10900. Also, petition of the Republican Territorial Convention at Honolulu, Hawaii, opposing the making of any changes in the organic act of the Territory of Hawaii unless such changes receive the prior approval of the people of the Territory expressed through their legislature; to the Committee on the Territories.

10901. Also, petition of the Republican Territorial Convention at Honolulu, Hawaii, favoring the same treatment for the Territory of Hawaii in all Federal legislation as is accorded to the States of the Union; to the Committee on the Territories.

SENATE

TUESDAY, MAY 19, 1936

(Legislative day of Tuesday, May 12, 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 Monday, May 18, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on May 18, 1936, the President approved and signed the act (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes."

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Nevada [Mr. MCCARRAN] are absent from the Senate because of illness.

I also announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Indiana [Mr. MINTON], and the Senator from Utah [Mr. THOMAS] are absent because of their duties as members of the Board of Visitors to the United States Military Academy at West Point.

I further announce that the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], and the Senator from South Carolina [Mr. BYRNES] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] is necessarily absent, and that the Senator from Wyoming [Mr. CAREY] is absent for the day in the performance of his duty as a member of the Board of Visitors to the United States Military Academy at West Point.

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

SENATOR FROM LOUISIANA

Mr. OVERTON. Mr. President, I present the credentials of the Senator-elect from Louisiana, Mrs. ROSE MCCONNELL LONG.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 21st day of April 1936 Mrs. ROSE MCCONNELL LONG was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the unexpired term ending at noon on the 3d day of January 1937.

Witness: His Excellency our Governor, James A. Noe, and our seal hereto affixed at Baton Rouge this 7th day of May 1936.

JAMES A. NOE, *Governor.*

By the Governor:
[SEAL] E. A. CONWAY, *Secretary of State.*

The VICE PRESIDENT. The credentials will be placed on file.

Mr. OVERTON. Mr. President, the Senator-elect from Louisiana is in the Chamber and ready to take the oath of office.

The VICE PRESIDENT. The Senator-elect will present herself at the Vice President's desk to take the oath.

Mrs. LONG, escorted by Mr. OVERTON, advanced to the Vice President's desk, and the oath of office was administered to her.

HENRY THORNTON MERIWETHER—VETO MESSAGE (S. DOC. NO. 234)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Naval Affairs and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill no. 3581, entitled "An act for the relief of Henry Thornton Meriwether."

This bill, if enacted into law, would provide for the appearance of Henry Thornton Meriwether before a naval retiring board for the purpose of determining whether or not the disability complained of in his case originated in the line of duty in time of war. If the board finds that Commander Meriwether is now suffering from a disability incurred in the line of duty in time of war which renders him unfit to perform all the duties of the grade of commander, United States Naval Reserve Force, in time of war, the President would be authorized to appoint him a commander, United States Naval Reserve Force, and place him on the retired list of the Navy with the retired pay and emoluments of that grade.

The records of the Navy Department show that Mr. Henry T. Meriwether served as an officer of the naval auxiliary service from May 8, 1902, to April 30, 1917, at which time he was ordered to active service as a lieutenant commander in the Naval Reserve Force and assigned to duty as master of the U. S. S. *Jason*. He was promoted to the grade of commander in the Naval Reserve Force on July 7, 1919, upon the recommendation of a selection board. He served on the U. S. S. *Jason* until February 10, 1920, and as commanding officer of the U. S. S. *Neches* from March 22, 1920, to April 27, 1922, at which time he was ordered to the naval hospital, San Diego, Calif. On May 17, 1922, he appeared before a board of medical survey and was found unfit for service by reason of otitis, media, chronic no. 602, origin in the line of duty, disability not the result of his own misconduct, which board recommended that Commander Meriwether be ordered before a naval retiring board. However, under date of June 19, 1922, the Navy Department informed Commander Meriwether that he would not be ordered to appear before a naval retiring board inasmuch as he was not eligible for retirement. He was further informed that no action would be taken on the board of medical survey for the reason that the act of July 12, 1921, prohibited the retirement of Reserve officers of the Navy who did not file their application prior

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to October 1, 1921. Commander Meriwether was honorably discharged, because of expiration of enrollment, on February 5, 1925.

The records of the Veterans' Administration show that Mr. Meriwether filed claim for compensation on July 13, 1922, and direct service connection was granted for his disability diagnosed as tinnitus aurium; otitis media, bilateral, 20/20 each ear. This disability, however, was evaluated as less than 10 percent from date of discharge from service to February 17, 1928; temporary partial 15 percent from February 17, 1928, to November 5, 1928; permanent partial 15 percent from November 5, 1928, to June 30, 1933; and no percent from July 1, 1933.

However, under the provisions of Public, No. 78, Seventy-third Congress, the veteran was awarded $11.25 per month, effective July 1, 1933, and in accordance with the provisions of Public, No. 141, Seventy-third Congress, Commander Meriwether is now in receipt of compensation at the rate of $15 per month, effective March 28, 1934.

Application for retirement under the Emergency Officers' Retirement Act of May 24, 1928, was received September 22, 1928. The claim was considered by the Emergency Officers' Retirement Rating Board on February 12, 1929, and it was held that "the disease of retracted drums, hearing 20 feet in each ear, tinnitus (V. ear 8)" was shown to be the direct result of active commissioned service other than as an officer of the Regular Army, Navy, or Marine Corps during the World War, incurred in line of duty in such service, and permanently disabling to a degree of less than 30 percent but more than 10 percent. Authorization of retirement without pay was approved, effective September 22, 1928, and on March 15, 1929, this former officer was advised that his name was being certified to be placed upon the emergency officers' retirement list.

Subsequent to this action there was introduced in the House of Representatives H. R. 9065, Seventy-fourth Congress, which had for its purpose the placing of Commander Meriwether's name on the emergency officers' retired list with pay "if his disability shall now be determined at not less than 30 percent and without regard to any restriction in time now imposed by the act of May 24, 1928." A similar bill was also introduced in the Senate, being S. 3357, Seventy-fourth Congress. Under date of August 19, 1935, the Veterans' Administration rendered an unfavorable report on S. 3357 to the chairman of the Committee on Finance, United States Senate. In making such recommendation it was pointed out that the Emergency Officers' Retirement Act of May 24, 1928, made eligible for retirement with pay, under certain other conditions, those—

> Persons who have served as officers of the Army, Navy, or Marine Corps of the United States during the World War, other than as officers of the Regular Army, Navy, or Marine Corps who during such service have incurred physical disability in line of duty, and who have been, or may hereafter, within 1 year, be rated in accordance with law at not less than 30 percent permanent disability by the United States Veterans' Bureau for disability resulting directly from such war service * * *.

And furthermore that—

> There were many instances in which applications for emergency officers' retirement benefits with pay were denied because the service-connected condition was less than 30 percent disabling and did not reach the required degree prior to May 24, 1929, the delimiting date provided by the Emergency Officers' Retirement Act of May 24, 1928. Undoubtedly many of these claims are equally meritorious and the service-connected disability will be found to have progressed to a degree of more than 30 percent subsequent to May 24, 1929. Moreover, there appears to be nothing to distinguish this claim from other deserving claims which are barred by the provisions of the Emergency Officers' Retirement Act of May 24, 1928.

Neither of the above-mentioned bills has received favorable consideration by Congress. Instead of providing for placing Mr. Meriwether on the emergency officers' retired list with pay, as contemplated by said bills, Senate bill 3581 in reference proposes to place him on the retired list of the Regular Navy with the retired pay and emoluments of the grade of commander, which would grant him an annual compensation of $2,887.50, as against the amount of $15 per month he is now receiving as compensation from the Veterans' Administration.

Granting that this officer's disability was incurred in line of duty in time of war, consideration must be given to the fact that there has been provided by law a special means whereby ex-members of the military forces may obtain relief, that such relief in this case has been granted by the Veterans' Administration in accordance with the law and the circumstances, and that no justification exists for singling this ex-officer out for preferential treatment when others in the same category are not similarly treated. Furthermore, the retirement system of the Regular Navy was provided for the twofold purpose of attracting desirable permanent personnel to the service and of vitalizing the active list. Its maintenance for such purpose is vital to the national defense and should not be jeopardized by utilizing it as a means of relief or for placing upon the regular retired list persons other than the permanent personnel of the naval service.

In view of the circumstances and reasons stated above, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 19, 1936.*

SUPPLEMENTAL ESTIMATES, TREASURY DEPARTMENT (S. DOC. NO. 235)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department, fiscal year 1936, amounting to $2,833.70, together with draft of a proposed provision pertaining to existing appropriations, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE FOR CEMETERIAL EXPENSES, WAR DEPARTMENT (S. DOC. NO. 236)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1936, to remain available until June 30, 1937, for cemeterial expenses under the War Department, amounting to $360,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF THE INTERIOR, (S. DOC. NO. 237)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of the Interior, fiscal year 1936, amounting to $8,541.39, together with draft of a proposed provision pertaining to an existing appropriation, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PAYMENTS TO THE EASTERN CHEROKEES

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, reporting, pursuant to Senate Resolution 285 (submitted by Mr. THOMAS of Oklahoma, and agreed to May 13, 1936), relative to the amounts appropriated by Congress in payment of the lands and improvements of the Eastern Cherokees ceded by them by treaty of December 29, 1835 (7 Stat. 478), etc., which, with the accompanying papers, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, which were referred to the Committee on Agriculture and Forestry, as follows:

Resolutions memorializing the President and Congress of the United States in favor of the permanency of the Civilian Conservation Corps

Whereas it is the earnest desire of the people of the Commonwealth of Massachusetts that rehabilitation of the youth of our

Nation, particularly through the activities of the Civilian Conservation Corps, be continued; and

Whereas the said corps has been a remarkable factor in the preservation of the forests, streams, and fields of these United States: Therefore be it

Resolved, That the General Court of Massachusetts urges the Congress of the United States to enact such legislation as may be necessary to make the said Civilian Conservation Corps permanent; and be it further

Resolved, That the secretary of the Commonwealth forthwith send copies of these resolutions to the President, the Vice President, and the Secretary of State of the United States and to the Members of Congress from Massachusetts.

The VICE PRESIDENT also laid before the Senate resolutions of the General Court of Massachusetts, favoring the enactment of legislation to suspend the immigration laws for a period of 2 years to afford the privilege of entry into this country of persons in Germany discriminated against and persecuted on religious or racial grounds, which were referred to the Committee on Immigration.

(See resolutions printed in full when presented today by Mr. WALSH.)

The VICE PRESIDENT also laid before the Senate a resolution adopted at Dallas, Tex., by the Texas Cotton Growers Association in appreciation of the efforts of Congress to place the price of cotton at such levels as will make its production profitable to cotton farmers, and commending the administration for its efforts to bring the agricultural industry to a parity with other basic industries, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the North Dakota Farmers Union, protesting against proposed reduction in appropriations for agricultural relief and the Resettlement Administration, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the Building Material Institute, of Cuyahoga County, Ohio, favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Central Labor Council of Alameda County, Oakland, Calif., protesting against the failure of Government officials to observe the safety laws of California requiring wet drilling in silica rock tunnels, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Texas Federation of Labor, favoring the enactment of legislation repealing the long- and short-haul clause of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate the petition of the International Falls Trades and Labor Assembly, of International Falls, Minn., praying for the establishment of quota regulations of imports of newsprint to stabilize the newsprint industry, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the national executive board of the American Gold Star Mothers, Washington, D. C., protesting against the enactment of legislation designating the last Sunday in September as Gold Star Mothers' Day; which was ordered to lie on the table.

Mr. COPELAND presented a resolution of Whizbang Lair, No. 22, Province of New York, Military Order of the Serpent, of Lynbrook, N. Y., favoring the enactment of legislation prohibiting the importation of United States ensigns of foreign manufacture, which was referred to the Committee on Finance.

He also presented a resolution adopted by Manor Council, No. 112, Sons and Daughters of Liberty, of Woodhaven, N. Y., favoring the enactment of legislation providing for the restriction of immigration and the deportation of undesirable aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Traffic Club of New York, of New York City, N. Y., favoring the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented the petition of sundry citizens of Boston, Mass., and vicinity, praying for continuance of the W. P. A. projects, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the Building Trades Council of Lawrence and vicinity, and Wire Workers' Local Union No. 19859, American Federation of Labor, of Worcester, both in the State of Massachusetts, favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented memorials and letters in the nature of memorials from employees of Eaton's Wakefield & Boston Express, of Wakefield; Local No. 170, Truck Drivers and Chauffeurs, of Worcester; Emmott Transportation Co., Inc., of Uxbridge; Teamsters Joint Council, No. 10, of Boston and vicinity, and sundry citizens, all in the State of Massachusetts, remonstrating against the enactment of the so-called Pettengill bill, being the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), which were referred to the Committee on Interstate Commerce.

He also presented the petition of sundry citizens, being employees of the Boston & Maine Railroad, of Gardner, Mass., praying for the prompt enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

He also presented the petition of Subordinate Lodge No. 685, International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America, of Boston, Mass., favoring the making of an appropriation of $500,000 for an addition to the present structural shop at the Boston Navy Yard, which was ordered to lie on the table.

IMMIGRATION OF PERSONS SUFFERING PERSECUTION OR DISCRIMINATION IN GERMANY

Mr. WALSH. Mr. President, I also present for appropriate reference and printing in the RECORD resolutions from the Massachusetts General Court memorializing Congress relative to affording the privilege of entry into this country to persons who are being persecuted and discriminated against in Germany.

There being no objection, the resolutions were referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress relative to affording the privilege of entry into this country to those persons who are being persecuted and discriminated against in Germany

Resolved, That the General Court of Massachusetts urges the Congress of the United States to afford the privilege of entry into this country to those persons who are being discriminated against and persecuted in Germany on religious or racial grounds, by a suspension of the present immigration laws for a period of 2 years with reference to such persons; and be it further

Resolved, That the Secretary of the Commonwealth forthwith forward copies of these resolutions to the presiding officers of both branches of Congress and to the Members thereof from this Commonwealth.

REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 4546) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes, reported it without amendment and submitted a report (No. 2047) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 4511. A bill to amend the act entitled "An act to provide for the incorporation of credit unions within the District of Columbia", approved June 23, 1932 (Rept. No. 2050);

S. 4512. A bill to amend the act entitled "An act to establish a code of laws for the District of Columbia", approved March 3, 1901 (Rept. No. 2051); and

S. 4596. A bill to amend section 21 of the Permanent Appropriation Repeal Act, 1934, and for other purposes (Rept. No. 2048).

Mr. OVERTON, from the Committee on Commerce, to which was referred the bill (S. 1815) to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories, or its possessions; to regulate vessels engaged in the fisheries; and for other purposes, reported it with an amendment and submitted a report (No. 2049) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (H. R. 4688) to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes, reported it with amendments and submitted a report (No. 2052) thereon.

INVASION OF RIGHTS OF FREE SPEECH, ASSEMBLY, AND COLLECTIVE BARGAINING—REPORT OF A COMMITTEE

Mr. LA FOLLETTE, from the Committee on Education and Labor, to which was referred the resolution (S. Res. 266) to investigate violation of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively (submitted by Mr. LA FOLLETTE on Mar. 23, 1936), reported it with an amendment and submitted a report (No. 2046) thereon; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BAILEY:

A bill (S. 4653) to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 4654) to amend an act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes", approved January 12, 1923; and

A bill (S. 4655) relative to limitation of shipowners' liability; to the Committee on Commerce.

By Mr. ASHURST:

A bill (S. 4656) to amend the statutes providing punishment for transmitting threatening communications; and

A bill (S. 4657) to penalize procuring of or attempts to procure the escape of any prisoner in the custody of an officer of the United States; to the Committee on the Judiciary.

By Mr. BLACK:

A bill (S. 4658) to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes; to the Committee on Commerce.

By Mr. BULOW:

A bill (S. 4659) to authorize the payment of an annuity to William H. Moran, Chief of the Secret Service Division of the Treasury Department, upon his retirement, in recognition and appreciation of his services to the United States; to the Committee on Civil Service.

By Mr. LA FOLLETTE:

A bill (S. 4660) for the relief of Clifford Y. Long; and

A bill (S. 4661) for the relief of Milo Milliser; to the Committee on Claims.

By Mr. MOORE:

A bill (S. 4662) for the relief of Christy Gnazzo; to the Committee on Military Affairs.

A bill (S. 4663) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and sixtieth anniversary of the arrival of General Washington and the Continental Army at Morristown, N. J., after their inspiring victories at Trenton and Princeton, and the establishment of cantonments in Morristown for the duration of the war; to the Committee on Banking and Currency.

By Mr. GUFFEY:

A bill (S. 4664) authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; to the Committee on the Judiciary.

By Mr. McADOO:

A bill (S. 4665) granting a pension to Milka N. Robbins and minor child; to the Committee on Pensions.

By Mr. TYDINGS (by request):

A bill (S. 4666) for the relief of Allen Blow Cook and William Hawley Sewell; to the Committee on Naval Affairs.

By Mr. PITTMAN:

A bill (S. 4667) to prohibit the commercial use of the coat of arms of the Swiss Confederation pursuant to the obligation of the Government of the United States under article 28 of the Red Cross Convention signed at Geneva July 27, 1929; to the Committee on Foreign Relations.

By Mr. JOHNSON:

A joint resolution (S. J. Res. 268) to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally", approved August 27, 1935; to the Committee on Agriculture and Forestry.

INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. LONERGAN submitted an amendment intended to be proposed by him to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENTS TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. BILBO submitted amendments intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 21, line 13, to strike out "$1,425,000,000" and in lieu thereof to insert "$1,475,000,000."

On page 22, line 4, before the colon, to insert a semicolon and "and (k) assistance for public elementary schools, State-supported junior colleges, and other educational purposes, $50,000,000."

On page 22, line 3, to strike out the word "and" before the letter "j" in parentheses.

