. The deficiency appropriation bill may come in tomorrow. If we could go into the committee by a quarter past 12, that would be all right, but we would be up against it the other way.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. LUDLOW. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Mr. Speaker, I make this suggestion: We are all interested in the problem that confronts us. We recognize that a great many Members desire to speak on all sorts of topics under general debate, and I think under the debate we have had and the continuation of general debate provided for in this unanimous-consent request reasonable opportunity will be given to both sides for a number of speeches on general questions. We are anxious to get to the reading of the bill, because it is our expectation to stay in session this week until we pass this bill, even if we have to stay in session on Saturday, and I think that is going to be necessary, because we have another bill to take up next Tuesday. I hope the gentleman will not object to the unanimous-consent request closing debate at 2 o'clock tomorrow. I know of nothing coming up to prevent 2 hours of debate tomorrow immediately after the reading of the Journal.

Mr. TABER. As I suggested when I reserved the right to object, the deficiency bill may come up tomorrow.

The SPEAKER. It is up to the Chair to determine whether or not he will recognize anyone to bring up the deficiency bill tomorrow, and the Chair will say to the gentleman that if the agreement is reached to close debate at 2 o'clock

tomorrow, unless the House desires to meet at 11 o'clock, he will not interfere with general debate.

Mr. TABER. Very well.

Mr. LAMBETH. Mr. Speaker, I reserve the right to object. Is the majority leader in a position to tell us what bill will be taken up next Tuesday?

Mr. BANKHEAD. My understanding is that the Army appropriation bill will be the next appropriation bill in order, to be taken up next Tuesday.

Mr. LUDLOW. Then, Mr. Speaker, I renew my request that general debate continue throughout the day and close at 2 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. 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. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 10919, the Treasury and Post Office Departments appropriation bill, with Mr. GREENWOOD in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I yield 25 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I want to discuss the agricultural situation and some suggestions for legislation, but before I go into that I want to make a few remarks upon the matter of these controversial impounded processing taxes. I do not want to say anything on that matter in a partisan way at all, but there exists a situation which ought to be cleared up. No matter what your views may be on processing taxes, the fact remains that there is today, in the hands of the processors in this country, almost $200,000,000 to which they are not entitled by any stretch of the imagination. This sum has been collected from the producers and consumers of farm products. The only function of the processors, as far as these taxes is concerned, has been to serve as a collection agency for the Government.

Those who actually paid the taxes as producers and consumers are entitled to receive these taxes but, of course, the Supreme Court did not have before it the matter of the rights of those groups. Now that the processors have been awarded these vast sums as a result of the Supreme Court's decision it is up to their individual and corporate consciences, if any, as to what they will do with the money. The attitude of individual processors is quite different on the question. Some of them apparently want to keep the money. As far as I can find, the packers, as a group, are determined that they are going to enrich their own coffers with this money, which, by no stretch of the imagination, can possibly be called theirs. They have continually, in appearances before committees of the House and Senate, in the public press, and elsewhere, said that they were collecting these taxes from the producers. A few days ago I wrote a letter to the president of Swift & Co., reminding him of the statement which has been made so repeatedly by the packers. I asked if they were arranging to refund to the producers, who, they say, paid these taxes, the amount which each individual producer paid.

Mr. JONES. Will the gentleman yield for a question?

Mr. HOPE. Yes; briefly.

Mr. JONES. I want to state that I read a copy of the gentleman's letter with a great deal of interest, and I thoroughly agree with the position which he took. I am just wondering if he has had a reply to that letter from the institution to which he addressed it, as to what they intend to do about it?

Mr. HOPE. No. Up to this time I have had no reply.

The attitude of other processors is quite different. I think those who take a different viewpoint are to be commended. My attention has been called to an editorial in the Northwest Miller, which is the leading trade paper of the milling industry. It is a full-page edition, contains a thorough discussion of the matter, and this is the conclusion which the editor of that paper reaches, and which, I know, reflects the views of many millers:

> All this leads to the conclusion that millers would be wisest, both in their own and in the public interests, if after taking counsel among themselves they make public announcement of their repudiation of all claim to these refunds, and their earnest desire that a way be found to restore them to the Public Treasury. Such an announcement fittingly could be made by the responsible leaders of the industry through their organizations, by a suitable message addressed to the President of the United States, to proper committees of Congress, and to the public, making known the industry's firm purpose not only not to accept these refunds, but to aid in formulation of such constitutional measures as would restore them to the Treasury, and at the same time protect millers from suits by others based on self-serving arguments.

I think that is a sound, reasonable, and generous position to be taken by the leaders in this industry, which will receive more refunds, as an industry, than any other. It seems to me the solution which is offered is one that should be taken by those processors who are receiving these vast sums of money which they do not claim and never have claimed. If some way can be found, by cooperation, to draw up legislation whereby this money can be paid into the Federal Treasury, that will be the best solution of the problem, because it is utterly impossible, in the nature of things, for these taxes to be passed down now to the consumer. They might be passed to the wholesaler and the retailer, but they cannot under present conditions be passed down to the consumer. I commend the suggestion which has been made by Mr. Sterling in his editorial in the Northwestern Miller.

Now I want to get down to the question of the agricultural problem.

The decision of the Supreme Court holding the Agricultural Adjustment Act unconstitutional again brings the matter of farm legislation to the attention of Congress and the country. Whatever may be the effect of the decision in the Hoosac Mills case, it did not solve or in any way change the agricultural situation. The problem still remains. It is one of national concern. It must be settled before we can have permanent national prosperity. Its settlement affords our greatest assurance of social and political stability.

These facts are generally conceded. The question, except perhaps as to method, is not and should not be a political one. It should be treated solely from an economic and social standpoint.

One of the common mistakes in considering this question is to regard it as one problem, whereas it in fact consists of many problems. Remedies which will be helpful as to one branch of the industry would not work at all as to others. A plan which increases the income of a Kansas wheat farmer may be detrimental to a dairy farmer in New York State, who is compelled to pay increased prices for feed. There is no one plan which will even begin to solve the problem. Furthermore, there are many phases of the matter which can only be solved by farmers themselves, either as individuals or through group action.

Insofar as governmental policies are concerned, all that the farmer has ever demanded is to be put on an equality with those engaged in other industries. Surely no fair-minded man will deny that this is a reasonable request. The chief advantages which industry has over agriculture under existing conditions are its greater ability to benefit from tariff protection and its ability to function by means of large corporate organizations. Any legislation to give agriculture equality with industry should, as far as possible, place agriculture in a position to receive these same benefits.

The advantages which industry enjoys through the device of corporate organization can largely be given to agriculture through cooperative marketing and by the development of marketing agreements. It has been the policy of our Government for many years through legislation and otherwise to encourage the establishment of farm-cooperative organizations. Today these organizations are stronger and more effective than ever before. The Government should continue

to lend such further encouragement as it can to cooperative marketing, and farmers should be encouraged to take advantage of this method of solving their collective problems. Likewise, we should to a greater extent use the machinery set up in the Agricultural Adjustment Act for making use of marketing agreements.

With respect to tariff protection, the situation varies as to different farm commodities. There are a number of them such as dairy products, beef cattle, wool, sugar, and others, upon which the tariff is usually effective to the full extent. On the other hand, there are some, in particular cotton, wheat, tobacco, and pork, upon which the tariff is usually ineffective due to the fact that we produce a surplus of these products with the result that their price is fixed in the world market. It is this latter group of products to which the greatest consideration has been given in formulating farm legislation for a number of years past. It was the effort to make the tariff effective upon this group of commodities which resulted in the McNary-Haugen bill, the export debenture plan, and the various domestic-allotment measures which have been considered by Congress for a number of years past. The efforts of the Agricultural Adjustment Administration to bring about parity in farm prices have in the main been devoted to this group.

The decision of the Supreme Court in the Hoosac Mills case holds, in effect, that the Government of the United States has no power to regulate or control agricultural production, either directly or by levying taxes from the proceeds of which benefit payments may be made to those who agree that their production may be regulated or controlled. The decision, however, does not otherwise qualify or limit the power of Congress to levy taxes or provide for benefit payments to farmers. There is, therefore, no reason why, upon the proper basis, the Federal Government may not continue to compensate the producers of surplus crops for the disadvantages which they suffer by reason of the fact that the price of their products is fixed in the world market.

Since the Supreme Court decision many worth-while suggestions have been made both for emergency and long-time programs. Among them are:

The development of a national program of soil-conservation and soil-erosion control.

Payment of bounties for the production of agricultural commodities which we are now importing.

Payment of bounties for the production of crops to be used for industrial purposes.

A revival of the export debenture and equalization-fee plans for handling exportable surplus.

The purchase or leasing of land by the Federal Government.

Different forms of domestic-allotment plans.

The use of embargoes and quotas to control agricultural imports.

Bilateral-trade agreements or the control of foreign exchange for the purpose of developing markets for agricultural surpluses.

All of these plans have their advocates. All of them have their merits and advantages. From them it ought to be possible to work out a practical and beneficial program.

I want this afternoon to suggest the use of three lines of attack on this problem. First, the development and maintenance of the home market for the American farmer. Second, a domestic-allotment plan which will give producers of surplus crops an equivalent for the tariff. Third, the development of foreign markets for our agricultural surpluses.

I want to discuss these three propositions in the order in which I have named them. The policy of giving the American farmer the home market must be the cornerstone of any sound agricultural policy. There are, as previously mentioned, a number of agricultural products such as dairy products, beef, poultry and poultry products, mutton, wool, and a number of others, upon which the tariff is usually effective and upon which we are ordinarily on a slight import basis. Any policy which is based upon the principle of giving the home market to the American farmer up to the full extent of his ability to supply it will protect the producers of these commodities. If the producers of these commodities can be assured of the American market, we will have gone a long way toward giving them equality with industry. The greatest menace to the prosperity of the producers of these commodities is our present governmental policy of reciprocal-trade agreements. However good the intentions of those who have negotiated these agreements may be, the fact remains that they have been made at the expense of agriculture. Through these agreements the protection which is so necessary to the American producer, if he is to operate at a profit, is gradually being whittled away. It is not so much what is done in one treaty, but it is the cumulative effect of all the treaties which is so detrimental. Under our most-favored-nation agreements, which we have with every important nation in the world excepting Germany, the reductions in duty which are made by any reciprocal-trade agreement become applicable to every other country. The word "reciprocal" implying mutual concessions is thus a misnomer because while we secure certain concessions permitting our goods easier access into another country, in order to do so we must reduce our duties and open our markets to the entire world. There is nothing reciprocal about that.

Take the case of cattle. The Canadian agreement permits the entrance of a certain quota of cattle weighing above 700 pounds and a quota of calves weighing up to 175 pounds to be admitted into this country at a reduced rate of duty. It is not contended that the admission of this quota in itself will necessarily have an adverse effect on the cattle industry. It may or it may not. Certainly it will do it no good, and if it is to the advantage of Canadian producers to have a market for these cattle in the United States, it would certainly be to the equal advantage of the cattle producers of this country to have such a market. That, however, is not the most serious part of the matter. We expect to make treaties with other cattle-producing nations. It has been stated, and I have not heard it contradicted, that there is being held open for Mexico a quota at a reduced rate for cattle weighing less than 700 pounds, which is the size and type of cattle that are commonly imported from Mexico. Since we have given Canada a quota, we can scarcely refuse another quota to Mexico. Perhaps the Mexican quota will not in itself be so disturbing, but combined with the Canadian quota it means supplanting a fairly large number of cattle which might well be produced by American farmers.

Now, having given Mexico and Canada a cattle quota, what are we going to do when we come to Argentina? Argentina has nothing to sell us excepting agricultural products, every one of which we produce in an abundance in this country. I am informed that as far as Argentina is concerned, she will be given a quota of fresh beef commensurate with the quota on live cattle which has been given Canada and which will undoubtedly be given Mexico. Under our present quarantine regulations it would not be possible to import fresh or frozen beef from Argentina, but, as is undoubtedly known by all of you, the administration has already negotiated a treaty with Argentina which will in the large degree nullify the effects of the present embargo imposed against Argentine cattle and beef on account of the prevalence of the foot-and-mouth disease in that country. This treaty is now pending before the Foreign Affairs Committee in the Senate, and undoubtedly would have been ratified before this had it not been for the vigorous opposition which has been expressed by the livestock producers of this country.

The same thing is true of the reductions which have been made on cheese. Under the Canadian treaty the duty on Cheddar cheese has been reduced. There has been no quota given on this cheese. The reduction applies to every pound which Canada and every other nation, excepting Germany, wishes to ship into this country. Therefore, for all practical purposes this is a general reduction, world-wide in its application, of the duty on Cheddar cheese. Now, when it came to making a treaty with the Netherlands they naturally insisted upon reductions in the rates of duty upon the particular types of cheese which they produce. These reductions were made applicable, of course, to the entire world excepting

Germany. Now, we have made a treaty with Switzerland with a reduction on the Swiss types of cheese—a world-wide reduction as in the other cases.

Thus, by means of three so-called reciprocal treaties, the protection which has been given that part of the dairy industry whose production consists of cheese, has been gradually cut down. These are only instances of what is occurring under these so-called reciprocal-trade agreements. Had I the time I should like to enumerate the many other reductions in agricultural duties which have been and are being made as a result of these treaties. In other words, we are step by step taking away from the American producer of farm products which can be protected by the tariff his right to the home market—all this at a time when domestic producers are being urged to reduce their production.

I have not become so greatly alarmed as some over the increase in agricultural imports during the past year. Except for the reductions which have been made by reciprocal-trade agreements, these imports came in over a pretty high tariff wall. They were largely caused by the severe drought of 1934 which in some areas continued into 1935. Under normal conditions, if we maintain our past policy of protection to agriculture these imports will not be a greatly disturbing factor. If, however, we persist, through reciprocal-trade agreements, in whittling away the protection which our farmers now have, we will continue to import millions of dollars' worth of agricultural products which could very well be produced by American farmers upon American farms. As it is, our imports of agricultural products last year, which, of course, includes some products such as coffee, tropical fruits, rubber, and other articles not produced in this country, amounted to a sum approximately double the benefit payments made by the Agricultural Adjustment Administration.

Permit me to call attention also to the fact that had it not been for the comparatively high tariff rates upon agricultural commodities imposed by the much-maligned Smoot-Hawley Tariff Act, agricultural imports during the past year would have been much greater. Had the last Democratic tariff law been in effect during this time it is appalling to contemplate the extent to which agricultural imports might have come in.

It is true that we have gotten some slight concessions in the way of agricultural exports as a result of these treaties, but even these have mostly been on paper as far as any benefit to the American farmer is concerned. For instance, we are supposed to have gotten some benefits in the way of concessions on wheat flour from Cuba. These concessions, however, have amounted to practically nothing as far as flour manufactured from American wheat is concerned. Most of the benefit has gone to the millers of Canadian wheat located at Buffalo, N. Y., and milling Canadian wheat in bond. There is no reason that I know of why the Canadian farmer should be favored above the American farmer in this respect, but the State Department in formulating the Cuban treaty seems to have taken better care of the Buffalo millers of Canadian wheat than of those millers who make their flour from wheat produced by American farmers.

I do not object to the idea of some reduction in tariff rates. Some of them are too high. What I do resent, however, and what every farmer resents, is that our reciprocal trade agreements are being made at the expense of agriculture. Enough agreements have now been concluded to definitely demonstrate the policy which is to be followed. Clearly, in order to secure increased industrial exports, we are sacrificing the protection which we have heretofore tried to give the American farmer. The conclusion seems very apparent that if we are to protect the home market for agriculture we must either repeal the Reciprocal Trade Agreement Act or provide that treaties so negotiated must be ratified by the Senate.

Mr. JONES. Mr. Chairman, will the gentleman yield at this point? I should like to ask him a question touching the matter of quotas. If, however, he would prefer waiting until he completes his address, I will defer my question.

Mr. HOPE. If the gentleman's question relates to the quotas, I will yield briefly now.

Mr. JONES. The gentleman, I gather from what he said, is conveying the impression that the placing of a quota on a commodity is a grant of power to bring the commodity into this country, whereas, as I understand a quota, it is a limitation placed on the total amount that may be brought in.

Mr. HOPE. That is true. If I gave a contrary impression, I did not intend to.

Mr. JONES. I am sure the gentleman did not mean to convey the impression that a quota is a kind of privilege to bring in commodities. It is a limitation of privilege.

Mr. HOPE. I think we can assume, however, that these quotas at the reduced rates will all be filled. I do not believe there can be any doubt about that.

Mr. JONES. That may or may not be true.

Mr. HOPE. Time will demonstrate that.

Mr. JONES. The purpose of a quota is to confine, to limit, rather than to expand.

Mr. HOPE. Let me say this: the quota on Canadian cattle is less than our imports of Canadian cattle last year. So it is reasonable to suppose we will at least import the amount of the quota at the reduced rates, and probably even more at the normal rate.

Mr. JONES. But the gentleman does not object to putting a quota limit on importations?

Mr. HOPE. No; I think the treaty would have been very much worse if we had not had a quota limit.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Briefly.

Mr. MICHENER. The purpose is to prevent importation in competition with our production. Now, there is no distinction, as a matter of fact, between a power and a quota. A power is a direct grant of right to do something to the detriment and the injury of the American farmer.

Mr. JONES. The gentleman does not mean that the quota does that?

Mr. MICHENER. The gentleman used the expression "a power." Now, if we grant another nation the power to bring something in here, that is one thing. If we limit them by a tariff from competition, that is something else. I want to impress the difference between a power and a quota.

Mr. JONES. I do not, of course, want to take up the gentleman's time to make an extended statement, but the situation is linked up with a change in the value of money.

Mr. HOPE. Mr. Chairman, I do not like to be discourteous, but I must refuse to yield further, because my time is limited.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Briefly.

Mr. MARSHALL. I think the Members of this body realize that the gentleman now addressing us is one who has not been at all partisan in regard to farm legislation, and that he is a man who has the interest of agriculture at heart. I think a moment ago just as I came in the door the gentleman made some reference to a proposal of a tariff equivalent to the farmer. I wish to call to the attention of the gentleman from Kansas the fact that yesterday the chairman of the Committee on Agriculture appealed to us all to lay partisanship aside and patriotically get together and bring forth a scientific program for agriculture. Only yesterday, however, Secretary Wallace, in what was described as being a very merry mood, at his press conference had this to say in commenting upon the bill introduced by the gentleman from Kansas [Mr. HOPE] in this Congress in an honest effort to assist agriculture:

> I hope the Republicans will become enthusiastic about this Hope bill. Then when they are well out on a limb we will saw it off. I have a high regard for HOPE, higher than for the Republicans behind the bill, but, while the time is not yet ripe, when they are all out on the limb we will get out our saw.

I just wanted to call the gentleman's attention to the kind of cooperation furnished by the Secretary of Agriculture in the matter of the gentleman's constructive proposition.

Mr. HOPE. Mr. Chairman, proceeding further with the thought I was expressing, I want to leave the tariff; we have

had enough on that for the time being, and there are other matters I want to discuss, although the tariff is a subject of vital importance to the American farmer and is a policy and a principle in which he is a firm believer.

Leaving the crops which can be protected by a tariff, because we are on an import basis, let us go to the matter of giving tariff equality to the producers of surplus crops who cannot be protected by the tariff due to the fact that the price of their commodities is fixed in the world market.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 additional minutes to the gentleman from Kansas.

Mr. HOPE. I want to call attention to a bill which I have recently introduced, which suggests a new basis and a new plan along this line. Instead of attempting to make the tariff on surplus crops actually effective, this plan is frankly based on the idea that as far as its effects on prices are concerned the producer of surplus commodities has no tariff protection. His disadvantage consists in the fact that the price he pays for the things which he buys is enhanced by the protective tariff on other commodities. It is quite a simple matter to ascertain approximately what proportion of the cost price of the commodities which the farmer buys is due to the tariff. The plan embodied in this bill provides that the producer of surplus commodities should be given a tariff equivalent payment on the part of his production consumed domestically, which is equivalent to the tariff costs which he bears. In other words, the tariff itself is used to correct the disadvantage created by it.

Such a plan could be put into operation very easily and simply. It would first require that the Tariff Commission ascertain the approximate amount which the tariff adds to the price of those articles which the farmer most commonly buys. These articles are readily ascertainable, and as a beginning I would suggest the 200 articles which the Department of Agriculture uses in compiling its indexes of farm purchasing power. Thus, if it were found that on an average the tariff adds 25 percent to the cost of the articles which the farmer buys, a tariff equivalent payment would be given to the producer of export commodities amounting to 25 percent of that portion of his sales which went into domestic consumption.

The practical operation of the plan would be very simple. At the beginning of a marketing year the Secretary of Agriculture would announce the proportion of the commodity in question which would be consumed domestically, basing it upon statistics already in the Department. The tariff-equivalent payments to the producer would then be paid upon that percentage of his total sales. The grower of cotton, wheat, hogs, or tobacco could sell his product at the going market price. He would receive receipts showing what he had sold and what he was paid. These receipts, properly certified, would be deposited with a local representative of the Department of Agriculture, such as the county agricultural agent, and under regulations issued by the Secretary the producer would be issued a tariff-equivalent certificate, which would provide for a payment to the producer at the Federal Treasury of 25 percent, or whatever the tariff equivalent might be, of the price received for the domestic consumption percentage of his crop. These tariff-equivalent certificates would be negotiable, and after receiving them the producer could cash them at his local bank or any Government fiscal agency, which would send them on to the Treasury just as they would any other Government obligation.

The advantages of this plan are its fairness and its simplicity. Under it the farmer is compensated for the disadvantages which he suffers, due to his lack of tariff protection, but there is no regimentation and no bureaucracy. Existing Government agencies could not only supply all the information needed but could effectively put the plan in operation. It is the fairest method of adjusting the tariff disparity, because, if tariffs are reduced, benefit payments will be reduced; if they are increased, the benefit payments go up. At all times the farmer is kept on an equality. The plan is undoubtedly constitutional, and it is economically sound. It protects the domestic consumer by assuring him an ample supply of farm products, and it preserves our export market to whatever extent we are able to develop it.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Briefly.

Mr. NELSON. What domestic crops would this affect?

Mr. HOPE. It would apply only to four which we commonly export and upon which the price is fixed by the world market. They would be wheat, cotton, hogs, and tobacco. One objection which will undoubtedly be made to this plan is that it does not provide an adequate control over production, and that it might, in fact, invite increased production. That is, of course, a fact which must be considered. The same thing, of course, is true of any plan which raises agricultural income. It would probably have been true under the Agricultural Adjustment Act had it remained in operation longer. A little later on in my remarks I expect to address myself to this phase of the matter. This measure, however, does afford a powerful incentive, operating in a twofold fashion, for the use of self-restraint on the part of the farmer in keeping his production within reasonable limits. As production increases the market price of the commodity in question will naturally fall, and with it the face value of the farmer's receipts, upon which his tariff equivalent payments are based. Likewise, as the amount of the total production is increased, increasing that part which goes into export or carry-over, the domestic-consumption percentage of the crop upon which the farmer is alone compensated will be reduced. These factors may not immediately have the effect of reducing production, but as the effects of overproduction become apparent there can be no question but what the factors above mentioned will be influential in causing reductions.

Finally, we come to the matter which, in my opinion, affords the greatest problem of all. That is the disposition of our surpluses of cotton, wheat, tobacco, and hogs. Irrespective of what may be done in the future to effect some control of agricultural production—and I am one who has believed that reasonable control is desirable—yet the fact remains that under the Supreme Court decision there is no way by which the Federal Government can control production. The Agricultural Adjustment Act was in effect more than 2½ years.

During a great deal of that time conditions were unusual. Perhaps it cannot be considered as a representative period, yet any consideration of the results attempted and achieved in the way of production control cannot help but afford discouragement to one who feels that overproduction is our big problem. An examination of the figures showing crop acreage planted indicates that control has not been effective or successful, except where done under compulsion as under the Bankhead and Kerr-Smith bills. The advocates of those bills at the time of their enactment insisted and declared that voluntary control had broken down and that on that account it was necessary to enact a compulsory legislation. Such legislation is, of course, unconstitutional under the decision in the Hoosac Mills case and, pursuant to the recommendations of the President, will be repealed at once. Therefore, compulsion is out of the picture.

As illustrating the ineffectiveness of voluntary control, I need only call attention to what has happened with wheat. Due to the fact that there have been three successive short wheat crops resulting in an entire elimination of the surplus, it has been easy to overlook the fact that whatever production control has occurred in wheat has been due to nature rather than the reduction program. Listen to these figures as to acreage of wheat planted. They clearly show the ineffectiveness of voluntary control. Taking winter wheat first, we find that the average acreage during the 5-year period from 1927 to 1931, inclusive, was 44,969,000 acres. The average sown in the fall of 1932 for harvest in 1933, without any production-control program being in effect, was 42,669,000 acres. The acreage sown in the fall of 1933, the first year the reduction program was in effect, was 41,850,000, a reduction of about 2 percent from the previous year.

In the fall of 1934 there was sown 44,530,000 acres, or practically the same amount as was sown during the

1927–31 period. This last fall, 1935, the acreage sown was 47,529,000 acres, or an increase of 6.7 percent over last year and 5.7 percent more than the average during the base period before any production-control program was put into effect. I confess that I record these figures with sorrow and disappointment, because the continuation of this large wheat average cannot help but mean low prices and distress for the wheat producers. As for spring wheat, the results have been just about as disappointing.

It is now proposed to attempt some control of production by means of a soil-conservation and soil-erosion-control program. I think this is a worthy program, but it will not be effective as far as controlling production is concerned. As a matter of fact, in the long run it will result in increasing production, because anything which results in increased fertility means increased yields. It has been proposed that a reduction program be undertaken through the States. Probably this can be done constitutionally, but it hardly seems reasonable to suppose that the individual States can effectively control production when it could not be done nationally.

Furthermore, whatever may be done in the way of control, there is no possibility that we will ever get down to the basis of domestic consumption as far as cotton is concerned. This country must keep its world market for cotton. Further loss of that market means dire calamity for the South and indirectly the remainder of the country as well. Therefore, there can be no doubt but what the most vital problem confronting agriculture today is the disposition of our surpluses. Reciprocal-trade agreements have not helped, and there is no indication that they will help in that direction. I believe that something very definite can be done along this line by means of bilateral trade agreements which have been suggested by Mr. George N. Peek. Surely, if we are to avert disaster, something of that kind must be done. Under section 32 of the A. A. A. amendments we have available approximately $100,000,000 annually which can be used in promoting exports of agricultural products. The use of this fund in working out a program in connection with bilateral trade agreements offers great promise, it seems to me.

Another method which has been suggested is in the control of exchange, segregating the American exchange which is created as a result of our importations of agricultural commodities such as cotton, rubber, sugar, and so forth, and making it available only for the purchase of American agricultural products by other nations. Inasmuch as our agricultural imports exceed our exports there is no reason why such a plan should not work. Other nations are using these methods successfully, and with the crisis which is confronting us there is no reason why we should not do likewise.

If export markets can be developed by these methods, it may be possible to so segregate the surplus as to give that part of the commodity which goes into domestic consumption the benefit of the tariff. To the extent that this is done, tariff equivalent payments might be discontinued.

There are many other matters in connection with the agricultural situation which might be mentioned. Every commodity has its problems. I have only attempted to deal with three phases of the matter. The first is to assure a home market to the American farmer to the full extent of his ability to supply it. The second is to provide some method of compensating the producers of surplus crops for their lack of tariff protection. The third is to take some active, aggressive steps to find an outlet for our surplus agricultural products. There are other things which are desirable: Soil conservation, cooperative marketing, market agreements, the latter particularly as far as fresh fruits, vegetables, and milk are concerned. All of them have their proper place. They are provided for in existing legislation.

I do not mean to imply that the suggestions which I have made this afternoon are the only or necessarily the best methods which might be used to solve our present agricultural situation. I think that there should be a full discussion of all the many plans which have been offered. Hearings should be held by the congressional committees having jurisdiction of such matters, and they should be discussed on the speaking platform, in the press, and over the radio. It should be a common cause and there should be a common effort on the part of all who are interested in the economic and social health of the Nation to find a solution for this problem. [Applause.]

Mr. PIERCE. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Oregon.

Mr. PIERCE. Does not the gentleman recognize the fact that the early figures to which he referred were estimates, while the later figures were accurate surveys and there has been a real reduction?

Mr. HOPE. The figures I used here are taken from a publication of the Department of Agriculture entitled "World Wheat Prospects." They are official figures of the Department of Agriculture.

Mr. PIERCE. Does not the gentleman recognize they were all estimates? I have estimated my wheat acreage for 25 or 30 years. The last figures are accurate figures.

Mr. HOPE. The figures for this year?

Mr. PIERCE. Yes. The figures for the last 2 years are accurate surveys.

Mr. HOPE. They are all accurate as far as I know.

Mr. PIERCE. Does not the gentleman realize all the early figures there in regard to acreage of wheat, oats, and everything else were estimates based upon statistics gathered by questionnaires sent out by the Department, and the farmers simply guessed?

Mr. HOPE. The figures which I gave are from the official reports of the Department of Agriculture, and I have never heard their accuracy questioned. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I have been bitterly disappointed in the subjects discussed in this debate, and equally as much disappointed in listening to a number of political addresses delivered lately by potential candidates for the Presidency. In every instance they missed the all-important question. They either evaded the proposal, dodging it with diplomacy, or they failed to realize its importance.

In this debate we have been hearing Members talk about the tariff, about taxes, and about the Budget; but they failed to give proper recognition to the paramount question affecting America and other industrial nations of the world—the question of unemployment.

Mr. Chairman, furnishing jobs for the millions of our people who are without work would solve those other questions, because they all stem from that preeminent question. Accomplishing this task involves mastering the machine; and unless we succeed, then that blessing will become the curse of humanity.

As I said in a former speech, there are two plans; the plan of the conservatives and the plan of the progressives. I do not mean to inject the spirit of partisanship into this discussion. I realize there may be conservatives and progressives in both parties, although I appreciate the fact that the vast majority of progressives are lined up with the Democratic Party.

The conservatives want us to go back to 1929. This is revealed in the debates on the tariff, the taxes, and the Budget. But the American people, realizing that this country has emerged from the greatest wreck in the history of the world, do not want to go back to 1929. The rank and file of our people everywhere will fight that turning back as they would fight a plague or a deadly fever. The plan that will win the American people must be a forward-looking, progressive plan containing none of the formula that took America from the heights to the depths of utter despair. We cannot go back. We must keep moving forward. There is no retreat for the American people. It is advance or dissolution.

Mr. Chairman, we abhor the discussion when it pertains to the plan of 1929; but our blood races and we thrill with the joy of adventure and discovery as the progressives propound their plan. Before us appear new avenues of en-

deavor and new fields to be explored and conquered. The tremendous productivity of the machine demands that kind of political philosophy if we are to survive.

I heard the distinguished gentleman from Minnesota [Mr. KNUTSON] speak yesterday about the tariff, and, if I understood him correctly, he, too, wants to go back to 1929. Yet I have heard a hundred men, including the distinguished minority leader, say at different times that we have all we can expect to get from the tariff. Right here let me say, Mr. Chairman, that by reason of a bitter and savage commercial war we stirred up among the nations of the world by our tariff proposals of the last 10 or 15 years, America's industries have left America, and hundreds of them are now our competitors all over the world.

I believe it was the gentleman from Minnesota [Mr. KNUTSON] who made a speech along this very line and set forth the number of American industries which had left America in order to overcome the tariff walls built up against our country by other nations in retaliation of our stupid policy. There are those who will not learn, and in good times or bad their only thought or plan is to raise the tariff.

Mr. Chairman, at this point I ask that I be allowed to continue uninterrupted, as the chairman of the committee states he is anxious to expedite general debate. However, if I can secure additional time, I shall be glad to yield.

Listening to the many speeches delivered here, there is only one philosophy to be gained by the student looking for settlement of our country's problem, which is that the conservative wants to go back to the system that gave us the crash, back to the balanced Budget, back to the gold standard, back to a tax plan that will take care of the wealth of our country, and let the poor work out their own salvation.

The conservative missed the lesson of the depression. He learned nothing from the bitter experiences of 1929, 1930, 1931, and 1932.

We tried his formula, and we refuse to try the same thing again. It failed. We want recovery, but with it we want reform—real reform—that carries with it every possible assurance that the crime of 1929 shall not happen again. But back he wants to go where we were in 1929, when America was almost destroyed. Why, Mr. Chairman? I am convinced that the conservative viewpoint is wrong—just as wrong as any viewpoint in the political world ever was or ever will be. In a statement clipped from the morning newspaper I find this statement by an economist of note, Mr. John T. Flynn:

> All the pother about the Constitution, the Supreme Court, the money muddle, Government spending—all stem from the unemployment problem, yet all candidates ignore it.

There is only one candidate for the Presidency who has a plan and he is the President of the United States. He has a workable plan. That plan in part is still on the statute books but, unfortunately, the keystone of that arch, the N. R. A., has been declared unconstitutional. His is the best plan offered for the economic conditions of today, because it takes care of the unemployment problem.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. MEAD. The gentleman heard my statement a moment ago, and I want him to pardon me for not yielding.

The N. R. A. took care of child labor; it abolished the sweat shops; it increased wages, and shortened hours; and it met the issue as it should be met in this intricate machine age in which we live. I would like to remind the gentlemen on the other side of the aisle that many of them joined with us in voting for the N. R. A. and in defending its constitutionality. Now, with that act declared unconstitutional, you cannot be content at finding fault—you must offer a plan for its solution.