GRAIN FUTURES ACT—AMENDMENT

Mr. POPE. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes. I ask that the proposed amendment may be printed and lie on the table. The amendment includes potatoes among the commodities covered by the bill.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on House bill 10919, the Treasury and Post Office Departments appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
May 14, 1936.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"With the approval of the Director of the Bureau of the Budget, there may be transferred sums (not exceeding a total of $450,000)

to the appropriations. 'Salaries, Office of Treasurer of United States, 1937', 'Contingent expenses, Treasury Department, 1937', 'Printing and binding, Treasury Department, 1937', and 'Stationery, Treasury Department, 1937', from funds available for the Agricultural Adjustment Administration, Home Owners' Loan Corporation, Farm Credit Administration, Tennessee Valley Authority, Federal Farm Mortgage Corporation, Reconstruction Finance Corporation, Federal Emergency Relief Administration, farmers' crop production and harvesting loans, Federal land banks, and other banks and corporations under the supervision of the Farm Credit Administration, Railroad Retirement Board, Soil Conservation Service, including soil conservation and domestic allotment, Social Security Board, Federal Housing Administration, and Emergency Conservation Work, to cover the expenses incurred on account of such respective activities in clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor: *Provided*, That funds transferred hereunder from the appropriation for Emergency Conservation Work shall remain available until June 30, 1937, any provision in the First Deficiency Appropriation Act, fiscal year 1936, to the contrary notwithstanding: *Provided further*, That a statement of any transfers of appropriations made hereunder shall be included in the annual Budget."

That the House recede from its disagreement to the amendment of the Senate numbered 49 to said bill and concur therein with the following amendment:

In lieu of the sum inserted by said amendment, insert "$9,917,500"; and

That the House insist upon its disagreement to the amendments of the Senate numbered 48 and 52 to said bill.

Mr. GLASS. I move that the Senate agree to the amendment of the House to Senate amendment numbered 26.

The motion was agreed to.

Mr. GLASS. I also move that the Senate disagree to the amendment of the House to Senate amendment numbered 49, and that the Senate further insist on its amendments numbered 48 and 52 to the bill, request a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. STEIWER, and Mr. NORBECK conferees on the part of the Senate at the further conference.

VICE PRESIDENT GARNER

Mr. MURPHY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Brownsville (Tex.) Herald of May 10, 1936, in the nature of a tribute to our distinguished and beloved Vice President.

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

[From the Brownsville (Tex.) Herald of May 10, 1936]

JOHN NANCE GARNER, VICE PRESIDENT OF THE UNITED STATES, FOR EXCEPTIONAL SERVICES BEYOND THE LINE OF DUTY—FINAL PORT VICTORY IS CREDITED TO JOHN GARNER

From the very inception of the deep-water fight of the lower Rio Grande Valley, the battle was waged on two fronts. Success on one front was valueless without success on the other. And success on the other front depended largely on success on the first front.

The valley had its fight at home and at Washington.

In succeeding pages the history of the home front is outlined in detail, but the real story of the fight at Washington probably never will be told.

Of one thing, however, there can be no doubt.

All of the efforts made on the home front would have been unavailing had not the Washington offensive been guided by that man so beloved of his constituents of the Fifteenth Congressional District, John Nance Garner, former Representative and Speaker of the House, the present Vice President of the United States.

The citation that the lower Rio Grande Valley would pin on his chest would read:

"For exceptional services beyond the line of duty", and how well deserved is that appreciation of his services can only be told by those who have been closely allied with the deep-water fight of the valley during the past 20 and more years.

For the consummation of our deep-water projects rested completely in the hands of official Washington.

First and foremost the Brazos Santiago Harbor project, embracing the Brownsville and Port Isabel ports, had to win the approval of the Board of Army Engineers, and later had to run the gamut of congressional opposition.

To these ends John Garner threw his abilities with an energy far beyond that demanded or expected of a Congressman by his constituents.

His years of experience in official Washington, his influence, far beyond that of the average Congressman, were expended in a way that brought the desired results. At what expense of time and effort John Garner, a leading Democrat, secured the approval by a Republican Congress of the valley's harbor project only he could tell, and those who know him best know that he never will tell.

But secure it he did following a full approval of a 25-foot project by the Army Engineers.

The full measure of what John Garner did may be realized from the Rivers and Harbors Act of 1930, which not only put the stamp of the Federal Government on our deep-water ports but committed the Government to the building of the massive jetties, the dredging of the outer channel, and set up provisions for all-time maintenance of the channel at Federal expense.

For the first time the deep-water project of the valley was in businesslike shape. A definite course was set forth. The Government was committed to do certain things when the Brownsville and Port Isabel-San Benito navigation districts had done certain things. The "ifs" had been knocked into a cocked hat.

It is no disparagement of the sincere efforts put forth by Senators MORRIS SHEPPARD and TOM CONNALLY, Representative JOSEPH MANSFIELD, and other congressional friends of the valley, to say that John Garner's leadership carried the day.

With the Brownsville Navigation District authorized to issue bonds to the amount of $3,500,000, it looked as if the battle for the Brownsville port had been won.

But came the depression.

The bonds could not be sold except at a ruinous discount, a sale the navigation commission would not countenance.

So the Brownsville port project lagged until early in 1932, when an application was made to the Reconstruction Finance Corporation for a loan, with the bonds as security, to enable the district to proceed with its construction program.

Before final action was taken on this application the Public Works Administration came into being, and the application was taken from the R. F. C. and began its weary way through the P. W. A.

Again it was John Garner, this time as Vice President of the United States, who directed the strategy that resulted in the eventual approval of the loan application, carrying with it such a substantial grant that the Brownsville navigation district will have expended but $1,750,000, as compared to the $3,500,000 at first considered necessary.

The inside story of what John Garner did and how he did it during those days when the P. W. A. was weighing the loan application in the balance will never be told.

But this may be said: That without his indefatigable effort, without his sincere and skillful submission of the case of the Brownsville navigation district, without his influential proddings, there never would have been a port of Brownsville.

A friend is a friend to John Garner, once and forever.

On no man in public life do the obligations of friendship rest more heavily.

Convinced that the Brownsville port was conceived as an economic necessity, that its construction would materially bless his friends, he put his shoulder to the wheel with the same zeal as Vice President that he had displayed as Representative.

John Garner turned the trick.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—ADDRESS BY SENATOR CLARK

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of the soldiers' bonus, delivered by my colleague the senior Senator from Missouri [Mr. CLARK], over the National Broadcasting Co. network on Monday night, May 18, 1936.

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

Scarcely any subject of general public interest within our times has so readily lent itself to entirely honest and patriotic divergency of opinion to a greater extent than did the controversy as to the immediate payment of the adjusted-service certificates—or in popular parlance—the bonus. Millions of Americans honestly regarded the proposition of paying the face of the adjusted-service certificates on any terms except ordinary discount rates as a raid upon the Treasury. Many millions of other Americans with equal honesty and more reason regarded the payment in full of the certificates as the tardy and belated liquidation of a debt which had accrued prior to November 11, 1918, and which should have been funded or liquidated promptly thereafter. Other millions of Americans held to varying shades of opinion between the two extremes which have been stated. With the changes in the financial situation of the Nation and the developments in our national policy as to expenditures, a multitude of our citizens have had occasion to change their attitude as to justice of paying at once this debt now nearly two score years old.

Let me for a moment recall to your mind the circumstances which justified the acknowledgment of a debt which was embodied in the issuance of the adjusted-service certificates. It is to these circumstances that we must look for the justification both for the original issuance of the bonus certificates and for their payment either now or in 1945 or at any other time.

In April 1917 the United States declared war on Germany. We had a small and efficient Regular Army in conformity with our traditional national policy. We had a most excellent and devoted National Guard, but the Regular Army and National Guard combined, of course, formed a force vastly smaller than our needs for

the prosecution of a war. It was necessary to raise a new army of a size unprecented in our history.

At the urgent insistence of the War Department, Congress turned its back upon our ancient and historic policy of fighting our wars with volunteer armies and decided upon conscription. Millions of our youth were drafted from their civilian pursuits into the military service in addition to the several hundred thousand who had enlisted in the National Guard, Regular Army, Navy, or Marine Corps. Altogether more than 4,000,000 Americans were called to the colors in the less than 2 years of our participation in the great war.

It is not necessary in this brief period to go into detail as to our military participation in that awful struggle. The world knows and has acclaimed the story. Suffice it to say that all of our services—Army, Navy, and Marines—met every demand which could be made upon them in a manner to shed imperishable luster upon our arms; that on some of the bloodiest and most decisive fields of the entire struggle our lads played a gallant, important, and, indeed, a decisive part; that finally American troops were the spearhead of the assault which smashed the Hindenburg line amid the greatest carnage in history and compelled the Central Powers to sue for peace. Undoubtedly if the war had been prolonged until the next year the military contribution of the United States would have been upon a scale never equaled in military history. As it was, such experts as Grand Admiral Von Tirpitz and General von Ludendorff attributed the final defeat and collapse of the Central Powers to the activities of the American Expeditionary Forces and to the potentialities of the huge reserves already formed and forming on this side of the Atlantic. And so the war was won, and within a few months nearly all of the armed forces were summarily returned to the civilian status from which they had been summarily drawn by the dread advent of war. But in millions of cases this return to the civilian life was accompanied by a very definite economic disadvantage.

All of us who are old enough well remember how, when the units of the National Guard or the draft contingents of the National Army were mustered in towns and cities throughout the land and marched down to the railroad stations to entrain for the camps, with France as their ultimate destination, they were accompanied by the tears and prayers of their fellow citizens, by fiery exhortations of patriotism from civic orators and local and national leaders. Who that marched out in those days can ever forget the note which we heard so often, so urgent and emotional as to be almost hysterical:

"When you boys come home there will be nothing too good for you!"

Well, the boys came home. That is, most of them did. Some sleep on the other side of the ocean. Many died in camps on this side of the water. Thousands suffered disability from wounds or disease, either here or in France, which has since prevented their return to a normal participation in civilian life or severely handicapped them in such participation in civilian affairs.

Yes; the boys came home. And they were discharged with a generous allowance from the Government of $60, which at the abnormally high level of prices then existing was not enough to enable the discharged soldier to buy a modest civilian outfit of clothes and subsist for more than a week or so while he was trying to find a job. And what did he find? Why, in a multitude of instances he found himself out of a job. He found that manufacturers of munitions and war supplies had been amassing profits of millions upon millions by reason of our participation in the war. He found that in thousands of cases common labor, exempted from service for work in munition plants, had been paid to the tune of $10 or $12 or $15 a day, while the soldier had been paid a dollar and a quarter a day for being shot at or a dollar a day while he was getting ready to go across. And in all too many cases he found his job gone and someone who for one reason or another had been detained at home holding the job or holding the advancement to which he would have been entitled but for his absence in the service. Not only in business and labor but in the professions, hundreds of thousands of veterans suffered very definite economic disadvantage in the race for life by reason of their military or naval service. Many thousands never have recovered from that economic disadvantage.

I can speak freely about the bonus because, although I put in more than 2 years in the Army and spent something over a year in France, I have no adjusted-service certificate and never did have one. And that was proper. I was a colonel and drew a colonel's pay. The adjusted-service certificates were, and the bonus bonds will be, properly limited to enlisted men and officers not above the rank of captain.

I think, and have always thought, that the debt from the Government to these men accrued on November 11, 1918, and that the Government on their discharge from the service or very soon thereafter should have made a payment to them in cash of a sum sufficient to at least in some degree compensate them for the economic loss suffered through their service. It would have been much cheaper to have handled it in that way. It could then have been handled on the same basis of compensation as is now under way for an outlay of less than a billion dollars; for be it remembered that the greater part of the cost of the adjusted compensation represents interest and the costs of deferred payment. The cost of a cash payment at the time it was really due and the time it would have done the veterans the most good would have been relatively small in comparison with the vast outlays already made on account of the war. But the pressure of the great interests intent on the abolition of the excess-profits tax and other wartime taxes was so great that nothing was done toward either a recognition or settlement of the debt and the veterans were left to relocate themselves in civil life as best they could, and if they could not to suffer the consequences. Every contractor with a claim against the Government growing out of the war could enforce and obtain payment with 6-percent interest, but the men who were prepared to bare their breasts to the storm had only a moral and not a legal claim and were left in the humiliating position of being suppliants to Congress for relief. The Government was under the fiscal dictatorship of the arch enemy of their claims, the typical representative of those who profited most by the removal of the excess-profits tax, Andrew W. Mellon.

We have all seen blatantly displayed in the newspapers, we have all heard stridently proclaimed over the radio statements from alleged ex-service men who decried the principle of adjusted compensation and abused all who advocated it. I have no patience whatever with such expressions. Almost without exception they came either from those who themselves were so comfortably placed from an economic standpoint that they had no conception of the plight of their less fortunate comrades or else from those who were themselves making a living on the pay of the great financial interests who were opposed to paying the debts of the last war but in favor of squandering huge sums of money in preparation for a future war. They complacently asserted that the men who wore the uniform had done no more than their duty; that their pay of a dollar or a dollar and a quarter a day was all that they deserved, and that the argument as to their economic hardship due to service was based upon pure myth and fable. Against such callous statements I place my own experience. In my capacity as a past officer of the American Legion and my capacity as a former Infantry officer, I have had occasion to investigate and be familiar with hundreds of cases, many of them from my own regiment of men whom I knew of my own knowledge had been excellent soldiers. In a distressingly large number of cases I found men who had gallantly served their country and been summarily cast off who had never been able to reestablish themselves economically.

The leading munition makers in the United States, the greatest profiteers during the period of the war, financed organizations in opposition to doing justice to the veterans of the last war. Among the bitterest opponents, first, of the enactment of the compensation law and then to immediate payment was one firm which has recently been exposed by the Munitions Committee of the Senate as having held up construction of vitally needed power plants during the crisis of the war while it haggled with the Government about its own compensation and demanded huge bonuses for its executives and civilian employees, while American boys were dying in the front-line trenches in France. I have myself within the year heard the head of a great munition company, who himself received bonuses of three and a half million dollars during the 2 years of our participation in the war for performing a good, safe civilian job, smugly testify on the witness stand that he would regard a demand for immediate payment of the soldiers' bonus as unwise and unpatriotic. With such cant I have no patience whatever.

It is not necessary to trace the struggle for adjusted compensation. By 1925 the demand for it had become so strong and universal that Congress overrode the Mellon-induced Presidential veto and enacted it into law. It is important, however, to remember that Congress and not the veterans prescribed the terms of this act. Although the debt was then already 7 years overdue, the Congress elected at the time not to pay in cash but in obligations maturing in 20 years and bearing interest meanwhile at a very low rate of interest, far below the rate accorded to wartime contractors. Never has there been a greater fallacy than the often repeated statement that the Adjusted Compensation Act represented a contract upon which the service men were seeking to renege by urging immediate payment. The fact is that Congress prescribed the terms of the act, and the veterans, since they had no legal recourse, had perforce to accept the terms prescribed or nothing. There was nothing whatever, morally or legally, to preclude them from presenting their case to subsequent Congresses in an appeal for a just reckoning which would start with the proper date of the debt—November 11, 1918.

With the depression the demand became insistent throughout the Nation for a readjustment of the terms of the certificates which would give effect to the real date of the obligation and expedite payment so as to put the money into the hands of the men who desperately needed it. I need not refer in detail to the more unfortunate incidents of that struggle. I shall not try to describe the ill-advised venture of several hundred unfortunate veterans, rendered desperate by poverty and the hunger of their dependents, who came to Washington to personally urge their claims upon Congress. I pass over one of the most disgraceful incidents in American history when during the latter days of the Hoover administration the well-fed, well-equipped Regular Army was turned loose to drive by flame and sword from the miserable hovels in which they were sheltering their women and children, unarmed men who had once upon a time with guns in their hands stood between this country and the mightiest military nation in the world.

President Roosevelt was elected to the Presidency in 1932, after a frank and explicit statement that he would not favor the immediate payment of the bonus until in his opinion the condition of the Treasury justified it. I honor him for that statement. I entertained similar views and voluntarily expressed them from the stump when I was a candidate for the Senate. The overwhelming

majority of the American people, including an overwhelming majority of the holders of adjusted-service certificates—who have certainly proved that they are as patriotic and self-sacrificing as any body of men and women within the Nation—agreed with this principle.

In accordance with this principle, I myself, in company with many others, since I have been a Member of the Senate, voted three times against the immediate payment of the bonus. I have no regrets for those votes. And I may say that in all my very large acquaintance among the veterans of Missouri I found only one or two to criticize me for those votes. But when it became the settled policy of the Government to try to defeat the depression by increasing buying power of the Nation at large and putting money in circulation, when we were spending four billion here and three billion there, when we were running up the biggest bills in our peacetime history for the support of Army and Navy in preparation for a new war, many of us could not reconcile our consciences to the opposing the immediate payment of a debt which we have always believed to have been many years overdue.

At the last session of the Congress, a very large majority of both branches favored the immediate liquidation of this debt. By very skillful management on the part of those opposed to payment the issue was finally presented complicated by the addition of an entirely separate and highly controversial matter—that of currency inflation, a subject in no wise connected with the payment of the bonus. The President properly vetoed the bill and his veto was sustained in the Senate.

At the beginning of the present session of Congress the sponsors in the House of the various plans for the immediate payment of the compensation certificates, and the representatives of the various service men's organizations composed their previous differences and agreed upon a bill which was introduced into the House by Representative VINSON, of Kentucky, and Representative MCCORMACK, of Massachusetts, later joined by Representative PATMAN, of Texas, who had formerly sponsored a different and somewhat antagonistic plan. This measure subsequently passed the House by an overwhelming vote.

I was requested to introduce an identical bill in the Senate and was prepared to do so with no doubt as to its successful passage in the Senate. But because I was primarily concerned in the successful consummation of the act rather than in mere passage through the Senate. I immediately sought consultation with two of the most astute and devoted friends of the veterans in the Senate—Senator JAMES F. BYRNES, of South Carolina, and Senator FREDERICK STEIWER, of Oregon. These Senators had jointly introduced a bill following the veto in the preceding session which provided for immediate payment on a basis of nearly a hundred percent. Together we sweated over the matter. We took stock of the situation. We concluded that we could pass either the House bill or the Byrnes-Steiwer bill without difficulty. But we estimated that we would need additional and powerful assistance to pass our bill over a possible Presidential veto.

We interviewed Senator PAT HARRISON, the influential chairman of the powerful Finance Committee which passes on veterans' measures. PAT had always been extremely sympathetic to the service men but had opposed immediate payment of the bonus through his loyalty to the administration. We found that he was anxious to cooperate with us provided a plan could be devised which would fully protect the interest of the Government as well as the veteran.

For the modified plan, which became the final enactment, the credit is primarily due to Senator HARRISON and Senator BYRNES. They worked out an additional feature to the House bill which is calculated both to cut down immediate Government expenditures and to protect the interest of the thrifty veteran who does not desire to cash his certificate now. In other words, they devised a plan for providing an incentive in the form of a safe investment for certificate holders not to cash the bonds which they will receive. This modified plan was introduced jointly into the Senate by Senators HARRISON, BYRNES, STEIWER, and myself.

With the powerful and invaluable assistance of Senator JOSEPH T. ROBINSON, the majority leader in the Senate, as well as that of Minority Leader MCNARY, the bill was passed through the Senate by a large majority and later successfully passed over the President's veto.

Let me say that the difference between the President and the Congress represented simply an honest difference of opinion. The President believed that the condition of the Treasury did not justify the expenditures. The Congress believed that this expenditure, so widely diffused throughout the Nation, was likely to give a bigger impetus to recovery than any of the New Deal expenditures. It further believed in the justice of the payment of a just debt already many years overdue. Once the bill had become a law, President Roosevelt acted with unparalleled vigor and promptness to insure speedy payment to the certificate holders. I believe that the handling of this matter will establish a record both for promptness and smoothness in such matters. Let me briefly describe the arrangements which are being made.

Any holder of an adjusted-service certificate may obtain from any of the veterans' organizations or from the nearest office of the Veterans' Administration or from the Washington office of the Administration proper application blanks for the issuance of the new bonds. This application may be sent either to the nearest office of the Administration or to Washington. As soon as the data has been checked by the Administration it is certified to the Treasury Disbursing Unit, located in each of the Federal Reserve cities, except Richmond, which is served from Washington. Bonds are then issued in units of $50 each up to the nearest $50 to the amount due the veteran and a check is drawn to his credit for the odd amount due. The bonds and check are then placed in an envelope addressed to the veteran for whom intended.

All completed work will be turned over to the postmasters about 10 days prior to June 15 to permit delivery to the veteran as promptly as possible after that date. The delivery procedure requires that personal delivery must be effected and a receipt obtained from the veteran. This provision, of course, is for the veteran's own protection. Where the veteran is not at home when the postman makes his round he may obtain his bonds by calling at the postal station, identifying himself, and signing the required receipt. The Secretary of the Treasury will designate the United States Treasury and certain post offices as the points at which payment of the bonds will be made. I urge every veteran who is in a position to do so to keep his bonds as the very best investment in the world. But if it becomes necessary for him to redeem his bonds he may present himself to his local post office, establish his identity as the person whose name appears on the face of the bonds to be redeemed, and sign the request for payment on the back thereof. The local postmaster will, if the veteran so desires, take charge of the bonds and transmit them without cost to the veteran to a designated paying office, where a check will be drawn for the amount due and mailed to the veteran at the address requested by him in his application for payment. The veteran may at his own risk and expense send his bonds to the Treasury Department in Washington for payment, but in most instances it will be more convenient for him to have his local post office handle the transaction.

Two hundred and thirty-five post offices have been designated as paying offices, so located with regard to mail facilities as to be able to render prompt service to all veteran bondholders within the continental limits of the United States. Fifty-nine of these offices are central accounting post offices and will redeem bonds forwarded by postmasters in the area covered by the office. The other 176 post offices, embracing practically all of the larger cities and towns, will redeem bonds presented directly to their offices. The Post Office Department expects that bonds received at the paying offices will be redeemed and the checks mailed to the veterans within 24 hours after receipt.

Certain officers of the United States Government will be authorized to witness requests of the veterans for payment and certify thereto. These will include any postmaster or acting postmaster or post-office inspector in charge or other post-office employee designated by the postmaster; any executive officer of a bank or trust company incorporated in the United States; judges and clerks of United States courts, collectors of customs and of internal revenue and many others.

Veterans may negotiate their checks through the usual channels such as banks, stores, and similar means. Based upon experience it is not expected that any difficulty will be experienced in this connection, as the rightful owners of checks drawn upon the Treasurer of the United States usually find it a comparatively simple matter to convert them into cash.

Let me emphasize again; it is not necessary for a veteran to present himself at a paying post office. Any postmaster will receive his application and the check will be mailed to the veteran at the address specified by him on the back of the bond.

In conclusion, I once more urge all who can to hold their bonds. It is a fine investment. We are none of us as young as we used to be. For many old soldiers, the bonds which you are now receiving would be all that you would leave your wives and children. Cling to them as long as you can. Make sacrifices to hold on to this splendid investment. And if you must cash in, make every effort to spend your money wisely and not squander it on knick-knacks and novelties. In that way you can best justify the policy of the Congress in giving you your present opportunity.

THE CHIEF EXECUTIVE—ADDRESS BY SENATOR TRUMAN

Mr. CLARK. Mr. President, I am asking permission to have inserted in the RECORD an address on the subject of The Chief Executive, delivered by my colleague the junior Senator from Missouri [Mr. TRUMAN] before the Democratic State convention at Joplin, Mo., May 5, 1936.

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

It is a pleasure to come here for this State convention. I like Joplin; I like Democrats; I am therefore doubly happy.

I am also happy because Missouri is to be congratulated upon its efficient Democratic State government. Governor Park has given this great Commonwealth a great administration in a time of stress. He has kept the State finances balanced, has cooperated with the National Government, and has altogether made us proud of our State once more. The State and the Democratic Party are also to be congratulated upon its candidate for Governor, Maj. Lloyd C. Stark. He has every qualification Missouri's Governor should have—family, education, experience. I predict for him as great a majority as any Governor has received in recent years and a successful and efficient administration.

I can't help right here but pay tribute to our State chairman and national committeeman, James P. Aylward. He is without a

peer as a campaigner and a campaign manager. He has all the qualifications necessary to make the Democrats of Missouri a great national committeeman.

My good friend and colleague Senator CLARK has told you with an ability I envy of the progress of the ship of state under the command of Franklin D. Roosevelt. The world has marveled at his skill as he piloted the ship from the storm-tossed waters of 1933 to the fair sailing of today. None but a statesman worthy to stand beside the greatest of this Nation's great could have saved us from our peril; none but a steady hand, a stout heart, the God-given gifts of faith and vision.

You and I and all the world have seen his magnificent achievement. But we have seen something else, too, though we may have failed to note its sublimity. In the titanic struggle engaging the energies of Franklin D. Roosevelt, we have come to measure his stature by his deeds; and in so doing, my friends, many of us have overlooked the human quality of the man himself.

We know what sort of President he is; have we ever, I wonder, paused to ask ourselves what manner of man he is? What are the human qualities of President Roosevelt? What are the traits that attract the respect, the admiration, the love of Americans to this great leader of men, and hold them to him as a magnet draws and holds that within its field?

Turn the pages of history with me as we seek the answer. Generations ago, when the Republic was in the making, as we have learned, there was a famed American warship that sailed the seas to do battle with the Nation's foes. We all have heard of the *Bonhomme Richard* and her great commander, John Paul Jones. The name of that ship intrigues me—the *Bonhomme Richard*. Translated from the French, it means simply the "Good Man" Richard. "Good man", indeed, it was.

That was long ago. But history repeats. And when I think of Franklin D. Roosevelt today, I like to think of him as another "bonhomme", another "good man", fighting for the liberties of the common people as fought the *Bonhomme Richard* on the dark seas when our fathers' grandfathers were in their swaddling clothes.

And so I would call him, were it left to me, the "Bonhomme Roosevelt." It is a fitting word to describe him. To me it means something more than the literal translation "good man." It means, as well, good neighbor, good citizens, and, perhaps most of all, good temper and good nature.

It means a smile on the lips when the heart is heavy. It means courage unquenched by the torrents of adversity. It means the unconquerable will to press bravely and blithely on, calm of face and serene of soul, while those about one falter and fall. It means nerves of steel and indomitable purpose to battle for the downtrodden and the forgotten, champion of their rights and liberties.

Such, my friends, is the human side of the great leader of whom I think as "Bonhomme" Roosevelt.

His critics say that he can't take it when he is thwarted, but I tell you from the fullness of my personal knowledge it isn't true.

Can't take it? What was the attitude of the stricken Roosevelt a dozen years or so ago when that baffling scourge, paralysis, cut him down on the threshold of his prime? Who, in all America, fought this overwhelming personal disaster with stouter heart or cheerier smile than our great "Bonhomme" Roosevelt? If there be a single man of those who prate that "Roosevelt can't take it", who himself has met his personal misfortune with higher courage or greater bravery, let him come forward.

And when such a man proclaims that Franklin D. Roosevelt "can't take it", maybe we'll pay some attention to those words, but not until then.

In 1789, 90 percent of our people were engaged in agricultural pursuits, and the people were widely dispersed. There were no large cities. Now we have the largest city on the American continent, and the second in point of population in the world, within our borders. We have become an industrial Nation. People of the early Republic grew and processed their food and their textiles all on the farm. They had few wants and few conveniences for comfort.

Then came the age of invention and industrialization, the concentration of population in great centers and the creation of a desire for human comforts. One-fourth of the people have all these luxuries and comforts that they can use; one-half of the people have a few of the comforts, and 25 percent of the people of the Nation have none of them. Six million families receive less than $1,000 per year income; 12,000,000 families receive less than $1,500 per year, and 36,000 families at the top of the financial ladder receive as much income as all the 12,000,000 families at the bottom of it. These figures are from the Public Affairs Committee report, an organization not particularly friendly to the New Deal but conceded to be accurate in its figures.

We saw starvation and want among 15,000,000 people in 1932, amidst a surplus of everything any family could desire. Our President saw that, and his heart went out to those underprivileged people. He believes that if God gave us a country that can produce plenty of everything, then that plenty ought to be more evenly distributed. He has gone about it by means of emergency legislation, and when the Supreme Court has said that certain emergency legislation is contrary to constitutional provisions, he has tried something else and some other way to accomplish his purpose of a more even distribution of income and the comforts of life.

When Roosevelt became President his first words to the Nation frankly proclaimed that he knew of no panacea to end the miseries then surrounding, almost engulfing, us. He told his countrymen he would have to proceed by trial and error; that he would err undoubtedly, and profiting from the mistake would try again on another front, like a general leading his forces against unmeasured enemies.

We knew what to expect. And when President Roosevelt told us of his purpose what did we reply? Why, the Nation rocked with the roar of the universal answer. "Go head, Mr. President", we said. And for God's sake, go ahead fast. We've spent 3 years doing nothing, and it's time for action."

All right. The President did go ahead, and he went ahead fast. The Nation was behind him as one man in his desire to save the country. They were breathless days. Sweeping changes were made in our laws. For a time, almost every day produced a new, far-reaching law. Such was the method of trial and error by which the President strove to redeem America from the abyss into which it was slipping.

And when, thanks to this burst of intelligent action for which we had waited in vain while his predecessor fiddled and grouched, we finally got our feet on solid ground again, what happened? Why, grave doubts arose as to whether we had done the right thing or not! White-lipped, terrorized men, who had begged him to save them, and whom he had saved, began to question the means of their salvation. It hadn't been done according to the laws and the Constitution, they said. True, their skins were whole now, but what about the Constitution of the United States? Had the President done right by the Constitution?

Well, my friends, we know what happened. One by one, these critics began to cut the ropes that hauled us up from the sides of the bottomless pit. The first rope they cut was N. R. A. True, N. R. A. had served its purpose during the emergency. But now the Supreme Court held it unconstitutional.

How did President Roosevelt take that?

He had a bad day when he saw this mainstay of his program discarded. One bad day—count it—one. Would you begrudge him one day of mourning? And when that day passed, he took this body blow, this solar-plexus attack, just as he had taken his other misfortune—with a smile. Again he was cheery and blithe; again he was the "bonhomme" Roosevelt of the days before.

The next main emergency measure to be declared unconstitutional was the A. A. A. And this time Bonhomme Roosevelt did not allow himself even the 1 day of mourning. No. "If we can't lift the farmers up out of their rut with that rope," he said in effect "I guess we'll have to try something else." And without loss of time he set about a substitute measure to take the place of the law discarded by the Supreme Court.

The depression for the farmer really began in 1921. He was completely deflated at that time, and was at the botton of the financial pit continuously until President Roosevelt came along with a concrete plan to help him out. The average farm income, even in the so-called prosperous years, was only $812 per person, and in 1932 it was only $434. That is an altogether insufficient reward for that most important group in our national make-up engaged in agriculture. It is in the public interest, and public welfare demands that the financial situation of the American farmer be improved. The present Democratic administration, under the leadership of Franklin D. Roosevelt, has succeeded in materially increasing the farm income in the last 2 years.

A national agricultural policy is necessary to remedy the farm situation. When the Supreme Court decided that the A. A. A. was not constitutional, the soil-conservation plan was inaugurated. This plan contemplates a Federal-aid program in conjunction with State agricultural plans. It is my opinion that it will be successful, because the farm income must be further increased. If for any reason it doesn't work, we can depend on President Roosevelt to make another effort.

Still proceeding by trial and error, as he promised the Nation, the President encountered opposition in Congress over two of his tens of thousands of work projects. Two out of many thousands is a mighty small percentage of error, it seems to me. But, anyhow, when Congress said, "We refuse to appropriate funds for Passamaquoddy and the Florida canal", how did Bonhomme Roosevelt take that? He might have said, "All right, I've got the money to put these projects through, anyhow, so I'll do it without your appropriation." He might have said that, but he didn't.

He said, in effect, "Very well, gentlemen; if you prefer not to continue these projects, we'll stop the work." And still smiling, still debonair, still working for the country's welfare as he saw it, he put them aside good-naturedly and went on to other things.

And so they say he "can't take it."

My friends, President Roosevelt believes the Government belongs to the whole American Nation, not just to Morgan, Du Pont, and the Liberty League. That gang, after running this Nation for years, no longer rules at Washington. They have lost something. They are trying to get it back, and they aren't particular about how they try. They want to rule again, and by hook, crook, and Jouett Shouse, they will rule again if they can.

If anybody can't take it, they can't.

Bonhomme Roosevelt has shown us again and again that he can. And now, it seems to me, it is up to us to show our faith in him. We soon will have that opportunity. We can choose between the Jolly Roger and the Bonhomme Roosevelt. And you and I know now what the choice will be.

COOPERATION AND COOPERATIVE GROWTH—ADDRESS BY SENATOR BENSON

Mr. POPE. Mr. President, I ask to have printed in the RECORD an address on the subject of Cooperation and Cooperative Growth, delivered by the junior Senator from Minnesota [Mr. BENSON] May 5, 1936, at St. Paul, Minn. It is a very interesting and informative address.

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

MINNESOTA LEADS THE WAY

It is my pleasure to call attention to the fact that I have the honor of representing in the United States Senate one of the most forward-looking constituencies in this country. A majority of the people in Minnesota are of Scandinavian and German birth or origin. They brought with them the thrift, home pride, and spirit of cooperation of the peoples of Sweden, Norway, Germany, Finland, and Denmark. They take seriously the principles of democracy upon which our Government is founded. So much do they do this that they apply these same principles to their everyday activities, and as a direct result, the number of cooperative enterprises, both producer and consumer, which today flourish in my State, exceeds that of any other State in the entire Nation, regardless of population.

With a population of 2,627,000, Minnesota today has in successful operation more than 4,800 cooperatives. One hundred and forty-four thousand Minnesota farmers participate in the benefits as members of producers' cooperatives. Seventy-five thousand Minnesota consumers enjoy the benefits of consumer cooperatives, and 531,180 members took advantage of cooperative mutuals and societies for farm supply, insurance, telephone service, credit unions, etc.

Minnesota has established such a lead over other States in the field of cooperative marketing enterprises, that 13.9 percent of all such enterprises in the United States are located in Minnesota. This 13.9 percent have 252,100 members, and in 1935, did a business of approximately $109,000,000, according to the State department of agriculture.

Our sister State, Wisconsin, ranks next with 10.9 percent of all such organizations in the United States, 135,500 members, and a $62,000,000 annual business.

COOPERATIVES HAVE NO FAILURES

And here is the most striking fact of all. Since 1925, the number of failures of cooperatives in Minnesota is only one-half of 1 percent. Since 1930 there have been no failures at all. Such a record is unsurpassed by any other group. It means that while private business and private banking failed, these cooperatives continued to succeed and to expand, depression or no depression, for they had their roots in the needs and welfare of the people.

Then should there not be a lesson in their experience?

First, I will refer to the growth of producers' cooperatives, more familiarly known as cooperative marketing associations, which are mainly agricultural and quite general throughout the United States, although probably more extensive in Minnesota than in most of the States. The aim of these organizations is to enable the farmer to bargain collectively for the sale of his products in which is incorporated his labor power. And as the average farmer in our Western States receives the major part of his income from his labor rather than from his investment, he is in much the same position as the industrial worker who finds it necessary to associate himself with his fellow workers to bargain collectively for the sale of his labor power. Therefore, these agricultural cooperative marketing associations are necessary in the life of the farmer in order to enable him to maintain a decent standard of living and exercise some degree of control in his economic life.

It is of interest to note the degree of development attained in Minnesota by the farmers in marketing cooperatively their products, and the nature, number or associations, and value of the products marketed during the past 2 years, 1934–35. These figures are based upon data of one great cooperative enterprise in the State. They are as follows:

Producer cooperatives in Minnesota

	Number	Members	Annual business
Creameries	638	86,768	$44,386,000
Cheese factories	36	1,008	1,000,000
Fluid milk	6	9,000	3,185,000
Fruits and vegetables	25	4,000	1,000,000
Grain	265	41,605	17,000,000
Livestock	325	66,625	22,000,000
Poultry and eggs	14	770	3,000,000
Wool	5	6,600	3,400,000
Fish	2	365	160,000
Miscellaneous	2		2,263,000
Grand total	1,318	144,000	97,395,000

Even these tables are not entirely complete, according to further data obtained by Minnesota's State department of agriculture, which I will recite later, and which varies in several instances with the table I have presented. The point is that it is very doubtful if these 144,000 farmers would have been able to receive $97,000,000 for the products they marketed had they not been associated together for this purpose. In our existing economic society it is an absolute necessity that farmers and workers should organize in self-protection against being exploited, as individually they possess little or no power to prevent this.