Here is the enigma, the perplexity we find in this question: Production reaches the peak, while employment lags far behind. In 1932, General Motors' net profit was $164,000. In 1935, General Motors' net profit was $167,000,000, or 1,000 times as much. Do they want to relive those gloomy days of 1929? No; they want to go forward and advance with the administration that made it possible for them to get out of the biggest hole which had ever engulfed them.

On January 27 I took occasion to address the House on the general subject of the promotion and maintenance of general prosperity. In doing so I stressed the problem of distribution and its adequate solution as a primary requirement to promote the public well-being.

I said we had apparently solved the problem of production, but we had failed because of our desire to make money and accumulate wealth to solve the problem of distribution. That is the problem which created unemployment and made the farmers of America suffer the agony that was theirs until the present administration passed a real farm-relief program.

I contended then, as I contend now again, that through the steady expansion of productive efficiency we have solved, and more than solved, the problem of production. That fact is established. No valid argument can be leveled against it. Call the roll of the key industry, whether it is cotton, coal, copper, wheat, oil, or what not, and everywhere we find a potential and actual productive capacity so great that the problem of surplus and the disposition of that surplus is the chief difficulty confronting us in maintaining an economic equilibrium. This in turn entails the maintenance of production and consumption on a high and balanced level, and the first requirement in solving the problem of distribution and promoting national prosperity.

On January 28, the succeeding day, the gentleman from Illinois, Representative DIRKSEN, directed attention to my address and the conclusions I had reached, and in dissenting therefrom drew the conclusion that there was nothing new about depression or technocratic advances. He reasoned that as depressions had occurred frequently before, sometimes attributed to an increased machinization of industry out of which we emerged safely, we would do so again in this instance, if—provided I caught his remarks right—we would do nothing about it and let the play of economic forces solve the situation. In definite terms he contended that America had ample money to meet all requirements and that there were plenty of men and women workers to produce an amplitude of goods for human consumption. Moreover, he contended that there was a need and demand for these goods and cited the great number of people without bathtubs and other home equipment to prove his point.

"Then why does not the country break loose? What is the reason?" my good friend, Representative DIRKSEN inquired. Answering his own question, Representative DIRKSEN dismissed all other primary and contributing causes to the depression and stated:

> I will give you my reason. It is simple. Today we lack confidence. That fact should be written in flaming letters across the economic sky.

To this entire system of reasoning and to the philosophy of the gentleman from Illinois, I enter sharp dissent. I challenge his facts and I reject his conclusions as being incorrect. There is no parallel in human history for the economic situation that now confronts this country and, for that matter, practically all countries of the world. The head and front of the economic upset which began in 1929 was the steady expansion of productive efficiency through improved means and methods of production and distribution, through the elimination of competitive wastes, through mass production and standardized operations, and through the failure of the people to measurably participate in this unprecedented expression of social efficiency. Of course, Representative DIRKSEN is right when he stresses the fact that America has ample money seeking sound investment to answer every need, and abundance of workers to man every machine to turn out wealth for social use in a steady stream. To a certain extent he is also right in insisting that there is a demand for these goods if the people have the money to buy them. But demand is one thing and purchasing power is another. It must be obvious to everyone that the vast purchasing power necessary to keep our productive agencies in high key is not here, primarily because we have not solved the problem of distribution.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MEAD. This is a subject with which all citizens are familiar. There is no doubt about it. The man in the street knows it. Call the roll of the major commodities one by one, and indeed we can include every one of the professions and minor productive and distributive activities, and we will find they all tell the same story—a potential productive capacity that can smother every prospective demand. This is the outstanding fact in our whole economic set-up. It is steadily changing our economic and social environment and compelling us to adjust our composite customs and activities to this changing order of things as the price of survival. To reason that this situation will automatically adjust itself is only a perplexed mind shying at realities and seeking refuge in the illusions of hope. Such is my opinion, at least.

The main trouble, Mr. DIRKSEN contends, is a lack of confidence. He reasons that if we had confidence, which he concedes is "an illusive and abstract thing", investors would engage in business, money would be loaned, new factories and workshops would be put in operation along with a multitude of other things without doing any harm to existing agencies, and that business would soon be restored to normal. Every factor in the equation germane to the consideration of this problem stamps such conclusions as being absurd. Existing productive facilities, even in the present greatly improved business conditions, are far more than ample to answer every present or prospective demand. That is true in every line, whether it be manufacturing, mining, fisheries, transportation, communication, or what not. Under our existing system the farmer does not raise wheat or corn or livestock solely to satisfy human needs. He runs his farm to earn money, and sad experience has proved to him that surplus production beyond existing requirements serves only to destroy the price structure and brings him economic prostration. The same is true in every other line and largely to the same extent.

Confidence! In this case it serves only as a sanctuary for the perplexed mind and those who refuse to accept or fail to see the facts as they stand like a beacon before them and the need for adjusting themselves to the changing order which the machine has wrought. But this is not all. Even those who turn a face of flint to every experimental innovation must, in the finals, have some affirmative philosophy of their own. Men must work; wage rates must be established; commodities must be produced and sold at a price. This means that those who oppose all changes believe that labor is a commodity, and that wages and commodity prices must be fixed solely by the law of supply and demand.

Is not that what all those believe who are opposed to the progressive readjustment of social processes to meet expanding productive efficiency? I insist that it is. If not, what other plan do they recommend for the fixing of wages or for determining commodity prices? And if they do believe solely in the law of supply and demand, then they must be resigned to seeing our entire wage and price structure flattened below the poverty line by the sheer force of surplus piled upon surplus. The farmer will fare no better and no worse than the wage earners.

As I said before, not only has expanding productive efficiency revolutionized all lines of productive and distributive endeavor but its efficiency from an output standpoint, progresses at a steadily increasing rate.

While some may hesitate to believe that it is necessary for us to take drastic action, let me tell them there is no other way to permanent recovery. The machine races faster each succeeding day. Everyone knows there has been an unprecedented expansion of mechanization in industry, resulting in technological unemployment for millions of our wage earners. A remedy must be found. I propose the 6-hour day not as a temporary relief measure, but as a permanent policy. Shorter hours at higher wages is the only sound solution.

America is the only industrial country in the world that has two major parties, one of which has no permanent plan to end unemployment except in an indirect, evasive manner. Let me read to you what the situation is in England:

Mr. Baldwin, in a speech at Bristol on October 5, 1934, said: "Everyone is in sympathy with it. We favor the prospect of shorter hours throughout the world."

He spoke for the Conservative Party.

Mr. Oliver Stanley, at that time Minister of Labor, speaking in the House of Commons on March 4, 1935, said: "It does appear as a natural corollary of the increased ease of production by machinery and the decreasing time which is needed to produce the articles that we require, that there should be an increase in leisure."

He spoke for the Government.

The Labor Party's official program includes the undertaking to introduce legislation establishing the 40-hour week without reduction of pay.

The National Liberal Party in its election manifesto (signed by Sir Herbert Samuel and others) proposed "The extension of leisure and greater facilities for its use."

Mr. Lloyd George in his "new deal" proposals submitted to the Government early in 1935 proposed "The reduction, wherever possible, of the weekly hours of labor for workers in general."

The Trades Union Congress, representing nearly three and one-half million trade-unionists, has adopted the program of a 40-hour week as a maximum, without reduction of pay.

In England all parties advocate shorter hours. In the United States the Democratic Party alone of the major parties supports this policy.

Now, Mr. Chairman, let me exhibit the front page of the United States News to show that we are on the right track and that no one who has in mind a solution of this problem will want to go back to 1929. Every industry is improving day by day.

Let me say it again: Let us fight this unemployment problem as if it were a plague and go forward under President Roosevelt with a real program of progress. [Applause.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, a couple of days ago in an attempt to justify remarks made by the Secretary of Agriculture, and in response to an address made by my colleague, Mr. TREADWAY, as to statements of Secretary Wallace derogatory to the Supreme Court, the gentleman from Texas [Mr. JONES] propounded a question which we desired to answer, but he would not yield even after he demanded a reply.

The question was, "I would like to have the gentleman answer whether he thinks the processing tax had been passed on to the consumer or charged back to the producer." He asked why the processor should be allowed to keep that money. Others have called this "hot" money. All sorts of things have been said about this $200,000,000 or $180,000,000 impounded by the courts.

Is it possible that the Secretary of Agriculture, through his army of informers, has not learned the truth from the newspapers of this country? Do they not keep track of such information? He seemingly did not want to have the information, but we think he really did have it but deliberately misrepresents it.

Ever since last August the processors in the textile industry, about the largest industry in the country, have sold their goods with a written clause in the contract of sale to the effect that if these taxes are found to be unconstitutional and are recovered they will be returned to the customer.

This information has been carried in the newspapers on the authority of Russell T. Fisher, secretary of the National Association of Cotton Manufacturers, and also on the authority of Dr. Murchison, the president of the Cotton Textile Institute. Most of us have known these facts for many months. It is inconceivable that Mr. Wallace did not know that such a clause was in said contracts.

But the amazing thing is that the chairman of the Committee on Agriculture should quote Mr. Blake, the official of the Packers' Association, who came before his committee when the A. A. A. was being considered and assured that committee that the processing tax would be handed back to the farmer. Certainly they did not believe him then.

That Committee on Agriculture could not have been impressed by Mr. Blake at that time or they never would have

passed any A. A. A. bill if the farmer was to be made to assume the tax. Now, however, Mr. JONES quotes him as authority and wants us to believe the statement. Funny, is it not, but it so appears in the RECORD. The gentleman from Massachusetts [Mr. TREADWAY] arraigned the Secretary of Agriculture for his sarcastic utterance about the Supreme Court of the United States. Since then we have heard some Congressmen speak in similar vein, and the next time they hold up their hands at this bar to take the oath to support the Constitution of the United States we should add, "As interpreted by the Supreme Court." Even the minority members of the Supreme Court accept a majority decision as the law of the land with no further comment than what may be set forth in the minority opinion.

Wallace then goes before the Senate committee and jocularly says, "I think the majority of the committee is firmly convinced that the new farm bill is constitutional, but constitutionality means one thing—passing the Supreme Court another", casting aspersions, of course, on the present membership of that Court. We often hear suggestions that if reelected the President would accomplish his desires through filling probable vacancies. I think we all better take a serious view and determine what the Constitution really is, whether or not we swear to uphold the Constitution of the United States as interpreted by the Supreme Court. A Cabinet officer should certainly refrain from using the radio to ridicule the Supreme Court or the supreme law of the land. We expect Congressmen sometimes to lose themselves in rhetorical moments and say things which, later, they wish they had not said, but a Cabinet officer, representing the President of the United States—undoubtedly he would not long be a Cabinet officer if he were not speaking the thought and the desire of the President—should refrain from such criticism. Such contempt should not be longer tolerated.

In my remarks this afternoon I hope to say a few things that will meet with the approval of some real Democrats in this House. The train was just pulling out. The Quaker and the traveling man just missed it. The traveling man swore fluently. The Quaker said, "My friend, thou knowest that I cannot swear, but I do thank thee for those words." And I happen to know, and we all happen to know, that there are some real Democrats left in this House who would like to speak their own minds in criticism. Judge Pattangall, of Maine, said a few days ago, "I shall vote the Republican ticket next fall because I am a Democrat." No; that does not sound well to many of you on the Democratic side.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. JOHNSON of Oklahoma. Referring to Judge Pattangall, that is probably because he is a member of the Liberty League.

Mr. GIFFORD. The gentleman speaks about the Liberty League, and I shall speak about the league in a moment. In the few rambling remarks I want to make I would exclaim, "What a January we have had." It has been one of the most politically historic months probably in the history of our Republic because of its great variety. First, Congress came into session, the whole country nervously awaiting probable legislation. Business murmured, "We have had a breathing spell, and now are we going to get the knock-out blow?" Having in mind the previous 2 years, the people of the country were worried rather than pleased that Congress was coming into session. However, we came in and took the solemn oath to uphold the Constitution of the United States, and we did not reserve the right to interpret the Constitution against the final determination of the Supreme Court of the land. The President did not wish to come and address us in the usual manner, but desired to dramatize the situation. And how he dramatized it! We were entertained with a fireside chat, held in the evening when the people would be home to listen. It was a great show. We held the greatest political rally ever known in this country. At this time the President advised foreign nations to keep the peace, but told us to go to war against those who were "ganging up" against him, stigmatized business as "entrenched greed", and sowed the seed of "class hatred." A couple of days later the Budget message came along, reassuring us that there was a deficit of but a billion and a half dollars. A very few days later came the Budget disaster.

The Supreme Court had decided against the billion-dollar A. A. A. folly and the bonus bill passed. The Budget became unrecognizable, and we are now sure to have a deficit of from $5,000,000,000 to $6,000,000,000 rather than a billion and a half. In the words of the radio announcer, "Time marches on!" Then in our political history came a matter of great event. It was heralded over the country that Al Smith, who is really a great American, was to make a speech under the auspices of the Liberty League. Oh, how too bad it was that he did make that speech under the auspices of the Liberty League! He could have made it under any other auspices and would have had just as large a number of listeners, and perhaps more.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. HAMLIN. Relative to William R. Pattangall, for whom I voted for Governor twice, and relative to Al Smith, for whom I voted and campaigned, the gentleman then was opposed to them. Now, he is in favor, or at least he is with the gentlemen, and may it not be that the gentleman was mistaken both times, formerly when he was opposed to him and now when he is in favor of him. [Applause.]

Mr. GIFFORD. No; because of the events which have since taken place. Do not applaud too soon.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Not now. I say events have happened since. You have been in power 3 years. You have done all of the cooking up of these things. You have erected a structure of government that we must live in for a time at least, and we cannot tear the building down and build another, as you have spent all the money available. Of course, we, as Republicans, must adopt your repudiated platform of 1932, which Smith and Pattangall still believe in. We have to do this in view of what you have done. Why were the people fooled in 1932? When, if ever, was the Democratic Party a party of economy?

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CHRISTIANSON. Is it possible that the gentleman from Maine [Mr. HAMLIN] might have been mistaken before as well as at this time?

Mr. GIFFORD. Oh, no; that would not have been possible! [Laughter.]

Mr. MAVERICK. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAVERICK. Does not the gentleman think that we, as a government of two parties, are both overemphasizing the American Liberty League, and that perhaps it will become more important than both the Republican and the Democratic Party, if we do not watch out?

Mr. GIFFORD. I thank the gentleman for his contribution. Both Republicans and Democrats are in the Liberty League. I have no part in that organization, but I am grateful for the information which it furnishes us.

Some of you had better look into this Du Pont matter a little. I should like to have some of you go up into Delaware and make those speeches against the Du Ponts, where thousands of men are employed; where their scientists, because of sufficient funds, have discovered hundreds of useful things for our people, and as a result have hired thousands and thousands of people in manufacturing them thereafter. They take great risks, and they are entitled, if they succeed, to great profits. You would never say anything about great losses, if they had such. And again, if Mr. Du Pont does make money, about 80 percent of it is taken away by the income tax and squandered, perhaps, by the Government; which funds, if left to himself as a successful man, might have been used to greater advantage to wage earners.

Now, I am not defending Mr. Du Pont. I know nothing about some of the things mentioned that he may have done; I am pleading for the successful man of the country who has

done things for the people, and if he had not profited himself, the people themselves would not have profited. The gentleman who preceded me, Mr. MEAD, wants unemployment relieved. But many of us seem to join with the President and stigmatize such men as "entrenched greed."

Mr. KNUTSON. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KNUTSON. The gentleman may realize that under the new classification any man who has been successful is a criminal. The gentleman will recall that about 40 years ago John D. Rockefeller, Sr., was denounced by demagogues and blatherskites as a monster and an octopus that should be destroyed.

Mr. GIFFORD. That has been the favorite theme of the Democratic Party ever since I have been in Congress. How typical is it of the feeble mind. When the Supreme Court determines a matter and one is shown that he is wrong, why can he not square his shoulders and act the man?

But it does not matter about the auspices of the Liberty League. Any other auspices would have been just as good or better. You may try as hard as you can to minimize Al Smith, but those words are indelibly stamped upon the whole country. He has many followers. Time marches on.

The following Monday night we listened over the radio to that very nervous—yes; very nervous—Robinson-Michelson speech. The speaker probably stumbled over the Michelson portions more than the others, because he was not used to making that kind of a speech. The effect on the country was far different, I think, than what you expected.

Time marches on. Thunderings come from Georgia. I wish I had time to read at this point the platform of the Georgia convention and the words of some of these speakers. I spare you the intemperate language. Are Al Smith and his followers and the Georgians the only Democrats to walk out? No. Louisiana also spoke in most thundering terms against your present administration. Your troubles are coming thick and heavy. Whistle to keep up your courage. It is all you can do. [Applause and laughter.]

Time marches on.

Finally, not the spectacular, not the dramatist, but from an ordinary citizen of the country comes a voice from Kansas, reserved, plain-speaking, urging the people to get back to the faith of their fathers. We are tired of all this dramatist business, and we are glad to have an honest, plain, common-sense speech, without mouthings against entrenched greed or even against Democrats. [Laughter.]

Mr. HAMLIN. Will the gentleman yield further?

Mr. GIFFORD. Yes; I yield again to the gentleman.

Mr. HAMLIN. May I ask the gentleman whether he does not think that James A. Farley made a correct prophecy when he said this was going to be one of the dirtiest campaigns on earth?

Mr. GIFFORD. Yes; that is true, but the President began it. Farley is keeping it up. Oh, I pay all honor to Jim Farley. He took all the "jack" out of Jackson at that dinner. [Laughter and applause.] It was only a little while before that, as my friend here from Massachusetts may recall, that the Democrats in Massachusetts—about 25 of them from my congressional district—were called upon to attend a dinner and give $100 apiece. That was more than a year ago. As I look down that list of contributors now I see that nearly every one of them seems to have been well rewarded.

Mr. MILLARD. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MILLARD. Is it true that Jefferson founded the Democratic Party and that Roosevelt dumfounded it? [Laughter.]

Mr. GIFFORD. Well, Al Smith said he was not walking out of the Democratic Party, but out of the Socialist Party, whose clothes had been stolen by the "brain trust" boys, who were really running the Democratic Party.

Mr. HEALEY. Will the gentleman yield to me?

Mr. GIFFORD. Oh, yes.

Mr. HEALEY. After all, those contributions came from the ordinary fellows who probably needed a job very badly, whereas the contributions to the gentleman's party for years have come from those sources that have been termed "entrenched greed."

Mr. GIFFORD. Yes; like Raskob, and many others who have contributed to your party. [Laughter.] And I understand that perhaps the Du Ponts believe in a two-party system of government and have been willing, at times, to subscribe to both. This may not be true, but has been charged. Oh, the pot cannot call the kettle black on these contributions, but we can get along with a $5 dinner, and not frighten Government employees into making such contributions.

Time marches on. We hear from the West of a new President Hoover relieved of onerous duties, and of the smearing boys of former days. Mr. Hoover now comes up courageously and tells the facts and the truth about those dark days from November 1932 to March 1933. He tells us—and most people are going to believe it even if some do not—"that the banking crisis was the most unnecessary and political thing that ever happened." You may well dread future onslaughts from this source. If the editorial brains of this country are worth anything, and I highly respect their views, we should be greatly influenced by their warnings and suggestions. In general, these writers show great concern in our present trends of government.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. PIERCE. Who in the world brought on the banking crisis if it was not the party then in power, the Republican Party?

Mr. GIFFORD. Why, if the gentleman will recall the year 1932—and I have stated this over and over again—we were on the way out in July and August of 1932. The business index was high! Then the political campaign came on and the index began to go down, just as it does in all political campaigns when it is a close, or supposedly close, contest. But November came and your newly elected President would say nothing, do nothing, was noncooperative, and nobody knew his views or had any knowledge of his intentions; these contributed most largely to the collapse on the eve of his inauguration.

Mr. PIERCE. The gentleman may convince himself, but he is not going to convince the country.

Mr. GIFFORD. I am not trying to convince the gentleman from Oregon. However, in the first place, I said I knew I was speaking for at least some Democrats here.

Mr. PIERCE. Not for me.

Mr. RABAUT. Is the index going down now?

Mr. GIFFORD. It is. I have it right here. In the last 2 weeks it has gone down about 8 percent. Does not the gentleman know it?

Mr. RABAUT. Where does the gentleman get his figures?

Mr. GIFFORD. It has dropped 8 percent. Glance at your financial pages carried through the last few days. Does not the gentleman know that the automobile business and its allied businesses have been by far the greatest reason of the index going up? You have boasted much of this rising index of business. When the automobile business goes down steel business and others allied with it go down and this will continue unless people can still buy automobiles. Watch next week's business index, and see if our consciences do not hurt us because of some of the great expenditures we have made in Congress in the last few weeks. Do you desire our dollar to fluctuate as it has the last few days?

Mr. RABAUT. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. Gladly.

Mr. RABAUT. The gentleman knows very well that the automobile business has been greatly improved. The automobile business is taking us right up the ladder.

Mr. GIFFORD. It is wonderful, is it not, with billions of relief money pouring out how our people can buy automobiles? It is a strange situation.

Mr. RABAUT. They do not get them with relief money. The automobile business has picked up because of the general improvement.

Mr. GIFFORD. Let us hope so.

Mr. RABAUT. I think we ought to have sincerity on the floor about these matters.

Mr. GIFFORD. Sometimes people say things in a jocular vein when there is really a most serious invitation to investigate the truth lightly veiled in the statement.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WOLCOTT. May I make the observation that all of the charts Professor Pierson, collaborating with Professor Warren, has been presenting to the Committee on Banking and Currency, show that we were coming out of the depression in July and August of 1932.

Mr. GIFFORD. I told them practically that.

Mr. WOLCOTT. And Irving Fisher said that if there had not been any election that year we would have been out of the depression the following year.

Mr. GIFFORD. Yes; he said that. Time marches on! February is coming; our dollar is weakening; and people are getting tax-conscious all at once. They fear some onerous taxing measures are being formulated. Time marches on! Did some of you listen in on Sunday afternoon after 4 o'clock to that snarling voice of the radio priest from Detroit? He named your beloved Speaker of the House as being in the control of the money bags. He was pleading for the Frazier-Lemke bill and naming certain other Congressmen as cowardly and subservient. He stigmatized this Congress in hideous voice and language. He stated that he would name many more of you next Sunday. Listen in and decide if he is a help to the passage of the bill.

Will this condemnation get more to sign or to take their names off the petition?

Mr. KVALE. I hope so, if the gentleman is addressing me.

Mr. GIFFORD. I will leave that to the gentleman's own judgment.

May I illustrate: I saw a picture of a raggedly clothed tramp leaning over a country club fence watching the golf game. When the players came along they ordered him off with insults.

[Here the gavel fell.]

Mr. TABER. I yield the gentleman 3 additional minutes.

Mr. GIFFORD. As I stated, they ordered the tramp away and insulted him. The tramp walked off saying, "That is a 'hell' of a way to get members." [Laughter.]

Mr. Chairman, I, for one, do not want our beloved Speaker, and he is a Democrat, abused like that. [Applause.] Politics are dismissed on such an occasion. A former great Governor of Massachusetts announces this morning as a candidate for delegate to defeat this present administration. With a host of others, he will be at the convention for that purpose. We wish them success. One of the greatest disappointments I have suffered recently is to hear no Democrat from New York State stand upon the floor and say a word for their great American, Al Smith. Surely fear of Farley and the administration should not deter them. Let us take courage to defend our good citizens when attacked and not remain passive under insults heaped upon us as a whole. The Democratic Party have a majority of 3 to 1. Yours is the duty to protect the Congress. [Applause.]

Mr. Chairman, I yield back the balance of my time, if any remains.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I want to call the attention of the membership of the House to Senate Joint Resolution 196, which passed the Senate on January 30. It looks harmless, because it is a clarifying resolution, and in order to fully understand what it seeks to accomplish you must get the act passed at the last session that it amends.

In the last session of Congress there passed a bill, providing for the payment of $332,950 to reimburse navy-yard workers for overtime and holiday pay, and so forth, which they had not received. This was justified by reason of the fact that the Court of Claims had considered the various claims and had rendered a decision in favor of the claimants.

Section 3 of the law relates to the distribution of money to the attorneys. The Senate provision carried 20 percent for attorneys. The House struck out the 20 percent and made it 10 percent, but in conference the 20 percent was restored. The enrolling clerk of the Senate erred in enrolling the bill and it went to the President with 10 percent for attorneys' fees. The President signed the bill. When the bill reached the Comptroller General he refused to pay the attorney's fee of more than 10 percent. The Comptroller General was then requested to withhold the attorneys' fees until Congress could clarify section 3 of the act, but to retain 20 percent of any claim he ordered paid, which he has done.

Mr. Chairman, Senate Joint Resolution 196 seeks to clarify this section in that it provides that 10 percent of the amount of $332,950, or $33,295, shall go to the attorneys who handled the cases before the Court of Claims, and there were a number of them, because the navy workers throughout the United States had claims pending.

Now listen to this, it is also provided in the resolution —Senate Joint Resolution 196—that the payments authorized in section 3 of the act passed last session to be made to the attorney or attorneys who performed services toward securing provision for the payment herein of the amount so found shall be made to one Clarence W. De Knight, naming him specifically. In other words, the resolution which passed the Senate on January 30 states: The Congress of the United States authorizes and directs the payment of $33,295 to Clarence W. De Knight, whom the telephone book lists as an attorney in the Hibbs Building in Washington. What for? For getting the Congress of the United States to appropriate the money to pay the claims of these navy workers.

Are we going to place our stamp of approval upon legislation of this character which says that a man is entitled to $33,295 because Congress passed a bill?

Mr. Chairman, I just call this resolution to the attention of the Members of the House at this time and serve notice that I am going to use every parliamentary means at my command to prevent its passage. If this resolution does come up for consideration in the House, if I can secure it, there will be a yea-and-nay vote.

Why, Mr. Chairman, if this resolution becomes a law, we say a lobbyist should receive $33,295 for talking Members of Congress into passing a bill to authorize a claim that the Court of Claims says should be paid. I cannot vote for such a resolution and retain my self-respect.

Mr. MICHENER. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. MICHENER. Who introduced this resolution in the Senate?

Mr. COCHRAN. Senator WALSH, of Massachusetts.

Mr. RICH. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the gentleman will call this matter to the attention of the majority leaders of the House, I think they will be big enough to not permit their Members to vote on it.

Mr. COCHRAN. I am calling this matter to the attention of the Members of the House as a whole, because I believe a Member of Congress, regardless of what party he comes from, has an equal responsibility in passing such legislation. As I said, the resolution appears harmless, but get the original law and read it; read section 3 and then read the resolution, and you will see the statement I make is absolutely correct. There is no dispute about the legal fees for the attorneys who appeared before the Court of Claims; it clarifies the lobbyists' fee.

I hope the members of the Committee on Claims, to which this resolution was referred, will pay some attention to the remarks I make today, because, Mr. Chairman, I cannot see how we as Members of Congress can permit our approval to be placed upon legislation of this character in which we authorize payment of $33,950 to a man for what? I repeat, solely because the Congress passed a law. We would say pay a man $33,950 because you or I might have voted for a bill and it became law. I cannot understand why anyone should attempt to pass legislation of this character.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Has the resolution been reported by the committee?

Mr. COCHRAN. As far as I know it has not. It just passed the Senate on January 30, and it was referred to the Committee on Claims.

Mr. CHRISTIANSON. Will it be put on the Private Calendar where objection may be lodged against the bill?

Mr. COCHRAN. I think so and I hope so. [Applause.]

But do not overlook the fact that we have a new Private Calendar rule and if this resolution is recommitted to the Committee on Claims after it has been placed on the Private Calendar it can be brought back in an omnibus bill and then is the time you are going to have trouble preventing its passage.

Mr. Chairman, we condemn lobbying. Both the Senate and House have created select committees to investigate lobbyists and now we are asked to turn around and pay a lobbyist $33,000 plus for getting Congress to appropriate money to satisfy a judgment rendered in the Court of Claims. How ridiculous. So far I have been unable to find where this man, Clarence W. De Knight, ever appeared before the Court of Claims. If he appeared there when the claims were contested, then he will receive his share of the attorney fees that are to be paid to the lawyers of record in the court's file. My information so far is that he entered the case after the court had passed on the claims and his only work was right here at the Capitol getting Congress to appropriate the money to pay the judgment.

I did not vote for the original bill, as I was sick in the hospital at the time it passed, but I know all about the bill. I would not have supported it in the form it passed, because the men who were entitled to this money have long since passed away. It is an ancient claim. I was advised by the Comptroller's office this morning when I sought information that so far only about 1 out of every 10 claimants have been found to be alive. It is the widows, sons, and daughters and other heirs that are making claim for the amount due to the Comptroller.

A thorough investigation should be made by the Committee on Claims to learn who employed Clarence W. De Knight to lobby this appropriation through Congress, if he is responsible for the appropriation, which I cannot believe he is.

This will not, I admit, be an additional charge on the Treasury, but it will be taken out of the money that was appropriated to go to the claimants or their heirs; but it is the principle involved that causes me to rise at this time and enter my protest against such legislation.

It is, I am sure, not necessary for me to remind the Members that we have been limiting the attorney fees in claims bills to 10 percent. Why, then, should we in this instance make it 20 percent. If the attorneys had fought a case over a period of 10 or 20 years and found it necessary to go to the Supreme Court in the end, then there might be some justification for going above the 10-percent fee, but remember this is not for the attorneys who fought the case in court, but for the lobbyist who came down here to offices of Members of the Senate and House, if he did, and induced them to pass a bill to make the money available for payment of the judgments referred to. Why, members of the committee of the House should raise their voices against such an outrageous proceeding, because if this resolution is approved Congress will be charged with having been influenced in its action by a single attorney. A Member cannot be here every minute in the day, and it is for that reason I call the attention of the entire membership of the House to Senate Joint Resolution 196. Let us all be on guard and prevent its passage.

I have another matter I would like to call to your attention very briefly. While I was ill during the last session of Congress, at the last meeting of the committee of which I am chairman, the Committee on Expenditures in the Executive Departments, the committee passed a resolution authorizing the appointment of a subcommittee to make an investigation with a view to bringing in legislation to consolidate and coordinate Government activities.

When I was able to return in the fall I immediately followed out the purpose of the resolution by addressing a communication to some 50 different Government agencies calling for a report, as well as charts of their set-up and a breakdown of their appropriations, showing the number of persons employed in each division and their duties. I had in my office when Congress convened on the 3d of January a stack of papers nearly a foot high covering a desk.

I have had nearly 10 years of experience in considering such legislation. I have been a member of the Committee on Expenditures in the Executive Departments since it was organized by the House. By direction of the committee, I appointed a subcommittee to consider this matter.

Senator BYRD, of Virginia, subsequently introduced a resolution providing for the appointment of a special committee by the Senate for the same purpose, and this Senate resolution carries an appropriation of $50,000. I understand on Wednesday of last week a hearing was granted Senator BYRD before the Rules Committee of the Senate, and the information I have is that the resolution will probably be reported and passed by the Senate. Our subcommittee authorized me to discuss the matter with Senator BYRD, and I did discuss it with him and urged him to make this a joint committee. I told him of the experience I had had in connection with legislation of this kind and explained how hard it is to get anything passed. I informed him that if the Senate was going to do the work by itself and later a bill was introduced in the Senate, there would be nobody on this side, if the bill came over here, who would thoroughly understand the measure, and therefore it might not be properly presented to the House.

Senator BYRD stated he knew what confronted anyone who sought to consolidate Government agencies by reason of his experience as Governor of Virginia. He agreed to consider my suggestion.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Missouri 5 additional minutes.

Mr. COCHRAN. If this resolution is passed by the Senate and it provides for a Senate committee, I see no use of our committee trying to duplicate the work. However, I wish to express the hope that if the Senators are going ahead with this matter they will make it a joint committee, because any bill reported by such a committee will have to come to this body, in the event it passes the Senate, and we are going to experience a great deal of difficulty in getting favorable consideration here. We have always experienced a great deal of difficulty, and I may say now, without fear of contradiction, that if the President of the United States does not step in and bear down upon the personnel of the executive branch of the Government and tell them to refrain from interfering Congress is never going to consolidate any Government agencies or stop overlapping and duplication, because the minute you start the employees of the Government start running to Congressmen and Senators saying "if you do this I am liable to lose my job", or "if you do that, I am liable to lose my job", and before you get very far the opposition is such that no thought is given to the Federal Treasury—somebody's job is more important. It is necessary to get the cooperation of the executive branch of the Government in work of this kind. I know it from past experience.

There is only one way to consolidate Government agencies, and that is to do it and let the complaints come afterward. As an example of this, before my letter calling for this information had been in the hands of Government officials 48 hours, some of the officials gave it to the newspapers and there appeared in the local press the statement that Congress was going to disturb Government agencies and nobody was going to suffer except the personnel.

Of course, the Washington newspapers derive their support largely from Government employees, and naturally they support the Government employees in all kinds of legislation, no matter what it is, and in another part of the paper criticize us for not reducing expenditures.

You probably recall the committee had a hearing while I was absent during the last session, and a fight developed between the Secretary of Agriculture and the Secretary of the Interior. The Secretary of Agriculture said that the Secretary of the Interior wanted to take the Forest Service away from him and put it in with the national parks. They both appeared before the House and Senate committees. Think of it, two Cabinet officers fighting because Congress wanted to save the taxpayers some money.

My viewpoint is it does not matter who is going to enforce a law passed by the Congress; it is going to be enforced or Congress is going to want to know why it is not enforced. We change Cabinet officers every time we have a different President, but the laws are enforced just the same, and it does not make any difference whether Mr. Wallace is there or Mr. Ickes is there or someone else, the laws on the statute books are going to be enforced.