But while organization in the form of marketing associations and labor unions afford a means of protection, they fall short of solving the economic problems of farmers and workers for the reason that neither can control the market, whether it be for farm products or human-labor power.

Producers' cooperatives, therefore, while presenting a barrier against undue exploitation by greatly depressing prices of farm products, must be supplemented by political action, and also by other economic methods that are more far reaching. It is of this latter that I desire to speak more at length. I herein refer to consumers' cooperation.

Farmers early began to realize to a limited extent that the same cooperative principles they applied to marketing their products could with equal advantage be applied to purchasing their supplies. Therefore, many cooperative marketing associations began to purchase such things as fertilizer, seed, feed, and so forth. But as time went on, purely consumers' cooperatives were organized and carried on with great success. Particularly is this true of the oil business. In this day and age of motor-driven machinery on the farm, petroleum products constituted a large item of expense in farming operations. In the early days of the oil industry enormous profits were made, as is well known to everyone. In order, therefore, to avoid having to pay excessive prices for petroleum products, farmers started their own cooperative bulk plants and service stations.

In June of 1921, the first of these cooperative oil associations was started in Cottonwood, Minn. Other communities emulated the example of these farmers at Cottonwood, with the result that many thousands of dollars have been saved to the farmers in the purchase of these products alone. In 1927 a number of these retail cooperative oil associations joined together to purchase collectively at wholesale. Today there are more than 140 of these oil cooperatives situated in the States of Minnesota and Wisconsin, organized in what is known as the Midland Cooperative Wholesale, located in its own building in Minneapolis, conducting its own blending plant and doing an annual business of between two and three million dollars. In this connection it is interesting to know that although this wholesale has assets of well over $200,000 above all liabilities, not one cent has ever been paid into it by the affiliated associations, the entire capital structure having been built out of the savings effected by the various affiliated retails in thus purchasing together.

SAVE UP TO 20 PERCENT

In the retail end of these oil cooperatives, much larger savings have been made by the individual members, ranging all the way from 5 to over 20 percent on their purchases. In Freeborn County, Minn., during the past 10 years, there has been paid out in patronage dividends by the Freeborn County Cooperative Oil Association more than $275,000. In Kanabec County, the cooperatives have done more than 70 percent of the entire petroleum-products business transacted in the county.

In order to give some idea as to the scope and magnitude of the consumers' cooperative movement in Minnesota, the following figures, compiled by one large cooperative concern, are of interest:

Consumer cooperatives in Minnesota

		Number	Members	Annual business
Essentially Rochdale co-ops:				
Store societies (1934)		103	25,000	$5,611,383
Affiliated	38			
Independent	65			
Oil associations (1935)		150	50,000	7,500,000
Affiliated	95			
Independent	55			
Total		253	75,000	13,111,383
Mutual or co-op societies:				
Credit unions (1935)		205	35,000	3,075,000
Insurance (1934)		160	245,000	5,700,000
Telephone (1933)		1,558	56,000	670,000
Burial (1933)		10	5,180	51,600
Total		1,933	341,180	9,496,600
Farm supply (other than above):				
Farm Bureau and Farmers' Union		80	35,000	300,000
Producer co-ops (side-lines)		600	80,000	5,000,000
Total		680	115,000	5,300,000
Grand total (all societies)		2,866	531,180	27,907,983

A similar story on a smaller scale might be told of many other States, as farmers have organized consumers' cooperatives, which in turn have united their regional wholesales in a cooperative organization known as the National Cooperatives, Inc. This national cooperative is comprised of the following: Midland Cooperative Wholesale, Minneapolis, Minn.; Farmers Union Central Exchange, St. Paul, Minn.; Central Cooperative Wholesale, Superior, Wis.; Consumers' Cooperative Association, North Kansas City, Mo.; Ohio Farm Bureau Cooperative Association, Columbus, Ohio; Indiana

Farm Bureau Cooperative Association, Indianapolis, Ind.; Farm Bureau Services, Lansing, Mich.; Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pa.; Consumers' Cooperative Association, Amarillo, Tex.; Pacific Supply Cooperative, Walla Walla, Wash.; and Eastern Cooperative Wholesale, New York City.

As officials of the Northern States Cooperative League state it in a recent article, the cooperatives are in full sympathy with Government ownership and control along certain specific lines, such as natural resources, post offices, etc., but are even more interested in the "cooperative action of our people as consumers and producers of goods and services." I hope it will be noted that we consider every person who works, who earns from the service he renders, whether on the farm or in the factory or behind the desk of the professional or white-collar worker—we consider and classify every such person as a producer.

Minnesota's supremacy over all States in cooperatives is especially pronounced in fields other than consumer. Combining the two, consumer and producer cooperatives, we find this interesting picture as given by Deputy Commissioner Hay of the State department of agriculture:

Cooperative creameries (P)	644
Cooperative cheese factories (P)	35
Elevators (P)	373
Livestock shipping associations (P)	636
Stores (C)	216
Gasoline associations (C)	140
Produce (P)	177
Fire insurance (mutuals) (C)	177
Hail and cyclone—insurance (C)	14
Miscellaneous—insurance (C)	9
Burial associations (C)	13
Sales agencies	22
Telephone associations (C)	1,809
Service associations (C)	17
Lumber associations (P)	11
Trucking associations (P)	116
Implements (P)	10
Poultry and egg (P)	8
Credit union	225
Fisheries	3
Canneries	3
Regional credit	37
Cooperative bank	1
Service—bull, sheep, meat, threshing	100
Garment	2
Newspapers	3
Electric associations	50
Total	4,856

It is impossible in this compilation to give business figures on all activities, as were given by the table compiled by Midland Cooperative, but I might say in passing that cooperative creameries have captured almost two-thirds of the creamery business in Minnesota.

I have set forth these facts and figures in order to show the growth and importance of consumers' cooperation. Now let us see just what is consumers' cooperation. Consumers' cooperation means cooperative organization and activities through which people join together for the purpose of securing consumer goods for themselves. Obviously, then, it eliminates profit, since no one can profit at his own expense.

The principles of consumers' cooperation are exceedingly simple and are as follows: Open and unlimited membership; fixed rate of interest on capital invested; each member only one vote, regardless of their investment; no proxy voting; patronage dividends on the basis of patronage. This means that after paying all expenses of operation, including interest on invested capital and providing for a reasonable reserve, that all profits are returned to the members on the basis of their patronage.

These principles were first applied in a practical manner in Rochdale, England, in 1844. This is why this form of cooperation is often referred to as Rochdale cooperation. Starting with 28 persons and a capital of $140, this movement has grown to such an extent in England alone that today it has 7,000,000 members and transacts approximately more than half the retail business of that country in consumer goods. Some 1,150 retail cooperatives are federated into a great wholesale, which in turn owns and operates about 150 factories producing all the necessities of life. Its bank is second to that of the Bank of England. It writes more than half the industrial insurance in that country. It owns its own plantations abroad and has its own steamships in which to transport its merchandise.

SWEDEN SHOWED THE WAY

In Sweden, where the cooperative movement is not more than 40 years old, the same story can be told to an even greater degree. In that country more than 40 percent of the retail business of the country in consumer goods is done by the cooperatives. The great wholesale owned by these retail cooperatives in turn owns mills and factories, and is powerful enough to set the price at which merchandise is sold to the consumer. A most interesting phase of the movement in Sweden is that whenever trusts and combines have set prices very high, the cooperative wholesale has entered the field and forced prices down, on some occasions forcing the trust to relinquish the field entirely. One case in point is that of an international trust which was compelling the consumer public to pay as high as 37 cents for an electric-light bulb. The cooperatives of Sweden, Norway, Finland, and Denmark combined and erected a modern plant of their own. This forced the trust to cut the price to 25 cents a bulb, which the cooperative met and later reduced still lower, selling a superior quality bulb to that put out by the trust and at a lower price. Today the price is as low as 20 cents in place of the previous one of 37 cents and the quality is better. Thus does cooperation control prices in the interest of the people and prevent private business from exercising extortion.

The reason for my reference to what is being done in countries abroad is merely to show that where consumers' cooperation has been long in existence, remarkable results have been obtained which make for the common good.

Needless to say that whenever there is an organized, conscious, economic interest it is always reflected politically.

In our country this is well exemplified in the political influence exerted by large business interests.

In England there is the Independent Labor Party reflecting the interests of the common people as manifested in their cooperative enterprises. In Sweden the people's interest are politically reflected by the Social Democratic Party.

Both these political parties naturally favor public ownership of natural sources of wealth, and in many cases public operation of basic industries as a check upon big business which otherwise would function as a monopoly, as big business is doing in a large measure in our own country.

If the peoples of countries abroad can do what they are doing with their limited resources, how much more can we in the United States achieve when we once become conscious of our interests?

The fact has been gathered by the Farm Credit Administration, Consumers' Division, Washington, D. C., that 2,490,000 people in the United States are engaged in cooperative marketing of fruit, dairy products, grain, livestock, cotton and products, wool and mohair, nuts, tobacco, forage crops, and miscellaneous, organized into 8,794 producers' cooperative organizations, carrying on a business for 1935 of $1,343,000,000.

Any such a section of our population engaged as it is in a business which seemingly carries on, depression or no depression, should be duly commented upon and endorsed by forward-looking people. Add to the $1,343,000,000 for cooperative marketing the approximate half billion dollars' worth of business from the consumer cooperatives and the eighty-million-odd of money in credit unions and we get a very notable figure.

It would pay us as citizens, and our representatives in Congress, to know these facts and consider the potential possibilities of cooperation as a way out of present chaos toward the economy of abundance many people are thinking about.

The people of Minnesota are becoming more and more conscious of the fact that we need to produce for all the needs of all the people instead of for private profit, and as a result we are building a powerful consumers' cooperative movement which will ally itself with producers' cooperatives—because the same people are in both organizations—and together function for the common good.

FOUNDATION OF FARMER-LABOR PARTY

It is because of this that we in Minnesota have the Farmer-Labor Party, a party that grows from the soil of our fertile farms, and from the workingmen's homes of our cities and towns, and from the offices where men and women toil in businesses and professions, struggling for an insecure day-to-day livelihood under an economic system that totters because its fate and its future rests on the selfish whim and fancy of a profit-seeking few.

This Farmer-Labor Party of Minnesota is a political party reflecting the economic interests of the common people, who not only are conscious of these interests as distinguished from those who live from unearned increment, but who are steadily and rapidly developing the necessary machinery with which to serve themselves in the economic field.

This is consumers' cooperation, which supplemented with public ownership of natural sources of wealth and natural monopolies will bring permanent prosperity to the plain people who do the world's necessary work.

That this is not visionary is evidenced by the fact that where these principles are applied, as in Sweden, there are only approximately 47,000 unemployed in that country, and this includes those often referred to as unemployable. Could we bring about in our own country, a situation such as exists in Sweden, we should have only 1,000,000 unemployed at the present time, instead of from 12,000,000 to 15,000,000.

Again let me call your attention to the fact that the people of my State—Minnesota—are preponderantly Scandinavian, and they not only possess the same characteristics as their kin in the Old World but are also aware of what is being done in the country of their origin.

These people are applying the principles of democracy to their everyday activities and building an industrial democracy which in turn shall be reflected by a genuine political democracy.

In this day and age, when we are in possession of the knowledge and material means which makes possible an economy of abundance, it is absurd that we should not avail ourselves of the opportunity to achieve lasting and permanent prosperity for all.

Cooperation furnishes the philosophy and the technique for achieving this desirable result and deserves not only our careful and thoughtful consideration but our active support politically, if we really mean what we say when we declare that ours is a Government of, by, and for the people.

ADDRESS BY HON. JAMES A. FARLEY AT NORTH DAKOTA DEMOCRATIC CONVENTION

Mr. BULOW. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon. James A. Farley at the Democratic State convention, held at Devils Lake, N. Dak., May 12, 1936.

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

This gathering, so far as I am concerned, is more like a homecoming or a reunion than a formal political session. You might say that North Dakota is where the movement that landed Franklin D. Roosevelt in the White House, and, incidentally, the movement that will keep him there through another term, was born.

It was in July 1931 that I came to Aberdeen, just across your southern border, on a scouting trip to ascertain what was the sentiment of the country on the then prospective Democratic nomination for the Presidency. I found that my mission was a welcome one, and the finest thing about it was that a delegation of Democrats from North Dakota came down there to tell me that North Dakota's choice for President was Franklin D. Roosevelt. That report was corroborated at your State convention the following January at which your delegates were selected. The voters of your State gave their approval of your selection at the March primary, which was among the first of the primaries in the United States where the voters instructed their delegates for Franklin D. Roosevelt.

A lot of other States followed suit but you were the pioneers. Though the honor of participation in the event that meant so much to our country was Nation-wide in the election of that year, I have a particular sense of companionship with those who joined early.

It is probably true that the band-wagon jumpers are the ones who decide elections in this country. After all, political battles are determined by the converts. The Democratic Party was the minority party 4 years ago. According to the registration figures of that time, there were more Republicans than people of our political complexion. I have not the exact figures at hand, but it is safe to say that those asserting allegiance to the other party exceeded by millions those who professed themselves as Democrats. Yet we won the election by more than 7,000,000 votes, carrying 42 States out of the 48. We did this because the cause we presented converted millions of Independents and Republicans and Progressives to our way of thinking. I am grateful to this multitude who put country before partisanship; patriotism before politics. I know we must hold them in the coming election, which I tell you now is going to be as complete a triumph for the Roosevelt principles as the elections of 1932 and 1934. I acknowledge gratefully the party's debt to these converts, but yet I am conscious of a little warmer feeling for those, like yourselves, who joined the colors when nobody knew whether the Roosevelt movement would prove only one more vain effort against the regime of privilege, or would turn out to be the overwhelming force it became before the people went to the polls 4 years ago.

Actually, particularly in this part of our country, party labels have become less and less significant. Though North Dakota testified to its intrinsic Democracy by voting for Roosevelt in 1932, its Governor and congressional delegation are still classed as Republican, even though the latter have frequently voted for Democratic measures. So wide is the rift in the opposition party today that a person of almost any political school of philosophy may find some faction that includes him. Senators LA FOLLETTE, and HIRAM JOHNSON, and NORRIS, for example, still figure in the biographical accounts as Republicans though President Roosevelt has no more stanch supporters than they are. It takes time for strong men to change their basic political faiths. Some of your neighboring States have gone the whole way, and after generations of Republicanism are, in name as well as in fact, Democratic. Even here the leaven is working. In 1932 your Republican candidate for United States Senator, GERALD NYE, was elected by a majority of more than 100,000; in 1934 Senator FRAZIER's majority was less than 50,000. I am not going to attempt to tell you what will happen in regard to your congressional delegation this year, but I am confident that you and all your sister States will be in the Roosevelt column as usual when the votes are counted in November.

You are going to be anything but lonesome in that connection, for every record of registration from the Atlantic to the Pacific and from Canada to the Gulf points to another endorsement of our great President as definite as that of 4 years ago, and 2 years ago, and I have no hesitancy in assuring you that in terms of electoral votes and popular vote 1936 will give the President the greatest endorsement received by any of our Chief Executives since the birth of parties in this country.

The reason for this is not far to seek. Take your own case. You came out for Roosevelt 4 years ago. I ask you, Have you any reason to regret what you did then? Of course you haven't. You voted for him because you had faith in his desire and his ability to correct the ills from which you and all the rest of the country were suffering then. You know that, thanks to him and to the policies inaugurated by him, that faith has been vindicated. I do not think there is any better way of conveying to you the difference between things as they are and things as they were than is afforded by a study of the files of your own newspapers. I will give you a few of the headlines in the Fargo Forum during January of 1933:

"Wheat prices turn weaker."

And here is another one, illustrative of what was going on at that period: "Resistance to foreclosures and debts; farm strikes North Dakota aim."

Now, let's take a 3-year jump to January of 1936, when the same paper cheerfully announces this: "With cash income to farmers from the sale of seven important products up 43 percent in December compared with the previous year, there has been throughout the district a corresponding increase in trade. Milk cows, which have become an extremely important factor on North Dakota farms, are bringing the best returns for several years, with butterfat prices close to the top since the recovery set in."

An editorial at the end of January of this year recites that: "Despite years of adverse conditions in the agricultural territory served by Fargo, the city not only has held its own but actually it has forged ahead as a distributing center." And the editorial further recites that Fargo appears to be well pleased with progress made last year and as to future prospects.

Let's take a look at the Grand Forks Herald. On the eve of President Roosevelt's advent to the White House this paper said editorially: "With spirit undaunted, with hope unquenched, and with the will to achieve strengthened, men are looking forward to the better day whose dawn it is hoped is breaking, but for whose full effulgence we must wait in patience." It was at this same time that this Grand Forks paper carried such mournful headlines as "Farm income drops" over a story which began: "Harnessed with mortgages to a load of debt, America's farmers are mired in a slough of fixed charges."

"Three banks close in Emmons County" is another of the gloomy headlines.

Soup kitchens figured largely in the news of that day.

The note of hopefulness began with the inauguration of President Roosevelt.

"The new President", said the Grand Forks Herald, "cannot be expected to work miracles. He will not create prosperity. If under his guidance means can be found whereby the people themselves may more readily regain prosperity, the utmost will have been accomplished that we have any right to expect. Therefore, with loyalty and tempered judgment, there must go patience in order that there may be given the time which is required for the working out of the best and most wisely conceived plan."

We all know how far the President has exceeded the most sanguine expectations, such as I have quoted. There is no branch of commerce or industry that does not show an improvement that would have been deemed almost miraculous from the viewpoint of the spring of 1933. It is appreciation of that circumstance that is behind the expectation I have voiced of the great triumph that is coming for Roosevelt policies and Democratic principles the next time the people have a chance to tell what they really feel and think at the polls.

You can get the same story out of the newspapers of every State of the Union—the same pessimism and despair 4 years ago, the same rebirth of hope when the new President took office, the same jubilant headlines recording renewed earnings of businesses—agricultural and industrial, as of today.

Well, how did all this come about? What caused a bankrupt people to become solvent in these few years? Why are the prices of corn and wheat, hogs and cattle up to where there is a chance for the farmer to get out of debt, to send his children to school properly clad and decently fed? What put the industrial East back to a position where a business is not a liability, a factory is not a burden, and the ownership of houses and lands is not an economic misery?

Obviously, some of these things could not have been accomplished if the others were not. The restoration of the purchasing power of the farmer made the wheels of the eastern mills turn; the reemployment of the operatives in those mills gave a market for the farmers' produce. Which came back first is as unimportant as that old trick question of whether the hen preceded the egg or the egg started the poultry line.

Both of the great branches of our economic system got to going, and we were saved from industrial chaos and from social chaos.

Again I ask you what did this? Was it that without any calculable cause the farmers suddenly became superefficient, or that businessmen suddenly developed a capacity they lacked when their enterprises were paralyzed? Or was it that there came to be head of your Government a man wise enough to find a method of stopping the spinning downward of all our enterprises, brave enough to make perilous decisions promptly, just enough to be fair among all classes and interests? You know the answer without my putting it into words.

Sad to say, in the course of performing the biggest job that ever confronted an American Executive, some things were done that passed the bounds set by the Supreme Court. I know how mortified a law-abiding people like you must feel that you made your way back to comparative economic safety under an unlawful system. I presume your distress under the circumstances was equal to the chagrin and dismay of the mill workers who found themselves with shorter hours and higher pay under the equally unconstitutional N. R. A.

Because he guessed wrong, according to the Court's ruling, the President is being accused by our political adversaries of usurpation; of assuming powers for himself and for Congress beyond what the Constitution permits. He certainly has much good company among his great predecessors in the Presidency, for there has never

been a great Chief Executive since the beginning of the American Government against whom the same charge was not made. Usurper is one of the mildest terms applied to Washington by his contemporary critics. Jefferson strayed beyond the constitutional limits when he effected the Louisiana Purchase. Andrew Jackson was offside in a variety of instances, and so was Abraham Lincoln with the emancipation proclamation, among other acts.

It must be a source of solace to you, in thinking back on the lawbreaking of the A. A. A. days, that your own Senators and Representatives, of whom I know you think highly, voted for this legislation.

To listen to the shocked expressions of the Republican editors and orators, not to mention the spokesmen for the Du Pont Liberty League, is to get a picture of unparalleled alarm for the security of American institutions. Yet, despite the numerous occasions when Presidents have differed from the views of the great judicial body, the Supreme Court remains the highest tribunal of the land, and the balance among the three great divisions of our Government is preserved. Undoubtedly in the future, as in the past, Presidents will at times find themselves at variance with the judicial branch. When they are ruled against they will seek new laws that will meet the Court's objections, just as Franklin D. Roosevelt has done, and the country will rock along as comfortably as ever, notwithstanding the cries of alarm from the prophets of disaster.

The people of this country are going to reelect Franklin D. Roosevelt because of what he has done for the national welfare. The campaign to break down his fellow citizens' faith in him has been in progress for a long time—in fact from the time those who have always fattened on special privilege found that the aid they begged for when they were in a panic at their crumbling fortunes had put them on their feet again. Once more making money, they began to hunt about for some means of keeping the ordinary citizen from getting a share in the good things of life, in order that they might have all of the advantage and none of the cost of the general restoration.

It being impossible for them to question the matter-of-fact market reports that tell the story of our economic improvement, they are reduced to denying that it was the acts of the Roosevelt administration that brought this about. They do not attempt to tell what else did it. The nearest thing to such an explanation is the statement of the chief exponent of things as they were. Ex-President Herbert Hoover did confide to a wondering audience that he had the depression stayed nearly a year before he ceased to be President. Those of us who remember the days of crashing banks, of mercantile failures, of falling markets, and of the general gloom and apprehension that prevailed from June of 1932 until the advent of Roosevelt to the White House, can only be amused by his predecessor's weird hypothesis.

Now, let us analyze, a little bit, the charges brought against the administration by those who seek to replace it. It is not important, for the result of November's election is a foregone conclusion, but just for the sake of the record it might be well to note the flimsy course to which political necessity has driven the President's foes.

They say he is extravagant, wasteful of the public's money, careless of the principles of Government economy. If the President of the United States stood behind a counter, handing out relief checks, after personally investigating every one of the millions who applied for help, he might be sure that such of these was honestly destitute and deserving. Under such conditions perhaps no small soul would have received $2.77 worth of groceries for nothing when he could have paid for his food.

Perhaps if the President of the United States had been able to officiate as straw boss on a million petty jobs he might have been able to make it certain that no shirker had succeeded in obtaining a meager relief wage without performing a full day's pay. So much for the charge of recklessness in distributing the relief funds.

They talk of politics in the administration of the emergency agencies. Has anybody who is listening to this speech ever heard of a man or woman being asked whether he or she is a Democrat or a Republican before getting the dole or the emergency job? Thousands of men and women have been entrusted with minor parts in creating the machinery for handling the various forms of aid. No doubt some of them, with an excess of party zeal, have transcended the strict rules laid down by the President in this regard. I ask you if you have seen anything of moment along this line in North Dakota.

About all that is left of the indictment is that some of the projects that engage the attention of the Works Progress Administration are not calculated to show visible results, as the building of a bridge, the erection of a dam, or the laying down of a road shows it. I do not have to tell you that many of our people in normal times have as their activities work of a nonproductive material nature. There are thousands of girl stenographers, manicure operators, there are artists, musicians, and actors. It would be hardly practical, would it, to set these to driving trucks or digging post holes?

The unemployed among these have either to be given the sort of work they know how to do or be dumped on the dole. Which process do you think is most likely to produce a favorable effect on the morale of these people? That is about all there is to this clamor of boondoggling.

We come down to the most absurd charge of all—that the President is an enemy to business. How much business would there be left in this country if he had let things drift as they drifted during the previous administration? Who but the President has builded up so patiently the purchasing power of the masses that is the groundwork for such progress as has been made?

If he had not made business his particular care, would the headlines of your newspapers show, for example, that the automobile companies had sold nearly 16,000 automobiles in your State in 1935, as against fewer than 5,000 in 1932?

North Dakota shows $5,000,000 more in savings-bank deposits than she had in 1933. What is more significant is that the individual income-tax reports show incomes more than doubled in the same period. That is how your State has fared during the recovery era.

Now let us look briefly to what the Administration has done for North Dakota. Your farmers got more than $30,000,000 in rental and benefit payments.

What you have gained in material advantages through forest-fire protection, improvement of the woods and range country, precautions against soil erosion, game and fish conservation and other work mainly done through the C. C. C. camps cannot be estimated in dollars and cents. The value to the 2,200 young men who through these camps have been saved from the perils, moral, mental, and physical, that would have beset them had they been subjected to the strain of idleness, vagrancy, and irresponsibility, is beyond price.

In addition $170,000,000 has been loaned to your farmers and $9,000,000 to your home owners. This will be repaid, of course, but think of the number of farms and homes that have been saved from mortgage foreclosures by this extension of Government credit when no other credit was available.

As in every other State, your banks have been made secure, where prior to the advent of the Roosevelt administration they were either closed or tottering. Is it any wonder that I am able to prophesy an overwhelming vote next November for the President, who has so ably fulfilled the purpose of government which must be the welfare of the people?

I address a Democratic convention, but the message is to men and women of all parties; and when I tell you that their response will be greater than it was when they elected him, and when they certified their appreciation of his efforts in the congressional elections 2 years later, I am neither exaggerating nor expressing a mere political hope. No; I am speaking out of a fairly intimate knowledge of public sentiment, gathered during journeys that have covered practically every State in the Union.

The people know that the work of recovery is only half done; they are aware that no small part of the task undertaken by Franklin D. Roosevelt is to make certain that another such economic calamity as befell us shall not recur. That is why they will brook no interruption to the processes that have worked so well, but will insist that the President shall have the opportunity, with their enthusiastic support, to complete his job.

THE BANKING SYSTEM—ADDRESS BY A. P. GIANNINI

Mr. POPE. Mr. President, I ask permission to have printed in the RECORD a radio address on the subject of the banking system, delivered by Mr. A. P. Giannini, of California, Friday, May 1, 1936.

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

Ladies and gentlemen, I have always been proud to be a banker. Today, however, I am prouder than ever to be a banker. The reason is not far to seek. My bank, to which Secretary Wallace has so kindly referred, has 1,600,000 depositors. Most of these depositors are average men and women—farmers, working people, housewives, clerks, professional men. Like most bankers, my great concern has always been to maintain the safety of the deposits of these people.

In the past, that has sometimes been difficult. Today, however, the depositor in my bank—the depositor in any bank—is safer than he has ever been in all our banking history. Due to the legislation of the last 3½ years, our banks are now in a better position than at any time in the past to justify the confidence of the average men and women who entrust their earnings to them. That is why I am prouder than ever to be a banker.

Most of you listening to me tonight are bank depositors. You have a stake in this question of security. I want, therefore, to talk for a few minutes with you about the recent steps which have been undertaken for your safety and protection.

First of all, let us look at this question from the point of view of the bank.

The chief commodity a bank has to sell is credit, and its ability to supply the market is not limited to the capital, surplus, and undivided profits which belong to the stockholders. Successful banking requires that the banks be able to draw as well upon the vast store of money made available to them by depositors. It is elementary, then, that there must be general confidence in the ability of the banks to repay the moneys deposited, and this confidence can only come from sound operations, involving sound credits and the most ample protection which can be furnished to the banks' customers.

When the banking system was put to the test at the height of the depression, it was found that this confidence had vanished

because the basis for its continuance no longer existed. This is best illustrated by the fact that after many months of persistent effort to allay the fears of bank depositors and patrons, and after actively campaigning to induce depositors to leave their money in banks, the deposits shrunk by billions. At the end, banks, in unprecedented numbers, were forced to close.

Depositors and stockholders, too, by the hundreds of thousands, know only too well that there was real basis for the fears which brought this condition about. The securities in which bank funds were invested were being constantly dumped on a falling market to provide funds which were being demanded by depositors. In this process their values declined to the point where bank capital was greatly depleted. If confidence was to be restored, heroic measures were called for.

President Roosevelt immediately grasped the situation and under his leadership two vital steps were taken, to be followed later by others tending in the same direction, to restore confidence, make banking operations safer, and give absolute assurance to depositors. The first step was to prosecute a vigorous program through the Reconstruction Finance Corporation to take up the slack in bank capital. In my opinion, it is misleading, if not foolish, to charge that this program was based upon a desire to put the Government into the banking business. If the capital necessary to enable the banks to function safely was to be supplied at that time, it was absolutely essential that the Government credit be used for the purpose of supplying the funds. Private funds were not available in sufficient amounts and to the extent that they were available they could be invested in bank capital as readily as at any other time. So, through the Reconstruction Finance Corporation, the Government actually invested over $1,000,000,000 of public funds in more than 6,000 banks throughout the country. Time has demonstrated that this was a wise and constructive measure. It is now quite apparent, also, thanks to the recovery we have had, that the investment was a sound one and will ultimately be repaid.

But President Roosevelt was not content merely to take steps for the protection of the capital structure of the banks. He went further and outlined a program for the direct protection of the small depositor. This program came into actual practice through the establishment of the insurance of bank deposits through the Federal Deposit Insurance Corporation. This Corporation, with over $300,000,000 of assets, supplied by the Government, by the Federal Reserve banks and by the 14,000 insured banks, gives to the depositors in all insured banks the absolute assurance that their deposits up to $5,000 will be promptly repaid in the event of the failure of a bank. Through the Federal Deposit Insurance Corporation over 98 percent of all the depositors in insured banks are fully protected. It may be properly added here that under the permanent Federal Deposit Insurance Law, the insured banks are paying into the reserve funds of that corporation about $35,000,000 a year. That means that in the course of a few years, a further reserve created by the banks themselves should be adequate to give absolute assurance to every bank depositor without the necessity of continuing assessments.

As I see the matter, no sound reason can be assigned why the Federal Deposit Insurance Corporation cannot become, if indeed it is not already, a great stabilizing influence in the banking world, as well as an adequate insurer against all loss to depositors.

Future generations, in surveying the experience of the past and viewing the ruinous effects of lost bank deposits, may well wonder that the apparently wanton disregard of the safety of bank deposits so long persisted. It is a definite responsibility upon every government chartering a financial institution to require it to be so conducted that it will be able to meet its obligations. That responsibility is one that should be discharged at all times with honor and without loss to the patrons of the banks. It is no hardship on banks to be compelled to make moderate contributions to a general reserve fund which will insure this result.

If time permitted, it would be worth our while to consider features of the Banking Act and other laws which are designed to give further protection to the general public, as well as to the banks themselves. All of these measures are designed to the end that there never may be a repetition of the catastrophe from which we have lately emerged. There are provisions which promise to keep at all times a safe margin of capital back of all of the obligations of every financial institution. There are other provisions which will bring to a halt unsafe and unsound practices in any institution without hampering legitimate operations.

I have in mind particularly such provisions as those which prohibit the loan of a bank's funds to its own executive officers and provisions authorizing the fixing of margin requirements where the bank's credit is used to finance purchases and sales of securities on exchanges. Such provisions protect the interests of depositors and stockholders alike and have been found to be necessary to prevent abuses.

The Banking Act also divorces investment and commercial banking. Another law creates the Securities and Exchange Commission, the function of which is to protect the investor in buying securities. Through the information which must be furnished before securities can be listed on exchanges, investors are in a better position than ever before to protect themselves. This service is as valuable to banks as to individuals. Certain power is now clearly given to the Board of Governors of the Federal Reserve System and to the Securities and Exchange Commission. This power exercised in the public interest ought to go far to prevent a recurrence of the disasters that we have experienced periodically in the past.

We have about us today abundant evidence that banks and their clients are enjoying the benefits that flow from the principles and policies represented in banking legislation and administration of the past 3 years. The report of the Comptroller of the Currency, recently issued, shows that deposits in national banks are at the highest point in the entire history of the national banking system. It also shows that national banks which had been operating at an annual loss since 1931 of from two hundred to three hundred millions were operated at a substantial profit in 1935. It also shows that there have been only five national banks closed in the 2 years and 4 months since deposit insurance was inaugurated, and that there have been no national banks closed so far in 1936.

Surely no one will deny that the major features of policy, to which reference has been made, are truly constructive and that our financial structure rests upon a sounder foundation than at any period within our memory. There is more adequate protection for the public, less hazard to the stockholder, and a brighter prospect of success and prosperity in all lines than we have seen for many years.

That, again, is why I am proud to be a banker. I can face the future with greater confidence because I know that the interests of the depositor are more adequately safeguarded.

A STUDENT PLEA FOR WAR—ADDRESS BY BASCOM TALLEY

Mr. CLARK. Mr. President, recently a meeting was held by the students of Tulane University, New Orleans, to protest against further war. On that occasion one student, Bascom Talley by name, appeared and made a very striking and impressive speech on behalf of war and in defense of war. This is one of the most striking documents which has recently come to my observation and perhaps the most intelligent argument that could be made for the huge naval and military appropriation bills recently passed by the Congress. I ask unanimous consent that an article from the New Orleans Item Tribune, containing Mr. Talley's speech, may be inserted in the RECORD.

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

[From the New Orleans Item Tribune]

A STUDENT PLEA FOR WAR AT A MEETING TO PROTEST IT

When Tulane students recently met to protest against any more wars, one of them rose to defend conflict. This was Bascom Talley, a derby hat on his head, and a cigar jutting defiantly from his teeth. He read his speech. It follows:

"You are here this morning to participate in a demonstration against war. Yes, against war. Have you stopped to think what you are doing? You are protesting and demonstrating against the only sure-profit industry in the United States today. You ask me how is the wad to be classed as an industry? Well, there is no doubt that war in any and every sense has many industrial connections. My corporation is a good and glaring example of the industrial connections of war.

Some radically inclined people would have you believe that we, the people Pu Dont, are interested in the promotion of wars solely for personal profit. They are wrong. Our interest is not purely personal, we also have the interests of the stockholders at heart—we also have the interests of our employees at heart—we have the interests of the Nation at heart—and after that, we have the interests of the nations at heart. We, the people Pu Dont, sincerely believe that with the proper amount of cooperation from the Government and the people at large, we can bring this country back to its rightful place as the boom country of the world. What does it matter that the boom is transitory, what we want is a boom, boom, boom.

Some may be doubtful when we say that we the Pu Donts can restore boom conditions in this country. They evidently are not familiar with the powers of our public relations counsel or our Hearst Randolph William. With the increase in demand for armaments, we can double, treble, quadruple or Dionne the number of men we employ. This will in part relieve the employment situation. Then, too, you must consider the number of men that will be employed, or shall I say occupied in the fighting of the war. They too, will be taken from the rolls of the unemployed. True, some might prefer a job in our tremendous factories to going to a war. Of course jobs with us would be more enjoyable and safer from the point of view of life and death, but we must be unselfish and remember that everybody can't have the cream. So if you don't want to go to war, study to be an armament expert.

Then there are those that criticize us for our seemingly heartless attitude toward the great death toll that is synonymous to war. We really could disregard this argument, but for the benefit of those who would like our point of view, let me say that while losses of men is a loss in some senses of the word, we the Pu Donts don't believe that it is best to be continually looking at the losses.

We think that those remaining after a war should look at the profits—they can be measured in dollars and cents, while the

death list can only be measured in the number of coffins or shall I say holes in the ground and empty places at the table. In most cases the empty places at the table mean more food for those who are left, and that is a real benefit.

Of course, some may say that the men that are killed may be the breadwinners. That's perfectly true, but we offer an adequate insurance to offset that difficulty should it arise. We recommend the purchase of our stock. Win, lose, or draw, you are assured of returns from our stock, because we have international connections, and are certain that if one country loses the other will win, and we'll get our profits just the same, and better yet, if it's a sort of a draw, both sides will pay, thereby increasing our dividends still more.

War builds character. You may wonder how we reach that conclusion—so did I until one of the Pu Dont public relations agents brought forth this brain child of logic. By character we will mean an increased patriotism; that is, a greater desire to fight for one's country. Should the circumstances arise in which a war could be promoted, many men who never thought in terms of duty to their country would be entangled in the war, and many others would volunteer of their own accord.