Now, another thought. If we are going to put different agencies together and reduce appropriations, there is one thing we should always do in the future, and that is when we provide for a consolidation put in a proviso that there must be a reduction of at least 25 percent in the appropriations. If you do not do this, you will never get anywhere. [Applause.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania, a hard-working member of our committee and one who wants expenditures reduced.

Mr. RICH. As chairman of the Committee on Expenditures in Executive Departments, and with the knowledge the gentleman from Missouri has, and knowing that the number of Government agencies and bureaus should be cut down, does not the gentleman think it would be wise for him to introduce a joint resolution so that when this resolution comes over from the Senate he can make it a joint committee composed of Members of the Senate and House? In this way Members of both bodies will have the same information and can draft a measure that will be worth while in cutting down the number of Government bureaus.

Mr. COCHRAN. The resolution pending in the Senate, as it now stands, is a Senate resolution and will not come to the House, but I shall discuss the suggestion of the gentleman with the subcommittee when we meet next week.

I have nothing further to say, Mr. Chairman. I simply wanted to explain the situation to the Members of the House, and I hope you will realize that if the Senate does go through with its proposal to have a Senate committee there is no use of the Members of the House committee duplicating the work they are going to do.

Mr. RICH. I may say to the gentleman from Missouri that there is no one in the House of Representatives who can do more to bring about such a joint committee than the gentleman himself, and I hope he will use every ounce of energy he has to see that this is accomplished. [Applause.]

Mr. COCHRAN. Mr. Chairman, I will do what I can. I yield back the balance of my time.

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, it is an unusual pleasure to address this Committee on something that is not politically controversial. My subject is, however, in a marked field of controversy of a decidedly different nature.

I wish to talk for a little while about the proposal to change our present system of judicial supremacy over legislative acts. This, I think, is of interest to everybody on whatever side of the problem they may take.

There are those of us who were disappointed in the recent decisions of the Supreme Court, who had hoped that the liberality advocated by Justice Holmes and many others would be established; and we are now looking for a short cut to reform.

Then there are those of us so pleased by the decisions of the Supreme Court that we feel that the system is working perfectly and that there is no problem involved.

I think I am safe in saying, however, that there is such a problem ever with us.

I do not believe that our Government has arrived at final perfection just yet, piffle patriots to the contrary. The problem of judicial supremacy has reared its head in every government where democratic institutions have attempted to establish themselves with a written constitution. It is a problem that goes to the very basis of democracy.

I think everyone will agree with me that the basic ideal of democracy is that those laws should be passed which embrace the matured desire of the majority.

The different democracies have adopted different plans to solve this problem, from the American plan, as it is called, of extreme judicial supremacy, on the one hand, to the British plan, on the other hand, where Parliament is absolutely supreme. Between those two extremes there are different confusing variations. In France the legislature is supreme as to general laws, but the courts exercise strict supervision over administrative agencies. In others the courts are supreme, but the legislatures can at once amend the constitution and override the judicial veto.

For example, in Switzerland, during the first 48 years of its existence, its constitution was amended 25 times. So on we might go through many others. Mr. Chairman, I wish to submit this afternoon three propositions:

First. That if the American Government veers at all toward the British idea, we shall have to so modify the rest of our lawmaking machinery as to approach the British parliamentary system.

Second. That the present is a most inopportune time for us to consider this question.

Third. If any change is finally desired, it must be in the direction of giving the people themselves greater power, not merely the transference of power from the judicial to the legislative branch.

Who is there that will dare to say that those organized blocs of minorities which intrude themselves into our lawmaking councils and dominate our Government for their personal profit are fostering the matured desire of our body politic? If it is not the Anti-Saloon League, it is the Whiskey Trust; if it is not a bloc of tariff profiteers, it is an organization of different communities interested in some "pork barrel" improvement.

The War Department has been prevented for years from abandoning obsolete and useless Army posts by groups of localities combining their bloc vote in Congress and utterly indifferent to national defense. Marine shipping interests successfully defeat year after year programs to supply adequate canal tolls for the Panama Canal. One group after another demands pensions. The last one frankly tells us that if we do not "provide a revolving fund" for their particular idealistic scheme they will vote to "provide a revolving Congress." These groups are probably not to be blamed too much for their action; they are merely looking after themselves and believe that if they do not do this nobody else will. Certainly Members of Congress are not to be criticized too severely. The conditions under which they are elected in a majority of cases destroy utterly their powers to resist. We see all kinds of visionary groups coming in with plans to lead us all back into the Garden of Eden, building blocs with almost enough force to put these ideas across, men getting on the radio repainting some old economic fallacy that is as old as human folly itself, calling it a new name, and getting a great bloc in Congress here to file a petition for an immediate vote on their pet scheme and bulldoze us into signing that petition.

I say to you, Mr. Chairman, that as long as that possibility exists, as long as we are threatened by such groups, we can never adopt any policy of keeping our acts free from judicial supervision.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. RICH. How about the minority groups that are always harassing Members of Congress?

Mr. HARLAN. That is what I am talking about. In England such a situation is absolutely impossible because of their Cabinet system of framing and passing laws in Parliament. No law can come on the floor of Parliament or be

amended there without the approval of the British Cabinet, and it is useless for those blocks or crack-pot legislative groups to go before the British Cabinet because they cannot get any place. They do not elect the British Cabinet. But in this country they can come before Members of Congress and threaten us with dire punishment, particularly those of us who are elected in communities where the political parties are evenly divided and where blocs exist that care nothing about political parties. They threaten to throw their financial and political support against the man who will not yield to their wishes. The man who stands up against a bloc is taking his political life in his hands. In England they have to go through the Cabinet first; and it does not do them any good to go to the Cabinet, because they do not elect the Cabinet. Parliament elects the Cabinet as a whole, and the result is that blocs and lobbies cannot prevail and do not exist. The result is that the British Parliament speaks the matured will of the whole British people.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. McFARLANE. From what line of reasoning does the gentleman draw the conclusion that a self-appointed group of people speak the will of the people when the people do not have any right to say whether or not they speak that will?

Mr. HARLAN. I am coming to that. In the first place, the Cabinet is not a self-appointed group. It is an elected group, elected by the Parliament.

Mr. WADSWORTH. And they must be members of Parliament.

Mr. HARLAN. They must, of course, be members of Parliament, and they have to be elected by the Parliament. If that Cabinet abuses its power, if, for example, it keeps off the floor of Parliament a bill which the majority demands, a vote of want of confidence will cause that Cabinet to fall at once. If they introduce a bill which the majority do not want, and the Parliament defeats an important administration measure, the Cabinet would fall at once, and then the people in a referendum say what their matured wish is.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MARCANTONIO. In the contemplated plan which the gentleman suggests, has he taken into consideration the power of the Supreme Court to nullify acts of the representatives of the American people?

Mr. HARLAN. I am discussing that. If the gentleman will be patient for just a moment, please.

For a number of years our respected colleague, the gentleman from Virginia [Mr. MONTAGUE] has introduced into this body a bill that will give us just a little step in the right direction, it seems to me. That step is to require Cabinet members to appear on the floor of this House at stated intervals and to permit them to appear and argue on all bills affecting their different departments. That proposal does not bring to us the British Cabinet system, but, combined with the powers vested in our Speaker, powers wholly foreign to the Speaker of the House of Commons, together with the powers which could be vested in our Rules Committee, we could very closely approximate the British system if we wished.

The executive department is the only department in our Government that has an opportunity to speak for the whole people. They do not always do it, but they have an opportunity to do so, because they are elected by everyone. The Members of this House represent their districts and the Members in the Senate represent the States; but the only elected person who represents everybody, the total views of our people, is the President.

Now, following the introduction of Mr. MONTAGUE's bill, I made a short talk last February 14 and again on February 27 recommending its passage. Following that speech, without any effort at collecting, I received a number of newspaper clippings on this subject. In those talks I called the attention of the Congress to the fact that Mr. MONTAGUE's idea had originally been suggested by Senator Pemberton and advocated by President Garfield, recommended to this Congress in a special message by President Taft, approved by a very illustrious Senate committee some years ago, advocated by President Wilson, and approved repeatedly by Chief Justice Hughes and a number of statesmen in the United States; but our Committee on the Judiciary has been too busy to give it attention from that time on. Since that time I have received some letters, about 50 from Members of this House.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Ohio 2 additional minutes.

Mr. HARLAN. I shall put excerpts from some of these letters and editorials in the RECORD, with the permission of the committee.

HOUSE OF REPRESENTATIVES UNITED STATES,
COMMITTEE ON THE JUDICIARY,
January 29, 1936.

MY DEAR COLLEAGUES: The difficulty is that very few people have ever stopped to examine the matter in which you have become interested. The theory seems to be that it has not been done, the "fathers" did not favor it, therefore it ought not to be done. In my judgment we are developing the bad features of our system and of the English system.

It is a matter which ought to begin to be discussed and considered.

HATTON W. SUMNERS.

HOTEL VENDOME, PLACE VENDOME,
Paris, France, April 9, 1935.

MY DEAR MR. HARLAN: I would, indeed, be only to glad to appear before the judiciary committee to which the bill has been referred. Such an opportunity to continue the advocacy which I have so long and so often endeavored to make effective would have been very gratifying to me.

The occasion appears to me so important that I wish I were able to take the next ship for the purpose of appearing before the committee. It is, however, impossible owing to the severe illness of Mrs. Belmont, which, during many months, has required my presence and constant attention.

Sincerely yours,

PERRY BELMONT.

---

998 FIFTH AVENUE,
New York, N. Y., April 20, 1935.

DEAR MR. HARLAN: It has long seemed clear to me that we ought to have some arrangement under which Congress would have the benefit of more prompt and authoritative information as to the action of the executive department.

On the other hand, I think that a sense of liability for prompt explanation has a very good effect upon the head and leading members of an executive department.

I hope your bill will be followed up and that some practical results may be reached.

Very sincerely yours,

ELIHU ROOT.

---

15 BROAD STREET,
New York, N. Y., March 19, 1936.

MY DEAR CONGRESSMAN: I have always thought it would be a good thing if members of the Cabinet were given the privilege of the floor of either House of Congress.

Congress, having control of its own procedure, can undoubtedly inaugurate such a system if it wants to. I am not sure that each House could not do it on its own account. One of the greatest advantages of the attempt is that it could be abandoned if it proves a failure, without any permanent alteration in our constitutional system.

I do not remember that I have ever discussed the subject in any public address, but I am quite willing to be quoted in favor of the experiment.

Believe me,

Cordially yours,

JOHN W. DAVIS.

CARLTON HOTEL,
Washington, D. C., March 23, 1935.

DEAR MR. HARLAN: I regret that I shall not be able to appear before the committee, but I have written to Mr. SUMNERS, urging him to give the proposition favorable consideration.

Yours faithfully,

CHARLES A. BEARD.

BRYN MAWR COLLEGE,
Bryn Mawr, Pa., March 26, 1935.

DEAR MR. HARLAN: I am much interested in your bill which proposes to require members of the President's Cabinet to attend meetings of the House and Senate and to permit them to participate in debate pertaining to departments.

Some years ago I gave a great deal of study to this matter, and I am strongly of the opinion that such a measure would facilitate the drafting of bills and be greatly conducive to their more efficient administration.

Sincerely yours,

CHARLES G. FENWICK.

Press comments include the following:

[From the Washington Daily News, Mar. 21, 1935]

GOVERNMENT TEAMWORK

(Editorial)

Much of the conflict and suspicion now being engendered between the White House and Capitol Hill might be prevented by the pending Harlan bill to permit Cabinet officers to sit in Congress, lay their cards on the legislative table, and submit to questioning from Senators and Representatives.

The proposal is not new. Back in 1864 a special committee of both Houses recommended that Cabinet members sit with Congress on Tuesday and Thursday mornings and engage in debates. Similar proposals were made by the committees in 1881 and in 1925.

Nor is it novel in other countries. In England, France, Norway, Denmark, the Netherlands, and other parliamentary countries, of course, the government sits with legislative bodies and answers for its policies.

A franker and more efficient relationship is needed, particularly in these days of expanding executive powers. Prof. Harold J. Laski says that Cabinet attendance in Congress would make the debate more responsible, restore the significance of opposition and tend to prevent such costly corruption as was revealed in the Fall and Daugherty scandals.

Woodrow Wilson, whose administration was marred by bitter clashes with Congress, urged that the Cabinet be used as a connecting link between the executive and legislative branches.

[From the Dayton Daily News, Dayton, Ohio]

(Editorial)

If a representative of the White House wants to say anything to Congress, he has to appear more or less privately before a committee of the Senate or House. There is no way, save through the newspapers, for him to get his views before Congress as a whole.

Congressman HARLAN sponsors a bill to permit Cabinet officers to sit in Congress, submit to questioning from Senators and Representatives, and state their point of view.

[From the Christian Science Monitor]

Undoubtedly the proposal would affect the type of men chosen for responsible Cabinet posts, and the proposal deserves to be weighed carefully.

[From the Los Angeles Times]

There is a good deal to be said for the plan. It would tend to improve both the legislative and the administrative branches.

[From the Flint (Mich.) Daily Journal]

In these times, which are more than ordinarily confused and troublous, there is more need than ever for a clearly defined and well-understood administrative policy, and few things would contribute more substantially to this than the right of Congress to question Cabinet members in debate.

[From the Kalamazoo (Mich.) Gazette]

The potential benefits of such a plan should far outweigh its dangers. The direct placing of responsibility, which should always be a foremost objective of any representative governmental system, would be greatly facilitated.

[From the Boise (Idaho) Capital News]

Such arrangement would draw us a step closer to the English parliamentary system under which cabinet members are closely involved in the parliamentary process. It is not clear, of course, that we should go all the way in copying the good points of this system, but to subject Federal department heads to congressional quizzing at regular intervals might be exceedingly wholesome reform.

[From the Cincinnati (Ohio) Enquirer]

(Editorial)

This (the Cabinet bill) would not give us a replica of the English form of government, in which cabinet members habitually occupy the government benches and defend administration policy. There is no way in this country of turning out an administration by legislative action, as in England, and so the vote of confidence in that sense cannot exist.

But theoretically a move to get better legislation with the benefit of advice from administrative officers through the necessity for their defending their policies before a critical audience might seem worth while.

In the December issue of the American Political Science, Prof. E. P. Herring, of Harvard University, wrote, in part, as follows:

The weaknesses in a system that prevents the originators and future administrators of a bill from defending it before the body expected to approve such a measure became manifest. In view of the delay and misunderstanding resulting from this separation of powers, the bill granting Cabinet members the right to debate in Congress seems pertinent. A measure to legalize such procedure was actually debated in this Congress. It was argued that if the course of legislation in the future was to be devised and directed in large measure by the President, existing procedure should be altered to meet this situation.

My second proposition is that in this Presidential-election year nothing should be done with any question pertaining to the respective rights of Congress and the Federal courts. It is a matter that should be determined as far away from party politics as possible. It is a matter that should be determined as free from emotional excitement as possible, and such an atmosphere is completely out of the question when we are considering the vast economic and political questions that will confront us next November.

The third thought which I wish to leave with you, Mr. Chairman, this afternoon is that when the time does come to consider the feasibility of giving us more nearly the legislative freedom exercised by Parliament, that we can only improve our democracy by vesting more power directly with the people. It is very questionable whether we will improve our situation much by merely transferring the power now exercised by the Supreme Court back to Congress without direct sanction by the people.

We should always bear in mind that in Great Britain, where the power is wholly removed from the courts to override an act of Parliament, the people reserve to themselves complete power to condemn or ratify the acts of that Parliament in a general election.

This return of power to the people could be accomplished by one of two methods. The first would be to change our methods of amending the Constitution so as to make that accomplishment an easier task. I know of no free democracy in which the amendment of their basic law is as difficult as it is in the United States, and yet when our Constitution was adopted it was in the minds of those men that they had made the amendment of this instrument very easy.

Madison, in commenting upon the amending section just adopted, said:

The people were, in fact, the fountain of all power; by resorting to them all difficulties were gotten over. They could alter the Constitution as they pleased.

With free people all over the world carrying on government and perpetuating free institutions under easily amended constitutions, and with Great Britain acting as the very bulwark of freedom throughout the world operating with no constitution at all, the wisdom of requiring an initial vote of two-thirds of both Houses of Congress and of three-fourths of the States to effect a change in our basic law is hardly apparent.

If the initial change were made more easy and a mistake were made, by the same process the correction of that mistake would be a simple proposition. We just had the spectacle of our experiment in prohibition, which demonstrated its ineffectiveness very shortly after its adoption, and other countries who adopted prohibition at the same time as we did promptly realized their mistakes and corrected them. We, however, had to labor under this unenforceable, Government-destroying constitutional amendment for 13 years before the people's voice was able to express itself. If this is democracy, then every other idea on which our Government is founded is a mistake.

Before I submit a second possible method of correcting our system of judicial supremacy, I should like to direct attention to the fact that in almost every case where a law has been declared unconstitutional the decision has been by a divided Court and that the question involved was one of the interpretation of English words.

In the New Deal decisions there was but one case decided by a unanimous Court. The Constitution is written in the English language, and in that Constitution are such phrases as "due process of law", "equal protection of law", "general welfare", "interstate commerce", and so forth. Congress, by a divided vote has taken one interpretation. The Supreme Court, by a divided vote, has taken another. In other words, there are practically no cases in which Congress has

purposely intended to violate the Constitution. It has simply placed a construction on certain phrases of the English language with which the Supreme Court subsequently disagreed. They have many times disagreed with their own prior definitions.

Now it is entirely possible that Congress might of its own accord purposely and willfully attempt to pass a law in violation of a simple undisputed term in the Constitution. This was suggested by Chief Justice Marshall in Marbury against Madison:

> It is declared that "no tax or duty shall be laid on articles exported from any State." Suppose a duty on the export of cotton, of tobacco, or of flour, and a suit instituted to recover. Ought judgment to be rendered in such a case? Ought the judges to close their eyes on the Constitution, and see only the law?
>
> The Constitution declares "that no bill of attainder or ex post facto law shall be passed."
>
> If, however, such a bill should be passed, and a person should be prosecuted under it, must the Court condemn to death those victims whom the Constitution endeavors to preserve?
>
> "No person", says the Constitution, "shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court."
>
> Here the language of the Constitution is addressed especially to the courts. It prescribes, directly for them, a rule of evidence not to be departed from. If the legislature should change that rule, and declare one witness, or a confession out of court sufficient for conviction, must the constitutional principle yield to the legislative act?

In such a case, of course, there could be no such division in the Supreme Court. The decision would be unanimous and I believe that such cases decided by a unanimous court ought to be unchanged under all circumstances until the Constitution itself is amended. Otherwise, of course, we would have two contradictory methods of amending the Constitution.

But in the other cases where the majority of Congress conceives one definition of the English terms and the majority of the Court conceives another definition of the English terms to be proper, who should decide the issue, and by what divine right shall we say that the decision of the Supreme Court should be final?

Justice Harlan, in the dissenting opinion in the tax cases, speaks as follows of the power of interpretation of the Supreme Court:

> The people of the United States who ordained the Constitution never supposed that a change could be made in our system of Government by mere judicial interpretation.

As suggested before, it would not be any improvement simply to allow Congress to reenact the law because the people would thereby gain no say in the matter.

A special referendum as suggested for the States in the progressive program of 1912 would be an expensive, cumbersome and time-consuming proposition.

However, because of our biennial elections we are already equipped to take a leaf out of British experience. The question could be made an issue at the following congressional election either by the candidates themselves or a special interrogatory could be attached to the ballots, and in this way the people would be the final court to decide this question.

Abraham Lincoln once said:

> Why should we not have a patient confidence in the ultimate justice of the people? Is there any better, is there any equal hope in the world?

At the following session of Congress, guided by the results of this election, Congress could either reenact the law asserting the supremacy of their interpretation or it would be defeated, establishing the supremacy of the Court's interpretation.

In conclusion, I wish to reaffirm that if we hope to achieve more liberty for our people we must provide more protection for our lawmakers; we must take steps to control the power of minority blocs that are sapping at the very foundations of our government. We cannot have liberty for the majorities as long as we protect license for the minorities. [Applause.]

[Here the gavel fell.]

Mr. HARLAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include certain letters and editorials.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I desire, in this limited time, to make some observations about the foreign policies of the United States and the pending neutrality bill, and to give, as far as I am able, the position of the Republican Party toward the administration neutrality bill and neutrality itself.

The foreign policy of the New Deal administration has been a dismal failure. There have been no achievements from the very beginning. There is no record on international issues under this administration that is even worthy of discussing. The New Deal foreign policy is a flat failure, and, as a record, it is null and void.

When the Democratic President came into power, or prior to taking office on March 4, 1933, he refused to cooperate with President Hoover in the settlement of the war debts. He said, "No; I want a lone hand to settle them myself." The result is that after 3 years of his administration we are receiving no payments whatever on the war debts, except from the little Republic of Finland. No interest payments, even on sums of money loaned after the armistice, have been received. Under the Hoover administration we received $200,000,000 a year in payments from foreign nations.

When President Roosevelt took office he did everything he could to bring about a financial and economic conference in London. He said:

> We will not go into that conference, however, unless the nations of the world who attend are ready to stabilize their currencies.

They went in on that basis and as soon as we had gotten into the conference we turned around——

Mr. McREYNOLDS. Will the gentleman yield?

Mr. FISH. I am sorry, but I want to proceed with my remarks and my time is limited.

Mr. McREYNOLDS. I should think the gentleman would.

Mr. FISH. I am going to say a lot of nice things about the gentleman later on, but I cannot yield in only 15 minutes.

When our delegates went over there, the other nations at least understood that the main purpose of the conference was to stabilize currencies. Then all of sudden the delegates acting under instructions deliberately repudiated the promise and the pledge of the President, and withdrew, because the conference proposed to stabilize currencies.

The President made an about face in 2 months' time; he marched his troops and our delegates up the hill; and, like the King of France, he turned around and marched them back again. We made the grand retreat, just as we did yesterday on these three unconstitutional farm measures. You Democrats said it was not a retreat when I was speaking yesterday. You were right; it was not a retreat, it was a rout.

The result is that the foreign policy started off with repudiation, like the rest of the New Deal policies. We are now in the midst of a government of repudiation and by repudiation from beginning to end.

Just now we are in the midst of the naval conference. Under Republican administration we reached an agreement to reduce naval armament to a 5–5–3 basis, and we did away with naval competition and threats of war between the United States and Japan. That treaty expired under this administration and they sent Mr. Norman Davis, our ambassador at large and friend of the League of Nations, over there to settle it for us. He settled it as he has all other conferences. That conference has failed and we are launched on the greatest naval competition and spending program in the history of America.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. FISH. Mr. Chairman, I cannot yield. I would love to yield to my friend, but I cannot do it in 15 minutes, because I cannot half complete what I want to say on international issues and neutrality.

Mr. McREYNOLDS. Mr. Chairman, will not the gentleman yield for just one question?

Mr. FISH. No; I cannot do it; I am sorry.

The result was that there, again, an important international conference has broken down and we will spend a billion dollars on naval armament in a pace for naval supremacy, that creates enmity and hostility and invites war. There has been no achievement or no record under this administration for international peace except efforts continually made by the administration for the past 2 years to give to the President the power to determine the aggressor nation, which I will discuss in a moment.

Oh, yes; there is one great achievement I forgot to speak about, one glorious international achievement, the recognition of Russia. I almost forgot that. That was based on the fact that we were going to do $1,000,000,000 of trade with Soviet Russia. They held out that juicy bait to the big international bankers and industrialists up in New York. My banker friends up there, of course, looking forward to these big profits, jumped on the band wagon. Then they went down South into Dixie land and saw the Senators of the cotton States and said to them: "If you recognize Soviet Russia we will buy $200,000,000 worth of cotton from the South." We recognized Soviet Russia 2 years ago, and instead of doing $1,000,000,000 worth of business, we have done about $15,000,000 worth annually. Yet under the previous Republican administration, before we recognized Soviet Russia, we did over $100,000,000 of business with Soviet Russia. Instead of buying $200,000,000 worth of cotton, the Soviets bought $3,500,000 worth and borrowed that money from the R. F. C. to put through the deal. This is the great and crowning achievement of this administration in the international field.

I turn my attention now to the pending neutrality measure and shall give, so far as I am able, the viewpoint of the Republican Party. I suppose I have the right at least on this issue of international affairs to represent my party in the House of Representatives and to that extent in the country because for 15 years I have served on the Foreign Affairs Committee and am now the ranking member of this committee. We are just as desirous of peace as the Democrats or any other group in America. I want to compliment the chairman of the Committee on Foreign Affairs, the gentleman from Tennessee [Mr. McREYNOLDS], and all the members of his committee, Republicans and Democrats, who for the past month have given of their time, of their energy, and of their abilities to try to draft a neutrality bill. For the past month there have been almost daily hearings. Finally a bill was reported out because the embargo on arms resolution Congress passed last year expires on the 29th of this month, yet so far no rule has been given or any indication by the Rules Committee that the bill will even be brought up for consideration. The proposed neutrality bill raises a gigantic issue and affects the lives of those young Americans who may have to fight our battles in the future. The bill should be brought out here and discussed freely as it was in the Committee on Foreign Affairs, without partisanship, if that be possible in these days, and I doubt if it is. Nevertheless, it is your right as Members of the House of Representatives to consider and discuss this issue, to have the bill brought out, and to have both sides of it presented. Your chairman will represent the administration. He says it is an administration bill. I will say for the bill that except for section 4, giving the President certain discretionary powers to effect economic sanctions, I would be glad to vote for it. But speaking, I believe, the viewpoint of the Republican Party, if the administration insists on section 4 giving the President additional powers to involve us in war through economic sanctions, we propose, and I shall probably offer it, a motion to recommit to extend the present embargo on arms and munitions of war for 1 year more, and add to that an amendment of the gentleman from Ohio [Mr. KLOEB], a member of our committee, to prohibit the lending of money and credit under certain circumstances to belligerent nations, and one other amendment to exclude South American countries from the application of the embargo on arms and munitions of war if attacked by a non-American nation. That, I think, is the Republican policy and I believe it will have practically the unanimous support of the Republican Members of Congress.

We do not propose to give any additional power whatever to the President of the United States, discretionary or otherwise, to involve us in foreign entanglements. The policy of the Republican Party is that we will spend millions for defense but not one dollar to send American troops to foreign lands to fight other people's battles; and that is what is involved in this bill if we give the President this discretionary power. If the European nations insist on arming to the teeth and going to war, it is their war not ours.

As Al Smith says, let us look at the record. Two years ago this administration came before the Foreign Affairs Committee with its representatives from the State Department and practically demanded that the Congress give the President the power to determine an aggressor nation, a hostile and unneutral act, practically an act of war.

In order to be nonpartisan in this discussion, let me say to the Democrats that this was identically the same position held and advocated by President Hoover and by Mr. Stimson, who was then Secretary of State.

Mr. Stimson came before our committee 4 years ago and asked us to give President Hoover the power to determine the aggressor nation. Unfortunately, the Members of the House of Representatives voted President Roosevelt this power 2 years ago, but the Senate refused, very wisely and properly, to grant any such power to the President to involve us in wars throughout the world.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FISH. Mr. Chairman, if we had given this power to Mr. Stimson at that time, when he was bombarding Japan daily with notes every time the Japanese Army marched into Manchuria or cut off the pigtail of some Chinaman, Mr. Stimson could have applied an embargo on arms against Japan, because he could have said that Japan was the aggressor and was making war on China. We might have sent a shipload of munitions to Shanghai, and then, naturally, a Japanese destroyer would have seized that boat flying the American flag. Our honor would have been impugned, and we would have been at war with Japan in 30 days' time.

Mr. Chairman, I have the right to oppose giving the President this discretionary power to effect economic sanctions and involve us in war, as I opposed granting to both President Roosevelt and President Hoover the power to determine an aggressor nation. I led the same fight against a Republican President and against a Republican Secretary of State. Therefore, I am appealing to the Democrats to do likewise under their administration and give their President no discretionary power and no power to involve us in any foreign entanglements. We on the Republican side are against entering into these ancient blood feuds and foreign boundary disputes. We do not believe in trying to police the world or to pick the chestnuts out of the fire for other nations. Our policy is to keep out of all of these foreign boundary disputes and ancient blood feuds and mind our own business, as we have plenty of problems to solve at home. [Applause.]

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. MAVERICK. Is not the gentleman in favor of bringing the McReynolds bill out on the floor of the House for discussion?

Mr. FISH. Yes; and I so stated.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Chairman, I am very much surprised at the statement made by the gentleman from New York before this Committee. When he seeks to leave the impression on the Members of the House that the neutrality bill gives the President the right to judge an aggressor nation, he should know that is foreign from the facts. I understood that in a radio speech the other night he left the same impression. But there is no such proposition in this bill and the gentleman ought to know it, if he does not already know it. There is no discretion of that kind. Whatever embargo applies to one nation applies to the other nation. I am sorry I have not time to discuss that further, as I have only 5 minutes.

Mr. Chairman, I want to call attention to some other matters stated by the gentleman. He made the statement that when the President sent the delegates to the Monetary and Economic Conference at London, it was only with the understanding they would undertake to get an agreement to stabilize the currency. I call for the proof. I challenge that statement as untrue. I happen to be in a position to know something about the instructions to the delegates from this country, because I was one of them. There was no such thing involved and we were not expected to do so. He says that we have not collected anything from foreign nations since the present President has been in the White House. Of course, we have not. The gentleman's administration stopped collecting.

Mr. Chairman, the last move President Hoover made in reference to foreign debts was in the way of an agreement with foreign nations extending their time of payment—a moratorium—and then sending telegrams all over this country to the Members of Congress, including some of us Democrats, to uphold the administration. Many of us stood by him and ratified that agreement, regardless of politics, and I was one of them. Where could you find such patriotism as that coming from the gentleman from New York at this time by upholding or helping the administration? His are always criticisms.

Then the gentleman from New York speaks about Norman Davis. Who sent Norman Davis to Europe? That is one good thing President Hoover did. He is the first man who sent Norman Davis to Europe, and the gentleman knows that.

Then the gentleman made some reference to our President recognizing Russia. Let me remind the gentleman that the only passport we could get or means of recognition before that time was through your own candidate for President, Mr. BORAH, and the gentlemen on this side of the aisle know that. Senator BORAH would write letters over there that this man or that man was coming to that country when they could not get a passport, and your candidate for President has advocated the recognition of Soviet Russia for years.

Mr. Chairman, I dislike to see a gentleman of the prominence of the gentleman from New York get up before this House and garble things and leave impressions on matters that are not true.

With reference to the neutrality bill, the only discretion left in the bill under section 4 is whether there is necessity for preserving the neutrality of this country or whether or not there is involved protection of the lives and property of our nationals. If the President finds either to be true, then he shall declare an embargo on materials of war over and above the normal trade. There is another section providing that any embargoes are to apply to each and every nation alike. That is in the bill. Is that the impression that you received from the gentleman's statement when he spoke just a while ago? Was not his statement intended to deceive, and did he not say that a bill of this kind would lead us into war? Did he not further leave the impression that it was the President's discretion to judge the aggressor nation? Go to the bill itself. I stand on this floor and say that is not there, and I challenge him to show it. The bill is just as I stated.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, first, just a word in regard to the processing taxes. I listened to the ranking minority member of the Committee on Agriculture, our colleague the gentleman from Kansas [Mr. HOPE], who spoke about the processing taxes, and I listened very earnestly the other day to our colleague the gentleman from Massachusetts [Mr. TREADWAY] when he severely arraigned the Secretary of Agriculture for what he had said about them.

I may say briefly on that subject that the processing taxes were collected in the interest of the farming classes. The processors were the collecting agencies, that is all. They did not pay them. Now, all this money that was impounded by the Court is not their—the processors'—money. It was paid into the hands of the Court and now the order from the Supreme Court that this money is to be returned to the processors, it seems to me, might be very correctly styled, as it was by our Secretary of Agriculture, one of the greatest legalized steals of history. I cannot view it in any other way.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. In just a moment.

Mr. HOLLISTER. I just want to ask the gentleman to whom the Court could have returned it except to the people from whom it had been exacted by an illegal tax?

Mr. PIERCE. The processing taxes were impounded by the Court, but here is the difficulty and here is the danger. The Supreme Court, by recognizing that process, leaves open the matter of other taxes being impounded pending litigation. Suppose such a condition is brought about by income-tax payers and the courts issue similar orders. The difficulty lies, it seems to me, in the precedent they have set.

Mr. HOLLISTER. I think the gentleman and I are in complete agreement that it is unfair to have that money kept in the hands of the processors who paid it, but I do not quite see why the Court should be condemned, and the question I am asking is to whom else could the Court have ordered it paid unless it had allowed the clerks of the courts to keep it forever?

Mr. PIERCE. It will never go back to those to whom it belongs.

Mr. HOLLISTER. I am simply asking the question, What else could the Court have done, irrespective of the question of whether or not the processor should have the right to keep it now, and whether or not we might enact some kind of tax that would cover the situation?

Mr. PIERCE. We could cover it into the Treasury of the United States.

Mr. HOLLISTER. The Court could not order it covered into the Treasury of the United States.

Mr. PIERCE. I cannot see the justice of it. It does seem to me that if there is anything that leads to bolshevism and disregard of all government and law, it is such a judicial decree as this.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. MAY. As a matter of fact, the processers have not paid this tax into court themselves, because they got it when they increased, for instance, the price of bacon to the consumer from 15 cents a pound to about 30 cents a pound; and if they keep it, they are keeping something that belongs to the consumer; and inasmuch as the Government cannot get it, it is an illegal collection on their part.