Of course, we realize that most men have to be worked up emotionally to the state where they will volunteer. Always willing to cooperate, we the Pu Donts hereby pledge our untiring support to the most effective system of propaganda that can be devised for the raising of patriotism.

Up to this time I have been talking mainly in terms of our own Nation, but there's one point that's more effective yet in regard to our plan to restore America as a boom country.

Think of the profits to be derived from stirring up a juicy European war. In this undertaking the so-called socially minded objectors to war should have no objection, because we're not hurting them, and they should not meddle in European business. Of course, we're meddling in it ourselves just a little bit, but that is for a good cause, the restoration of the United States to its rightful place as the foremost boom country of the world.

Then, too, to give further consideration to these objectors to war that say it is a scourge to humanity, and benefits none. We of the Pu Donts corporations maintain that they have forgotten to think about those poor and otherwise useless people who are sent straight to their heavenly destinations without being further subjected to the vicissitudes, trials, and tribulations of this world.

Then, in conclusion, I would like to summarize for the benefit of those who doubt that war is a profit-making industry, just a few of the stable, peaceful products that can be readily converted into weapons of war. Cotton, I presume, is used to make guncotton; if not that, I'm sure that cotton rags can be used to wipe Pu Dont oil from Pu Dont guns that are made from Pu Dont steel.

Also there has been recently developed from corn a new explosive that is allegedly more powerful than nitroglycerine, but of course, our laboratories cannot give full information to the general public at this time, because several governments are bidding for it and we must give it to the highest bidder. We do not think that anyone should object to our policy of selling our discoveries to the highest bidding government, because, after all, we have to think of our profits. Then, too, wheat, along with being excellent for the manufacture of Wheaties, Puffed Wheat, Shredded Wheat, and other articles of common consumption, has provided us with a certain ingredient that is very valuable for the manufacture of powder.

Need I say more—if we have the only sure profit industry, and can guarantee returns to our stockholders, why demonstrate against war, the greatest good to humanity?

Let us, the Pu Donts, restore the United States to its rightful position as the foremost boom country of the world—boom, boom. * * *

SUPREME COURT DECISION OF COAL CONSERVATION ACT

Mr. GUFFEY. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Philadelphia Record of May 19, 1936, entitled "Chaos Is Constitutional."

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

[From the Philadelphia Record of May 19, 1936]

CHAOS IS CONSTITUTIONAL

The Supreme Court yesterday took the Constitution and twisted it until it yelled "Ouch!"

Then the Court solemnly announced that the Guffey Coal Act was "clearly" and "indisputably" unconstitutional—

Even though it took the six majority Justices 68 days, a record time, to discover what they now say is "so clear" and "so indisputable"—

Even though three of the nine Justices—Brandeis, Stone, and Cardozo—not only don't think the majority decision is "clear" or "indisputable" but disagree with it completely—

Even though Justice Hughes also disagreed with some of the majority contentions and wrote a separate opinion reaching their conclusion by another route.

The Guffey Coal Act was drafted to eliminate chaos in the soft-coal industry. Just as A. A. A. was drafted to eliminate chaos in agriculture, and N. R. A. was designed to end chaos in business generally.

Now the Guffey Act goes the way of A. A. A. and N. R. A.

Chaos is constitutional.

In effect, that is what Justice Cardozo declares in his brilliant dissenting opinion. He writes:

"Commerce had been choked and burdened; its normal flow had been diverted from one State to another; there had been bankruptcy and waste and ruin alike for capital and for labor. The liberty protected by the fifth amendment does not include the right to persist in this anarchic riot.

"Stabilizing prices would go a long way toward stabilizing labor relations by giving the producers capacity to pay a living wage. To hold otherwise is to ignore the whole history of mining. All in vain have official committees inquired and reported in thousands of printed pages if this lesson has been lost.

"Indeed, the prevailing opinion goes so far, it seems, as to insist that if the least provision of the statute in any of the three chapters is to be set aside as void, the whole statute must go down, for the reason that everything from end to end is to be swallowed at a single draught, without power in the Commission or even in the Court to abate a jot or tittle."

Chaos was constitutional in the three disastrous years of Hoover, in the years when banks were falling like leaves in winter; when 15 millions were jobless and in bread lines; when business and the country both were bankrupt.

But the moment a President and a Congress seek to do something constructive; the moment Americans start to build—then the court steps in to say that the people of this country shall build only what the court is willing for them to build.

The Guffey Act has been recognized as a national necessity by the majority of the mine operators, by labor, by Congress, and by the President.

It is even recognized as a necessity by three of the nine members of the Supreme Court.

Yet six men disagree; six men say "nay"—and this needful, constructive law is tossed into the wastebasket, the welfare of mine operators and mine workers is ignored.

Destruction may proceed unhampered. Construction must run the blockade of the gods in black.

If the unconstitutionality of the Guffey Act is obvious and "indisputable", why did it take the court so long to discover the fact?

Why? Because the unconstitutionality of the Guffey Act is neither obvious nor indisputable. There is nothing in the Constitution about coal. There is nothing in the Constitution against regulation of business in the interests of the Nation. To the contrary, the whole Constitution is dedicated to the public welfare.

Moreover, the Constitution specifically gives Congress power to regulate interstate commerce. And if regulation of the coal industry does not constitute regulation of interstate commerce—then it would seem that words do not mean what they say.

And that's just it. To a majority of the men in black, words do not mean what they say.

In order to justify their own personal desires, to invalidate the Guffey Act, the Justices were obliged to resort to a far-fetched concept. They were forced to draw a fine distinction.

This fine distinction, as outlined by Mr. Justice Sutherland, holds that even though coal may be chiefly distributed in interstate commerce, it is not in interstate commerce until it has actually started moving from the mine.

In other words, interstate commerce is stripped of its ordinary, common-sense meaning, and given a very specialized, restricted definition. As the Court puts it, until the coal begins moving, it is at rest—and, therefore, not in interstate commerce. Ergo, the Government cannot regulate the coal industry.

Only a legal mind could rely upon such a preposterous argument. And only the most reactionary of legal minds could accept it with a straight face. It is an argument which equals in absurdity the Court's contention in the A. A. A. decision that agriculture is a local problem.

Without regard to the merits of the Guffey Act, its desirability or its constitutional implications, we cannot but feel that the Alice in Wonderlandish reasoning of Justice Sutherland in this decision drags the high Court lower than ever in public confidence and esteem.

This Supreme Court decision performs at least one service, even though it impedes our economic progress.

That service is in showing the people that the Constitution is not only what the judges say it is, but that the majority of the judges stand ready to twist, stretch, and mutilate the Constitution in order to satisfy their own prejudices and freeze those prejudices into law.

Let lawyers, students, thinking citizens everywhere get out their copies of the Constitution. Let them read carefully, earnestly. Let them scan every provision.

And then let them try to imagine that the founding fathers intended the Supreme Court to be the monarch of America.

Let them try to find anything, in plain words, which would justify the men in black in standing, with upraised hands, in the path of American progress.

Let them find anything in that great document which says that chaos is constitutional.

IN AND OUT—ARTICLE BY GEORGE N. PEEK

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. George N. Peek, entitled "In and Out", as published in the Saturday Evening Post of last week.

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

[From the Saturday Evening Post, Philadelphia, Pa., May 16, 1936]

IN AND OUT—THE EXPERIENCES OF THE FIRST A. A. A. ADMINISTRATOR

By George N. Peek, with Samuel Crowther

I went into the Roosevelt administration because I saw a chance to do something for agriculture and, through agriculture, for the Nation. I got out when I saw that I had no chance there to do anything either for agriculture or for the Nation. I am in politics for agriculture—not in agriculture for politics.

The administration has committed itself, by a distortion of the lately deceased Agricultural Adjustment Act, to a policy of socialized farming. It has committed itself, by a distortion of the Reciprocal Trade Agreements Act, to a low-tariff policy which has all the worst features of that free trade which the Nation has always turned down at the polls.

Both these policies are destructive. They can add nothing at all to the wealth and prosperity of the United States. They can only subtract from what we have, shift jobs from American to foreign workers, and transfer to foreign nations the control of what we have left. Exactly that has been happening. The facts are very clear. I shall present them without prejudice or passion.

The facts as exhibited by the official records mean little to many in this administration. The major policies of agriculture and foreign trade are in charge of men who have never earned their livings in industry, commerce, finance, or farming, and who have little comprehension as to how such livings are earned. Presenting facts to them is a sheer waste of time. They are long on theories but short on simple arithmetic. They are full of very big thoughts. These thoughts are so big that the United States is not a large enough field for them to operate in.

They would remake the United States as an incident to remaking the world. For instance, one highly placed official, at a time when crop surpluses were bothering us, came forward with an elaborate scheme for a world corporation which would pool all surpluses everywhere and distribute them to the poor of the world. He actually succeeded in calling a conference of departmental officials to consider his scheme. Another bright young man, who prided himself on the breadth of his views, was going to solve everything by having the United States forcibly guarantee the peace of the world. No one will ever know how many fantastic schemes were in the air. Many of them crossed the border line of sanity, but anyone who attempted to apply elementary common sense was denounced as an obstructionist. It was heresy to assert that two plus two had to equal four.

I had left the Republican Party to support Alfred E. Smith in 1928 because he promised to put into effect the farm program which I had been working on as far back as 1922. I worked for the election of Franklin D. Roosevelt because he seemed to comprehend the farm situation and promised to try to solve it along the lines a group of us had been steadily advocating. I entered what I thought was a Democratic administration, not because it was Democratic but because it was pledged to a certain course of action. I eventually found that I was not in a Democratic administration but in a curious collection of Socialists and internationalists who were neither Republicans nor Democrats.

They, fanaticlike, believed that their objectives transcended the objectives of ordinary human beings, and therefore they could not allow themselves to be hampered by platform pledges or by the Constitution.

There were two broad general groups—the Socialists and the internationalists. The Socialists, or, more strictly, the collectivists, seemed—for nothing was in the open—to be headed by Felix Frankfurter, Rexford G. Tugwell, and Jerome Frank. They gained the mind of the Secretary of Agriculture and had a good deal of sway throughout the Department. The internationalists ruled the State Department and were headed by Secretary Hull and Assistant Secretary Sayre. Those within the groups had many divergent aims. Secretary Wallace, who has an elastic mind capable of any stretching, alone managed to be in both groups.

ENTERING THE ADMINISTRATION

The outstanding and only common characteristic of both groups is their willingness to make the interests of our country and its people subservient to the practice of their theories and to substitute personal government centralized in Washington for our traditional State and local governments. The tactics pursued were unpleasantly reminiscent of those followed in the setting up of totalitarian governments in Russia, Italy, and Germany. Both groups have blind spots where the interests of the United States are concerned.

These are serious charges and I do not make them lightly. I intend to prove each point. But first I want to make my relations with the administration very clear. I entered the administration on my own terms. I did not want a job or political preferment of any kind. My salary as Administrator of the Agricultural Adjustment Act I turned over to private counsel whom I retained to advise me independently of the A. A. A. counsel—in whom I had no confidence.

The Agricultural Adjustment Act was a hodgepodge of conflicting notions compromised into a bill which had to be passed in order to get action. In supporting the act, I thought that it would be used for constructive purposes, and I did not have the slightest idea that in its administration it would become principally an instrument to regiment the farmer through acreage control. I had not the slightest idea that it would not be used for the purposes which through the years we had discussed—to open our foreign markets, to sell our surpluses, to improve distribution at home and to pay proper benefits independently of acreage control. I thought that before taking office I had made my views abundantly clear. I have no doubt now but that I did. But others had other views, and they were willing to wait until they could make them prevail.

Through all my life I have been steadfastly against the promotion of planned scarcity. On this point Secretary Wallace and I disagreed sharply while the bill was in the making. That I shall take up in detail in a later section.

A. A. A. PRELIMINARIES

The point of importance now is my understanding with the President as a condition precedent to taking office. Here are some entries from my diary for April 5, 1933—the Agricultural Adjustment Act was passed on May 12.

I talked with Wallace. I told him I was going up to the Hill for a while (meaning Senator SMITH's office) to review my testimony. Upon arrival at Senator SMITH's office a messenger from the Secretary's office came for me and said the Secretary wanted me to come to the Department right away, which I did. He said the President wanted us to come to the White House at 4:15, and asked what my answer would be to the President. I told him that depended upon the President's decision as to policy, which I would discuss in our interview. We spent 20 minutes with the President, who asked me if I would take the administration of the farm bill. I said that I regarded the problem as more industrial than agricultural, and that B. M. (Bernard M. Baruch) was the best man in the country for the job. He said he had talked with Baruch and that he could not take it but had strongly recommended me. I said that I came down here at Wallace's request and had tendered my services to be helpful, but that I could not take the job without a lot of things being understood, because I felt that he (the President) alone must outline the policy, as, in my opinion, the success or failure of his whole administration and the recovery of the country depended upon the successful administration of this act; that all that he had done about the banks and other things would be of no avail if this failed. I said that—

First, the form of the bill itself as it came through the Senate must be considered in connection with its administration.

Second, that his policy toward it must be known.

Third, that responsibility must rest with the Secretary and the Administrator, who jointly must have direct access to him, with no one else permitted to run circles around them to him.

Fourth, my five-point program represented my views. I left it with him. He congratulated me upon getting them all upon one page.

Here are the main features of the "five points" I left with the President:

1. Situation to be corrected.

The policy of attempting to expand industrial exports, regardless of the effect upon agriculture, is a demonstrated failure. It has been attempted by previous administrations, supported by leaders in business and finance, and by Government itself, but the plan collapsed when we could no longer continue to lend money to other nations to enable them to buy our wares. * * *

2. American-owned foreign plants.

Many of our processors have foreign plants which to a considerable extent take care of their trade outside of the United States. Our aim should be to ship products of the farm in manufactured form from plants within the United States to increase employment and stimulate activity at home. * * *

3. Centralized control or supervision of exports and imports.

Such control is suggested in order to benefit industries, localities, and labor within the United States. * * *

4. Competition for the consumer's dollar.

This competition exists generally in all industries, but I refer to the food industries in particular. Price cutting and other trade practices due to such competition are among the primary causes of the present depression as well as of the disparity in prices between farm commodities. Large-volume business is sought with the result of ruinously low prices to the farmer and at the expense of net profits even to the processor and distributing agencies. * * *

5. Policies regarding domestic against international trade.

We cannot follow both at the same time. My view is that we should favor the former and adjust our tariffs and perhaps the foreign debts by reciprocal agreements to encourage in the national interest, exports of farm products, preferably in manufactured form, in exchange for noncompeting farm products and selected industrial products. * * *

We told him (the President) that Lowden (Gov. Frank Lowden) would be here Friday, and he asked that we get Baruch to come too, that we should get together for a general discussion. The President referred to Raskob's change of heart between the 1928 convention and the 1928 campaign, and said that R. had first been opposed to the farm plank and later agreed with it to show how reasonable it appeared when explained.

The President asked me again if I would administer the bill, and I said that my views were in conflict with those of the Secretary and that a general understanding was necessary. Wallace confirmed my statement of the difference in views. The interview ended, to be renewed Friday.

Continuing the diary:

(Apr. 7, 1933—Friday). Lowden, B. M. B., and I went to the White House at 3:30 for a conference with the President. We spent nearly an hour there. The President said he had read my five-point memorandum and was quite in accord with it. He and I disagreed on the question of restricted production as a national policy. He said that it was likely the international wheat situation would be discussed at international conference on April 21. B. M. B. went over his objections to the bill and the President agreed to send for him before the bill went to conference, after it passed Senate. I argued strongly for one hundred million appropriation. Treasury to be reimbursed by tariff duties on agricultural imports, especially fats, oils, and blackstrap molasses. Governor Lowden supported me in this view, and the President said he would not object. I argued the injustice of asking processors to pay the expenses of a retreat from our traditional land policy. I felt processors should be compelled to pay the farmers fair prices, and if they would not do it, I favored taxing them and paying the farmers a benefit payment to insure parity prices on the domestically consumed portion of the crop. I felt that it was not fair to ask them to pay for the retirement of acreage. It is clear that further understanding is necessary, including freedom of action in selecting assistants.

The conference was of far-reaching importance, as both Bernard M. Baruch and Governor Lowden agreed to be of any help they could in an advisory way. * * *

(Apr. 22, 1933—Saturday.) By request went to see Secretary Wallace yesterday evening. Did not discuss details of administration of bill. Urged him to get comprehensive data on all exports and imports with each country for the purpose of determining expansion of agricultural exports. The Secretary expressed himself as of the opinion that we should go on through with the deflation now, adjusting supply to demand, and has not given up his idea of taking acreage out of production, although Earl Smith and Gregory shocked him considerably in a talk they had with him earlier in the day about the bad effect of his bureaucratic tendencies. Smith (Earl C. Smith, president, Illinois Agricultural Association) and Gregory (C. V. Gregory, editor, Prairie Farmer) asked me if Ezekiel (Mordecai Ezekiel, a bureau economist), and who else, was responsible.

(Apr. 26, 1933—Wednesday.) Suggested to Wallace yesterday the possibility of disaster if commodity prices were to rise sharply while unemployment continued, wages were reduced, and people continued to be laid off. Urged that some general industrial and municipal activities be encouraged. He asked me to see Ickes. Wallace said later that a committee had been appointed by the President of three men—Ickes, Wallace, and Dern.

(May 3, 1933—8:30 p. m.) F. D. R. at White House; Wallace, Tugwell, Wilson, Appleby, H. Cummings, Roper, Perkins, Woodin, (Assistant) W. Cummings, Farley, (Assistant) Moley, (Director of the Budget) Douglas, Morgenthau, other assistant Secretaries and attachés.

Very spirited debate over policy and organization. President finally settled matter of organization by marking Department chart.

After adjourning meeting about midnight he detained Wallace and me to decide matters of organization. This chart suggested an administrative organization as follows: The Secretary and the Administrator, and Divisions of Processing and Marketing, Finance, Information and Publicity, and Production; the six heads to form an administrative council. The office manager, general counsel, statistical division, and the world trade representative were to report to the Administrator as staff assistants. Wallace said he would like to have Rex a member of the council; the President said "no."