Mr. PIERCE. Well, it certainly has worked a great injustice and has brought on a great deal of unfavorable comment throughout our country. The laws must be enforced with some degree of justice and honesty, or a complete break-down of government is coming.

Mr. HOLLISTER. If the gentleman will yield further, I am in full agreement with the gentleman as to the unfairness of the processors keeping it. I think every processor who got this money back should pass on a reduction in price to the consumer; but I would also suggest that I think it is unfair to accuse the Court of doing anything wrong, because the Court could do nothing else but order it paid back

to the processors who paid it, whatever their desire might have been to order it paid to someone else. I think the gentleman is correct in his theory of where the money should ultimately go, but I do not think he should condemn the Court for the order it made.

Mr. PIERCE. I certainly feel the Court has issued a very unjust order. It might be, as Secretary Wallace said, legal, but it is certainly not justice.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. PIERCE. Yes.

Mr. MAY. If it had been ordered returned to the Government after it was impounded, it would have aided vastly in helping to balance the Budget that we hear so much talk about.

Mr. PIERCE. Yes, indeed.

Now, Mr. Chairman, if I may be pardoned for not yielding any more, I may say there is a thought or two I want to advance in the time I have left.

The Pacific Northwest is that portion of the United States that lies west of the Continental Divide and north of the southern boundary of Oregon. This beautiful and bountiful country was long the last frontier of the United States, and toward it, beginning in 1843, Americans traveled courageously and hopefully in one of the greatest migratory movements in all history. More than half a century ago I followed the pioneer trail and made my home in this favored region. At that time through lines of railroads from the East and South had not yet given easy access to that great empire.

WHEAT GROWING IN THE PACIFIC NORTHWEST

Wheat was being raised in quantities in sections of the Northwest 50 years ago. It was shipped by railroad to tidewater, loaded on boats, and sent by ocean around Cape Horn to the waiting markets of northwestern Europe. This wheat was then selling at about the present price. Values of farm land were extremely low—from $5 to $30 an acre. Farm machinery was simple and comparatively cheap. Taxes were low. The country was practically without mortgage or debt. People were happy, prosperous, and ambitious, eagerly looking forward. Schools and churches were being started, and people valued them. When I look back at the fine communities which were formed in isolated spots in that great empire, those days seem happy days, and I wonder what the pioneers of that period would think of the conditions we face today. The outlook was ever hopeful.

Wheat is, and ever has been, our leading agricultural export commodity, always finding a ready market across the seas, because we were buying freely from European countries. We owed them money, and through our products they were collecting their interest and principal. The whole country prospered. In no other section of the United States were farmers making money more easily than were the wheat farmers of our region when the price was above 60 cents a bushel. The great European war came. Prices advanced, and the price of wheat was pegged at $2.20 a bushel in Chicago.

THE DECLINE OF PROSPERITY

After the close of the war the great deflation set in. Many of us believe this was planned and carried out by the banking group of the Atlantic border. We then began to feel and measure the forces that were driving us to destruction. The first thing we noticed was a rapid advance in the price of farm machinery and everything else we were compelled to buy. Prices had come up, we were told, on account of higher tariffs for the benefit of the manufacturing groups on the Atlantic border. The firms which had purchased our wheat for shipment to Europe—at this time through the Panama Canal—continued to tell us that Europeans were refusing to buy from us, preferring to take the cargoes from Australia, Canada, and other countries which bought their goods liberally. Farm prices commenced to fall. No one who observed or participated in the tragedies of the fall of 1932 and the spring of 1933 will ever forget the conditions that people then faced in our naturally favored region. Farms, horses, cattle, sheep, machinery—everything was mortgaged to the hilt. Entire counties were without a single solvent bank. Merchants ruined; society disorganized; schools closing; taxes unpaid; people dressed in shabby clothes gathering in little groups to talk it over and speculate about what was coming next—this was the picture. In some places people never before lawless defied the processes of the courts and demanded a right to stay on the lands they had reclaimed from nature. In February 1933 I sold my last thousand bushels of wheat at 25 cents a bushel. Hogs at that time were selling for 1½ cents a pound. Beef cattle were 1 cent a pound. The last of my band of beautiful white-faced cattle sold for $14 a head, far below the cost of 1 year's keep. Those were dark days for farmers.

CONGRESS GIVES US THE TRIPLE A

I came to Washington to find here also people distressed and perplexed. I can recall clearly the hours spent in the House Agricultural Committee as the Agricultural Adjustment Act was hammered into shape, and the sense of pleasure and satisfaction when that great, revolutionary act became the law of the land. It was the first real attempt of this Government of ours to solve the farm problem. The hope was so to control production that the great surpluses of agricultural commodities which were breaking the markets might be reduced and reasonable prices could be insured. It was a controlled production which was suggested by real friends of the producers in the administration. These men knew that a controlled agricultural production was as necessary as a controlled industrial production. The makers of mowers and automobiles did not continue to produce a quantity beyond the market demands. They curtailed their production to consumption with a reasonable emergency margin. As rapidly as possible the Government put the Triple A into operation. It worked wonders.

EFFECTS OF THE TRIPLE A

Under the operation of the new law surplus agricultural products could be shipped out of any section of the United States and sold by the Government at a loss, if necessary, domestically or in foreign markets. The autumn of 1933 found the Northwest with a wheat surplus of 30,000,000 bushels. The three States, Oregon, Washington, and Idaho, normally produce about 80,000,000 bushels of wheat each year, and 30,000,000 bushels of this must find a market outside that section, which has a population sufficient to consume but a little more than one-half of its production. The Secretary of Agriculture, working under authority of the Triple A, shipped 28,000,000 bushels of wheat out of the Northwest, absorbing a loss of a trifle more than $6,000,000 in the transaction. This fund was supplied from the collection of the processing tax. No person can tell just how much this tax raised wheat prices in the seasons of 1933 and 1934, but I think it is safe to say that it doubled the market price. The allotment payment given to the grower of wheat amounted to about 16 cents a bushel on his entire production. Allotments and advanced market prices together brought the price of wheat nearly to the cost of production, which the Department of Agriculture figures at about 86 cents a bushel.

In the 2½ years since this law went into operation a wonderful change has taken place in the attitude of our people and in their financial well-being. Normal trade relations were resumed, and merchants' orders came east in increasing volume. Farmers bought long-needed clothing for the family; they again stocked food supplies and replaced farm machinery, tractors, automobiles, gasoline engines. Taxes were paid, schools were opened, school teachers were able to cash their warrants. Prosperity once more seemed possible in that region which knew such unhappy days of despair in March of 1933. Surely 1934 and 1935 will ever be remembered as more hopeful days because agriculture again became the background and foundation for a general prosperity.

Farmers gained more than money advantages under the Triple A. They learned to work together cooperatively and gained much which will be of permanent value and a working basis for a new plan.

EFFECTS OF SUPREME COURT DECISION

On January 6, 1936, the fatal blow fell, when six men temperamentally unable to understand or measure the awful

reversal from normal life which had prostrated our people; six men wearing dark silken robes, six men marked in every way as men apart from the people, sent forth from their beautiful marble building in our National Capital the edict that our Nation could not, through legislation, protect the welfare of its people. They declared that the Triple A Act, which had been so potent in restoring prosperity and happiness, was in contravention of an instrument known as the Constitution of the United States, a document framed and accepted by the people of our new Nation nearly 150 years ago as the basis of a just government for a free people. They did not say that the act was unjust, cruel, extortionate, in contravention of the rules of civilized society. This detached group did not hold that the Triple A Act was in contravention of the rights of man or the laws of God, but it did say that by its passage the Congress had interfered with the rights of the States. What an arbitrary, unjust, and reactionary decision it seems to those of us who hold that the minority opinion is more logical, more legally sound, more just, and more helpfully constructive in a changing social order.

Since the decision of the Court on the 6th of January, consternation has reigned in the wheat-producing sections of the Northwest. Through removal of the Triple A fund created by the processing taxes, farmers have lost 16 cents a bushel allotment money and they have lost Government control of the surplus which regulated market prices. All incentive for wheat farmers of the Northwest to hold land, pay taxes, and maintain production is gone. This decision is a particularly hard blow to all farmers who are producing surplus agricultural products. I cannot believe that it will be allowed to stand uncontroverted and that our people will let the matter rest without remedial action which will make constitutional this and any other beneficial social legislation.

There is now a world shortage in wheat, and our surplus in America has been reduced to the normal carry-over, so that price may not materially fall for some months. Should I fear it will bring a very low price, something similar to that of 1932 and the spring of 1933. Such a collapse will again bring in its wake bankruptcy, closed banks, inability to pay debts, unpaid taxes, and cessation of purchase of goods. Schools will close, clerks will stand at their counters without customers, and farmers will keep the few dollars in their pockets to buy the bare necessities of life.

Processors have announced that consumers must not expect an early fall in the prices of processed agricultural products. They now state, as they should have stated months ago, that the original cost of the commodities processed is only a small percentage of the amount for which the products are sold. So now the cry goes forth from processors and their satellites that very little reduction, if any, will take place in the prices which consumers must pay for farm products after they are processed. They make a great advertising stir over a very small reduction in order to discredit the processing tax, but they will largely retain the high prices they based on it. Our wheat producers are demanding publication of the names of firms who have not paid the processing taxes, those who have paid them and those who are now claiming refunds from the money impounded while the processors sued the Government. They are unanimously opposed to permitting the processors to regain any processing-tax funds, holding that they have already actually collected them from the consumers, fully reimbursing themselves for their payments to the Government.

THE RETURN OF PROCESSING TAXES

Of all the judicial crimes that have ever taken place, and they are numerous, there is none more shocking than the order of the Supreme Court of the United States returning to the processors approximately $200,000,000 of impounded processing taxes. This means undeserved riches for certain great companies which have already profited so enormously from Government activities and have lobbied so insistently here in Washington against farm-relief legislation. The funds will also be given to other big packers, manufacturers, and processors who have already collected the processing taxes from the people who have purchased the processed commodities. It is true that they paid the money to the Government as the law required, and then through court order impounded it, awaiting results of court action. They then proceeded to collect that tax by raising the selling prices of the processed articles, so the consumer paid. It is said now that they even contemplate bringing suits to have returned to them all processing taxes that they have paid to the Treasury of the United States, as well as those impounded by Court permission which should never have been granted. That act of the lower courts was the initial judicial mistake. I was gratified to hear that at least one industry has refused to profit by refunds.

The decision surely sets a precedent for refusal to pay Federal taxes and applying for injunctive relief on the chance of winning.

I was pleased to read that our Secretary of Agriculture has given this its proper name, "the greatest legalized steal in history." One of my thinking constituents writes me about it:

> It is just such things as this that furnish the real breeding grounds for radical ideas. I have heard more such talk in the last 2 weeks in the valley than in years past. I fear the results, if this tax is returned.

By such judicial decisions as this the Court is bringing closer the day of disaster for our form of government. Laws must be interpreted with some degree of justice if our Government is to survive. I was interested in a sheet in the morning mail which stated that a hospital association demanded the return of the processing taxes its funds had helped to pay. Why not? Why again enrich a great trust at the expense of the people? I sincerely hope the smaller, independent processors may share the loot, if loot there must be. What a disgrace it all is! What a travesty on justice! No one is so simple as to believe the processors themselves paid the tax, yet even the Congress seems helpless before the courts established to do justice but often perverted into instruments and tools of privilege.

A PROCESSING TAX IS JUST AND EQUITABLE

We have heard here in the House many speeches from our colleagues who represent industrial districts, and almost without exception they have told us that they are willing to help us on the farm program provided it does not require any tax like the processing tax. How can they help under such a restriction?

The essence of a farm-control program is payment of money to farmers who comply with the regulations. That money must be obtained from some source; and if taken from the Treasury, some form of taxation must be found to replenish the public funds. There is no more just nor fair way of equalizing the burdens of tariff laws than the processing taxes imposed under the original Agricultural Adjustment Act. In the First Congress of the United States, assembled in New York in 1789, it was Alexander Hamilton who proposed a tariff upon imported goods high enough to protect industrialists who manufactured commodities in this country. This was to enable the manufacturers along the Atlantic border to charge more for their manufactured products than they could have charged had they been subject to European competition. Of course, the people who purchased these commodities bore the extra cost imposed by the tariff. The manufacturer charged the merchant, the merchant added it into the selling price, and the ultimate payer was the farmer or the laborer who used the goods and could not pass the load along.

While the tariff bill was pending before that early Congress the question was asked of Hamilton, "If this law proves so burdensome to the farmers in years to come that they cannot pay, what should then be done?" His reply was, "Give the farmers a bounty." So the Agricultural Adjustment Act was a sort of bounty, often called "the farmer's tariff." The funds to meet the cost were obtained from processing taxes.

The section I represent was greatly benefited by this act. It was not excessively expensive to the industrial centers. A bushel of wheat made into flour, and finally into bread,

brought $4.24 at the time the Triple A Act became a law in June 1933. Out of that $4.24 the farmer who raised the wheat got on an average 39 cents, or less than 10 percent of the price paid by the consumer. The same quantity of wheat, made into bread and sold to the ultimate consumer brings at this time—February 1936—$5.17, an increase of 93 cents over the 1933 price. The farmer gets 47 cents of this increase. For his bushel of wheat he now gets an average of 86 cents at terminal points—about cost of production—practically 15 percent of the selling price. The processing tax raised the price of a loaf of bread by one-half cent. That half cent on a loaf of bread was all that should have been, legitimately, charged against the ultimate consumer. The remaining 46 cents advanced price on the bread made out of a bushel of wheat was taken by the processor, the commission man, the storekeeper. The processing tax on cotton raised the price on a pair of overalls 4 cents, but the retail price of the overalls was doubled. The responsibility for these unjust prices charged the consumer cannot be placed upon the Agricultural Adjustment Act. It was the chiseler, the processor, who caused the trouble and collected the profits. Government, eventually, would have controlled this had the N. R. A. not been thrown out by the Court.

On the average through the years the producer has received only about one-third of the consumer's dollar for agricultural products, two-thirds being taken by the processors, handlers, storekeepers, and transportation carriers.

SOIL-CONSERVATION BOUNTIES NOT NEW

The Congress should, and undoubtedly will, enact at this session legislation providing benefit payments to those producers of basic commodities who assist the Government in the conservation of soil and the control of erosion. A beloved former Governor of Oregon, Dr. Withycombe, often told of the old English system under which his family here in the New World still receive annual payments for soil fertility restored and maintained by his English ancestors who were tenant farmers in Devonshire. This vested right to the products of labor and scientific management and sacrifice through farming practices should be recognized in all civilized countries. It may now well be made the basis of our agricultural legislation.

Meanwhile, congressional agricultural committees will offer stopgap legislation under that provision of our Constitution which we believe allows us to preserve our soil and conserve our resources. As to raising the money necessary to pay benefits under a conservation and soil-erosion program, that will be decidedly more difficult. I will gladly vote in this Congress for measures providing income and inheritance taxes similar to those now collected in England. It is estimated that we would double the amount from these sources if we levied on the English plan. It would increase the receipts for the Federal Treasury so that ample benefit payments could be made.

FEDERAL CONTROL OF REGIONAL SURPLUS ESSENTIAL

Before many audiences on many occasions I have said, "Without controlled production of those agricultural products which have a surplus there is no opportunity to save the farmer from a steady march to peasantry." I have foreseen this for years, and was startled to find it so clearly stated by Profoessor Dodd, of Chicago, some 10 years ago in his famous article in the Century Magazine entitled "Must the American Farmer Sink to Peasantry?" I remember with what consternation we read at farmers' meetings in far-away Oregon this man's reasoning, and we decided "It cannot happen here." It is, however, happening here. Our clear duty is to stay the downward movement.

If this ruling of the Supreme Court of the United States is to determine the settled policy of our Government, and there is no way around it, I can see no ray of hope for those who live on the farms and produce surplus agricultural products. By surplus I mean more than is consumed in the United States. If those surplus agricultural products must be sold in the world's markets at the world price, the world price paid will be based on the wages paid the cheaper farm labor in Asia and Europe and on other controlling factors reacting unfavorably on our country.

The industrialist has reiterated that he cannot compete in the manufacture of textiles with the foreign industrialist who pays one-fourth or one-sixth of the wages paid to American labor; neither can the farmer produce wheat and rice and lard and sell the surplus in the markets of the world at prices fixed by foreign conditions. In any contemplated legislation for farm relief provision must be made for the removal of regional surplus commodities like the wheat of the Pacific Northwest. I fear we cannot safely resort to the suggested baby A. A. A.'s. Forty-eight State legislatures cannot deal with the products of the farm which now move across all State lines. The Supreme Court has said the Government cannot regulate agricultural production indirectly by purchasing the farmer's compliance through a voluntary scheme of regulation. I very much fear that the Court will hold that soil erosion and conservation are also barred by the same line of reasoning. The power we need is Federal power, not State power. Our State boundaries are just imaginary lines crossed a million times a day by cars, trucks, and railroads.

TRANSPORTATION AND DISTRIBUTION COSTS

In the Pacific Northwest we are penalized by a 42-cent freight rate on a bushel of wheat to the river—always the Missouri to cattlemen. Farmers of my county pay 15.6 cents a bushel freight to tidewater. We are part of this Union. We pay taxes to support it. Our people are entitled to protection in the line of agriculture forced upon them by soil and climate. Much of our Northwest country can be used only as a granary, which should not be closed to the hungry by the extortionate rate demands of railways.

Ordinarily we find it impossible to ship our surplus wheat east by rail on account of prohibitive railroad rates. We are asking for Government assistance to improve navigation on the Columbia River so as to give our wheat a better westward outlet. We are fighting repeal of the long-and-short haul clause, as that would penalize interior farmers and destroy benefits of waterways.

One of our other difficulties is the high cost of distribution. Out of the 10 leading food products in the United States in 1934, the farmer received 38.6 cents, the distributors 61.4 cents. In Denmark that same year the farmer received 63.4 cents out of the consumer's dollar while the distributors got 36.6 cents. We must have legislation in the very near future that will follow the product from the hand that produces to the mouth that consumes.

THERE IS NO GENERAL SURPLUS

What chance has the isolated farmer to reach the millions of underfed and underprivileged in order to sell his products to them at reasonable prices? One of our problems is to create purchasing power and to abolish the class now underprivileged. It astonished me to learn that more than two-thirds of all Americans are today living on a subsistence or poverty level. Here are the income figures for 1929: One hundred and forty-four thousand persons got $10,000,000,000 and 47,000,000 persons got $10,000,000,000. Average for 144,000, $69,444. Average for 47,000,000, $213.

How much purchasing power is in the hands of those who receive $213 annually?

FARMERS AND THE RECIPROCAL TARIFF

The Congress should at this session levy additional tariff duties on all agricultural products that compete with home-grown products. American markets must in this crisis be reserved for Americans. The industrialists of the Atlantic border have grown rich through such privilege, and the farmers must have that same protection. My people daily protest importation of wheat, corn, oats, and dairy products now helping to ruin their markets.

I voted for the reciprocal tariff law. At that time we thought we were assured that there was no intention of reducing the duties upon agricultural products. I find that full faith has not been kept. I am well aware of the danger of isolation. I believe in trade between nations, but we have a standard of living in America, both in industry and agriculture, that cannot compete with the cheap labor of the foreign countries. We must protect our own interests. Our

living standards must not be lowered. Where conditions are such that we can sell to a foreign country certain specified commodities and receive in return other commodities which we desire and need, then we may well make the agreement and profit through international trade. If that trade or reciprocal tariff privilege must come by allowing importation of Argentine corn, Canadian wheat, Chinese eggs we must put up the bars.

GUARANTY OF COST OF PRODUCTION

A large group of farmers is demanding "cost of production" fixed by the Government. Many of us have given a great deal of thought to this matter of guaranteeing to the producer the cost of production of agricultural products through a system of Government price fixing. I have feared that such a plan might be found unworkable and impossible of enforcement. I remember, however, when our boys were fighting the World War we had a fixed or pegged price on wheat and it worked very satisfactorily for producer and consumer. If the Government can in time of war fix a minimum price, why can it not be done in the times of peace? The foreign countries have now pegged wheat prices at the following rates per bushel: Czechoslovakia, $1.85; Norway, $1.62; Netherlands, $1.84; Sweden, $1.20; France, $1.58; Germany, $2.20; Italy, $1.76; Switzerland, $3.02 to $4; Bulgaria, $1.09; Argentina, $0.90; Canada, $0.87½.

You may say that such laws cannot be enforced in this country. I believe that such a law could again be enforced to fix prices based on the cost of production of agricultural products grown and consumed in our country, the surplus to be sold by the Government or otherwise disposed of. There should always be a normal carry-over for emergency.

OUR PRESENT REMEDY AND THE NEW FARM PROGRAM

What is the remedy for our ills? Shall we take it lying down, or shall we continue to fight as our fathers fought to right injustices? Are we powerless under a court decision that has wrought havoc in our land? A constitutional amendment seems to me the sensible and logical method of approach.

Jefferson fought the Supreme Court and won. Jackson defied the Supreme Court and won. No one has ever talked more critically about the Supreme Court of the United States—and justly so—than did Abraham Lincoln. His followers won, though it took some years to ingraft onto the Constitution the amendments carrying out the ideas advanced in his campaign of 1860. Our leaders will have courage to point the way, heading the campaign for a constitutional amendment which will make unquestionable the right to organize our economic life so that children, laboring men, farmers, and those who need protective legislation may have the advantages so freely accorded the capitalist.

If we cannot soon have some satisfactory legislation, then farmers are doomed to a dark and dismal future. I do not believe we will accept that conclusion without a struggle. The farm program must include conservation of the soil; controlled production; surplus removal; a price covering cost of production with a reasonable margin of profit; reasonable interest rates that can be paid; and regulation of transportation rates for the benefit of the producers as well as the industrial consumers, with free competition between rail, water, and motor carriers.

This Congress should also pass legislation enabling a farmer to borrow money on his real estate at 75 percent of the appraised value, and at a rate of interest not to exceed 2 percent. This means that the Government must lend directly to farmers without the intervention of semiprivate profit-making organizations. Surely the Government can deal directly with farm cooperative borrowers. Let us have some of the privileges given railway and steamship companies and industry. In planning for agricultural welfare it must not be overlooked that remonitization of silver and recognition of it as a money metal the same as gold would raise world commodity prices for agricultural products. I believe this to be an important part of the program for the solution of farmers' problems.

Some such program must be adopted. It will benefit the capitalist, the industrialist, the workingmen of our cities, and the farmers. It cannot be possible that legislative halls must forever be dominated by a greedy group of interest-gathering bankers whose demands brought on the great catastrophe and will utterly wreck us if not checked. That group is now preventing action on the Frazier-Lemke refinancing bill.

CONSTITUTIONAL AMENDMENT PROPOSED

The difficulties from which we suffer in agriculture were unknown and undreamed of a century and a half ago, when the Constitution was framed. Our wealth today is largely liquid—bonds, mortgages, stocks, and money. At the time the Constitution was adopted this wealth was largely in the form of land and livestock. Property was then easily seen and counted and values more readily estimated. A century and a half of national life has developed a dominant, ruling, tariff-protected industry, living side by side with a wholly unprotected agriculture. While those engaged in agriculture are only about one-fourth of our population, it is probably true that nearly one-half of our people is directly affected by the fate of the farmer while the other half is indirectly affected. This agricultural world must buy everything in a highly protected market, where production is curtailed to suit the demand and prices are maintained by regulation far beyond the reach of antitrust laws or any governmental agencies. It sells in an unprotected market.

Some of my colleagues believe that the Constitution gives the Court no specific right to declare our acts unconstitutional and that all we need to do is to define the duties of the Court. My idea is that the Court has so long exercised the right of declaring laws unconstitutional the practice has become a part of the unwritten law of the land. I recognize the serious difficulty of getting 36 States to adopt an amendment, because special interests are so strongly intrenched in some places they might secure adverse votes in 13 States. The six black-robed justices ignored that principle of law which says that, if there is a reasonable or close question in regard to the constitutionality of a legislative act, then the Court will decide in favor of its constitutionality. One-third of the bench agreed on the decision returned by Justice Stone, which seemed to most of us so logical and fine.

I believe we must amend the Constitution. I propose the following constitutional amendment, and suggest the State-convention method for passing on it because of necessity for expediting action by representatives close to the people chosen for this particular purpose:

> Congress shall have power to promote the economic welfare of the United States by such laws as in its judgment are appropriate, and to delegate such power in whole or in part to the States. Existing State powers are not affected by this article, except as Congress may occupy a particular field.

The wording of this amendment I found in a recent discussion by Lloyd K. Garrison. It is so perfect that I am pleased to adopt it and ask this Congress to submit it to the various States for adoption as the twenty-second amendment.

In the almost century and a half during which edicts of the Supreme Court have been the supreme law of the land there have been two epoch-making decisions by that Court of final arbitration. First was the Dred Scott decision, declaring that the colored man had no rights that the white man was bound to respect. The decision was reversed by the American people. That decision, perhaps, did more than any other one thing to force the settlement of the slavery problem by cruel war.

Comparable to the Dred Scott decision is this second epoch-making decision of that same Court, in the declaration that Congress has no power to control agricultural production through voluntary allotment plans—meaning, in fact, that the farmer has no rights the Nation can protect. Ultimately it will mean that no struggling class may be freed from intolerable conditions.

Over the west entrance to the Supreme Court's marble hall are the words "Equal justice under law." I would like to suggest that those words be changed to read "Equal justice under law as interpreted by men." Great men have said for years that this is a government of law and not of men. Can that be true, or is it not a government of law as construed by men—yes, men with the same prejudices and

faulty judgments which made them just average men before they were made judges? In the Triple A decision six judges gave one interpretation and three judges gave another. Which is correct? Are we going to say the majority decision is correct because more judges decided that way? Has it not been true through all the centuries since our ancestors came out of the caves that the minority has usually been the first group to be right on social matters and the majority usually wrong? Just because there happen to be six reactionary judges at this time and only three liberal judges on the Supreme Bench, does that mean the majority decision is supremely right for all time? The Court reflects the attitude of the administration responsible for appointment of its judges. Truly, the sins of the fathers are visited on the children unto the third and fourth generations.

How imperatively essential that a liberal-minded President should be in the White House during the next 4 years to replace the men who must by the immutable law of Nature give way to others!

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman and fellow Members of the House, we are now considering the Treasury and Post Office appropriation bill. I want to pay my respects to the gentleman from Indiana [Mr. LUDLOW] and the gentleman from New York [Mr. TABER], subchairmen on the Appropriations Committee, for taking 67 main items of this bill and recommending great reductions from the sums asked by the Departments.

That is something you do not often find on an appropriation bill, because it takes a good deal of backbone to do that thing.

I want to say that even though the bill carries $29,000,000 plus more than the same appropriations a year ago, that is because of the fact that Members of Congress have enacted laws that required more money to do certain things. That was caused by acts of Congress and not the fault of the subcommittee, so I congratulate the subcommittee on what it has done. [Applause.]

Mr. LUDLOW. Will the gentleman yield?

Mr. RICH. I yield.

Mr. LUDLOW. That is not the whole statement; we have reduced 50 percent of the items.

Mr. RICH. I appreciate that, and I want to say to Members of the House that if they will take the report they can figure that out.

I notice that the paper says that President Roosevelt has cut $1,000,000,000 from the emergency fund, and I want to congratulate the President for doing it. You Members of Congress last year put this money in his hands, more than he actually needed and more than he ought to have had, so I congratulate the President for what he has done, but I want to know whether that is only newspaper talk or whether he just takes it out of the fund and puts it where some political use can be made of it. Is his action definite, and how did he do it. I hope he will explain fully.

I hope the President will come out and recommend to the Congress that we should repeal a lot of the laws passed last year giving him the power which he now enjoys. If he does that, I think there would be some sense to it, because we should never have granted him that power. It should have remained in Congress.

I want to call the attention of Members of Congress to an editorial which appeared in the Herald on January 23, after Mr. Farley had taken the "jack" out of Jackson [laughter], when the Members attended the Jackson day dinner. It was headed "Old Hickory Versus Old Potato", and then it talks about the public finances. I would like to read the editorial but I will not take the time now. You should do so. It compares President Jackson and President Roosevelt on public finances and Treasury raids. Their ideas are not at all alike, or at least what they are doing is entirely different. President Jackson did what he promised to do, but President Roosevelt—well, read the editorial, Washington Herald, January 23.

Now I quote from the Democratic platform:

> The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.
>
> We favor maintenance of the national credit by a Federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

I call attention to that plank in the Democratic platform—and by the way I may say that the Republican platform had a plank very similar—and refer you to the statement of the Treasury Department issued by the Secretary of the Treasury, Mr. Morgenthau, which every Member of Congress gets on his desk almost every day. Therefore, I am making this statement from the facts as published in the report. The expenditures of the Federal Government for this year from last June 30 to the present time have been $2,129,974,388.08. I am reading from the statement of January 31. The total expenditures in that period were $4,254,393,517.64, or an excess of expenditures over receipts of $2,124,419,129.56. It will be recalled that when the President delivered his address on the state of the Union on the night of January 3, he made the statement that we were approaching a balanced budget. When the President made that statement he knew better. Or, if he had looked at the Treasury report, he never would have made the statement. I call attention to the fact that the annual expendiures a year ago up to the 31st of January were $1,422,700,632.47.

The expenditures up to the 3d of January this year were $1,815,560,365.05, or we have expended during this year to January 31 almost $400,000,000 more than we did a year ago, which shows that the Budget is getting further and further away from a balance rather than approaching a balance. When we further digest this statement, we find that we are over $30,510,452,985.58 in the red. We voted—I say "we", and I mean you on this side of the House voted—to give the President power to deflate the gold in the dollar, and when he did that he charged off this statement I hold in my hand $2,000,000,000. That money was spent and is not accounted for in this statement, so the statement does not tell the actual truth of the financial conditions of this country in respect to the $2,000,000,000.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. RICH. In a moment.

Mr. FIESINGER. Just to say that in the general statement coming out every day they do make the showing.

Mr. RICH. Here is the statement; and if the gentleman can show it to me, I will beg his pardon.

Mr. FIESINGER. I am talking about the daily statement.

Mr. RICH. This statement I hold in my hand is the daily statement. And I have heard other Members of Congress contend as you do, and they have not been able to show it. I am talking about expenditures, and the gentleman cannot show to me on that statement where we account for the $2,000,000,000.

Mr. FIESINGER. Here is the exchange stabilization fund, $1,800,000,000. Will the gentleman yield further so as to let me put this into his speech? The statement shows under "Liabilities", exchange stabilization fund, $1,800,000,000.

Mr. RICH. But when the President devaluated the gold dollar he charged off $2,000,000,000. That should show in your assets and liabilities. This is only trying to make the gold conform to the idea of the President when he was given the power to devaluate up to 59 percent of gold, and does not mean a thing in regard to expenditures, nor does it in your assets or liabilities.

I have been very much interested in the statement that "America speaks on Budget and debt." This is the result of a poll taken by the papers of this country, showing

the answer to the question "Do you think it necessary at this time to balance the Budget and start reducing the national debt?" The answer is "yes", 70 percent, and "no", 30 percent.

During my service in Congress, for the past 5 years, I have been striving to keep down our national expenditures. Where are we going to get the money? There has not been a Member of this Congress on the Republican side that would venture an opinion as to where we are going to get the money, and there has not been anybody on the Democratic side who knew how to answer the question. It seems to me that the Members of Congress are willing at all times to vote for anything that will spend money because it helps to satisfy a minority group back in their own district. We need today in Congress men who have some ability in operating a big business; the Government of the United States is the largest business operation in the world today.

It would seem sometimes that the Members of Congress have wishbones where their backbones ought to be, which is no doubt due to selfish considerations on the part of Members of Congress rather than a desire to do the thing that is best for their country.

Now America is speaking to you on balancing the Budget on a vote of 70 percent for to 30 percent against; and if you Members of Congress do not stiffen your backbones now, God save the country, because it will be wrecked as sure as the world. Tax mass production and put men back to work or you are going to be compelled to vote for some form of taxes. The majority of you voted to spend the money and your constituents no doubt will tell you when you return home what they think of your actions in voting for the expenditure of huge sums of money by the Federal Government and building up this great national debt.

This, I am sure, cannot be laid at my door, because I have voted for economy ever since I have been here. I knew then and know now that this orgy of spending never would give permanent and lasting employment to people who want jobs. The statement of Harry Hopkins last week that we have as many people on relief today as a year ago, ought to make cold shivers run up and down your spines.

Let us just look at this statement of taxes rise at faster rate than national income. That is for the growing cost of Federal Government, the State governments, and the local communities.

In 1929 our national income was $78,900,000,000; our taxes were 12.4 percent of our income, or $9,800,000,000. In 1932 our national income was $45,800,000,000; our taxes were 17.8 percent of our income, or $8,100,000,000. In 1933 our national income was $43,600,000,000; our taxes were 18.6 percent of our income, or $8,100,000,000. In 1934 our national income, $49,900,000,000; our taxes were 19 percent of our income, or $9,500,000,000. In 1935 our national income was $53,700,000,000; our taxes were 19.1 percent of our income, or $10,250,000,000. Our taxes increase faster than our income.

So you can see that we are not doing as the President of the United States said in his address on January 3 of this year—that we are approaching a balanced Budget. We are going faster and faster away from that goal. In the name of America, will you stop, look, and listen? Where are you going to get the money?

Mr. LUDLOW. Mr. Chairman, I now yield 3 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Chairman, I want to call attention to a situation that has arisen, due to various public-works programs and to Rural Settlement projects. Due to these activities, families have been shifted from one locality to another. This has, in many instances, upset the equilibrium in rural school districts, increasing the number of pupils without increasing the funds of such districts. These families, so moved, are not able to pay taxes in the districts, and therefore they become an additional burden on the already overburdened community. In many instances these rural schools are not able to take care of their own load, without assessing these additional burdens.