On May 15, 1933, upon taking office as the Administrator of the Agricultural Adjustment Act, I issued a statement which said in part:

"In the first place the sole aim and object of this act is to raise farm prices. Generally speaking, it is to raise them to a point where farm products will purchase as much of industrial products as they did before the war and to keep farm prices at that level. This is just what farmers through their organizations have been demanding for a dozen years.

"To agriculture it should be said that the purpose is not to do something for the farmers. It is to enable farmers to do something for themselves that they have been prevented from doing through many long, painful, and distressing years * * *."

With Charles J. Brand as coadministrator an organization for the administration of the A. A. A. was put together. He had organized the Bureau of Markets of the Department of Agriculture, and was thoroughly familiar with Government procedure—which I was not. He was then engaged in private industry. Mr. Brand was a most able and loyal associate.

We got the best men we could and as quickly as we could.

Generally we were fortunate in our own selections. But everything was in confusion, and we found ourselves saddled with many more whom we did not choose and did not want.

A plague of young lawyers settled on Washington. They all claimed to be friends of somebody or other, and mostly of Felix Frankfurter and Jerome Frank. They floated airily into offices, took desks, asked for papers, and found no end of things to be busy about. I never found out why they came, what they did, or why they left. Perhaps all of them expected to be hired and perhaps some of them were hired. I only know that in the legal division were formed the plans which eventually turned the A. A. A. from a device to aid the farmers into a device to introduce the collectivist system of agriculture into this country.

Jerome Frank was a lawyer who had practiced in Chicago and New York City, and had come to Washington, so he told me, at the request of Felix Frankfurter. Dr. Tugwell brought him to Agriculture.

I found that I knew Mr. Frank. I had met him at a time when he was counsel for a group of banks. He told me that he had more recently been with Thomas L. Chadbourne's firm in New York.

PROPHETS OF THE NEW ORDER

Mr. Frank was a good lawyer, but, as I later discovered, he was more concerned with social theory than with law, and he was so certain of his cleverness that he thought he could frame new laws or interpret old laws in such a manner as to carry out the theories he held. Practically all the young lawyers who swarmed into Washington dangling Phi Beta Kappa keys were enveloped in the delusion that they carried with them the tablets containing a new dispensation. They were going to inform the established lawyers and the Supreme Court what the law really was. Mr. Frank was slated to be solicitor for the Department of Agriculture. Mr. Farley killed that projected appointment.

Shortly after I accepted the position of Administrator and Brand had agreed to act as coadministrator, we went to the White House with Secretary Wallace to discuss procedure with the President and to arrive at a starting point. During the conversation I objected to Jerome Frank acting as general counsel for A. A. A. I advanced, among other reasons, the thought that he had had no experience with farm organizations and farmers, that he had been a city lawyer, and that his personality was such as not to inspire the confidence of the farm leaders.

In all of this Brand concurred. After discussing the subject for a few minutes, the President agreed with our point of view and told Wallace in our presence that he had better get rid of Frank by having him transferred to some other department, and suggested Justice. Upon our return to the office Wallace sent for Brand and me, and when we arrived at his office we found Frank there. Wallace said he had told him what the President had said, and we thought that the matter was settled. The next morning Wallace sent for me again. He was in great distress and appealed to me to retain Frank in the face of what the President had said.

Against my better judgment I yielded. As a precaution I retained Frederic P. Lee as private counsel.

We shortly discovered that Mr. Frank and his department were more concerned with matters of policy than with questions of law. They appeared to be proponents of the puppet system of Government and very anxious to extend Government control as a prelude to Government ownership. Contracts and arrangements which did not have Mr. Frank's approval for social rather than legal reasons seemed, no matter what their urgency, to get pigeonholed in his department. He always claimed that he did not have enough assistants to put things through promptly, although for a while he succeeded in getting over a hundred lawyers on his staff.

On September 30, 1933, Mr. Brand resigned. In December an article appeared in a New York newspaper to the effect that there was a split in the A. A. A. between the radicals headed by Mr. Frank and the conservatives headed by me, and that the young liberal lawyers, not only in the A. A. A. but throughout the administration, were about to walk out. It was written by a reporter who was close to the President and to the left-wing lawyers. Unfortunately it was not true.

The President on December 11 asked me to see him and, without going at length into the differences which had developed in the A. A. A., said that he had some special and important work for me to do in connection with foreign trade and, since it was directly in the line of my five points, he felt that I could do more in that field than in the position I had. This was equivalent to asking for my resignation from the office of administrator.

I left for Chicago that afternoon to address a meeting of the American Farm Bureau Federation. I made it very plain to that meeting that I was not in sympathy with the talk about abolishing the profit system and radically changing our institutions. I said in that speech:

"There is great apprehension in the minds of many businessmen today about the relations of government to business. There is grave concern over the expressions of a few ultraliberals about the Government taking over private business. If you want my opinion—personally, not officially, mind you—I would say that this apprehension is unwarranted. Unless it hustles, the Government has more hay down now than it will get up before it rains.

"Legitimate profits have always been regarded in this country as a proper reward for individual initiative, industry, and thrift. I know of no substitute for such traits. I am in favor of the profit system; but I am in favor of starting with the farmer.

"I am not committed to any one method of farm adjustment. I have not yet seen the perfect system either for the farmer, for the laborer, or for industry. I feel that fundamental plans should be discussed and understood before adoption; that new methods of social control should be clearly outlined, and that the people as a whole should have the right and duty to make the ultimate decision."

On my return from Chicago I found that the White House had issued a press release creating—

"A temporary committee to recommend permanent machinery to coordinate all Government relations to American foreign trade. * * * The report of a committee and final action thereon is expected within 2 weeks. George Peek, Agricultural Adjustment Administrator, having completed the organization period of the A. A. A., is designated to head this committee as special assistant to the President on American trade policy."

I resigned as Administrator of the A. A. A., setting out in my letter to the President that it was at his request. I felt that the A. A. A. was headed for trouble, for it was developing into an agency for permanent and wholesale acreage control from a central point and without due regard to local conditions.

FARMING BY BUREAUCRACY

Such a program is wrong in theory and is difficult if not impossible to administer in a democracy. I could not then or now willingly be a party to seeing control of the land of the farmers taken from them and put at the disposal of a Washington bureaucracy. As the A. A. A. began to expand as a social reform instead of as a farm aid, it became inevitable that in time the farmers would own their farms in name only and that, in fact, they would be the hired hands of Washington.

I had the choice of getting out of the Administration or staying in and seeing what I could do about foreign trade. I chose the latter course, albeit with misgivings and some sacrifice of spirit. I felt that eventually the proper develoment of foreign trade could effect a disposal of some surplus crops and in that way aid the domestic program—perhaps it might even be developed to a point where it could be used to kill off the acreage limitation and regimentation movement.

On December 30 I filed a report with the President recommending a foreign-trade administration and a United States foreign-trade corporation.

The arrangement that I proposed is not to be confused with any of the numerous corporations chartered with the public funds to put the Government into business. I had in mind something more in the nature of the British Board of Trade which would act as a clearing house for statistical information and set up double-entry books on the whole of our foreign trade so that we might distinguish between foreign trade and finance conducted at a profit to the Nation as a whole and that trade and finance conducted only for the profit of small groups and at the expense of the Nation as a whole. I had a suspicion that proper accounts would show that our foreign trade and foreign lending from the war period through to the beginning of the depression had been merely draining our resources.

THE EXPORT-IMPORT BANK

The President at that time was apparently in accord with my position—which I had already presented to him in the five points. On February 2, 1934, by Executive order he established the export-import bank and asked me to serve as president. The purpose of this bank was to help finance trade with Russia, but because of the misunderstanding concerning the Russian debt, it never did anything. On March 9 he established the second export-import bank. This was designed for trade with Cuba. Later the banks' activities were consolidated and their powers made general. The life of the banks was later extended by Congress. Both were under the authority of the National Industrial Recovery Act, and under that same authority on March 23, 1934, the President established the office of Special Adviser to the President on Foreign Trade. Four days later he extended the Executive committee on commercial policy.

As special trade adviser I took it as my primary function to find out what we had been doing on foreign trade through the years. When a man takes charge of a business, no matter what theories he may hold, he first calls for an independent audit of the books so that he will know what he is expected to manage. The results of my audit were submitted in two comprehensive letters to the President. He discussed both letters with me, apparently approved my findings, and ordered the documents printed as a part of the public records. I shall later take them up more in detail. It is enough here to say that the first thing I found out is that we had kept no books, in the modern sense of the word. We had been keeping, in various places, records by a single-entry system, but with no real income statement or balance sheet. Statistics on foreign trade are filed in 50 or more different governmental agencies, committees, or departments, all supposed to have something to do with the subject. The first part of the job was to assemble from these statistics a plain income account and balance sheet to show whether we had been doing business at a profit or a loss. This accounting showed, for the past 38 years, an increasingly disadvantageous position, by reason of a large increase of debts owed us from abroad.

The next step in our investigation was to break down the debit and credit items into terms of goods, services—visible and invisible—and capital transactions, including gold and silver. This led to startling findings. For instance, in 1919, less than 9 percent of our total dollar settlements was in capital transactions—investments, here and abroad. Seventy percent was in merchandise and services, the remainder being for war debts, tourist expenditures, immigrant remittances, and miscellaneous items. But in 1934 capital transactions between this and other countries accounted for 43 percent of the whole international movement and in the first 6 months of 1935 preliminary figures indicate 52 percent.

Having found out in a general way where the Nation stood on foreign balance, it seemed in order to do something about it, but I began to find that Government bookkeeping in foreign trade was not wanted. A considerable group, both in and out of the administration, for various reasons preferred the old copybook theories of foreign trade to any policies based on factual information. Many bankers were against bookkeeping in spite of the fact that most of them had no knowledge at all of the actual accounts and, as I shall subsequently show, conducted enormous international financial operations with practically no knowledge of what they were doing. The war debt cancelationists—and among them were practically all the League of Nations special advocates—did not want accounts, perhaps because the accounts showed plainly that the United States had in its hands the power to collect its war debts. The professional trade boosters did not want accounts which might disclose that their policies at times ran counter to the public interest, as well as to the interests of investors.

THE INTERNATIONALIST VIEWPOINT

All of this opposition centered in the State Department. Secretary of State Hull is a very worthy gentleman who spent his early days as a lawyer and judge in Tennessee. Most of the time since 1907 he has been a Member of Congress. He has been on a public pay roll of one kind or another since 1903. Like most of his generation in the South, he grew up in the tradition of free trade. To him low tariffs are in the nature of a religion.

Mr. Hull has as his chief collaborator a very estimable gentleman, Prof. Francis B. Sayre, who married a daughter of the late President Wilson. Messrs. Hull and Sayre were both appointed to satisfy a certain wing of the Democratic Party. Professor Sayre was left enough money by his father, a Pennsylvania manufacturer, to do more or less what he pleased and, graduating from the Harvard Law School, he has preferred to teach law rather than to practice it. His widest experience was during the years 1923–30, which he spent as adviser to the Siamese Government. He is a doctrinaire who believes in the brotherhood of man, which is somehow to be brought about through the League of Nations and international free trade. If you do not agree with him, he thinks your motives must be bad because his are good.

It would not be fair to say that Messrs. Hull and Sayre would be willing to subordinate the interests of the United States to the furthering of their policies. It is fair to say that their mental processes are so rigid and their range of view so narrow that practically they might not know the interests of the United States when they saw them.

Messrs. Hull and Sayre represented the internationalist viewpoint within the administration just as the Tugwell-Frank coterie with Felix Frankfurter on the side lines represented the collectivist viewpoint. A collectivist believes in a planned economy. This requires a nationalist state and is directly opposed to internationalism. Secretary Wallace is, I am informed, the only human being who ever succeeded in being both a collectivist and an internationalist at the same time. He wrote a book, America Must Choose, which no doubt explained to his satisfaction how anyone can go in opposite directions at the same time.

RECIPROCAL-TRADE AGREEMENTS

However, the problem involved in attaching divergent pulls to the chariot of state did not seem to bother these groups in the administration. While the A. A. A. was seeking to raise farm prices so that agriculture could buy on an equality with industry, the N. R. A., through the President's reemployment agreement, was seeking to raise nonagricultural wages which would have the effect of putting industrial products out of the buying reach of the farmer. The Hull-Sayre program, as it developed, had as its objective the lowering of import duties and thus knocking the pins out from under both the N. R. A. and the A. A. A.

The Executive Committee on Commercial Policy, established by the President November 11, 1933, believed that if the President were empowered to execute reciprocal-trade agreements, granting concessions in duty if need be, our foreign trade might be stimulated. The whole world was doing that, and we were being left out. Some of the discussions leading up to the drafting of the Reciprocal Trade Agreements Act inclined to the ludicrous. The planned economy experts got an inning and actually drew up a plan as to what American industries were noneconomic and should therefore be destroyed by permitting and even furthering foreign competition. Master minds were everywhere about us, but that project was killed off.

In June 1934 the Reciprocal Trade Agreements Act was passed by Congress and became a law. In all my work as special adviser I found my every recommendation opposed by Messrs. Hull and Sayre, and when the Reciprocal Trade Agreements Act went through I found that they intended to administer it exactly as they chose and to the end of breaking down the American tariff system in the fervent belief that somehow the affairs of the whole world would thus be bettered. Their method of doing this was very simple. Our country has what are called "unconditional most-favored-nation" clauses in its commercial treaties with many countries. This is construed by Secretary Hull to mean that if in a special agreement a duty be lowered to country A in return for certain concessions from it, the same lowered duty will apply to all nations without any concessions from them. The process of applying the lowered duties to every other country is called generalization, and its effect is to make every tariff reduction in a so-called reciprocal treaty a general reduction. On this account practically none of the other countries of the world generalize their reciprocal concessions.

As special adviser to the President I many times protested these interpretations. In my report of December 31, 1934, I made formal

protest, and I also recommended abolishing my office and creating a permanent foreign-trade board. My office expired after the Supreme Court declared N. I. R. A. unconstitutional. It was impossible for me to discover whether the President agreed or did not agree with me. I determined, therefore, in July 1935 to press the matter to a decision. On July 16 I wrote to the President, in part, as follows:

"As these studies progressed I was forced inescapably to the conclusion that our general depression and the financial collapse of 1931–32 were traceable in very large measure to the commercial and financial policies pursued by the three post-war administrations in their relations with foreign nations. These policies rendered us vulnerable to the economic shocks which eventually overwhelmed us.

"This conclusion in turn led me to make to you two recommendations of major importance designed to correct the condition to which I refer.

"First, was the creation of a permanent foreign-trade board to coordinate the various foreign-trade activities of the Government. * * *

"Second, I have recommended that we abandon the unconditional most-favored-nation policy." * * *

RESIGNATION DEFERRED

"My objections to the unconditional most-favored-nation policy are twofold. In the first place, its use involves the progressive destruction of our bargaining power at a time when the conditions in international trade require that we retain the maximum freedom of action and bargaining power if our nationals are to compete on equal terms with the nationals of other countries in the markets of the world. In the second place, the result of the generalization of concessions under the unconditional most-favored-nation policy is to effect a general reduction of our tariff in return for scattered concessions from a limited number of nations. * * * I believe that a low-tariff policy is not an appropriate one for us at a time when our internal economic balance is in process of readjustment and when unemployment figures remain at their present level. I think that before we attempt general tariff reduction there should be a clear indication of policy from Congress on the subject.

"My fundamental reason for taking this step is that I feel increasingly out of sympathy with the foreign-trade policy now being pursued. I believe that national recovery will be impossible so long as these policies are continued."

I followed this a few days later with another letter in which I said, among other things:

"As I have indicated to you on a number of occasions, a question of major policy is involved. * * * Unless the issue is squarely faced and rightly settled within the Democratic Party, it is one which may well become a major campaign issue in 1936, with results to your administration and the Democratic Party which cannot now be foreseen. It can and should be settled, through free and open discussion of the principles involved, in the party councils and in Congress."

Then I presented my resignation as president of the Export-Import Bank, which was the only position I then held. The President in a letter to me suggested that, since he was going away on a long vacation, I withhold my resignation until after his return, when we would talk everything over. On July 29 I replied agreeing to withhold my resignation, but making it very plain that remaining in the administration must not be interpreted to mean that I approved its foreign-trade policies or would refrain from public criticism.

A NEW WAY TO LOWER TARIFFS

The State Department went ahead making its agreements without any comprehension of the actual facts of trade or the importance of maintaining an American economy distinct from an international economy. A great deal more than tariffs is involved in the question. The tariff is only one of several means to an end. That I shall later bring out. At a later date Dr. Henry F. Grady, of the State Department, and chairman of the Trade Agreements Committee, put into a magazine article what those of us who were following the situation already knew, but which the public did not.

He said: "Our objective is the general amelioration of the world situation. * * * We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal source, we shall have lowered our tariffs on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action."

Later in a speech at Riverside, Calif., he said, "This new policy is of an importance that can hardly be exaggerated. We are to a greater degree than ever before meshing our domestic economy into world economy."

The State Department went ahead. They set up a trade-agreement mechanism which, in effect, excluded any conference with the practical interests and put the actual making of the treaties in the hands of college professors and men of only bureau training. If an American businessman wanted to find out what was being done about any particular agreement he had to go to a foreign embassy or send a representative abroad to talk with business interests.

None of the agreements gave any benefits to the United States commensurate with the concessions granted.

The State Department paid no attention at all to the protests of the representatives of the special adviser's office. They refused to make any agreements touching the recovering of public or private debts owing to Americans while all the other nations, and especially Great Britain, in their agreements saw to it that their debts were looked after. The State Department bound articles on the free list in such fashion as to destroy much of our bargaining power and prevent the rounding out of a self-reliant United States. Also it limited the taxing prerogative of Congress. They made a duty cut on the ground that American prices were too high—and again because they thought industrial salaries were unduly large. Whether they were right or wrong does not matter. Congress had not given to the State Department a roving commission to pry into industry.

I talked with the President, but got nowhere. I was under no obligation to keep silent. I spoke my mind before a luncheon of the War Industries Board Association in New York City on Armistice Day, 1935, and concluded with a table which I called America's Choice. Here it is:

AMERICA'S CHOICE—WHICH SHALL IT BE?