I have a letter received a few days ago from a prominent educator of my State, setting forth the whole situation. I wish to insert the letter in the RECORD at this time. I wish I had time to read it so as to emphasize the importance of it, but being limited in time, I ask leave to insert it in the RECORD at this time, and I hope you will all read it.

Mr. HOUSTON. Will the gentleman yield?

Mr. LUCKEY. I yield.

Mr. HOUSTON. In Governor Landon's speech the other night he arraigned this administration for being bitterly partisan. The gentleman comes from Nebraska?

Mr. LUCKEY. Yes.

Mr. HOUSTON. Can the gentleman tell the House who the regional director of the Resettlement Administration is out there at this time? Is it not Cal Ward?

Mr. LUCKEY. Yes.

Mr. HOUSTON. And is he not a Republican?

Mr. LUCKEY. Yes; I understand he is.

Mr. HOUSTON. Would the gentleman call that bitterly partisan?

Mr. LUCKEY. It would seem so.

Mr. HOUSTON. So Governor Landon must have been mistaken?

Mr. LUCKEY. Undoubtedly so.

Mr. Chairman, I ask permission to insert this letter in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The letter referred to is as follows:

STATE OF NEBRASKA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Lincoln, January 20, 1936.

Hon. HENRY C. LUCKEY,
Congressman, First District,
House of Representatives, Washington, D. C.

DEAR SIR: We have written you a number of times during the past year or two relative to the situation which exists in certain rural districts in the State, where the building of Federal farmstead projects has imposed an unusual burden upon school districts.

Under our Nebraska law there can be no question but that the responsibility for educating children residing in the district rests with the local district regardless of how these children happen to reside in the district. It may well be said that inasmuch as these people are Nebraska residents it is purely a Nebraska problem. If there is any lack of logic in the argument, however, it rests on the fact that the Federal Government might also have said that the question of providing farmsteads for these families is also a Nebraska problem rather than a Federal problem.

We feel that we are justified in inquiring as to just why in the matter of feeding, clothing, housing, and the furnishing of farm equipment, etc., it happens to be a Federal problem and the only problem that the Federal Government cannot touch is the one which involves school privileges for the children of these families. It seems perfectly ridiculous to us for the Federal Government to say that it is not concerned with the school problem when it can deal with all of these other questions.

We believe we are safe in saying that no less than 20 men have called at this office during the past year stating they were authorized to investigate and actually do something relative to the school situation in these districts where the farmsteads are located. With one exception we have never had a second call from these men, nor have we ever received a definite report indicating that they ever made a definite recommendation.

It impresses us as being rather strange that the program was set up in the first place without taking into account the school needs of the children of these families. While it could be successfully argued that it was overlooked, due to the emergency nature of the problem with which the Federal Government was dealing that argument fails to hold, since during the lapse of time the question was repeatedly brought to the attention of those charged with the rehabilitation program.

How can the Federal Government say it is justified in building a community hall equipped with such conveniences as few community halls in Nebraska have and at the same time it cannot spend money to build schoolhouses? Here in Nebraska practically every rural school district uses its schoolhouse as its only community hall, and the vast majority of these schoolhouses are not equipped with the conveniences that have been placed in the community halls provided for the people residing on these farmsteads. Is there any logical reason why the Federal Government should furnish these elaborate community centers for families on relief without at the same time providing them for taxpayers who after struggling over a period of 50 years still have to depend upon the old schoolhouse as a place to hold their community gatherings?

It seems to us that it is about time that the chosen representatives of Nebraska brought this matter to the attention of those who are responsible in such a fashion that they will wake up out of their lethargy, brush the cobwebs from in front of their eyes,

come down to earth, and deal with these matters in a sane and sensible way.

Only a few days ago the papers told of the visit of a Dr. Taylor, who went into raptures over the possibilities of the set-up at Venice, Douglas County, where it is proposed to complete a farmstead project that will probably demand school facilities for two or three hundred additional children. Will anyone maintain that it is fair to place the burden of educating these children upon the 20 or 30 substantial farmers of this district?

The tax contribution which these farmsteads make to a district will not equal, at least will not exceed, the contribution made by a well-improved quarter section of land, so the argument that these units will pay their own way seems to be a rather shallow one.

The real friends of the President and his program could render him no greater service than to see to it, either through legislative enactment or through some other medium, that the people entrusted with these large sums of money consult with and heed a few recommendations made by the officials who have been chosen by a majority of the people of a great Commonwealth like Nebraska. The recommendations of such an elective officer should carry some weight. And if there are those who have been entrusted with responsibilities so great that they can no longer get their hats on their heads some way should be found to bring them down to earth.

Summing this all up:

1. Why didn't the Federal Government take into account the school problem before it launched out into these projects?

2. Granting that there was an emergency, isn't it true that enough time has now elapsed so that in planning more of these farmsteads the school problem may be given consideration?

3. There are certain programs which the Federal Government refused to launch until the State of Nebraska had enacted legislation to meet Federal requirements. What logic is involved in overlooking similar action insofar as the needs of the school children on these farmsteads are concerned?

4. Which do you consider most important, a community hall costing $5,000 or $6,000 or a schoolhouse that could have been built for $2,000?

5. What in the name of common sense prevented the combining of a schoolhouse and a community center, just as is done in all self-supported Nebraska school districts?

6. We believe the real friends of the administration can best serve the administration by, if necessary, enacting legislation which will help some of these madcap visionaries to get their feet on the ground. What possible logic is there in sending Federal representative after Federal representative chasing around over the country consulting the chosen spokesmen of a Commonwealth in educational matters if these representatives continually neglect or refuse to pay any attention to the recommendations of these chosen spokesmen?

Very truly yours,

CHARLES W. TAYLOR,
State Superintendent of Public Instruction.

Mr. LUCKEY. This is not idle conjecture on my part. It comes from actual experience in trying to secure help for some of these people. Dr. Alderman is very anxious to help, but he cannot. It is a question of policy, and the policy is against help for these people. The W. P. A. may build a schoolhouse, which may be unneeded when the work is done; they may provide teachers in some cases, but they cannot rent temporary structures or secure books. On a great many of these projects the need is only temporary, but temporary assistance cannot be given.

We appropriate the money for the spenders to spend, but we can not even suggest any policy which might be good even though it comes from a Member of Congress, and not from a highly specialized social worker or spending expert. All that I ask is that you join with me in the one course left open to us: A unanimous demand for the various officials to provide the educational facilities we need. It was a Federal responsibility to bring about these shifts in population, and it is our problem to see that they secure the birthright of our land—a free and adequate education.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Georgia [Mr. CASTELLOW] such time as he may desire.

Mr. CASTELLOW. Mr. Chairman, there has been much discussion during general debate this session of a purely political nature. I am taking little part in these discussions, as I do not claim to be or hope to become distinguished as a politician. In fact, I do not and have never liked politics, though I fully realize that it is becoming more and more interwoven with our every activity and legislative uncertainty supplements the normal uncertainties of every business venture.

As I see it, the welfare of the masses is far more important than the political preferment of any man or the promotion of the selfish ambitions of any class. To me it seems most unfortunate that our great country, so rich in natural resources and replete with inspiring traditions, might be blighted and have its future endangered by the organization of groups, political or otherwise, striving only for individual advantage.

That spirit is sometimes manifested on the floor of this House in acrimonious debate. Unquestionably, this country was confronted with grave difficulties when the electorate, by an overwhelming vote, delivered the helm of state into the hands of the Democratic Party. In common with every loyal Democrat, and I believe every truly loyal citizen, I hope that results will demonstrate beyond question the wisdom of that choice. If, however, we would make good this hope, it behooves us to avoid that most dangerous of all pitfalls, the error of relying too greatly upon numerical strength. Why in the past have great majorities faded so quickly into pitiful minorities? For the same reason that great armies have suffered ignoble defeat at the hands of an adversary discounted by reason of its numerical weakness. For the same reason that Goliath fell an easy victim at the hands of an unpretentious youth—the possession of superior physical strength rendered unnecessary, as he believed, caution or thought. So let us beware, I warn you my fellow Democrats, lest we rely too greatly upon the strength of our numbers to put over, whether right or wrong, policies and legislation which may prove detrimental to the ultimate welfare of our Nation as a whole and which may rise as a ghost in the future to haunt us and those who follow. The effect of legislation upon posterity is of even greater importance than its present effect. Those stalwart patriots who laid in a wilderness the foundation upon which was to be built the greatest civilization of all time, those far-sighted statesmen who constructed for its guidance the greatest governmental document yet known to man, evidently realized that there was land beyond their horizon and unnumbered citizens yet to be born. I apprehend that it was for posterity they felt the greatest concern.

We worry, work, and plan over the various crops of the soil, but just here I should like to impress upon this Congress that in reality there is one crop which stands out in importance preeminently above all others, and that is the crop of citizens we are growing for the future. Historians, if they are wise, will not judge our success by the contents of our barns, by the height of our buildings, nor the precious metal in our vaults. By the moral and intellectual worth of its citizenship only can a nation's greatness be measured. Whoever contributes thereto becomes mankind's greatest benefactor. If we would that our labors avail the most then let us apply ourselves assiduously to a proper instruction and direction of the youths of America.

At a time when the world is full of false propaganda, when error parades in the guise of truth, and deception flows with the freedom of the winds, even wisdom itself is subjected to a crucial test. It has been suggested that a spirit of agnosticism pervades many of our higher institutions of learning, that socialistic and communistic seed are sown in the receptive minds of the young. Against these insidious doctrines let every true citizen be warned. Never did a ship need a rudder as human beings need a God, and communistic doctrines breathe defiance to the wisdom of the ages, and set at naught the teachings of our fathers. With a proper and due regard for the State, let us cherish and preserve to the utmost our individual and inalienable rights as citizens. There are certain limits which no wise government will undertake to transcend. Tyranny within a government may become as humiliating and despicable as tyranny from without. It behooves us to be ever watchful lest the weakness of our natures tempt us to yield to the seductive influence of the "loaves and fishes." Remember the Israelites in the wilderness who were almost persuaded, upon the appearance of hardships and the thoughts of the fleshpots of Egypt, to return to bondage. That was not the spirit of those bold men of colonial days, who, though facing starvation while leaving their footprints in blood upon the frozen ground, yielded never an inch from their determination to be free. Shall we exchange for a mess of pottage the birthright which through such travail those

bold patriots have left us? Let us all be warned, in the light of history, against becoming too dependent for guidance or otherwise upon the Government. Relying too greatly upon any source other than one's self produces weakness.

I heartily approve of a favorite saying of the Norsemen:

I trust my sword, I trust my steed, but I trust myself in time of need.

It is impossible for anyone to learn this lesson too soon. Remember that by exercise is strength obtained. This is true of the body, and likewise true of the mind and will. To avoid responsibility is to invite weakness, which can easily develop into social and political slavery. If the recorded pages of history are not deceptive, strong but ambitious men have in the past secured a throttle grip upon millions of their fellow beings by inviting and encouraging their dependence. It may be accomplished much in the same way as man, mentally stronger than his brother animals, has domesticated and rendered them submissive to his will. Have you ever analyzed the process of domesticating an animal? If not, let us take a cursory glance at the subject—by way of illustrating may we select the pig? In his wild state he depends entirely upon his own resources. He knows where the blackberries grow in their season. He knows where the persimmons are to be found in the fall. He learns where the early settler plants his patch of corn and even takes cognizance of his habits, depredating on his corn patch only during such hours as the farmer sleeps, then hies himself back to the cover of the forest. When all these sources of supply are exhausted he knows where the worms and mussels are to be found. To be sure, he is constantly exposed to the weather and usually short of rations, but this is the price of freedom. He has not been domesticated, and not being subject to the will of man, is reasonably safe in his jungle retreat from roasting oven and frying pan. For this very reason man may consider it desirable to domesticate him. By what process can this be most easily accomplished? The farmer becomes acquainted with his range, places a goodly supply of corn where the hog easily finds it. When this is consumed more is replaced. The pig, not suspecting the motive, is delighted and soon forms the habit of visiting this spot. Finally one day he finds a few rails, not many, around the corn. While at first a little suspicious, his fears, by the enticing appearance of the corn, are soon dispelled, and he climbs over the rails and out again; no harm done. The next day the rails are too many and high for him to climb over, but, strange to relate, a convenient opening is accessible, and through this he goes, unmindful of the trap door which descends and incarcerates him as soon as he has entered. At the early appearance of the farmer the pig is greatly alarmed, and almost commits suicide in his efforts to escape, but the farmer only replenishes the supply of corn and departs.

These visits being repeated day by day the pig soon concludes that instead of being his enemy the farmer is really his friend. So when he is removed to the barn he quickly forgets his old range and instead of being frightened by the farmer's visits he grunts with delight at his approach. Food, nice soaked corn, is placed in abundance in his trough and plenty of water always accessible. If a pig could visualize a paradise, this pig fancies he has found it—and the farmer, what a friend indeed! What a contrast between these luxuries and the hardships of the woods. What a fortunate pig he fancies himself until a certain frosty morning which stimulates in the farmer an appetite for backbone, spare ribs, and bacon. The pig does not understand the significance of the boiling kettle, the sharpened knife, and the approach of his erstwhile friend with an ax. Pay day has come, as pay days will, and the deep forests which he once knew will protect him in his freedom no more; such is the story of the pig, a simple story and not of Aesop's making, but possibly illustrative of a great principle.

Differentiate if you can between an aggregation of human beings absolutely dependent for direction and subservient to the wishes of a man or set of men driven to the field, the workshop, or slaughter at the will of their masters, and a herd of dumb driven cattle, ready alike for the pasture or the butcher. What difference, I ask, is there between domesticated animals and domestically regimented men? It occurs to me that completely domesticated men are more pitiful but deserving of less pity than their unthinking brothers. Observe the plight of some of the great nations of Europe today as thoroughly regimented as any bunch of pigs that ever graced a sty. Why repeat the folly of others by thinking that we can travel the road that has proved fatal to them and yet avoid its hazards. The true test of wisdom is the ability to profit by the experience of others which few, indeed, have ever seemed able to stand. Would that we might now ascend those distant heights over which the slow train of humanity is destined to move and with farseeing wisdom look into the future as far as eye can see, take a vision of the world and what the world will be.

Some years ago upon my return from abroad I remarked that I had visited the real national cemetery—not such as we so designate here, but that really great national cemetery, the cemetery in which nations are buried, and that I had read upon their tombs the history of the diseases from which they died—that their experiences were wonderfully similar—a struggle through many years of adversity and poverty, followed by wealth and power, during which the citizenship grew soft, unwilling to endure hardships, and given to pleasure and dissipation, which inevitably resulted in weakness and decay. Under such conditions ambitious and unscrupulous men appeared and, by regimenting the masses, centralized government and secured for themselves despotic power. Those master minds who formulated our Constitution, foreseeing the danger of concentrated power through centralized government, undertook to protect us by preserving certain rights to the States; being jealous of our liberty, let us zealously preserve these, our richest heritage, and vouchsafe to posterity the blessings and privileges of a great and free Government.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, we have heard a great deal recently about the return and refund of processing taxes. I wish to present an absolute, concrete case of where those refunds have not been returned. A large concern in my district was assessed as a tax $5,879.70 as floor and processing tax. This claim was made and the tax admitted on December 14, 1933. On December 19, 1933, that claim was forwarded to Washington. There were various communications back and forth between the concern and the Internal Revenue Department, and finally in December 1935, all rights were waived, the claim was adjudicated and ready for payment. That payment was held up. Why, no one seems to know, but it is asserted that under section 21 (d), 1 and 2, there can be no payments made. I was informed this morning by one of the deputy internal revenue collectors that there were 30,000 unadjusted claims scattered throughout the country which are not being paid.

Now, the inquiry is, if this money is available, wherever it may be, and the Government admits that these claims, such as the one I am speaking of, which is a duplicate claim, and is owed by the Government, why they should not be paid? By the way, I should mention that on the solicitation of the Department the company paid this tax twice, and it simply is asking for a refund of that additional tax money. It is in the Treasury. It is admitted by the Department that it is owing to that concern. Now, will somebody be good enough to tell us why it should not be paid and that $5,000 put into circulation in the business of that concern to which I referred? I cannot understand why 30,000 of these adjudicated claims should be left unpaid, even though the Treasury Department is going under the cloak of 21 (d), 1 and 2. These are, as the House knows, the regulations or amendments inserted in the agricultural adjustment amendment bill passed last Congress; but the claim to which I am referring had nothing in the wide world to do with that. Why should the Department say, "We will not pay back this money because we do not know what the decision is going to be; whether 21 (d) is in operation or not"?

Mr. KNUTSON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. KNUTSON. Has the gentleman from Massachusetts positive information that there is as much as $5,000 in the Federal Treasury?

Mr. TREADWAY. It depends on how you rate the money, whether it is gold-standard money or not. [Laughter.]

I am simply referring to this matter, not in a partisan sense, but to show how absolutely useless the Department management is when a claim will run for 3 years' time, all arrangements made for the claim to be paid. The Department then goes so far as to say that if the check was made out to the order of the company it could not get the money now. I think that is the most ridiculous exhibition of satisfying the people I have ever heard of. Do you think 30,000 claimants are going to sit idly by saying that because a Department is inefficient or finds no way, as they say, to get around this section 21 (d) that they should wait the pleasure of the Department making that settlement? Will not everybody find fault with the way in which they are dealt with by the Government when such a plan as that is followed in a plain case that is before them for adjustment?

Further than that, it goes to show that the crowding in of thousands of political appointees in the different departments makes for inefficiency.

This claim was acknowledged in Boston by the acting collector of internal revenue, who, in April 1935, wrote to these people that they could expect a check "in the very near future", using these words in the correspondence—"in the very near future." That was nearly a year ago. That is an indefinite phrase, of course; yet it goes to show what absolute lack of harmony or lack of coordination there is between suboffices and the central office in Washington. I cannot conceive of business being transacted in any such way.

Further than that, I was informed that it would be necessary in order now to get any money out of the Treasury in connection with these taxes illegally assessed that Congress must act. This brings us to another very interesting question. I was informed that the organization was kept intact to make these payments when authorized. The organization, of course, consists of political appointees who are very glad to continue drawing their salary and holding down chairs in some internal-revenue office rented at Government expense; but keeping the organization intact does not get these people their money back. We are informed that Congress must act. I have not heard of any instructions to act coming up to the Appropriations Committee, the Ways and Means Committee, or any other committee which might handle these matters, but somebody is in consultation about it somewhere. Who are they and what are they consulting about? When is any action going to be taken along the line of which I speak? It is a matter that ought to be given attention.

Mr. Chairman, I should like to present another matter affecting one of my constituents. I refer to a matter which has created a great deal of excitement throughout the country and which has brought on the ill feeling of a great many people, namely, the publication or the affording of the opportunity for people to see the names of persons receiving salaries from corporations in excess of $15,000.

Mr. Chairman, I shall read a statement handed me by a very distinguished constituent of mine on this proposition; I am going to permit his words to be mine. I, myself, have never approved of publicity of income-tax returns nor of this law that is now in effect under which people are permitted to inspect in the Ways and Means Committee room over in the House Office Building, salaries paid in excess of $15,000. I can see no reason why a group of inquisitive people should be constantly in that office over there copying these lists. It does not do them any good; it does not do the people of the country any good. Salaries are matters of agreement between companies and their employees—not of public concern. I want, therefore, to read the statement sent me by the gentleman to whom I referred:

> I am one of the persons whose salary was made public by the Treasury Department.
>
> My records show that 35 percent of it was paid out in taxes.
>
> That 43 percent went into our community fund and other worthy welfare purposes, all outside of myself and family.
>
> The remaining 22 percent was just about enough to unextravagantly support myself and family.
>
> In fact, I broke about even for the year. For this I am thankful.
>
> But what has been the effect of this publicity of my income?
>
> I know full well that not a few people who know me and no doubt had always held me in respectful regard, after reading in the press the amount of my salary honestly believe I selfishly appropriated the whole sum mentioned.
>
> Thus I am put in a false and almost libelous light by a Government that I am asked to honor and support.
>
> If the present administration feels it a duty to publish my salary, it should at least be fair enough to at the same time let the public and my friends know what I did with it.
>
> I did not keep it. It was all put in immediate and useful circulation.
>
> Thus I have been put in the "entrenched greed" class that President Roosevelt talks about.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, in view of the jubilation on the left side of the aisle over the downfall of the A. A. A., which was renewed yesterday upon the passage of the bill to repeal the Cotton, Tobacco, and Potato Acts, it might be of some interest to incorporate in the RECORD a little first-hand information as to the reaction of the farmers themselves to what is going on in Washington at this time with reference to the farmers' program.

I hold in my hand a clipping from the Topeka State Capital, published at Topeka, Kans., by the Honorable ARTHUR CAPPER, long-time Republican United States Senator from the State of Kansas, a news item, and, therefore, one which may be considered as coming from a nonpartisan source.

Mr. ZIONCHECK. He is still supposed to be Senator from there, is he not?

Mr. HOUSTON. He has that title.

Mr. MARTIN of Colorado. The headlines read:

> Farmers face storm to express position. Take definite stand on farm situation. Endorse A. A. A. principles, and ask satisfactory substitute. Oppose tax repayments.

This meeting was held in St. Francis, the county seat of Cheyenne County, a typical Kansas farm county, and is dated January 30, 1936.

The article begins with the statement:

> More than 250 Cheyenne County farmers faced a snowstorm to attend a meeting here and to express their position upon the national agricultural situation. They endorsed the underlying principles of the A. A. A., and demanded a satisfactory substitute law. The resolutions also express the belief that the Supreme Court should not attempt to determine the merits of an act of Congress—

I suppose this would be considered lese majeste on the other side of the aisle, but they might just as well know what the farmers are thinking and saying. The article says they opposed the return of $200,000,000 in processing taxes to the processors.

The resolutions adopted at that meeting are set out in full in this news article. The article said they were adopted unanimously. What this mass meeting of Cheyenne County, Kans., farmers said at St. Francis, Kans., on the 30th day of last January, no doubt reflects the sentiments of the farmers of the State of Kansas, regardless of politics. I want to read you if I have time just two short paragraphs of these resolutions, and I challenge anybody to obtain from any source any better statement of the facts.

The first paragraph is as follows:

> We consider it very absurd to state that the farmers had been coerced and that States' rights had been infringed upon when neither the farmers nor the States, nor even the consumers had filed a protest; rather the only protest came from the processor, who merely served as a tax collector and by his own statements was passing the amount of the processing tax to both the farmers and the consumer.

That clear, simple statement, Mr. Chairman, explodes the majority contention in the A. A. A. decision of coercion of the farmers under the A. A. A. Those farmers were the men who were supposed to have been coerced. They pointed out in simple language that they had made no complaint.

They pointed out that their State had made no complaint. They pointed out that the consumers had made no complaint and that the complaint came only from the processors. If that mass meeting had been of 250,000 farmers, instead of only 250, the result would have been the same.

The next paragraph, with reference to where these processing taxes come from and opposing their return to the processors, reads as follows:

We oppose the return of $200,000,000 of impounded processing taxes to the processors because of the fact that the processor has repeatedly told the farmer that the price which he received for his products were reduced by the amount of the processing taxes and because of the fact that the processors have also informed the consumers that the price of goods which they purchased were increased in price by the amount of the processing tax.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MARTIN of Colorado. Mr. Chairman, the processors caught them coming and going. They took the processing tax out of the farmer, then they took it out of the consumer.

Mr. ZIONCHECK. The consumer shouldered the whole burden eventually?

Mr. MARTIN of Colorado. Here is the point I want to make. There is a very subtle propaganda in that proposition. They made this statement to both the farmers and the consumers for the purpose of prejudicing them against this law and to poison their minds against an act that was designed to benefit and did benefit the basic industry of this country—agriculture.

Mr. SNELL. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from New York.

Mr. SNELL. I did not understand that the Supreme Court passed on the merits of the legislation. I thought they passed on the constitutionality of it, which has nothing to do with the merits.

Mr. MARTIN of Colorado. May I say that I appreciate the implied admission of the distinguished Republican floor leader that the legislation was meritorious?

Mr. SNELL. The whole article to which the gentleman referred is based on the Supreme Court passing on the merits of the legislation. As I said, I do not understand the Supreme Court passed on the merits of the legislation.

Mr. MARTIN of Colorado. I want to speak respectfully and carefully in this matter. I cannot help but feel that the majority of the Supreme Court were influenced in that decision by their own economic views and sympathies.

Mr. ZIONCHECK. As they always are. If there is to be any refund, should not the consumers get the refund?

Mr. MARTIN of Colorado. Unquestionably they should.

Mr. ZIONCHECK. And no one else?

Mr. MARTIN of Colorado. I should like to venture the prediction they will not get it.

Mr. ZIONCHECK. The gentleman knows they will not.

Mr. WADSWORTH. Will the gentleman inform us how that can be done?

Mr. ZIONCHECK. It cannot be done.

Mr. MARTIN of Colorado. If the money cannot go back to the consumers it cannot go back to the farmers either, and I would let it go to nobody else. I would put it in the United States Treasury.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain resolutions passed by the American Farm Bureau Federation at Chicago, December 9 to 11, 1935, asserting that this legislation was enacted by Congress in response to the demand of organized agriculture in the United States, and commending the President, the Secretary of Agriculture, the Administrator of A. A. A., and Congress.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, the paragraphs I desire to insert are as follows:

We reaffirm our previous pronouncements on the Agricultural Adjustment Act and its amendments, and the necessity for simplifying its administration.

The great farm policy embodied in this act is the culmination of a 12-year fight by organized agriculture to obtain from Government necessary recognition of and assistance and cooperation in an economic program by which farmers may obtain fair and equitable prices for their products in terms of relationships with industry and labor.

The administration of this act during the past 2½ years has proved the soundness and justice of the basic principles embodied in this measure. We rededicate our efforts to improve and perfect this measure in every way so as to make it function equitably in the interest of the entire agricultural industry of the Nation.

We serve notice on all individuals and groups who are opposing agricultural adjustment for political, personal, or other reasons that this program was formulated by the farmers themselves, acting through their own organizations, and will be protected and defended by the farmers and their friends on the basis of its fairness to agriculture, its beneficial contributions to continued national economic recovery, and in the interest of permanent prosperity for all the economic groups and classes of our Nation.

We reaffirm our position that the processing tax is a tariff for agriculture and must be continued as the most effective means by which agriculture may work toward parity prices.

We commend the President of the United States, the Secretary of Agriculture, the Administrator of the Agricultural Adjustment Act, and the Congress of the United States for accepting the recommendations of organized agriculture to amend the original law, thereby giving American agriculture a permanent legislative vehicle for continuous adjustment of production in relation to supply and demand domestically and throughout the world.

Mr. Chairman, the foregoing paragraphs from the resolutions adopted at Chicago should forever settle the question as to the origin of the farm program of the Roosevelt administration, and should forever quiet all claims set up by the Republican Party, or any other party or interest, that the A. A. A. or its amendments were sponsored by the Secretary of Agriculture in order to make him a dictator of agriculture or to regiment the farmers of the United States.

What a tragedy that within a month of the adoption of those resolutions, the great farm policy which was the culmination of a 12-year fight by organized agriculture had been struck down by the Supreme Court of the United States, not on the ground that the legislation was not meritorious, not on the ground that the legislation was not needed, but on the ground that in the opinion of six of the nine members of the Supreme Court, it did not fit into the organic law of the land framed 150 years ago.

The farm representatives at Chicago rededicated their efforts to improve and perfect this law, which they said "was formulated by the farmers themselves, acting through their own organizations." Now the law is dead. There is nothing left to build upon, to improve and to perfect.

Mr. Chairman, if an economic situation has developed in this country, where a law which is meritorious and needed, is unconstitutional, then the question is raised whether the law was made for man or man was made for the law.

This law had the great merit of simplicity. Each agricultural commodity to which it was applied stood on its own bottom. It was self-financing. It was easy to trace its workings and figure out its cost and determine where the cost fell. It even provided that when a given commodity reached the parity price, the cost should cease. The pity of this situation, the tragedy of it, is the very simplicity of the plan. Can Congress replace at this session what the American Farm Bureau Federation solemnly says was the culmination of a 12-year fight by organized agriculture? The great farm policy which the farmers reaffirmed at Chicago did not simply mean certain acts of Congress applied to certain crops. That meeting, like the meeting of the farmers of Kansas, approved the principles upon which the Agricultural Adjustment Act was founded, the allotment plan, and the processing tax. They declared the processing tax to be a tariff for agriculture, which must be continued as the most effective means by which agriculture may work toward parity prices. They declared that the administration of the act during the past 2½ years had proved the soundness and justness of the basic principles embodied in the act. No more powerful and convincing set of declarations can be found in the history of farm legislation than the resolutions adopted by the American Farm Bureau Federation at Chicago. They are almost

ominous in the light of the tragedy so quickly supervening their adoption. What can Congress do in the space of 3 or 4 months to replace the work of 12 years? What can the farmers suggest? Can any substitute be more than a makeshift?

Mr. TABER. Mr. Chairman, I yield 12 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, the major iniquity of the neutrality resolution recently reported to the House is that it gives the President complete discretionary power at any time during the progress of a war to impose embargoes on all articles and materials used in the conduct of war.

If the Congress is to enact any neutrality legislation, the imposition of embargoes on all articles and materials used in the conduct of war should be mandatory rather than discretionary.

The resolution provides that the embargoes on arms, ammunition, and implements of war shall be mandatory. The same provision should be made in relation to articles and materials used in the conduct of war.

The discretionary power given to the President in the resolution with reference to articles and materials used in the conduct of war affords the President unlimited opportunity for secret diplomacy. It submits the neutrality and the peace of the United States to all the perils of this despicable practice.

Fortunately, it now appears that in view of an aroused public opinion which is awakened to the dangers implicit in this proposed legislation, the efforts of the administration to force this measure through Congress are likely to be abandoned.

It now looks as if the administration would content itself with efforts to extend the existing so-called emergency neutrality legislation passed by the Congress last year.

If the United States is to be involved in wars, let every move and every action be known to the American people. Let us have no more of the lying and secret diplomacy which enveloped Washington before and during the last war.

The following is a typical incident of the way in which secret diplomacy was practiced during the last war, and in which it could again be practiced under the discretionary provision of the proposed neutrality bill.

In the private diary of the son of an expatriated Englishman, Col. Edward M. House, who, according to an official report from the State Department, never had any official status and was never on the pay roll of the United States Department of State prior to the signing of the armistice, there appears, under date of September 28, 1914, less than 2 months after war had been declared, the following extraordinary entry:

> I had Hoover (chief usher at the White House) arrange with Billy Phillips (then Third Assistant Secretary of State, now Under Secretary of State) for the use of his home, and I asked Sir Cecil Spring-Rice (the British Ambassador) over the telphone to meet me there at 10 o'clock. The conference was a most interesting one.
>
> I showed the Ambassador the letter X (Secretary of State Bryan) had prepared to send Page (American Ambassador at the Court of St. James). He was thoroughly alarmed over some of the diplomatic expressions. One paragraph in particular he thought amounted almost to a declaration of war. He said if that paper should get into the hands of the press, the headlines would indicate that war with Great Britain was inevitable, and he believed one of the greatest panics the country ever saw would ensue, for it was as bad or worse than the Venezuela incident. He said he did not know what I had accomplished in a busy life, but he felt sure I had never done as important a piece of work as in this instance. * * *
>
> We discussed the best ways and means of getting out of the difficulty, which he said would never have arisen if the State Department had talked the matter over with him frankly in the beginning. His Government's attitude had been known at the State Department for a month, and yet not a word of objection had been raised. If he had known what the feeling of this country was, he would have taken it up with his Government, and their attitude would have been modified. As it was they had already published their intention of doing the things to which our Government objected, and it would be difficult to handle it now in a way to save the amour propre of his Government.
>
> We outlined a despatch for this Government to send Page, and then we outlined the despatch which we thought he should send Sir Edward Grey (British Foreign Secretary). We agreed to be absolutely frank with one another, letting each know just what was being done, so there could be no subterfuge or misunderstanding.

If this entry in the diary of Col. Edward M. House is correct, the son of an expatriated Englishman, a private citizen without official status, having obtained an official note which was to be sent by the United States Government to the British Government in protest of the seizure by that Government of American shipping, in violation of international law, met by appointment at the house of an Assistant Secretary of State, the British Ambassador, and permitted the British Ambassador to rewrite this official note of protest destined to his Government.

This scandalous and perfidious conduct represents the most offensive kind of secret diplomacy.

American neutrality legislation should aim to eliminate as far as possible such practices and such diplomacy. It should not facilitate them as does the present bill.

Col. Edward M. House, more than any other American, was responsible for the involvement of the United States in the last war, as is shown by official records of the war, the memoirs, and confessions written about that period, his "intimate papers", and other sources.

Colonel House was one of the first promoters of the League of Nations, which was British policy; and was one of the signers of the Versailles Treaty, which treaty has brought chaos to Europe and is now bringing war.

Colonel House was one of the principal promoters of the candidacy of Woodrow Wilson for the Presidency and was one of the intimate advisers of President Wilson, particularly in relation to foreign affairs.

Col. Edward M. House is still alive. He was one of the principal promoters of the candidacy of Franklin D. Roosevelt for the Presidency, and today he is one of the intimate advisers of President Roosevelt.

According to his own written declarations, Colonel House was responsible for the appointment of Walter Hines Page as United States Ambassador to the Court of St. James. At a later date I intend to submit to the House evidence to warrant the charge that Mr. Page conducted himself traitorously in that important office. The recently published memoirs of Robert Lansing reveal that Colonel House did everything possible to have Mr. Page made Secretary of State under Wilson instead of Mr. Lansing.

Another protégé of Colonel House during the World War was Norman H. Davis. Norman H. Davis is still alive. There is, indeed, much information that Colonel House urged upon President Roosevelt the appointment of Mr. Davis as Secretary of State. Failing in that, Colonel House was instrumental in having Mr. Davis given his present unofficial portfolio as Ambassador at Large in Europe, where he has continuously favored British foreign policy.

There is not time today to do full justice to Colonel House. At a later date I intend to present to the Congress further evidence of the views of Colonel House, evidence drawn from his own writings, to show that he has held in contempt, if not in hatred, American traditions, the American Constitution, and the American form of government.

The history of the last war has not yet been written, but it is being gradually unfolded. When the truth is known, it will be realized that at critical times, President Wilson, under the influence of Colonel House, did not wish the United States to remain neutral; and that in the brief periods when President Wilson did wish the United States to remain neutral, neither he nor the State Department knew what neutrality was or how to maintain it.

President Wilson's movement toward abandonment of American neutrality began early. It began as early as October 23, 1914, before the Great War was 3 months old. On that date, with advice received from the State Department, he allowed bank credits to be incurred by belligerent governments. This is confirmed by a memorandum written on that date by Robert Lansing, then counsellor of the State Department, later, from June of 1915, Secretary of State, which memorandum was disclosed at a recent hearing before

the Special Committee Investigating the Munitions Industry, United States Senate.

Another fateful date was August 26, 1915. On that date President Wilson first allowed belligerent governments to float loans in this country. This is confirmed by correspondence, dated from August 23 to August 26, 1915, between President Wilson, Secretary of the Treasury McAdoo, and Secretary of State Lansing, which correspondence also was disclosed at a recent hearing before the Special Committee Investigating the Munitions Industry, United States Senate.

Mr. Lansing, Secretary of State from June 1915 until the end of the war, according to his own explicit assertions in his recently published memoirs, was never neutral.

The Congress of the United States could properly and profitably investigate the status and activity of Col. Edward M. House during the last war.

The Congress of the United States at the same time ought to ascertain to what extent the State Department was under the domination and control of the British Foreign office during the administrations of President Wilson from 1914 to 1920, of President Hoover from 1928 to 1932, and of President Roosevelt from 1933 to date.

If, as is to be presumed, this present Congress shall be unwilling to initiate such an inquiry, then such an investigation of the most searching character ought to be the first duty of the next Congress. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Georgia [Mr. WHELCHEL].

Mr. WHELCHEL. Mr. Chairman, it was my purpose to have offered an amendment to the bill that we are now considering which provides for an appropriation for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and that particular part of the bill in which I am intensely interested is Rural Delivery Service.

I had expected to offer an amendment striking from foreign-mail transportation a sufficient amount, to wit, $300,000, this amount to be added to the Rural Delivery Service, not that I have any objection, and I advocate in a general way foreign-mail service, Air Mail Service, or any other type of service, but the Rural Service is a matter that should appeal to both sides of the aisle because it is a direct recognition and help for the farmer. It is a help in reality and not a mere "make-believe", or a use of the phrase, "help the farmer" for political favor, and in the final analysis nothing ever done.

Thousands of thousands of dollars are being spent for rural electrification and many other forms of intended help for the farmer, but I tell you that the delivery of mail to at least the immediate vicinity of the families of these rural people means more than all of these ideas advanced, and if you would have them informed as to what is taking place in the Nation, my idea is a few cents spent each day for Rural Free Delivery of mail is more far reaching, more comprehensive, I may say, than anything to be undertaken.

I notice in the reports submitted by the committee this statement:

> Rural Delivery Service: The amount recommended is the Budget figure of $93,200,000, which is $1,100,000 under the current appropriation. This decrease is effected through consolidation of routes in cases where a vacancy occurs in the position of the rural carrier. Provision is made in the amount of $100,000 for additional routes and $200,000 for extensions, which, combined with the amounts available for such purposes in the present fiscal year, will, in the judgment of the Department, be sufficient to meet the situation in caring for all meritorious additions and extensions.

In view of this added $300,000, the amendment that I had in mind is not necessary. I am intensely interested in having every meritorious extension granted, but I do not favor consolidation of rural routes because the accommodations in my district for rural communities are few, and I am insisting now, as I have heretofore, that the Department be liberal in granting extensions of rural routes, as this is one service that is actually rendered and one that is more appreciated by the farmer than anything that can be done by the Government in his behalf. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, yesterday, in the House, when the gentleman from Texas [Mr. BLANTON] was so violently seeing red, he made a reference to me that I do not believe was exactly in good taste; at least, I objected to it, although not seriously. I neglected to speak to him about it, but thought he would be here because when he criticized the gentleman from New York [Mr. SISSON] for not spending more time on the floor, I supposed he would always be on the floor. He said I was getting into wild company. Now, I do not know which company he referred to, unless he meant my very good and liberal friends on both sides. If so, it is not seemly for the gentleman to refer to Members of this august body as "wild company."

I do not believe that the gentleman from Texas intended to do this. I do not believe that he intended to convey the impression that I was getting into wild company outside of the House. I consider it entirely proper to ask the gentleman to explain to the Members what he meant by "wild company." It does not look well in print to have a former school teacher, we will say, accused of running in wild company without proof to substantiate it.

I just want to make this little exception to the statement before going further into the subject which the gentleman from Texas [Mr. BLANTON] was discussing, the red scare of 1935–36.

It has been my policy in the past to simply ignore all these senseless attempts on the part of jingoistic patriots to secure patriotism by requiring an oath. I have trusted in the good sense of those in a position to do so to keep such legislation off the floor of this House. They have done so in a highly commendable manner. I offer my congratulations to those who have been instrumental in keeping the two best-known and most objectionable bills, the Kramer antisedition and the Tydings-McCormack military disaffection bills, off the floor.

I should much prefer to ignore proposed legislation of this type, both now and in the future. There are several reasons, however, why I now feel that it can no longer be ignored.

The first reason is the stunt that was pulled on us during the last session when the anticommunism rider was attached to the District of Columbia appropriation bill.

Fourteen hundred teachers and administrators in Washington's public-school system have gone on record as opposing the existing ban on all mention of communism or Soviet Russia in local schools.

I should like to incorporate that resolution in my extension of remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. The resolution reads:

> We believe that the American form of government is the best yet devised for our people, and that when changes are needed ample provisions are available for such changes.
>
> We believe the American form of government gains in respect and admiration of the people in proportion as it is brought into open contrast with other world forms.
>
> We believe the teacher must be left free to consider all existing forms of government in order properly to give to the American child an understanding of and love for our own. We feel, therefore, that certain restrictions now being advocated dangerously encroach upon the rights of free men and women guaranteed under our Constitution.
>
> We believe the present oath of allegiance to the Constitution of the United States is sufficient to insure the above and provide an adequate basis for prosecution in case of violation.

I do not blame them for protesting. I protest, too. That was why, more or less in a spirit of jest, I introduced the amendment to the Interior Department bill, prohibiting the teaching of the legislative program of the American Liberty League. But it was not all jest. It has a note of seriousness. I want you gentlemen to realize how close you come to making yourselves ridiculous in the eyes of intelligent people when you pass legislation of this kind. I refer to intelligent people as including school teachers and "brain trusters", and all the rest of them, because I think very highly of brains.

Mr. CULKIN. Mr. Chairman, will the gentleman yield there?

Mr. SCOTT. Yes; briefly.

Mr. CULKIN. Does the gentleman hold the terms "brains" and "brain trusters" as being synonymous?

Mr. SCOTT. Oh, absolutely. The people popularly referred to as "brain trusters" I consider as very intelligent people.

The Washington Post the other day stated that Mr. BLANTON was planning to bar the teaching of the facts about Russia and her government from Howard University. The gentleman from Texas on this floor denied that intention. I do not know whether he was or not. If he were not, I am happy for his sake and for the sake of the teachers in Howard University. If he might have been thinking about it, and if what Heywood Broun referred to as our "act in straight-face" was instrumental in deterring the gentleman from his proposed action, I am happy both for his sake and for the sake of the teaching profession. I have a profound and deep-seated respect and admiration for the teaching profession. This woefully underpaid, overworked, much-maligned group of men and women that has suffered so much from the malicious attacks of William Randolph Hearst and his silly sycophants, both paid and unpaid, has done more, to my way of thinking, to build up the proper concepts of citizenship than the pseudo-patriots will ever be able to tear down.

I think, Mr. Chairman, the Members of the House should go on record as endorsing and as praising the school-teaching profession of the United States. I have never seen a more loyal group, a more patriotic group, a more American group in my life than the American school teachers. I think they have done more to build up a proper concept of citizenship in the minds of younger people than any other group. You gentlemen went through it. You had that concept instilled in you or you would not be the great patriots that you are. The school teacher had something to do with that.

I think we would do a whole lot better to praise the school teacher than to pay lip service or play into the hands of what I consider the greatest menace to democracy and liberty in this country—William Randolph Hearst.

Members of this House would do better to pay their respect and gratitude to this loyal law-abiding group than to play into the hands of that filthy fermenter of fetid fiction—William Randolph Hearst. He is the outstanding exponent of all this restrictive legislation, his papers are full of it all the time. When a Member of the House gets up here and speaks in favor of legislation of that kind, he plays directly into the hands of that neofascist leader, Mr. Hearst. Professor Ross, of the University of Wisconsin, has said that it might be a good idea to get a committee together to investigate the activities of Mr. Hearst, to investigate his newspapers, and the purposes behind all his propaganda. I think this is a very timely suggestion.

I wish to insert here a quotation from the Social Frontier for February 1936. Quoting Professor Ross:

PROFESSOR ROSS SUGGESTS

At the fifth annual convention of the Pi Gamma Mu Society on December 28, Prof. E. A. Ross, of the University of Wisconsin, added lustre to his reputation as a man of courage, integrity, and human sympathies. He also outlined a plan for exposing William Randolph Hearst in his unprincipled and vicious attack upon the schools of the country. Characterizing Mr. Hearst as "our chief and most pernicious and malevolent assailant, as a man and a citizen, a property owner and a taxpayer, newspaper owner and editor through 40 years", he proposed the formation of a committee to collect data which would "show the deliberate deceits of which Hearst and his minions have been guilty." He then proceeded as follows to suggest how such facts might be employed:

"There is not a community in the land infested by a Hearst newspaper that would not turn out in numbers for the high-school or college teacher who should announce a lecture entitled 'The Truth About W. R. Hearst and the Hearst Newspapers.' It would be desirable that slides be presented showing the vulgarity and viciousness of many of the cartoons which have appeared in the Hearst press through the years. Loan collections of such slides might be made available to teachers giving the lecture."

Here in our opinion is an admirable suggestion. Mr. Hearst is the most vulnerable man in American public life. The only thing needed is the gathering of the facts, and he has been calling loudly to intelligent and trained men to gather them. Doubtless they will be gathered and brought before the eyes of the citizens of the country.

But to get back to my point. The fact that this obnoxious rider got by the House and Senate must warn us that in the future we must be eternally vigilant.

I am not trying to protect anybody in the right counsel the overthrow of our Government, but I do not intend to sit idly by and see a sixteenth century censorship placed upon the happenings of the present day.

I spoke of several reasons for my action. The second is the move in so many States to require teachers to take an oath to support the Constitution. I took one when I started to teach school. I thought it was rather silly then. But that was before Mr. Hearst started his "red scare 1935 edition." There is a different motive behind the oath today than there was when I took it. Then I think it was a matter of form. Today it has become a matter of persecution. Persecution of American citizens at the instigation of William Randolph Hearst who never acted under the stimulus of a decent motive in his life.

Do you think you can make a man a patriot by forcing him to sign an oath? Do you think you can assuage the pains of an empty stomach by making the sufferer salute the flag? Do you think you can make a school child understand why he did not have any breakfast, why he has to be hungry, why he has not decent clothes, why his father does not have a job, why his mother cries continually, why he is cold, by making him salute and pledge allegiance to a flag? But children have been expelled from their schools because they have refused to do that very thing.

Do you gentlemen realize how far we can go with this silly legislation of demanding oaths from teachers? Let me read the contract that a teacher in a small school in North Carolina had to sign before she could become a school teacher in that town:

I promise to take a vital interest in all phases of Sunday-school work, donating of my time, service, and money without stint for the benefit and uplift of the community. I promise to abstain from all dancing, immodest dressing, and any other conduct unbecoming a teacher and a lady. I promise not to go out with any young man except insofar as it may be necessary to stimulate Sunday-school work. I promise not to fall in love, to become engaged, or secretly married.

I promise to remain in the dormitory or on the school grounds when not actively engaged in school or church work elsewhere.

I promise not to encourage or tolerate the least familiarity on the part of any of my boy pupils.

I promise to sleep at least 8 hours each night, to eat carefully, to take every precaution to keep in the best of health and spirits in order that I may be better able to render efficient service to my pupils.

I promise to remember that I owe a duty to the townspeople who are paying me my wages; that I owe respect to the school board and to the superintendent who hired me; and that I shall consider myself at all times the willing servant of the school board and the townspeople, and that I shall cooperate with them to the limit of my ability in any movement aimed at the betterment of the town, the pupils, or the school.

I think when the District of Columbia bill comes up I shall offer that as a rider and require the teachers to sign it.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. SCOTT. I yield.

Mr. MARCANTONIO. Is the gentleman going to offer this amendment because it was charged on the floor by the gentleman from Texas [Mr. BLANTON] that the gentleman from California was keeping wild company [laughter], in order that the provisions of his amendment might be helpful to his soul? [Laughter.]

Mr. SCOTT. No; If I introduced that as a rider it would be to make ridiculous that kind of legislation. How far do you think you can go in inspiring patriotism by making one swear to an oath.

Did you ever hear the story of the Confederate soldier who was captured by the Yankees.

They did not have a prison to put him in so they had to take him along with them. They gave him the run of the camp. It was the custom to sit around the campfire at night and swap yarns. About the time the meeting was going good, the Confederate always got the floor and said: "Maybe you have given us some lickings, but we certainly whipped 'hell' out of you at Bull Run." This happened every night until the Yankees got tired of it. They decided that the rebel had to be quieted. After talking it over, they told

him that he could take his choice between two alternatives. He could kiss the flag, swear an oath of allegiance to the Constitution, and declare himself a Union man, or be shot at sunrise. When they put it up to the Confederate, he decided to kiss the flag. It was quite a ceremony. After he had kissed the flag, sworn to support the Constitution, and declared himself a Union man, the Yankees thought their troubles were over. The next night they sat around the campfire. The former Confederate got the floor. He look them all over very seriously and said, "Boys, we have given the Confederates some lickings, but didn't they whip 'hell' out of us at Bull Run." [Laughter.]

This persecution by oaths must stop. This nascent nazi-ism must stop. Do not let Congress become a party to it.

There is another reason for refusal to ignore longer this sumptuary legislation. Every day, almost, the Hearst papers carry inflaming editorials on the subject. Let me say right here that, if Mr. Hearst is for this legislation, every decent citizen of principle, every Congressman, every Senator should be against it. But the Senate has already passed the military disaffection bill, and the Hearst press says that the gentleman from Massachusetts [Mr. McCormack] has given notice to the Rules Committee of the House that he will begin a drive for immediate action on his bill. It has been reported by the House Committee on Military Affairs. I hope the gentleman will deny the report. I hope the Rules Committee will deny the rule.

Mr. Chairman, I am not trying to overthrow the Government. I am not trying to incite the military or naval forces to disaffection. I am not trying to assist anybody in his attempt to do so. But I am trying to prevent the enactment of wartime antisedition and espionage bills in peacetimes.

I want to insert here an editorial from the Washington Post:

The report that Secretary of War Dern has described the Army as "not especially in favor of the military disaffection bill" must not be overlooked on Capitol Hill. It should particularly interest those preparing to call from committee the Tydings-McCormack measure, to which Mr. Dern referred. Inasmuch as The Assistant Secretary of the Navy has already testified that communistic influence upon the Navy is absolutely infinitesimal, there seems no point in wasting further time in considering this undesirable legislation. It should die in its present pigeonhole.

The bill contains a number of features which in practical application might dangerously threaten fundamental American liberties. This is true, although revisions have somewhat improved the measure since it was passed by the Senate last year. The provision making it a crime to advise, counsel, urge, or solicit any member of the Army or Navy Reserves to disobedience has been deleted. This alteration met the reasonable protest that under these terms anyone criticizing National Guard intervention in industrial disputes might be liable to fine and imprisonment.

But nothing has been done to rid the bill of its search-and-seizure provisions. There are already adequate safeguards in the Army and Navy regulations to preserve discipline against any incitements to disobedience. It follows, then, that the principal application would probably be against civilians. In effect, it could be interpreted to define every criticism of any aspect of Army or Navy operations as a crime, as is indicated by the way the legislation would invoke the wartime Espionage Act.

Justifiable at a time when the Nation was at war, a permanent espionage act in time of peace clearly threatens invasion of the constitutional rights and privileges guaranteed all Americans, without which the United States might soon be indistinguishable from an Old World dictatorship.

I have no intention to impugn the motives of the authors of these bills. I have not the slightest doubt but that they were proposed with the best of intentions.

Here, I want to read the text of a letter received by me from a church organization on the subject of the Tydings-McCormack bill:

Re S. 2253 (H. R. 203)—"An act to make better provision for the government of the Army and Navy of the United States by the suppression of attempts to incite the members thereof to disobedience"

DEAR FRIEND: After careful study of the above bill, we urge you to consider what we believe are serious dangers in it.

Laws such as this, which limit freedom of speech and of the press, are proposed with the best of intentions. Experience, however, clearly teaches that they are dangerous to the liberties of all citizens. They prove ultimately to be two-edged swords, capable of silencing conservatives when radical opinion is predominant, as well as of checking radical or Communist propaganda in a conservative community.

The application of such an act might be made almost universal in its scope. Practically no statement of thought, written or spoken, would be free from possible criticism or hostile interpretation in a time of stress. Consequently printers, publishers, editors, writers, and speakers alike might come under the application of the act. The House Committee on Military Affairs has attempted, in its report, to answer this objection, but has in effect only emphasized the danger, by stressing the purpose of the bill to protect soldiers and sailors from mental agitation. Does not this imply the peril of a censorship over all periodicals and other publications which might in any way fall into the hands of members of the Army and Navy?

The dangers of the bill are increased by the provisions for search. Any treaties on historical Christianity, or on the early history of our own country, might be used to incite disobedience to established authorities. Freedom of thought and speech would clearly be gravely endangered by such a law.

With the lines being drawn between dictatorships, both Communist and Fascist, and governments truly representative of their citizens, it behooves every American who reveres and values the principles upon which our government was founded to use the greatest care not to undermine our own form of government in attempts to protect it.

We appeal to you and to all of our fellow citizens to use the opportunity which we now have to make clearly understood the value of free speech and free press in the maintenance of such a form of government as has been ours. We further appeal to you to use your position of responsibility and trust to defend these fundamental liberties of our citizens and to use your influence against this bill.

On behalf of the representative meeting,

Sincerely,

——— ———.

Mr. Chairman, another reason prompts me to take this action. I have received literally thousands of cards, letters, and telegrams carrying these sentiments:

Please do not favor the Tydings-McCormack bill.

Please do not favor the Kramer sedition bill.

I know many of the signers of these pleas personally. They are Americans, they are patriotic, but they are jealously protecting their constitutional rights to free speech.

I do not favor the Tydings-McCormack bill. I do not favor the Kramer sedition bill. I do not favor any legislation of this kind.

Let us take stock, Mr. Chairman. In spite of the prodigious efforts of the present administration, in spite of the progress, in spite of better conditions than prevailed in 1932, we are yet far from perfect. People still suffer. Would you deny them the right to say so, publicly or privately, to you or to a group of people? Would you deny them to write down and publish their complaints? Do not you feel that if we would improve conditions such sharp criticism would cease? Do you think that you can beat or legislate discontent out of people? Put a plug in the spot of a tea kettle and it will blow the top off. Is ours a good government? If it is, it will not be changed by the people. If it is not a good government, we should make it so.

Let us take stock, Mr. Chairman, and then forget these Tydings-McCormack and Kramer bills. Let us turn our attention to improving living conditions in this country.

We should have learned something from this depression. We should realize conditions. We should do something about them. Let me tell this one story in conclusion. It is taken from a paper in Memphis, Tenn. It says, in announcing the church service:

Dr. Holcomb will discuss "If the depression has disappeared, what lessons are we to learn?" Mrs. W. L. Walker will sing Search Me, O God.

[Laughter.]

Mr. ZIONCHECK. Mr. Chairman, I rise to a point of order to find whether he is a Democrat who is talking or not, because Jefferson, the father of the Democratic Party, said that if such laws were ever passed half the people would become hypocrites and the other damn fools. Is that right?

Mr. SCOTT. That is the way I heard it. Jeffersonian Democrats would never vote for legislation of this kind.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, I am really thankful for the 10 minutes, although I was expecting to get 15, because it takes a farmer about 10 minutes to get started.

I expect to talk a few minutes about the Frazier-Lemke farm refinance bill and the Federal Reserve Banking System, but I realize that perhaps it will be just like pouring water on a duck's back to talk about the Federal Reserve Banking System to this Congress. Perhaps I would not undertake at this time to talk to you about these subjects except that 2 years ago, when I was running for Congress, I was going down the road and saw a little boy down the lane with a large club hammering something. I drove up to the little fellow and found him wet with sweat. He was hammering a dead skunk. I said, "My little man, the skunk is dead; why keep on hammering him?" He said, "Well, he has been taking our chickens for 6 months, and I made up my mind that if I ever got him I would hammer him until he quit stinking." [Laughter and applause.] The Wall Street bankers and money changers have been taking our money and wealth for many years. I thought if that little fellow could undertake that I could just as well go ahead and talk to you on the Federal Reserve Banking System and the Frazier-Lemke bill, even if I did not expect to accomplish much at this time.

I believe the Federal Reserve Banking System and the fellows on that Board, at least in 1920, were the cause of our troubles, and in time we will have to take over the Federal Reserve Banking System and place it in the hands of the Government and regulate and control the money and credit for all the people, instead of "farming it out" to the big bankers of this Nation. We must exchange the vicious money and banking system before we can get out of this depression. Some of the Members here in the last few days have been talking about and condemning the Townsend plan and also Father Coughlin's social-justice program. I have seen some of the boys here almost have jitters on account of those two organizations.

Do not blame Dr. Townsend or Father Coughlin for the conditions that we have here today and the conditions they are attempting to right, but blame yourselves. Many of you have sat here for a generation and allowed the Federal Reserve Banking System to control the money and the credits of the Nation and that got us in the condition where we are today. You cannot deny but that the Federal Reserve bank, when it took the money and the credits away from the people in 1920 caused this situation. I dare any of you to deny that it was not done and that the panic was caused through their taking the money and the credits of the country away from the people of the Nation. That bank board at that time was told it would break the farmers of this Nation, and they were told it would break the country banks of the Nation if they contracted the currency. But a fellow named Mosher was on the Board at that time and he said, "Take the money away, and we will fetch those farmers to their knees." He said further that they were getting too smart and that so far as the banks were concerned that we had too many banks and to let them go broke. And whom did that system and policy benefit? It benefited the money racketeers down here in Wall Street. It was their game, and they broke up the farmers of this Nation.

I just received a petition this morning supporting the Frazier-Lemke bill. I did not have time to count all of the names, but there must be in the neighborhood of a thousand names or more of those farmers up in one county—Pennington, and nearby—who sent that petition down here, it tells of the distress of the farmers in the Northwest, asking that we pass the Frazier-Lemke bill. Those farmers went out through 3 or 4 feet of snow with the thermometer 30 to 40 degrees below zero and got their fellow farmers to sign this petition, while you sit here, and you do not move.

There are enough of you in this Congress who have nursed at the breast of a good farm mother, and if you would only remember that mother who nursed you and denied herself all pleasures in order to bring you up, you would go up there and sign that petition and get this bill out on the floor for the farmers of this Nation.

Your mother perhaps has left this earth and gone over yonder never to return. But if she could only speak to you, she would say, "My boy, pass this Frazier-Lemke bill to save the homes of millions of farmers." If I could only say something to soften up your hearts to help these poor farmers to keep their homes that furnish you food and clothes so you may live. Some of you have gone up there and taken your names off of that petition. No doubt, at that minute some farmer and his wife, who have worked for 30 or 40 years, went down the lane with their little family, turned out, with no place to go, nothing much to look forward to but the poorhouse and the grave. Why do you not go up there and sign that petition?

Mr. McFARLANE. Will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. McFARLANE. Does the gentleman know of any reason why the farmers of this country should not be allowed the same privileges as are given to the bankers, and have been given to the bankers all these years?

Mr. BUCKLER of Minnesota. No; I do not. Why, they certainly should have the same privilege, but they have not been getting it. This Congress has so far refused the farmers the same privileges that they have been giving to the bankers.

Mr. McFARLANE. Will this Frazier-Lemke bill give the farmers of this country as much consideration as has been given the bankers since 1873?

Mr. BUCKLER of Minnesota. It absolutely does not. I saw in the paper a couple of days ago where the Federal Treasury has seen fit to turn back to the Federal Reserve bank billions of dollars in gold so the Federal Reserve banks could issue $30,000,000,000 in currency and loan it to the people. The farmers of this Nation are only asking for $3,000,000,000, and the Government could take as security a first mortgage on the farms. What is gold worth, anyway? Suppose you had all the gold in the world and you had no farmers to produce the food and clothing of this Nation, you would starve to death. You would not think about the gold. You would go away and leave it there. Still you sit here and let the farmers of this Nation go broke and homeless and destitute before you will give them an interest rate of 1½ percent.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. ZIONCHECK. Is the gentleman not one of those who signed the petition in connection with the Frazier-Lemke bill, who voted against the simple petition of the gentleman from California [Mr. FORD] to allow the President of the United States to invite foreign countries to Los Angeles, which did not cost any money, when members of the Los Angeles delegation have signed the petition and the gentleman will not even go that far? The gentleman ought to be ashamed of himself.

Mr. BUCKLER of Minnesota. I did not vote for the Ford resolution, and I am not going to vote to have Europeans come over here and let us put up millions of dollars to entertain them while the farmers of this Nation are going broke. Let them stay over there. What we want is to help our farmers that are already here. [Applause.] I am glad to have voted against that resolution. I will do it again, because we want to help our own people before we help entertain those fellows from Europe. We have been feeding them long enough. [Applause.]

Mr. LUNDEEN. Will the gentleman yield?

Mr. BUCKLER of Minnesota. I yield.

Mr. LUNDEEN. I would like to state that no man, to my knowledge, on the floor of this House has fought harder for the Frazier-Lemke bill than the able gentleman from the Ninth District of Minnesota. I wish we had more Members like my colleague from Minnesota, who is sincere in his efforts for the common people of this country.

Mr. BUCKLER of Minnesota. I thank the gentleman. There have been 2,000,000 farmers driven off their farms since 1920. There are 2,000,000 more who have to go. In my own neighborhood there are two or three families right now who are about to lose their farms. I appreciate that the Federal land bank helped quite a number of our people, and they were very liberal when they started, but what are they doing now? They are loaning fifteen or twenty dollars

an acre on land that was worth a hundred dollars an acre in 1920.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BUCKLER] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BUCKLER of Minnesota. I wish the gentleman could yield me more time. I have not started yet. I am just getting ready to make a speech. [Laughter.] I do not have time to go into the details, but this Federal Reserve System has to be changed. This same banking group, these Wall Street racketeers and bloodsuckers, have caused this Nation all kinds of trouble for the last 60 years. I remember back in 1892 or 1893 when this same crowd called a panic. I was living in Illinois at that time. The farmers down there rose up, and they were getting desperate. Finally they decided to see if they could find out what was the matter. There was a phrenologist traveling through the country, so we got a farmer, a banker, a businessman, a doctor, and an attorney together, and were going to examine their heads to see what was the matter with them. The Congressman happened to come along and they put him in the group. After they examined their heads, what did they find? They found the Congressman's brain was in the best condition of any of them because he had not been using it. [Laughter.] I believe that is the case yet today, my friends.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BUCKLER] has again expired.

Mr. BUCKLER of Minnesota. Mr. Chairman, I ask for 10 additional minutes.

The CHAIRMAN. The time is in control of the gentleman from Indiana [Mr. LUDLOW] and the gentleman from New York [Mr. TABER].

Mr. LUDLOW. Mr. Chairman, a distinguished Secretary of the Treasury, referring to resumption of specie payment, coined a lasting phrase when he said, "The way to resumption is to resume."

In the process of repetition this phrase became finally reduced to the somewhat more sententious form "The way to resume is to resume", meaning that the way to do a thing is to do it.

Within the scope of our limited possibilities the members of your subcommittee that framed this bill have acted in accordance with a sincere conviction that the way to reduce governmental costs is to reduce governmental costs, and this meant a general, and sometimes deep, paring of budgetary estimates.

FIFTY PERCENT OF ITEMS CUT

The net result of our labors is that we have brought to you a bill that is nearly $12,000,000, or to be exact, $11,943,620 below the Budget, and in no instance rises above the Budget. We have cut 50 percent of the items contained in the estimates for these two Departments. When you consider the fact that some of the reductions were small, ranging as low as a few thousand or a few hundred dollars, you can at least partially visualize about how many cuts were required to secure that $12,000,000 reduction.

We have cut off of the Government's bill for the operation of these two great services—Treasury and Post Office—every dollar of expense we believed could be eliminated without detriment to the public service, but at the same time we have tried studiously to avoid penalizing any Bureau or activity of the Government. We believe that we have given to these two Departments every dollar that is required to operate them in the public interest on an economical basis and to carry out existing law, and we are positively convinced that no branch or agency of the Government committed to our supervision will suffer in the least on account of our well-meant efforts in the direction of economy.

NO POLITICS IN SUBCOMMITTEE

We have tried to discharge thoroughly the people's business entrusted to our care, and the task has been long and laborious. We have had extensive hearings, culminating in 1,338 pages of printed testimony now available to Members of Congress and the public in general. There has been no partisanship whatever in our subcommittee, and I wish here and now to express my thanks and appreciation to all of my associates on the subcommittee for the fine spirit of cooperation that has characterized our deliberations from start to finish. As a result of this cooperation we are able to bring to you a unanimous report.

I would feel derelict if I did not make this public acknowledgment of indebtedness to my colleagues on the subcommittee, Hon. JOHN BOYLAN, of New York; Hon. WILLIAM J. GRANFIELD, of Massachusetts; Hon. EMMET O'NEAL, of Kentucky; Hon. JOHN TABER, of New York; and Hon. CLARENCE MCLEOD, of Michigan; able men, all of them, conscientious and true to their responsibilities as members of the subcommittee, as Members of Congress, and as citizens of our great country. I may add parenthetically that they have been most generous in overlooking the shortcomings of their chairman, and for that I am grateful.

It so happens that the ranking minority member of our subcommittee is also the ranking minority member of the full Committee on Appropriations, Mr. TABER, and if I may I would like to speak from the heart and say in this presence that he is a fine representative of the people. And I may truthfully say of all the members of the subcommittee that they were splendid in every way, seeking diligently to solve all of the many and complicated problems solely on a basis of what is best for our common country, while politics stood adjourned. We were fortunate, too, in having the benefit of the wise counsel and guidance of our able committee clerk, who I verily believe knows more about the fiscal affairs and the multifarious operations of the Government than any other living man, Marcellus C. Sheild.

Those who have never participated in the framing of an appropriation bill can hardly appreciate the difficulty of holding down appropriations. Officials come before us full of enthusiasm for their special interests and activities, and never looking beyond to the condition of the United States Treasury. The problem of making the Budget balance does not bother them in the least and their whole purpose is centered in getting money to carry out their particular ideas. I rather suspect that some of them resort to the dubious strategy of asking more than they want in order to be certain to get what they do want.

I am not censuring, or even criticizing, any bureau official for taking pride in his bureau and fighting for its development along legitimate lines. A less zealous and energetic attitude would seem to imply a lack of the esprit de corps needed to run the Government efficiently, but it is ever the appropriation subcommittee's duty to hold these gentlemen down to earth, to decide what demands should be denied and what estimates should be allowed in consonance with the country's financial situation and the general welfare.

That is what your subcommittee has sought diligently to do and we are now reporting that after the Budget Bureau trimmed down the Treasury and Post Office departmental estimates millions of dollars we have taken off about $12,000,000 more. The appropriations for the Treasury Department which we carry in this bill are $6,175,155 below the Budget estimates and the appropriations for the Post Office Department are $5,768,465 below the Budget.

The appropriations for the Treasury Department are $19,699,546.92 below the appropriations for the current fiscal year 1936, while the appropriations for the Post Office Department are $49,026,895 more than the 1936 appropriations for that Department. However, it should be borne in mind that deficiency postal appropriations for 1936 probably will aggregate $34,000,000, so that from the information now at hand it would appear that the net increase for the Postal Service in 1937 over 1936 will amount to only about $15,000,000 and on that basis the total appropriations for Treasury-Post Office purposes in 1937, carried in this bill, will be $4,600,000 less than the actual expenditures for the two departments in the fiscal year 1936. This increase in the Post Office Department is due to the 40-hour week and other items which are statutory and over which we as an appropriating committee have no control. The 40-hour week alone will add

about $27,000,000 to the cost of operating the Postal Service during the fiscal year 1937.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield at this point?

Mr. LUDLOW. With pleasure.

Mr. LUNDEEN. I understand that the shorter week in the Postal Establishment has created work for additional people and is much to be desired.

Mr. LUDLOW. I think I can throw some light on the gentleman's inquiry. I have before me for the information of the Committee a statement showing the number of extra employees it is estimated will be required in the fiscal year 1936 on account of the 40-hour week. That number is 11,172, a very large accretion to the personnel of the Department. For the fiscal year 1937 the estimated number of extra employees needed on account of the 40-hour week is put at 3,804. It will thus be seen that in framing this bill we were confronted with these statutory requirements over which we had not the slightest control. Even so, we have effectuated a reduction of around $5,000,000 as compared with the fiscal year 1936.

HOPE EXPRESSED THAT ECONOMY WILL STIMULATE BUSINESS

Let me express the personal hope—speaking as one Member of Congress—that the success we have achieved in holding down the appropriations in this bill—the largest of the supply measures—far below the Budget estimates will be a welcome stimulus to business throughout the country and will meet the expectations of the numerous element of our citizens who believe that, with the worst of the depression over and corrective measures of social justice now permanently installed, the plain and unmistakable road henceforth to recovery is through the exercise of strict control over debt and taxation. [Applause.]

The workman wants and is entitled to employment at good wages, with reasonable hours and sanitary, healthful working conditions, but he cannot realize his desire unless there is someone to employ him. Capital must be encouraged to realize that its muscles are not atrophied and that with a reasonable profit assured it is capable of getting into action again to do its normal part in the work of the community, including production and employment.

Probably nothing else would go so far, or accomplish so much, at this time to start the wheels of business recovery moving as a certainty that there is no longer any need of enormous spending; that the promise of economy is being redeemed by deep cuts in appropriations and that there is a fixed determination to make tongue and buckle of Federal finances ultimately meet, to the end that the cherished dream of the business world for a balanced budget and reduced governmental burdens may be realized at the earliest possible moment. [Applause.]

WITNESSES ASKED TO ECONOMIZE

In accordance with this philosophy I felt impelled, as chairman of our subcommittee, at the very beginning of our hearings on this bill to say to the witnesses congregated on the other side of the table:

> I think it is proper for me, as a member of this subcommittee who happens to be temporarily its chairman, to say to the gentlemen on the opposite side of the table, and to others who will sit there hereafter, that this is obviously a time when the most serious consideration should be given to the conservation of the money of the taxpayers, a reduction of the national debt, and a lowering of the tax burden, with a view to balancing the Budget as soon as that is possible. I think I might also say that, while it is our intention to furnish the funds necessary to conduct the essential activities of the Government, it is not our purpose to spend one dollar needlessly. We will appreciate the cooperation of witnesses to the end that real substantial economies may be brought about in the preparation of the appropriations for the next fiscal year.

My associates on the subcommittee, able men all of them, conscientious and true to their responsibilities, were imbued with the proper spirit of economy. We have not appropriated one dollar needlessly. We cut the estimates wherever we thought they would stand a cut. The product of our efforts is the bill we now bring before you. We feel that we have done our part to hold appropriations to the bone and thus to help as far as our limitations would permit in bringing relief to the country from debt and taxation.

The debt situation, after all, is not as gloomy as some of our friends would have it appear when we consider that substantial recoveries may be expected from a part of the governmental expenditures that have been in the form of loans through Government corporations and credit agencies.

THE DEBT PICTURE

Let us look for a minute at the debt picture. President Roosevelt in his Budget message, delivered at the opening of this session, estimated that on July 1 next the gross public debt will be $30,933,000,000 and that on July 1, 1937, it will be $31,351,000,000.

The United States Government has a proprietary interest in Government corporations and credit agencies amounting at the present time to $4,492,000,000. If these assets were liquidated at their face value, the estimated public debt as of July 1 next could be reduced to $26,441,000,000. Now, let us take inventory of additional assets, if any, which could be applied to debt retirement.

We have the gold stabilization fund that could be so applied. Of the original stabilization fund of $2,000,000,000 there have been relatively small expenditures amounting to $200,000,000, so that $1,800,000,000 remains. If Congress should so decree, that amount could be applied to reduction of the public debt.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Certainly.

Mr. PETTENGILL. Does the $200,000,000 which has gone out of the stabilization fund represent a loss to the Government or is it a recoverable asset?

Mr. LUDLOW. The gold-stabilization fund is a peculiar fund.

Mr. PETTENGILL. Nobody knows very much about it.

Mr. LUDLOW. I cannot answer the question intelligently because I do not know. I do know, however, that under the gold-stabilization fund amounting originally to $2,000,000,000, two hundred million is all that has been expended for purposes which I assume are known only to the Secretary of the Treasury and the President for purposes which were contemplated by the Congress at the time the fund was created, administrative purposes, regarding which I understand there is no report made to Congress or to anyone.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield further?

Mr. LUDLOW. With pleasure.

Mr. PETTENGILL. The gentleman speaks about the increase of the postal business, which reflects the increase of business transactions of the Nation. Does this increase of postal revenues cause a further loss to the Department? In other words, do not these revenues tend to offset the cost of additional business?

Mr. LUDLOW. It is necessary, of course, to take on additional personnel in order to collect these revenues; and, if this is what the gentleman means, it is a charge against the revenues.

Mr. PETTENGILL. But the gentleman said that there was extra cost on account of the additional employees. My question is, Will not the increased revenues more than offset the cost?

Mr. LUDLOW. I think the gentleman is quite right. I shall come later to the estimated revenues of the Department, and I think I shall be able to throw some light on the matter of interest to him at that time.

Mr. PETTENGILL. I want to compliment my friend for the splendid statement he is making. The gentleman from Indiana is one of the most useful Members of the House. I thoroughly endorse the views he is now expressing with reference to economy; and now that the emergency is over, getting this country back upon the standard of governmental expenditures that formerly prevailed.

Mr. LUDLOW. I thank my esteemed colleague for his contribution.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield for one question?

Mr. LUDLOW. I yield.

Mr. FIESINGER. Do I understand that the revenues of the Post Office Department offset the expenditures?

Mr. LUDLOW. If it is agreeable, I will come to that in regular order a little later on.

Mr. FIESINGER. I do not want to interrupt the gentleman's presentation.

Mr. LUDLOW. Then we have the tidy sum of $276,130,721.60, which represents the seignorage on silver. This sum is carried as a separate account in the Treasury, and could be applied to debt retirement. These three items—recoverables, gold-stabilization fund, and seignorage on silver—represent all of the available assets that might be used for debt retirement, unless we consider in that connection the cash balance in the Treasury, which is something more than $2,133,000,000.

It is my purpose to be entirely fair, however, and I will say that I do not believe that any part of the cash Treasury balance should be regarded as assets that might be applied to debt retirement for the reason that there are many charges against the cash balance in existing appropriations and in appropriations that are on the way, so I think in all fairness that balance should be regarded as already obligated in its entirety.

If the recoverable assets were liquidated at their book value to the United States and if, in addition, the gold stabilization fund and the seigniorage on silver were applied to debt retirement, the President's estimate of a gross public debt on July 1 next of $30,933,000,000 would be reduced to $24,364,869,278.40, which is around $2,000,000,000 less than the high peak of the national debt after the World War.

THE OUTSTANDING RECOVERABLES

The percentages of recoveries of outstanding Government loans will, of course, vary. For instance, the recoverable percentage of crop production and seed loans will be much less than the recoverables of the Reconstruction Finance Corporation or the Public Works Administration.

I will state at this point that I have communicated with the heads of all these establishments that handle Government loans and credits, and I have received from each one an estimate of the amount of recoverables that come under its particular supervision. I am sure the Members will find them to be a very interesting compendium of information on this subject.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield at this point?

Mr. LUDLOW. With pleasure.

Mr. PETTENGILL. Will the gentleman give us his estimate as to the net balance of the present outstanding national debt after applying to the debt the recoverables of which the gentleman has spoken?

Mr. LUDLOW. I was just coming to that. Of a total of $359,663,606 of crop production and seed loans that have been made, the recoverables to date have been $187,852,822, or 52.23 percent of the face of the loans, and of $171,810,784 outstanding in such loans on December 31 last, it is estimated by the Farm Credit Administration that $40,600,000 will be recovered. In regard to Resettlement loans, R. G. Tugwell, Resettlement Administrator, writes to me:

> Every effort is being made to insure the greatest possible recovery of our loaned assets by carefully supervised regulations requiring the security in all cases to be adequate to protect each individual loan as far as such security is practically possible. It is difficult to determine accurately the amount of recoverables from such loans, but it has been estimated that approximately 75 percent of these loans should be recoverable.

In regard to Public Works Administration loans Horatio B. Hackett, Assistant Administrator of that activity, says in reply to an inquiry:

> At the present date, it would be difficult to ascertain the amount of default with any degree of accuracy. However, an estimate of approximately 5 percent should amply cover any anticipated losses from defaulted security issues.

The total volume of loans made by the Public Works Administration to December 31 last was $496,859,895.20.

JONES EXPECTS NEARLY ALL LOANS TO BE REPAID

Jesse H. Jones, head of the Government's largest lending agency, the Reconstruction Finance Corporation, says in a letter to me that it is impossible at this time to estimate the ultimate amount recoverable of loans and other investments of that corporation now outstanding, but he adds, hopefully:

> However, it is my feeling that nearly all of this amount will ultimately be repaid.

HOME OWNERS' LOAN RECOVERABLES

There has been a great deal of speculation, much of it perhaps unduly pessimistic, over the amount of money the Government probably will recover on loans made to save homes through the Home Owners' Loan Corporation.

I have been advised by John H. Fahey, Chairman of the Federal Home Loan Bank Board, that as of January 16 this year the corporation has closed a total of 979,177 loans involving $2,962,810,947.

In reference to the probable recoverables on these loans Chairman Fahey says in his letter to me:

> In reply to your request as to our estimate of total recoverables, I wish to say that no very accurate figures can be given at this time which might properly reply to your inquiry. On the volume of approximately one million loans which have been made by the Corporation, it is estimated that the differential between the interest received from our mortgagors and that paid on the H. O. L. C. bonds will probably fully cover the entire overhead and cost of operation of the Corporation, after setting up a reserve which should be sufficient to take care of possible losses. Thus, with normal recovery of the general conditions throughout the country, the operation of the Corporation should be wholly or nearly self-sustaining.
>
> While the Corporation has been forced to institute a number of foreclosures, and we anticipate that there will be many more in the future, due principally to the fact that individuals whose loans have been refinanced will not be able to carry out their contracts with the Corporation, or willfully default their mortgages, collections are now being made satisfactorily and the percentage of delinquency is decreasing from month to month, and such delinquency represents a showing comparing most favorably with like collections by private lending institutions throughout the country. This is particularly true when there is taken into consideration the fact that in practically all cases our loans were made under distress conditions and to home owners often after having an accumulation of liens against their properties.
>
> I call your attention particularly to the fact that from month to month current collections are improving and our borrowers are catching up on their past delinquencies to the Corporation. This represents a very gratifying situation.

Making liberal allowance for defaults in the payment of Government loans, I think it is a safe, conservative estimate that we have in sight $5,000,000,000 that could be applied to debt retirement if Congress should so decide, reducing the public debt to less than $26,000,000,000, based on the President's estimate of the size of the public debt on July 1 next.

BUDGETARY CALCULATIONS THROWN OFF TRACK

This résumé of the debt situation, however, is subject to revision upward for the well-known reason that recent happenings have thrown all budgetary calculations off the track. The Supreme Court, by its A. A. A. decision, has knocked estimates awry in one direction, while the passage of bonus legislation by the Congress has added its jolt to the Budget column of liabilities, and beyond these substantial unbalancing factors there is the further uncertainty as to the amount it will be necessary to spend for relief. If we add to the President's total of $31,351,000,000 estimated public debt on July 1, 1937, a refund of $1,000,000,000 for processing taxes, the amount necessary to pay the bonus, and a large relief appropriation, we may have a public debt as high as $36,687,000,000 at the beginning of the next fiscal year, as an offset against which we have our $5,000,000,000 of recoverable and other assets.

This total debt liability would include a charge of $2,200,000,000 to pay the bonus. It would also allow $2,136,000,000 for relief, the maximum hinted in the President's Budget message for that purpose, though there are many who are convinced that relief appropriations will not be necessary in anywhere near such a large amount. It is believed that we shall not know before March the amount the Congress will be asked to appropriate at this session for relief purposes.

SOME THINGS WORSE THAN BIG EXPENDITURES

The spending has indeed been enormous—much greater than many of us approved—but, regrettable as it is and important as it is that such drafts on the Treasury shall not

occur again, there are, after all, some things that are worse than big expenditures. Revolution is worse than big expenditures. Starvation stalking through the land is worse than big expenditures. Who can say that the money paid out so lavishly, and in some instances, I think, unwisely, may not have staved off something immeasurably worse than anything this country ever has experienced? Anyway, the hungry have been fed and the naked have been clothed, and the situation has been handled so that in a depression as black as midnight peace has reigned and the faith of the people in their Government has been maintained. [Applause.]

If an orderly recovery emerges from this debacle, with its blessings of contentment and prosperity, I for one shall not quibble over the financial cost, but whether it does or not, I shall always love Franklin D. Roosevelt for his unfailing humanitarianism. [Applause.]

Mr. FIESINGER. Will the gentleman yield?

Mr. LUDLOW. I yield to my friend from Ohio.

Mr. FIESINGER. When the gentleman is considering the public debt, may I say that about $5,000,000,000 of that was created through deficits in the former administration.

Mr. LUDLOW. I thank the gentleman for his observation.

Mr. PETTENGILL. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Indiana.

Mr. PETTENGILL. The prospective increase of the national debt on account of the bonus legislation does not accurately state the picture. When the Adjusted Compensation Act was passed in 1925 it became a deferred liability of the Government right then and there and could properly have been carried as an item of the national debt from that time forward.

Mr. LUDLOW. I think that is true.

HOPE FOR FUTURE IF ECONOMY IS OBSERVED

What has been done has been faithfully done. It has been done with good intent, and the marvel of it all is that throughout the Government's vast operations, put in motion by the Executive to induce recovery, no breath of scandal has touched the performance. With the year 1936 now full upon us, the emergency program is rapidly becoming past history, and we are facing a new era when the indicated order calls for tapering off emergency measures as rapidly as possible and a return to old-fashioned economy in government which is so much needed to give tone and confidence to business. [Applause.] I predict that if this program is followed we will have a recovery that will be a real recovery, introducing an era of prosperity with new ideals of social justice and with as bright prospects as we have ever known in our 147 years of existence as a nation.

GOOD SHOWING MADE BY POST OFFICE DEPARTMENT

Passing from the Treasury Department and the atmosphere of national finance, let us consider briefly the general operations of the Postal Service, to endeavor to ascertain whether that Service is functioning in a businesslike way, or vice versa. The Post Office Department is one department of government that has received no emergency money whatever, and which, figuratively speaking, is running on its own steam. That Department collected $630,795,301.97 in revenue during the fiscal year 1935, an increase of $44,000,000 over the fiscal year 1934. This is the first increase in postal revenues since 1930.

The expenditures of the Postal Service in 1935 were $696,603,252.70, leaving a gross audited deficit of $65,807,950.73. If we were to deduct from the expenditures the nonpostal items, including ocean-mail subsidies under the Merchant Marine Act, air-mail subsidies, frank and penalty mail, etc., we will find that the Department operated during the last fiscal year with a surplus of $4,964,149.31.

If Congress were to assign to the Post Office Department the task of digging a canal across the Isthmus at Nicaragua at a cost of half a billion dollars no one would think that that large amount should be debited against the operations of the postal establishment, and yet that is exactly what we do, only in lesser degree, when we charge such items as merchant-marine subsidy, $28,292,841, against the postal revenues. It seems to me that if we are to appraise the management of the Post Office Department on a basis of absolute fairness, as I am sure all of us desire to do, we should eliminate such items as merchant marine subsidy in our summation of the operation of the Service and give to that operation the credit of a surplus of $4,964,149.31 in the fiscal year 1935.

For the fiscal year 1937 the Post Office Department estimates an income of $705,000,000 which, it singularly happens, was the identical income of the Postal Service in the fiscal year 1930.

Now let us compare the postal expenditures of the 2 years, 1930 and 1937. In 1930 the expenditures were $803,700,085.58 and the amount provided in the bill now before you for the fiscal year 1937 is $778,140,684. In other words, with the same receipts in 1930 the estimated expenditures for 1937 carried in this bill are $25,559,401.58 less than the actual expenditures in 1930 and the estimates submitted by the Department for 1937 were $20,000,000 under the actual expenditures in 1930.

TWO COMPARABLE YEARS

These 2 years, 1930 and 1937, appear to be, as nearly as we can judge, in every way comparable and the fact that the expenditures for 1937 promise to be over $25,000,000 less than in 1930 is, I submit, an indication that the Department is operating under good business management. There have been heavy added costs of operation since 1930 incident, first, to the 44-hour week and then the 40-hour week, necessitating new and large increases in postal personnel to offset the reduction in hours and in addition to that the Department has to assume a public-building expense of more than $20,000,000 in 1937 that did not exist in 1930. On the other hand there has been an increase of letter-postage rate since 1930 with debatable results as far as increase of revenue is concerned, but I think it is only fair to point out, for such interpretation as may be given to it, the fact that with identical revenues in 1930 and 1937 the Department will spend $25,000,000 less in 1937 than in 1930. The estimated increase in 1937 on account of the 40-hour week is about $27,000,000, and the estimated added cost of operation on account of increased business and other items is around $16,000,000.

AIR-MAIL CONTRACTORS NOW "IN THE BLACK"

While we are discussing the Postal Service in a general way I deem it pertinent to call attention to the fact that we reduced the Budget estimate for contract Air Mail Service by a quarter of a million dollars, allowing for that service during the next fiscal year $12,000,000 as against $10,700,000 appropriated for the fiscal year 1935 and a budget estimate of $12,250,000 for the fiscal year 1937.

We made this cut for the reason that we do not think that $12,250,000 will be necessary to cover the contract obligations of this service in the next fiscal year. We base this hope on the well-known fact that increased business is bringing the air-mail contractors out of the red and putting them in the black. Under the law, the Interstate Commerce Commission fixes all of the rates for carrying contract air mail. It must review all of the contracts at least once a year, and while it cannot raise rates above a ceiling established by Congress, it may otherwise adjust rates to whatever basis it may find to be just and equitable, and it has the authority to take up any contract at any time and fix a new rate.

In view of increasing business in the transportation of freight and passengers, as well as the mails, we hope and believe that the Interstate Commerce Commission will find it possible to reduce compensation of air-mail carriers, at least to the point of absorbing the cut we have made in this estimate. In any event the rights of the contractors are in nowise jeopardized, as under the law they must be paid whatever amounts the Interstate Commerce Commission finds to be due them and if they do not get that amount on the regular bill they will get it on a deficiency bill, and this cut will not in any way impair the Air Mail Service.

MERCHANT MARINE CONTRACTS

We have allowed for foreign-mail service under the Merchant Marine Act of 1928 the full amount of the Budget

Estimate, $26,500,000. This service is a matter of contract and the total amount that would be required to carry out the contractural obligations in the fiscal year 1937 on a basis of 100 percent performance would be $33,100,008.50. However, the Post Office Department is reviewing these contracts to ascertain whether the companies are meeting the legal requirements and with the prospects of lower costs now in sight it is unnecessary to appropriate the full amount.

The Budget cut the item to $26,500,000, and that is the amount we have allowed. The whole ocean-mail picture will be changed if Congress passes the administration bill, which would divorce merchant-marine subsidies from the postal operations; and meantime it would seem that a conservative policy would be wise while awaiting developments. Further along in my discourse I shall discuss Alaskan and South American air mail.

I desire now to bring to your attention some of the most important cuts we have made in the preparation of this appropriation bill and to explain the reasons for the same.

MINUS SIGN BEFORE EVERY ITEM

If you will look at the report you will find a comparative statement of the amounts appropriated for the fiscal year 1936, the Budget estimates for the fiscal year 1937, and the amounts carried in this bill for the fiscal year 1937. The extreme right-hand column of that table sets forth the various amounts by items by which this bill differs from the Budget estimates for the fiscal year 1937. If you will run your eye down that column you will see that every item in it has a minus sign before it. This means that in every instance where a change in the Budget estimates was made by your subcommittee the change was downward. In not a single solitary instance have we increased the Budget.

We cut the estimates for the Treasury Department $6,175,155 and the estimates for the Post Office Department $5,768,465. The total cut in the Budget estimates for the two Departments is $11,943,620. The Budget Bureau sent to us a billion dollar plus bill or, to be exact, a bill carrying $1,001,567,449 for the two Departments and the cuts we have made reduce the amount proposed for the two Departments to $989,623,829.

LARGE ACCRETIONS TO PERSONNEL NOT FAVORED

Ever mindful of the condition of national finances and the necessity for holding governmental expenditures to the very minimum, your subcommittee drew a line against making large additions to the permanent personnel of the Government and against the inauguration of new services which would impose heavy fixed permanent charges on the Treasury. We believe that in doing so we acted wisely and in accordance with the conservatism which the times seem to demand.

There are many activities of Government that would appear to warrant great expansion, and there are other proposed new activities that might be established if the Treasury were flush but which under existing circumstances may well be deferred until better times. With the exception of the period immediately following the World War, the number of Government employees now is larger than at any other period in the history of the country. To refuse large accretions to this heavy Government personnel and to reject, at least temporarily, elaborate schemes for new and costly governmental enterprises would seem to be a wise and salutary policy which is likely to produce heavy dividends in a return of public confidence.

"ACCELERATION PROGRAM" NOT APPROVED

A review of some of the important expansions and new activities passed by the Budget but which your subcommittee could not see its way clear to approve may be of interest. Under the head of "Internal Revenue Bureau" you will see that we made a reduction of $1,418,760 in the item of "Expenses of assessing and collecting taxes." The Budget recommended $49,931,740 and we allowed $48,512,980. The Bureau asked for $1,255,850 to carry on an "acceleration program", the objective of which is to reduce from 21 months to 15½ months the date between the filing of income-tax returns and the completion of the audit.

To have carried out this program it would have been necessary to add to the Government pay roll a large group of permanent employees, including 250 Internal Revenue agents at $2,600 each, 59 field deputy collectors at $1,800 each, and 70 junior stenographers at $1,440 each, making a total new personnel of 379 drawing salaries amounting to $857,000 every year. In addition, it would have been necessary to take on 1,025 temporary employees, 235 in Washington and 790 in the collectors' offices.

The principal argument in favor of the acceleration program was that it would be a convenience and advantage to the taxpayers, but while the proposed program may have merit your subcommittee believed that the greater interest of the taxpayers lies in the avoidance of such a fixed heavy annual charge on the Treasury. It was our thought that the placing of this additional heavy burden on the taxpayers would be too great a price to pay for an acceleration which, at most, would mean only 5½ months' difference in the time required for determination of tax liability. While we have not approved the acceleration item we have made generous and adequate allowance of the necessary personnel to take care of the added duties imposed on the Bureau of Internal Revenue and the needs growing out of anticipated increased business. This necessary added personnel includes 300 more storekeeper-gaugers, 10 clerks, and 2 stenographers.

In the 1936 Treasury Appropriation Act we gave the Internal Revenue Bureau 750 additional revenue agents and 265 additional stenographers, or an additional personnel of 1,015 employees, and we feel that with the further additional personnel carried in this 1937 bill the requirements of the Bureau are well provided for beyond any reason for complaint.

DECREASE IN COAST GUARD ESTIMATE

The Coast Guard brought to us an estimate for a large increase in airplane equipment. An elucidating and convincing statement was presented in regard to the value of aviation in the work of the Coast Guard. There is no doubt that the airplane is destined to play an increasingly important part in the Coast Guard of the future, being especially valuable for scouting purposes and the detection of smuggling. But airplanes of the types desired by the Coast Guard are costly.

A long-range plane with a cruising radius of from 1,500 to 2,000 miles costs $152,500, and smaller types in proportion. Coast Guard seaplanes must have strength built into them which is beyond the safety factors required in most commercial planes. Commercial planes carrying ship passengers expect smooth water to take off and smooth water to land on, whereas Coast Guard seaplanes must be prepared at all times to make rough-water landings.

The Coast Guard asked for $1,242,500 for additional airplanes including one plane at a cost of $152,500 to replace an amphibian plane that cracked up and 12 new planes for the air stations now being constructed from P. W. A. allotments at Charleston, S. C., and San Diego, Calif. The average cost of these 12 planes under the estimate submitted would have been about $90,000. There are now no planes at Charleston and three are being operated at San Diego.

It was the belief of your committee that the situation in the Service, and especially the condition of the Treasury, call for a more moderate expansion of Coast Guard aviation than is contemplated by this estimate. There are at the present time 43 very good planes in the Coast Guard Service. We decided to allow the replacement plane and five planes for the new air stations. To the San Diego station we allowed one long-range plane at a cost of $152,500 and one scout plane, $52,500, making a total of five planes, including the present equipment, at that station. To the Charleston station we allowed one long-range plane, $152,500; one intermediate plane, $135,000; and one scout plane, $52,500. By reducing the number of planes we cut the estimate from $1,242,500 to $697,500, a reduction of $545,000, and we feel assured that this substantial economy will in no wise adversely affect the normal development of Coast Guard aviation.

LARGE FORCE OF LAWYERS AND STENOGRAPHERS

The Federal Alcohol Administration appears in this bill for the first time, having succeeded the old Federal Alcohol Control Administration which went out of the picture when the Supreme Court passed death sentence on the N. R. A. The Federal Alcohol Administration has a function of establishing and maintaining fair practices in the wet-goods industries somewhat analagous to the Federal Trade Commission's function in regard to the correction of evil practices in industry in general. It has been our experience that bureaus, once created, seldom if ever grow smaller, but that the constant tendency is to expand, often in mushroom fashion, and take on additional personnel, and it perhaps was this knowledge that prompted us to scan the set-up of the new bureau closely to see that it did not start on too ambitious a scale.

Frankly, we were surprised by the size of the personnel estimated to be necessary to conduct this new bureau. There was brought before us with Budget approval an estimate for 190 persons and a salary roll of $446,780. This included a legal staff of 16 high-salaried lawyers, including a general counsel at $8,500 per annum, an assistant general counsel at $7,000, a chief attorney at $6,000, 4 principal attorneys at $5,200 each, a senior attorney at $4,400, 2 associate attorneys at $3,200 each, 2 assistant attorneys at $2,600 each, 3 junior attorneys at $2,000 each, and a senior law clerk at $2,300—a legal staff of 16 with salaries totaling $67,600 per annum, not to mention a public relations counsel at $6,000 additional.

It was our opinion that this set-up included altogether more high-paid lawyers than were necessary, especially in view of the fact that the Treasury Department, to which this new bureau is attached, has a general counsel and a large legal staff under him. The estimate also provided for a stenographic staff which seemed to us to be out of proportion, including 2 reporting stenographers at $2,000 each, 14 principal stenographers at $1,800 each, 35 senior stenographers at $1,620 each, and 17 junior stenographers at $1,440 each, or a total of 68 stenographers with salaries aggregating $110,380 a year.

Believing that too many persons were provided for on the salary roll of this new Bureau we cut $150,000 from the estimate, reducing it to $400,000, and directed a corresponding cut in personnel.

The Public Health Service brought in an estimate of $1,500,000 for diseases and sanitation investigations under the new Social Security Act. We reduced the amount to $1,155,160, thus bringing it into harmony with the amount carried in the deficiency bill for five-twelfths of the current fiscal year. We believe that this reduction will in no way annul the purposes of the Social Security Act and that it is in accordance with prudence and good policy.

The investigations will be multilateral and will take a wide scope, embracing numerous problems of sanitation and studies of about all of the diseases, communicable and otherwise, that flesh is heir to. It is reasonable to expect that it will be a long time before all of the machinery necessary to conduct these prolific and varied searches for knowledge can be geared to full operation, and no harm can result from making appropriations on a gradual basis but, on the contrary, that would seem to be the business way to proceed.

POST-OFFICE INSPECTION FORCE

In pointing out unusual items which we have brought under the economy ax, I call attention to the fact that we had before us an estimate for 100 additional post-office inspectors. The present inspection force is 555. The chief inspector devoted many pages of justifications to show that these additional 100 inspectors should be allowed, thus increasing the force from 555 to 655. The argument used was that this increase would contribute to postal efficiency and to protection of the postal revenues. No direct financial income would result, as the inspection service is not a revenue-producing agency.

Your subcommittee has a full appreciation of the good work done by the inspection service and of its importance in the scheme of postal organization, but in a time like the present, when governmental revenues are falling so far behind governmental expenses, we could not see our way clear to add such a large group to the permanent personnel of the Federal Government, thus imposing on the taxpayers an additional fixed annual charge of $310,000. We reduced the estimate by four-fifths and allowed 20 new inspectors. We believe that this addition to the force will allow most of the inspectors now in the service to catch up on their leave and will furnish the talent that will enable the Department to conduct a number of contemplated investigations looking toward further eliminations of postal frauds and general improvement of the service.

AIR-MAIL EXPANSION PLANS DEFERRED

Certain other items which we disallowed were in the nature of proposed expansions of the Air Mail Service in Alaska and South America. We felt that those improvements, important and desirable as they may be, should await the coming of better times. One of these proposals was for the establishment of four additional air-mail routes in Alaska, a stem line from Ketchikan to Fairbanks via Tanacross and three branches, or feeder lines, one from Fairbanks to Nome, one from Fairbanks to Bethel, and the third from Tanacross to Anchorage, at a total cost of $242,000 per annum. This service, as proposed, would have been entirely extra and in addition to the Air Service now operating in Alaska.

Second Assistant Postmaster General Harllee Branch, a well-informed student of Alaskan affairs who has visited the sections to be tapped by these proposed routes, entertained our subcommittee with a very interesting and informative as well as enthusiastic presentation of the possibilities of air mail as the leading factor in the future development of the Territory of Alaska. He justified the expenditure of $242,000 per annum for these additional routes on the ground that it is necessary as a "pioneering" movement and that Alaska will never be opened and developed as it should be without this service. Alaska has 62,000 inhabitants, of whom between 30,000 and 40,000 are white. When asked what revenue might be expected from this new service, Mr. Branch said:

> There would be no additional revenue except such as would come from the increased volume of mail. There would be no direct revenue.

It is obvious that the revenue that might be expected would be but a mere bagatelle compared with the cost of this extra service and your subcommittee decided that the proposal should be put over without prejudice until a more propitious time. Likewise we decided that we would not at this time increase the frequency of air-mail service to the east coast of South America—an expansion for which $267,500 was estimated and which Mr. Branch, the Second Assistant Postmaster General, said would probably run ultimately to around $400,000 a year.

While much was said in favor of this extension as a means of improving our trade and political relations with South America the fact remains that there is almost $5,000,000 of subsidy per annum in the foreign air-mail service under existing contracts. While the Post Office Department recommended this expansion of South American air mail the Second Assistant Postmaster General seemed to be somewhat uncertain both as to the urgency and as to the cost of this additional service. In his testimony (page 275 of the hearings) he said:

> One particular thing we are trying to make up our minds on—and it seems to be important—is the advisability of another schedule down the east coast of Central and South America. We have one schedule down the east coast now.

Under the circumstances we decided that this is a matter that may be deferred, at least, until more definite information is obtainable showing the cost of this extra service. Meanwhile we have made provision in this bill to carry on the South American air mail in full operation under existing schedules.

EMERGENCY BANKING, GOLD RESERVE, AND SILVER PURCHASE

Your subcommittee believed that emergency banking is a diminishing activity which soon should vanish from the picture, and in order to facilitate the tapering-off process and

to bring the appropriation under the Emergency Banking, Gold Reserve, and Silver Purchase Acts down to what we regard as proper proportions we reduced the estimate from $1,662,800 to $1,499,190, a cut of $163,610.

There was involved in this estimate of $1,662,800 considerable personnel which seemed to us to be excessive, including a force of 31 stenographers and clerks, with salaries of $54,860, merely to handle the correspondence of the activity. This correspondence was described in the justifications as "several hundred letters daily", and we did not believe that 31 persons are required to dispose of such a volume of mail, since there are days when Members of Congress, with the limited force allowed them, are required to attend to hundreds of letters.

We also have clarified the situation in regard to this appropriation by distributing the sum allowed among the various Treasury Department bureaus and offices concerned with the administration of the Emergency Banking Gold Reserve and Silver Purchase Acts instead of carrying the entire amount in a lump to be apportioned administratively, as heretofore. We believe this is advisable not only from the standpoint of clarification, but that it will assist in closing out such parts of the activity as should be closed.

Mr. Chairman, this is a very large bill and provides for very many services. Obviously, in the presentation of it to the House I can only cover the ground poorly and mention some of the main outstanding features, which I have sought to do. I thank the Members very kindly. [Applause.]

Mr. PETTENGILL. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Indiana.

Mr. PETTENGILL. I am not able to agree with the gentleman's last statement. It is my belief he has made one of the most comprehensive and clear statements on an appropriation bill that I have ever listened to, and, as I estimate, the work of the subcommittee of which the gentleman is chairman in reducing the Budget allowances shows an average saving of about $30,000 to every congressional district in this Nation. I feel very sure the gentleman's constituents will recognize this as a real service to the country.

Mr. LUDLOW. I thank the gentleman.

[Here the gavel fell.]

Mr. LUDLOW. 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. GREENWOOD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 10919, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

SUPPLEMENTAL APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado submitted the following conference report on 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:

CONFERENCE REPORT

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

That the Senate recede from its amendments numbered 1, 17, 18, 23, 30, 34, 36, 37, 41, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 9, 10, 11, 15, 16, 20, 21, 22, 26, 27, 28, 29, 31, 32, 35, 38, 39, 40, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, and 61; and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "attorneys of record for the contestant, to wit: Grant P. Hall and George H. Williams"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "each; in all, $1,200"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"Printing and binding: For the printing of 10,000 additional copies of No. 71–A of Senate Document 92, Seventieth Congress, first session, $2,800."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lines 7 and 8 of the matter inserted by said amendment strike out the word "purchase," and after the word "maintenance" in line 8 strike out the comma; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment, strike out the following words: "any purpose in connection with the"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 13, 24, 25, 33, 62, and 63.

EDWARD T. TAYLOR,
C. A. WOODRUM,
JOHN TABER,
Managers on the part of the House.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 1 to 8, inclusive, relating to the Senate: Appropriates for expenses of the Senate in the amounts and for the purposes set out in the Senate amendments with the exception of amendments nos. 7 and 8. The House bill provided payments of $600 each to three attorneys of record for the contestant in the West Virginia contested-election case. The Senate amendment provided for payment of $600 to one such attorney. The conference agreement provides for payment of $600 each to two such attorneys—Grant P. Hall and George H. Williams.

On nos. 9, 10, and 11, relating to the Library of Congress: Appropriates $3,800 for printing the index and digests of bills pending in the second session of the Seventy-fourth Congress and $443.55 for care and maintenance of the Library building.

On no. 14: Appropriates $2,800, as proposed by the Senate, for printing 10,000 additional copies of no. 71-A of Senate Document 92, Seventieth Congress, and strikes out the appropriation of $50,000 proposed by the Senate for printing 1,000 additional copies of each of those numbers of Senate Document 92, Seventieth Congress, which are out of print or the supply of which is about to be exhausted.

On no. 15: Appropriates $50,000, as proposed by the Senate, instead of $40,000, as proposed by the House, for the George Rogers Clark Sesquicentennial Commission.

On Nos. 16 to 19, inclusive, relating to the Veterans' Administration: Strikes out the transfers of funds of $30,000 and $140,000, respectively, proposed by the Senate, in connection with the naval hospital at Portsmouth, N. H., and the United States marine hospital at New Orleans, La., and inserts the appropriation of $5,500,000, proposed by the Senate, for administrative expenses in connection with the Adjusted Compensation Payment Act, 1936.

On nos. 20 and 21, relating to the government of the District of Columbia: Appropriates $5,250 and $2,250, respectively, as proposed by the Senate, for the filtration system at the workhouse and reformatory.

On nos. 22, 23, 26, 27, 28, 29, 30, 31, and 32, relating to the Department of Agriculture: Appropriates $1,276,709, as proposed by the Senate, for fighting and preventing forest fires; strikes out the appropriation of $33,000 inserted by the Senate for sea-food inspection; and makes clarifying changes, as proposed by the Senate, in connection with the appropriation for payments for agricultural adjustment with the exception of "law books, books of reference, directories, periodicals, and newspapers" where "purchases and exchange" are confined to "past" transactions, as provided by the House bill.

On no. 34: Strikes out the appropriation of $60,000, inserted by the Senate, for a fish-cultural station in the State of Nevada.

On nos. 35, 36, 37, and 38, relating to the Department of the Interior: Appropriates $15,000, as proposed by the Senate, for the

Ackia National Memorial Commission and Battleground National Monument; strikes out the authority, proposed by the Senate, for expenditure, without matching, of the appropriation for grants to States for cooperative vocational rehabilitation of persons disabled in industry; appropriates $4,500, as proposed by the House, instead of $9,000, as proposed by the Senate, for administrative expenses of the office of education in connection with vocational rehabilitation; and strikes out, as proposed by the Senate, in connection with the Bituminous Coal Commission, the House limitation which was to be effective in the event of the determination of the unconstitutionality of the Bituminous Coal Conservation Act of 1935.

On nos. 39 and 40: Appropriates $2,291.87, as proposed by the Senate, instead of $120.29, as proposed by the House, for payment of claims for damages by collision with naval vessels certified to Congress after the bill had passed the House.

On nos. 41, 42, 43, and 44 relating to the Treasury Department: Appropriates $750,000, as proposed by the House, instead of $851,000, as proposed by the Senate, for expenses under the Emergency Banking, Gold Reserve, and Silver Purchase Acts; inserts the appropriation of $6,678,375 for administrative expenses in connection with the Adjusted Compensation Payment Act, 1936; appropriates $180,000, as proposed by the House, instead of $225,000, as proposed by the Senate, for salaries and expenses of the Federal Alcohol Administration; and strikes out, as proposed by the Senate, the House item of $200,000 for purchase of premises designated at 1724 F Street NW., Washington, D. C.

On nos. 45 to 61, inclusive, relating to judgments and authorized claims: Appropriates, as proposed by the Senate, for payment of claims for damages to private property ascertained and determined by administrative action as provided by law, for judgments rendered against the United States, and for audited claims allowed and certified by the Comptroller General, as provided by law, all certified to Congress after the bill had passed the House.

The committee of conference report in disagreement the following amendments of the Senate:

On no. 12: Making an additional appropriation of $75,000 for the California Pacific International Exposition.

On no. 13: Making the appropriation for the Central Statistical Board available from and including January 16, 1936.

On no. 24: Making $12,500 of existing appropriations of the Department of Agriculture available for payment of expenses of the North American Wildlife Conference, February 3–7, 1936.

On no. 25: Making clear that payments to cotton ginners, as proposed by the bill, may be made notwithstanding the repeal of the Bankhead Act.

On no. 33: Clarifying the authority of the Secretary of Agriculture to make purchases of agricultural commodities and products thereof under section 32 of the act of August 24, 1935.

On no. 62: Amending section 1 of the Emergency Relief Appropriation Act of 1935 by providing that funds under limitation (g) of such section (loans or grants, or both) may be expended upon the Federal Highway system without being apportioned in the manner required by such act.

On no. 63: Changing a section number of the bill.

EDWARD T. TAYLOR,
C. A. WOODRUM,
JOHN TABER,
Managers on the part of the House.

REPORT OF MINORITY MEMBERS OF AGRICULTURAL COMMITTEE

Mr. TABER. Mr. Speaker, I ask unanimous consent that the minority members of the Agricultural Committee may have until midnight tonight to file a report on H. R. 10835, the report to accompany the majority report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COERCION OF TEACHERS

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by my colleague the gentleman from New York, Mr. SISSON.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which was delivered by my colleague, Hon. FRED J. SISSON, representing Thirty-third District of New York, at a meeting sponsored by a politically nonpartisan body, Independent Legislative Bureau, held at the Cosmos Club, Washington, D. C., on Monday evening, February 3. At this time 14 Members of the House of Representatives were present, the United States Commissioner of Education, the executive director of the National Youth Administration, the president of the school board of the District of Columbia, and numerous others engaged in educational work locally and nationally. Mr. SISSON said:

The request has been made of me that I should briefly state the present situation regarding the coercion by Congress of teachers and the suppression of fact and truth in the public schools of the District of Columbia—if such coercion exists—and the reasons that impelled me to introduce a bill in the House of Representatives affecting this situation. In order that the present situation may be more clearly understood a brief recital of the legislative record should be made. Probably many, perhaps all, of the facts contained in both the record and involved in the situation are known to those here who are interested in or responsible for the right sort of education being carried on in the public schools of the District. It is, however, of course, desirable that the public also, both in the District and outside of the District, should know all the essential facts.

Several years ago Dr. Ballou, superintendent of schools of the District, inaugurated a forward-looking experiment in teaching in the schools known as character education. This was, as I understand it, a special course intended to be given to selected teachers on new methods of instruction. During the course of this experiment several consultants were employed by the school authorities to present their views. One of these was Dr. W. W. Charters, a national figure in education and the author of many monographs in his field. It appeared that Dr. Charters had, at one time, held by exchange with American universities an exchange fellowship for a year at the University of Moscow. An already alarmed Member of the House, apparently by reason of this fact alone and without any real evidence at all to support it, drew the conclusion that Dr. Charters was in sympathy with communism. By reason of his position on the subcommittee which has charge of appropriations in the District of Columbia this Member has been able to exert considerable influence regarding appropriations for public schools in the District.

He was able at the last session of Congress to bring it about that an item of $87,000 to continue the character-education experiment which had been approved by the Budget Bureau was killed in the House Appropriations Subcommittee on the District appropriations.

When the bill got over in the Senate the appropriation of $87,000 was restored, and it then became a matter for the House and Senate conferees on the appropriation bill to iron out in conference. The now partly reassured Member finally agreed with the conferees to allow the continuance of the appropriation if he could put in the bill a safeguard against the teaching of communism. It was then that the now famous—or more properly infamous—rider in the District appropriation bill was inserted. But it was inserted so as to apply not to the experiment alone in character education but to the entire school system; and at the instance again of the alarmed Member the word "hereafter" was put in so as to make it permanent legislation. When the conferees returned the bill to the House the conference report was accepted with little or no debate and with only a few Members present. No one raised any objection, either in the Senate or the House, to the inclusion of this rider, for the simple reason that not more than 25 Members of Congress knew anything about it.

It is common knowledge that the House ordinarily takes little or no interest in District legislation. No one expected, or had any reason to expect or suspect, outside of those who were in on the "know", that an important provision of substantive law coercing teachers and suppressing academic freedom would be slipped into an appropriation bill. A point of order could have been made against it upon the ground that it was permanent legislation in an appropriation bill, and there were unquestionably many scores of Members in each branch of Congress who would have done so had they known of it. The conference report was accepted in the House and Senate on the same day, June 6, shortly after the conferees had concluded their meeting.

On June 14, with the signature of the President who, of course, could not take out this rider without vetoing the whole appropriation bill, the bill became a law and the rider became permanent law.

In order to further understand the situation and the lack of openness and straightforwardness in which this important legislation was passed, a further reference to the legislative record, as shown in the statute, is necessary. I do this by quoting literally the language of the particular paragraph. The appropriation bill for the District of Columbia passed at the last session is chapter 241 and covers about 33 printed pages. It is entitled, "A bill 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."

Under the heading of "Public schools" and under the subheading of "Miscellaneous" there appears the following paragraph which contains this famous or now, I trust, infamous rider, and I want you particularly to note the notations in the margin of such paragraph:

"Children of Army, Navy officers, etc., admitted free."	"The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside of the District of Columbia shall be admitted to the public schools without payment of tuition: *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."
"Proviso. Restriction on salary payments."	

It is not without significance, in my opinion, that, contrary to the understanding which the alarmed House Member had with the

conferees, this applies not merely to the very fine experiment of Dr. Ballou in character education but also to all of the teaching in the public schools in the District of Columbia, and that it is contained in the same paragraph regarding furnishing of instruction free to the children of many thousands of Army and Navy officers who have their arduous posts here in Washington for our protection against invasion or seizure by an enemy. It is a fair and almost inescapable inference that the alarmed and excited Member was further alarmed and excited by some of the repressionists and restrictionists who represent the Army and Navy lobby here and who are constantly sticking their noses into legislation.

To digress for a moment, I wish to say that while I think it is entirely proper and necessary that the generals and admirals should be called upon for advice in technical matters involving our military and naval defense, I have always objected to their attempted usurpation of the province of the State Department in matters involving our foreign and international policy. This is one of their first open incursions into the field of academic freedom and public-school education. I resent and shall oppose one as much as the other. However, their entire ignorance of the psychology of our young people is so dense that in this particular instance they are defeating their own purpose. In other words, instead of lessening the interest of young people in communistic ideas they are increasing and multiplying it manyfold.

No right-minded person believes that anyone should be allowed to advocate communism in the public schools. It is an insult, however, to the teaching profession and to the teachers of the District of Columbia to presuppose that it is necessary to forbid it. Moreover, the inclusion of the word "teaching" in addition to the word "advocating" would very likely carry with it the idea that students in the schools should not be allowed to gain the facts about the social, economic, or political systems of other countries. It can only be based upon the supposition that our young people are too feeble-minded to know the truth. The best way to combat communism or anything else which is destructive of our present order is not to cloak it in mystery or secrecy but to let the facts about it be known. To pass legislation to the effect that no mention can be made of the economic, political, or social system of Russia, for example, is the silliest kind of flapdoodle, and is a brand of 100 percent Americanism and pseudo-patriotism of the kind represented by the Know Nothing Party of former years so aptly described and condemned by Abraham Lincoln.

My bill retains the prohibition against the advocacy of communism in the public schools of the District of Columbia. It strikes out the word "teaching" and through that—and by reason of the provision in the bill to the effect that it shall not be construed to restrict or forbid the giving or supervising of instruction regarding the political, social, or economic system of any country—affirmatively permits giving the facts. My reason for retaining the provision against the advocacy of communism in the public schools is that it is already in the law, and I do not want to allow the false issue to be raised that either I, or anyone who favors the passage of my bill, advocate or sanction the advocacy of communism in the public schools. I am, of course, opposed to the repression of free speech, whether advocated by the Army, Navy, or any pseudo-patriotic organization.

I have been asked, as I have already indicated, to give my reasons for introducing this bill.

I have a great deal of respect for the teaching profession as one of the most useful and necessary of all lines of work. A great many years ago, before I became a lawyer, I was principal for some years of a small high school. For about 10 years of my life I was a member of a public-school board of education. I have always been opposed to allowing anyone to tinker with the public schools, even though they were doing it under the guise of patriotism. I have never seen anything but harm result from the coercion of teachers or the suppression of academic freedom. Those who seek to do this in the schools of America are copying the most objectionable features of the systems of government and the methods employed by the governments in some of the countries of the old world, the introduction of which systems they believe—or claim—they are combatting here. I do not believe in communism. I am opposed to it. I am, however, interested in the great experiment that is being carried on by a great people who, having overthrown the despotic rule under the czars, are attempting to work out their salvation by methods different from those which we employ in our country. The repressions, excesses, and abuses which have been employed in the communistic regime in Russia have certainly been no worse than those employed under former despotisms to which such champions as the alarmed and excited Member of the House did not so greatly object. My information is that the people of Russia are gradually working toward an ideal of a capitalistic economic system, with safeguards, from which even we might possibly learn some things.

The schools of the District of Columbia, the Nation's Capital, ought to be made a model of academic freedom and of freedom of speech and thought in this land where freedom of speech and of thought are supposed to be a part of the bedrock of our institutions. I know of none of our States which has seen fit as yet to adopt in their laws governing public-school education similar restrictions to those contained in this famous—or now, I trust, infamous—rider to the appropriation bill.

However, the reasons of which I have already spoken which impelled me to introduce this bill would not alone have been sufficient for me. I believe that the Board of Education, the Superintendent of Schools, and the teachers of the public schools in the District are capable of taking care of the education of boys and girls without any help or interference from me, or any other Member of Congress, so far as courses of instruction are concerned. I deplore the fact, therefore, that it is possible for any Members of Congress to stick their respective noses into these matters. My main reason for introducing this bill is that I am opposed to the method of legislation that was employed in bringing about the passage of this infamous rider, and that I feel that when any such method as this has been improperly employed it is a part of the job of Congress to correct it. I have a very high regard for the standing of the National Legislature. Contrary to a somewhat prevalent but erroneous public opinion, most legislation that passes Congress is very carefully considered. It is studied, considered, debated, and passed in the open. Our various legislative committees at some time or other in the passage of every major bill give an opportunity to and request experts and others, leaders of public opinion—and, so far as time will permit, the public generally—to appear before such committees and give what information or advice they may regarding such legislation. Such legislation is then again reconsidered before each of the two branches of Congress and debated in the open.

Occasionally, however, bills are introduced which are not well considered and which offend against freedom of speech and thought. Among such instances are so-called sedition and military disaffection bills and extremely repressive immigration or exclusion measures. It is a few of these bills, and a few of the publicity seekers who promote them, that lead some of our people to believe that Congress is made up of demagogues, repressionists, bigots, and race haters. Such measures, whether passed or not, expose Congress unjustly to the ridicule of the country by leading people to believe that the exception is the rule. There are now pending before Congress three bills of this type: A bill, for example, providing in substance for the deportation of all aliens in this country; a so-called military disaffection bill; and a so-called sedition bill. None of these bills, in my opinion, will ever be brought out of their committees and see the light of day any further than they have already; and if they do, I am very certain that they will receive the condemnation of the House of Representatives by overwhelming majorities. It was largely as an attempt to correct one of our own errors of omission that I introduced the bill to modify this famous, or rather infamous, rider.

NOT OBSTRUCTIONISTS

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and include an editorial which appeared on Monday last in the Scranton Times, one of the most influential newspapers in the East. This editorial was written by the owner, Mr. Lynett, who is a most worthy citizen and has the respect of the entire citizenry of Pennsylvania. It is in answer to an attack upon me and some of my colleagues by a certain clergyman in a radio address last Sunday, in which he designated my colleagues and myself as obstructionists.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The editorial referred to follows:

NOT OBSTRUCTIONISTS

Because the strategy of House leaders just at the moment does not favor reporting out the Frazier-Lemke farm bill, leaders of the democratic majority—Speaker BYRNS, Majority Whip BOLAND, and Mr. O'CONNOR, of New York—are termed a "triumvirate of obstruction" by Father Coughlin. It appears that recently a petition was prepared to bring the bill on the floor of the House. Father Coughlin alleges that 27 of the 242 Representatives who signed the petition for release withdrew their names, and declares that BYRNS, BOLAND, and O'CONNOR were the prime movers in having these Members default.

It is part of Mr. BOLAND's duty as majority whip to see to it that no legislation is reported on the floor of the House until such time as the majority strategy calls for a report. With the administration working on a new farm-relief program, it is only natural that leaders should not want any other legislation reported out at this particular time to bedevil the situation. It is decidedly unfair, accordingly, for Father Coughlin, or any other critic of the administration, to charge men like BYRNS, BOLAND, and O'CONNOR with being obstructionists.

Without such a steering group to see to it that legislation is reported out in an orderly way, any program which the administration may have in mind for farm relief might easily be defeated. At least, there would be so much confusion as to endanger the end desired.

Speaker BYRNS, Mr. BOLAND, and Mr. O'CONNOR need make no apology for what they are doing in holding the Frazier-Lemke bill in committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RABAUT, for an indefinite period, on account of death in family.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 277. An act for the relief of the Perkins-Campbell Co.; to the Committee on Claims.

S. 903. An act for the relief of the Holyoke Ice Co.; to the Committee on Claims.

S. 1645. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1820. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy; to the Committee on Merchant Marine and Fisheries.

S. 1828. An act for the relief of Mrs. Frank G. Sanford; to the Committee on Claims.

S. 2042. An act for the relief of Grace Park; to the Committee on Claims.

S. 2134. An act to prohibit employers from influencing the vote of their employees in national elections; to the Committee on the Judiciary.

S. 2912. An act to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes; to the Committee on Immigration and Naturalization.

S. 2941. An act for the relief of Izelda Boisoneau; to the Committee on Claims.

S. 2942. An act for the relief of John Hoffman; to the Committee on Claims.

S. 2943. An act for the relief of John Morris; to the Committee on Claims.

S. 3090. An act for the relief of Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne; to the Committee on Claims.

S. 3121. An act to vest in the Register of Copyrights the registration of copyright prints and labels; to the Committee on Patents.

S. 3313. An act for the relief of George W. Olney; to the Committee on Military Affairs.

S. 3430. An act to amend the act of January 5, 1927 (44 Stat. 932), entitled "An act for the relief of soldiers who were discharged from the Army during the Spanish-American War, the Philippine Insurrection, and the Boxer uprising because of misrepresentation of age"; to the Committee on Military Affairs.

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

S. 3684. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War; to the Committee on Claims.

S. 3687. An act to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances; to the Committee on Military Affairs.

S. 3688. An act to validate payments, and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

S. 3699. An act 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; to the Committee on Coinage, Weights, and Measures.

S. 3737. An act 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.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3421. An act to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929;

H. R. 3709. An act for the relief of the Norfolk Southern Railroad Co.;

H. R. 4805. An act authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia;

H. R. 4858. An act for the relief of Edward Shippen West;

H. R. 6402. An act for the relief of Julia M. Crowell;

H. R. 7680. An act to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers;

H. R. 7814. An act to authorize the Secretary of Commerce to grant to the State of California an easment over certain land of the United States in Tehama County, Calif., for highway purposes;

H. R. 7995. An act to authorize a preliminary examination of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.;

H. R. 8515. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

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; and

H. J. Res. 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."

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 166. An act for the relief of Jack Doyle;

S. 246. An act for the relief of Elmer Blair;

S. 272. An act for the relief of William Frank Lipps;

S. 423. An act for the relief of Lynn Brothers' Benevolent Hospital;

S. 889. An act for the relief of Albert A. Marquardt;

S. 1010. An act for the relief of Fred Edward Nordstrom;

S. 1176. An act for the relief of Thomas A. Coyne;

S. 1298. An act for the relief of John Z. Lowe;

S. 1950. An act for the relief of the estate of Julius Crisler;

S. 2044. An act for the relief of the Hartford-Connecticut Trust Co., Inc.;

S. 2166. An act for the relief of Ludwig Larson;

S. 2321. An act for the relief of S. M. Price;

S. 2323. An act for the relief of Ida C. Buckson, executrix of E. C. Buckson, deceased;

S. 2343. An act for the relief of Maj. Edwin F. Ely, Finance Department; Capt. Reyburn Engles, Quartermaster Corps; and others;

S. 2691. An act for the relief of E. E. Sullivan;

S. 2741. An act for the relief of Maj. Joseph H. Hickey;

S. 2897. An act for the relief of Lt. Robert A. J. English, United States Navy;

S. 3020. An act for the relief of A. E. Taplin;

S. 3186. An act for the relief of Edward H. Karg;

S. 3934. An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935; and

S. J. Res. 169. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba.

BILLS AND JOINT RESOLUTION 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 and a joint resolution of the House of the following titles:

H. R. 3421. An act to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929;

H. R. 3709. An act for the relief of the Norfolk Southern Railroad Co.;

H. R. 4805. An act authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia;

H. R. 4858. An act for the relief of Edward Shippen West;

H. R. 6402. An act for the relief of Julia M. Crowell;

H. R. 7680. An act to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers;

H. R. 7814. An act to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes;

H. R. 7995. An act to authorize a preliminary examination of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.;

H. R. 8515. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

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; and

H. J. Res. 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."

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Friday, February 7, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

657. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to give precedence to civil and criminal proceedings arising under the customs or internal-revenue laws which involve fraud upon the revenues of the United States, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STARNES: Committee on Immigration and Naturalization. House Joint Resolution 443. Joint resolution to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937; without amendment (Rept. No. 1970). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10850. A bill to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service; without amendment (Rept. No. 1971). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 10265. A bill to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the national jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937; without amendment (Rept. No. 1972). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 10835. A bill to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes; without amendment (Rept. No. 1973). 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. DIES: A bill (H. R. 10973) to aid agriculture and relieve the existing national economic emergency; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 10974) to provide that the net earnings of Federal Reserve banks shall be paid to the United States as a franchise tax, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 10975) authorizing a preliminary examination and survey of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. VINSON of Georgia: A bill (H. R. 10976) to authorize alterations and repairs to certain naval vessels; to the Committee on Naval Affairs.

Also, a bill (H. R. 10977) to authorize alterations and repairs to certain naval vessels, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 10978) to authorize the construction of certain auxiliary vessels for the Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 10979) to authorize the President of the United States to dispose of certain public vessels, and for other purposes; to the Committee on Naval Affairs.

By Mr. GRISWOLD: A bill (H. R. 10980) to relieve Government employees of undue charges for quarters, subsistence, laundry, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. JOHNSON of West Virginia: A bill (H. R. 10981) to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. SANDERS of Texas: A bill (H. R. 10982) to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. RANDOLPH: A bill (H. R. 10983) to clarify, perfect, and extend the classified civil-service laws; to equalize in particular the status of the employees of the Navy Yard of the District of Columbia, who are performing tasks vital to the national defense; and for other purposes; to the Committee on the Civil Service.

By Mr. DIRKSEN: A bill (H. R. 10984) making it unlawful to sell certain spirits containing alcohol produced from materials other than cereal grains, and for other purposes; to the Committee on the Judiciary.

By Mr. HARTLEY: A bill (H. R. 10985) to repeal Public Law No. 246 of the Seventy-second Congress; to the Committee on Public Buildings and Grounds.

By Mr. JENKINS of Ohio: A bill (H. R. 10986) relating to travel allowances of certain members of the volunteer forces of the United States; to the Committee on War Claims.

By Mr. CHAPMAN: A bill (H. R. 10987) to authorize a compact and agreement between the States of Kentucky, Tennessee, Indiana, Ohio, West Virginia, Virginia, Missouri, and North Carolina, providing for the control of the production of burley tobacco in the said States and for the further purpose of regulating, protecting, and preserving a fair price for said commodity; to the Committee on Agriculture.

By Mr. ZIONCHECK: Resolution (H. Res. 411) appointing a select committee of the House to investigate municipal taxation and assessments, and for other purposes; to the Committee on Rules.

Also, resolution (H. Res. 412) to authorize an investigation of old-age-pension schemes; to the Committee on Rules.

By Mr. CELLER: Resolution (H. Res. 413) proposing an inquiry to protect American investors; to the Committee on Rules.

By Mr. LUNDEEN: Joint resolution (H. J. Res. 483) 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. McSWAIN: Joint resolution (H. J. Res. 484) to close Military Road; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHAPMAN: A bill (H. R. 10988) for the relief of Russell Baber; to the Committee on Naval Affairs.

By Mr. FARLEY: A bill (H. R. 10989) for the relief of Frederick R. Hamilton; to the Committee on Claims.

By Mr. HART: A bill (H. R. 10990) granting a pension to George W. Detmering; to the Committee on Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 10991) for the relief of Harry Wallace; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 10992) to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson; to the Committee on Military Affairs.

By Mr. McREYNOLDS: A bill (H. R. 10993) for the relief of James Dawley Bonney; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 10994) to direct the removal of the body of First Lt. William Butler Bonham to Arlington National Cemetery; to the Committee on Military Affairs.

By Mr. POLK: A bill (H. R. 10995) for the relief of Elbert Arnold Jarrell; to the Committee on Claims.

By Mr. WILCOX: A bill (H. R. 10996) for the relief of Juliette Russell; to the Committee on Claims.

Also, a bill (H. R. 10997) granting a pension to Lillie Daley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10998) for the relief of Irma Elizabeth Ruff; to the Committee on Claims.

Also, a bill (H. R. 10999) granting a pension to Leonora Holloway; 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:

9983. By Mr. ARENDS: Petition of 100 residents of Eureka, Ill., advocating passage of House bill 8739; to the Committee on the District of Columbia.

9984. Also, petition of 41 patrons of star route 35137, asking for indefinite extension of all existing star-route contracts, increase of 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.

9985. By Mr. CARPENTER: Petition of Essie Thomas and other residents of Greenwood County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9986. Also, petition of Mrs. James Hobkirk and other residents of Franklin County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9987. Also, petition of Veva Smith and other residents of Morris County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9988. Also, petition of Mrs. John Pinney and other residents of Franklin County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9989. Also, petition of Mrs. Olive Powell and other residents of Ford County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9990. Also, petition of citizens of the State of Kansas, counties of Dickinson and Morris, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9991. Also, petition of Birdi Knorp and other residents of Barber County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9992. Also, petition of Mrs. E. A. McFarland and other residents of Lincoln County, State of Kansas, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9993. By Mr. HOUSTON: Petition of 2,002 signers, supporting passage of House bill 8739, introduced by Mr. GUYER; to the Committee on the District of Columbia.

9994. Also, petitions signed by 53 residents of the Fifth Congressional District of Kansas, urging the abolishment of the star-route bidding system and the adoption of legislation proposed by the National Star Route Carriers Association providing a permanent tenure of service with fair and reasonable pay based upon that of other forms of United States mail transportation; to the Committee on the Post Office and Post Roads.

9995. By Mr. LAMBERTSON: Petition of Mrs. F. P. Lindsay and 127 other citizens of Topeka, Kans., favoring passage of the Guyer Act, regarding liquor control in the District of Columbia; to the Committee on the Judiciary.

9996. Also, petition of H. T. Vigour and 28 other citizens of Severance, Kans., favoring passage of the Guyer Act, regarding liquor control in the District of Columbia; to the Committee on the Judiciary.

9997. By Mr. PEARSON: Petition of J. T. Burross and others; to the Committee on the Post Office and Post Roads.

9998. By Mr. WHITTINGTON: Petition of the Legislature of Mississippi, urging adequate substitute for Agricultural Adjustment Act; to the Committee on Agriculture.

9999. Also, petition of the City Council of Greenville, Miss., opposing legislation regulating or coordinating inland water traffic; to the Committee on Interstate and Foreign Commerce.

10000. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Ways and Means.

10001. Also, petition of the Missouri Bar Association; to the Committee on the Library.

10002. Also, petition of the Ohio State Bar Association; to the Committee on the Library.

SENATE

FRIDAY, FEBRUARY 7, 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 the calendar day Thursday, February 6, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 166. An act for the relief of Jack Doyle;

S. 246. An act for the relief of Elmer Blair;

S. 272. An act for the relief of William Frank Lipps;

S. 423. An act for the relief of Lynn Brothers' Benevolent Hospital;

S. 889. An act for the relief of Albert A. Marquardt;

S. 1010. An act for the relief of Fred Edward Nordstrom;

S. 1176. An act for the relief of Thomas A. Coyne;

S. 1298. An act for the relief of John Z. Lowe;

S. 1950. An act for the relief of the estate of Julius Crisler;

S. 2044. An act for the relief of the Hartford-Connecticut Trust Co., Inc.;

S. 2166. An act for the relief of Ludwig Larson;

S. 2321. An act for the relief of S. M. Price;

S. 2323. An act for the relief of Ida C. Buckson, executrix of E. C. Buckson, deceased;

S. 2343. An act for the relief of Maj. Edwin F. Ely, Finance Department; Capt. Reyburn Engles, Quartermaster Corps; and others;

S. 2691. An act for the relief of E. E. Sullivan;

S. 2741. An act for the relief of Maj. Joseph H. Hickey;

S. 2897. An act for the relief of Lt. Robert A. J. English, United States Navy;

S. 3020. An act for the relief of A. E. Taplin;

S. 3186. An act for the relief of Edward H. Karg;

S. 3934. An act to repeal the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935; and

S. J. Res. 169. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until called to order by the Chair.

The motion was agreed to; and (at 12 o'clock and 1 minute p. m.) the Senate took a recess, subject to the call of the Vice President.

At 12 o'clock and 3 minutes p. m. the Senate reassembled, having been called to order by the Vice President.

TODAY'S BUSINESS—ORDER FOR RECESS TO MONDAY

Mr. ROBINSON. Mr. President, many Senators have been unable to reach the Senate this morning on account of the very unusual snowstorm. I do not know whether a quorum will develop upon a roll call. It is not my intention to ask that Senators who have announced they are unable to reach the Senate because of the storm be brought in.

I should like to proceed today with the discussion of the unfinished business. It would not be possible to take a vote on any important issue in the bill for the reason that many Senators are absent who desire to be present and who are unable to get here because of the facts that have already been referred to.

I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon on Monday next.

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

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Byrnes	Johnson	Robinson
Ashurst	Coolidge	Lewis	Russell
Bachman	Couzens	Logan	Sheppard
Barbour	Davis	McCarran	Smith
Benson	Fletcher	McKellar	Thomas, Okla.
Borah	George	McNary	Townsend
Burke	Guffey	Murray	Vandenberg
Byrd	Hatch	Pope	Wagner

Mr. LEWIS. Mr. President, in view of the statement of the leader on this side of the Chamber, which indicates the reason for the absence of a number of Senators, I will not take the time of the Senate to allude to Senators individually who are absent, but I am anxious that the RECORD show that my colleague the junior Senator from Illinois [Mr. DIETERICH] is still detained at his home because of illness in his family.

I also announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Thirty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BAILEY, Mr. BARKLEY, Mr. CAPPER, Mr. HALE, and Mr. NORBECK answered to their names when called.

Mr. AUSTIN, Mr. BROWN, Mr. BULKLEY, Mr. BULOW, Mrs. CARAWAY, Mr. CAREY, Mr. CHAVEZ, Mr. CLARK, Mr. CONNALLY, Mr. COPELAND, Mr. DONAHEY, Mr. DUFFY, Mr. FRAZIER, Mr. GIBSON, Mr. HARRISON, Mr. HASTINGS, Mr. HAYDEN, Mr. KEYES, Mr. KING, Mr. LA FOLLETTE, Mr. LONERGAN, Mr. MCADOO, Mr. MCGILL, Mr. MINTON, Mr. MOORE, Mr. MURPHY, Mr. NEELY, Mr. NYE, Mr. O'MAHONEY, Mr. OVERTON, Mr. PITTMAN, Mr. RADCLIFFE, Mr. REYNOLDS, Mr. SCHWELLENBACH, Mr. SHIPSTEAD, Mr. STEIWER, Mr. TRAMMELL, Mr. TYDINGS, Mr. VAN NUYS, Mr. WALSH, and Mr. WHITE entered the Chamber and answered to their names.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

PETITION—ARMISTICE DAY

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on the Library:

Concurrent resolution to memorialize Congress to make November 11 a national holiday

Whereas November 11, the day upon which the World War was terminated, is of great significance and one which the people of the United States should ever honor and hold dear: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States of America is earnestly urged and petitioned to take such steps as are necessary to make November 11 a national holiday; be it further

Resolved, That a copy of this resolution be sent by the clerk of the house of representatives to each of the Senators and Members of Congress from this State and to the clerk of the United States Senate and the Clerk of the United States House of Representatives.