A policy for internationalists	*A policy for America*
I	I
Relaxation of immigration laws and regulation of immigration by international agreements.	Rigorous tightening of immigration laws: (a) To reduce American unemployment. (b) To reduce alien influence in our domestic affairs.
II	II
General reduction of tariffs: (a) Laissez faire. (b) Unconditional most-favored-nation.	Preservation of the American market, American price levels, and American employment: (a) Selective imports and exports. (b) Tariff reductions only for specific advantages in individual foreign countries (i. e., reciprocity or conditional most-favored-nation).
III	III
Stabilization of currencies by general international action (i. e., return to unregulated or foreign-controlled gold standard).	Stabilization of American dollar at American price level—thereafter stabilization by agreement with individual countries or blocs where possible (i. e., a managed currency based on national bookkeeping).
IV	IV
Free export of capital and resumption of general foreign loans. Multiplication of branch factories and American direct investments abroad.	Control of export of capital: (a) To conserve national assets and resources. (b) To assist American trade, foreign and domestic. (c) To minimize foreign influence or control over American securities market and American enterprise.
V	V
Naval limitation by international agreement to meet the requirements of Great Britain, Japan, France, Italy, and Germany.	Navy designed to meet American requirements, including defense of the Panama Canal and the Pacific coast.
VI	VI
Dependence on foreign shipping and communications.	Development of American shipping and communications systems.
VII	VII
Submission of disputes to decision of foreign-dominated tribunals such as the World Court.	Settlement of disputes by arbitration confirmed by the Senate.
VIII	VIII
Automatic intervention in European or Asiatic political disputes, as under the Kellogg Treaty and Stimson Doctrine. Collaboration with League in naming "aggressors" anywhere in the world and enforcing sanctions.	In case of wars in Europe or Asia, strict neutrality and avoidance of "moral" judgments on belligerents. Cash and carry policy for direct or indirect trade with belligerents. For the Americas the Monroe Doctrine, plus the good-neighbor policy.

A New York newspaper picked up the parallel columns of my eight points and printed them in big type. The President saw that editorial, and he wrote to me from Warm Springs a page-and-a-half letter which showed both irritation and agitation. He denied that the policies labeled "internationalist" were the policies of his administration. In that I profoundly differed with him,

for to me the trend was unmistakable. I took the opportunity at once to resign.

I had a meeting with the President on November 19. He asked me about the Canadian agreement, which had just been announced. I told him that it was a very good agreement for Canada and some other countries, but a very bad one for the United States and that I was preparing a factual memorandum on it. I left with him a copy of the eight points.

I saw the President again on December 12. Our meeting was cordial. He asked what I was going to do. I said: "I am going out to continue the work that has taken most of my time for 13 years. * * *"

I know that I have fought for the truth as I have seen it; I have kept the faith as I have known it. In recording the struggle I am seeking to tell my loyal associates and supporters in the long farm battle what the developments have been and what the portents are if present policies are carried through. In conscience I can do no less.

The American dream of a free, peaceful, and prosperous United States, resting on the foundations of a self-reliant home-owning agriculture, is not yet dead. It is worth working for and fighting for. It still lies within our power to make this dream come true.

COLLECTION OF REVENUE FROM INTOXICATING LIQUORS

The Senate resumed consideration of the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes.

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

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

Mr. KING. Mr. President, before proceeding to consideration of the bill I should like to submit a brief statement as to its purposes, so that Senators who may be interested may know something of its provisions.

The bill was introduced in the House of Representatives many months ago and received careful consideration at the hands of the Ways and Means Committee. It came to the Senate and was referred to the Committee on Finance. It was then referred to a subcommittee which held hearings and later reported to the full committee. After careful consideration the full committee reported the bill to the Senate. I understood the report was unanimous, but this morning I was advised that a minority report has been filed with respect to one particular matter which will be presented later.

The purpose of this bill is to amend the administrative provisions of law relating to the collection of taxes upon distilled spirits, wines, and fermented malt beverages. The bill is necessary because, due to the long period of prohibition, the internal-revenue laws have not kept pace with the growth of the country. At the public hearings held by your committee, representatives of the distillers, rectifiers, winemakers, and brewers appeared and offered numerous amendments to the bill as it passed the House. These representatives and those of the Treasury Department were requested by your committee to confer and endeavor to agree upon such amendments as could be accepted by the Treasury Department without danger to the revenue. All of the amendments to the bill which your committee recommends are, with few exceptions, satisfactory to the Treasury Department.

The bill in general, in the interest of flexibility, makes certain changes in the laws relating to supervision by the Government of the production of, and the collection of taxes on, distilled spirits, wines, and fermented malt beverages.

In connection with the brewing industry it broadens the present laws so as to permit the manufacture in breweries and bottling houses of products which your committee believes can be permitted to be manufactured without danger to the revenue. It permits the shipment of beer in tank cars, if, in the judgment of the Commissioner of Internal Revenue, such shipments can be made without danger to the revenue. It also directs the Commissioner of Internal Revenue to investigate and ascertain whether refunds for losses on account of leakage, wastage, and so forth, can be made without danger to the revenue, and in the event that an affirmative finding is made, requires the Commissioner to prescribe rules and regulations under which such refunds can be made.

Among the amendments proposed by the wine makers and which your committee recommends be enacted are those authorizing the manufacture of vermouth on bonded winery premises, and the clarification on such premises of wine which has become cloudy without payment of the special tax as a rectifier or the 30-cent tax imposed on the products of rectification.

Among the amendments proposed by the rectifiers and which your committee recommends be enacted are those authorizing rectification of spirits and wines in customs manufacturing warehouses for shipment to Puerto Rico without payment of taxes due on the products of such rectification and exempting the rectifier of such spirits and wines from payment of special tax as a rectifier on account of such rectification conducted in the manufacturing warehouse; and another under which cordials, and so forth, made with tax-paid sweet wines, fortified with tax-paid brandy, will be relieved from second taxation as distilled spirits—as required under existing law—if they contain more than 24 percent of alcohol.

The bill contains new provisions which abolish the old distinctions between distillery warehouses, general bonded warehouses, and special bonded warehouses, and establish a new type of warehouses to be known as Internal Revenue bonded warehouses.

To aid in the suppression of bootlegging, the bill defines certain acts committed in connection with liquor-tax evasions as offenses against the United States and imposes severe penalties for the commission of such offenses.

The last title of the bill makes the Federal Alcohol Administration—which is now a division of the Treasury Department—an independent establishment of the Government.

The bill deals with many phases of internal-revenue taxation of distilled spirits, wine, and malt beverages. For the most part, the bill proposes technical amendments to the existing law on that subject. Many of these amendments have as their object the more economical administration of these laws. It was disclosed at the hearings that it was possible in various ways to simplify enforcement and avoid duplication in the work of tax collection. Other provisions of the bill propose the elimination of obsolete requirements of the statutes—most of them running back as far as 1875—which can now be repealed without danger to the revenue. Other statutes, old and new, are proposed to be modified to remove burdens on the liquor-producing and distributing industries when this can be done without sacrificing efficiency of execution of the law or certainty of collection of the tax. Some of the restrictions which have been removed or modified were imposed during national prohibition as an adjunct to that policy and their necessity no longer exists. Other provisions of the bill are designed to close doors which are now open to the tax evader and to assure tax collection by providing for closer supervision of those liable for the various taxes under these laws and by providing for other administrative machinery under which tax collection will be speedy and sure.

Your committee believes that a complete codification of the internal-revenue laws relating to liquor would be of great benefit to all persons concerned with the administration and application of such laws. However, it would, perhaps, be inadvisable to attempt such codification at this time. Nevertheless, the bill recommended for enactment, by removing obsolete provisions and clarifying the statutes, has made a step in the direction of a codification and will doubtless prove of great benefit from a purely practical standpoint.

The amendments to existing law are so various that any general statement will not adequately disclose the character of each particular section of the bill. The report submitted by the committee contains a detailed analysis of the various sections of the bill under which the effect of each is set forth.

Mr. BORAH. Mr. President——

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

Mr. KING. Certainly.

Mr. BORAH. Is there anything in the bill of substance other than a codification of the liquor laws?

Mr. KING. That is my judgment. I do not know whether the Senator would call it "substance." There is one amendment to be offered which is not in the printed bill.

Mr. BORAH. I understand.

Mr. JOHNSON. Mr. President——

Mr. KING. There is another amendment to be offered in regard to the wine schedule.

I yield to the Senator from California.

Mr. JOHNSON. I was simply going to call attention to the question of taxation of the wine interests in order that the Senator from Idaho might consider that phase of the bill.

Mr. KING. I have asked that the Senate consider committee amendments first. I suggest that we consider amendments to which there is no objection and which are formal in their character and pass over any which may require some consideration until we shall have completed consideration of the unobjected amendments.

The PRESIDENT pro tempore. The clerk will state the amendments of the committee.

The first amendment of the Committee on Finance was, on page 1, after line 5, to strike out:

SEC. 2. Every bottle, box, package, barrel, keg, cask, or other receptacle containing intoxicating liquor which does not have on it a tax stamp, import stamp, strip stamp, label, brand, stencil, or other marking required by any law of the United States now or hereafter in force in regard to the manufacture, taxation, or transportation of or traffic in intoxicating liquor, or by any regulation issued under such law, or which has on it any false or falsely made, fraudulent, or fictitious tax stamp, import stamp, strip stamp, label, branch, stencil, or other mark made in similitude of that required by such law or regulation, or which is not accompanied by manifests, bills of lading, certificates, permits, or other documents required by such law or regulation, shall with its contents, be seized and forfeited.

The amendment was agreed to.

The next amendment was, on page 2, line 12, to change the section number from "3" to "2"; in line 15, after the words "traffic in", to strike out "intoxicating liquor" and insert "distilled spirits, wines, or fermented malt liquors"; in line 22, after the word "Firearms", to strike out "act" and insert "Act)"; in line 24, after the word "in", to strike out "length)" and insert "length"; and on page 3, line 7, after the word "length" and the comma, to strike out "in violation of the provisions of the National Firearms Act", so as to make the section read:

SEC. 2. (a) Whoever, when violating any law of the United States, or of any Territory or possession of the United States, or of the District of Columbia, in regard to the manufacture, taxation, or transportation of or traffic in distilled spirits, wines, or fermented malt liquors, or when aiding in any such violation, has in his possession or in his control any device capable of causing emission of smoke, gas, or fumes, and which may be used for the purpose of hindering, delaying, or preventing pursuit or capture, any explosive, or any firearm (as defined in the National Firearms Act), except a machine gun, or a shotgun or rifle having a barrel of less than 18 inches in length, shall be fined not more than $5,000 or be imprisoned for not more than 10 years, or both, and all persons engaged in any such violation or in aiding in any such violation shall be held to be in possession or control of such device, firearm, or explosive.

(b) Whoever, when violating any such law, has in his possession or in his control a machine gun, or any shotgun or rifle having a barrel of less than 18 inches in length, shall be punished by imprisonment for not more than 20 years; and all persons engaged in any such violation or in aiding in any such violation shall be held to be in possession and control of such machine gun, shotgun, or rifle.

(c) Every such firearm or device for emitting gas, smoke, or fumes, and every such explosive, machine gun, shotgun, or rifle, in the possession or control of any person when violating any such law, shall be seized and shall be forfeited and disposed of in the manner provided by section 7 of the National Firearms Act.

The amendment was agreed to.

The next amendment was, on page 3, line 18, to change the section number from "4" to "3"; in line 20, after the figures "1934" and the comma, to insert "as amended"; and in line 21, after the words "of the", to strike out "customs or of the internal revenue" and insert "Customs Service or of the Internal Revenue Service", so as to make the section read:

SEC. 3. Section 1 of the act entitled "An act to provide punishment for killing or assaulting Federal officers", approved May 18, 1934, as amended, is amended by striking out the words "any officer of the Customs Service or of the Internal Revenue Service" and inserting in lieu thereof the words "any officer, employee, agent, or other person in the service of the customs or of the internal revenue."

The amendment was agreed to.

The next amendment was, under the heading "Title II", on page 4, after line 19, to strike out:

SECTION 201. Section 3287 of the Revised Statutes, as amended (26 U. S. C., 367; U. S. C., Supp. VII, title 26, sec. 1231 (a) and (b)), is amended to read as follows:

"SEC. 3287. (a) All distilled spirits shall be drawn from receiving cisterns into casks or packages, each of not less capacity than 10 gallons wine measure, and shall thereupon be gauged, proved, and marked by a storekeeper-gauger, who shall cut on the cask or package containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity in wine gallons and in proof gallons of the contents of such casks or packages. There shall be marked or branded on the head of each such cask or package in letters of not less than three-fourths of an inch in height the name of the distiller, the registered number of the distillery, the city or town and State, the number of the supervisory district in which the distillery is located, the particular name of such distilled spirits as known to the trade, that is to say, high wines or spirits, as the case may be, the kind of cooperage (indicated by abbreviations), and the serial number of the cask or package. Such serial numbers for every distillery shall begin with number 1 and continue in a regular sequence, and no two or more casks or packages warehoused at the same distillery shall be marked with the same number. The head of the cask or package bearing these marks and brands shall be known as the 'Government head.'

"(b) The gross weight, tare, net weight, wine gallons, proof, and proof gallons shall be cut upon the bung stave of the cask or package in the order named, on the side of the bunghole nearest to the Government head. After the cask or package has been weighed, proofed, and marked as above required, the storekeeper-gauger shall stencil on the Government head of the cask or package the word 'Inspected', followed by his name and title, and the spirits shall be immediately removed into the distillery warehouse."

The amendment was agreed to.

The next amendment was, on page 6, after line 4, to insert:

SECTION 201. Section 3287 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1231), is amended to read as follows:

"SEC. 3287. (a) Except as provided in section 602 of the Revenue Act of 1918, as amended, all distilled spirits shall be drawn from receiving cisterns into casks or packages and thereupon shall be gauged, proved, and marked by a storekeeper-gauger, and immediately removed into an Internal Revenue bonded warehouse. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby empowered to prescribe all necessary regulations relating to the drawing off, gauging, and packaging of distilled spirits; the marking, branding, numbering, and stamping of such packages; and the transfer and transportation to, and the storage of such spirits in, Internal Revenue bonded warehouses."

The amendment was agreed to.

The next amendment was, on page 7, after line 6, to strike out:

(d) Alcohol or high-proof spirits withdrawn free of tax for the use of the United States, as authorized by law, may be drawn off or transferred by pipes directly from storage tanks of any industrial-alcohol plant to closed metal storage tanks situated in the industrial-alcohol bonded warehouse and transferred from such storage tanks to tanks or tank cars for shipment, upon the execution of such bonds and under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

Mr. KING. Mr. President, I may say that that language is in existing law, so that it is surplusage.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment was, on page 7, at the beginning of line 16, to strike out "(e)" and insert "(c)", and in the same line, after the word "The", to strike out "Secretary of the Treasury" and insert "Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury"; at the beginning of line 20, to strike out "(f)" and insert "(d)"; in the same line, after the word "The", to strike out "Secretary of the Treasury" and insert "Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury"; and on page 8, line 2, after the word "the", to strike out "Secretary" and insert "Commissioner", so as to read:

(c) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulations, prescribe the

standards of fill of casks or packages of distilled spirits at each distillery.

(d) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulations, from time to time require a distiller, at his expense and under the immediate personal supervision of a storekeeper-gauger, to do such marking and branding and such mechanical labor pertaining to gauging required under this section as the Commissioner deems proper and determines may be done without danger to the revenue.

The amendment was agreed to.

The next amendment was, on page 8, after line 4, to strike out:

SEC. 202. Section 3295 of the Revised Statutes, as amended (26 U. S. C., 374; U. S. C., Supp. VII, title 26; sec. 1236), is further amended to read as follows:

"SEC. 3295. (a) Whenever an order is received from the supervisor of the district for the removal from any distillery warehouse of any cask or package of distilled spirits on which the tax has been paid, the storekeeper-gauger, by whom the same is gauged and inspected, shall, before such cask or package has left the warehouse, place upon the Government head thereof, in such manner as to cover no portion of any brand or mark prescribed by law already placed thereon, a stamp, on which shall be engraved the number of proof gallons contained in such cask or package on which the tax has been paid, and which shall state the serial number of the cask or package, the name of the person by whom the tax was paid, and the person to whom and the place where it is to be delivered.

"(b) Said stamp shall be signed by the collector of the district, and the storekeeper-gauger, and shall be as follows:

Tax-paid stamp, No. _____

Received _____, 19__, from _____;
tax on _____ gallons proof spirit,
cask no. _____, _____ warehouse
at _____ for delivery to _____, at
_____.

Collector _____ District, State of _____.
Attest:

_____ _____,
United States storekeeper-gauger.

"(c) At the time of affixing the tax-paid stamp the storekeeper-gauger shall cut or burn upon the Government head of each cask or package the date of payment of the tax, the number of proof gallons, and the number of the stamp, which cutting, marking, or branding shall be erased when such cask or package is emptied.

The amendment was agreed to.

The next amendment was, on page 9, after line 16, to insert:

SEC. 202. Section 3295 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1236), is further amended to read as follows:

"SEC. 3295. (a) Whenever an application is received for the removal from any Internal Revenue bonded warehouse of any cask or package of distilled spirits, the storekeeper-gauger shall gauge and inspect the same, and shall, before such cask or package has left the warehouse, place upon such package such marks, brands, and stamps as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall by regulations prescribe."

On page 10, line 4, before the word "The", to strike out "(d)" and insert "(b)"; in the same line, after the word "The", to strike out "Secretary of the Treasury" and insert "Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury"; and in line 10, after the word "the", to strike out "Secretary" and insert "Commissioner", so as to read:

SEC. 202. Section 3295 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1236), is further amended to read as follows:

"SEC. 3295. (a) Whenever an application is received for the removal from any Internal Revenue bonded warehouse of any cask or package of distilled spirits, the storekeeper-gauger shall gauge and inspect the same, and shall, before such cask or package has left the warehouse, place upon such package such marks, brands, and stamps as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall by regulations prescribe.

"(b) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulations, from time to time, require any distiller, at his expense and under the immediate personal supervision of a storekeeper-gauger, to do such marking and branding and such mechanical labor pertaining to gauging required under this section as the Commissioner deems proper and determines may be done without danger to the revenue."

The amendment was agreed to.

The next amendment was, on page 10, line 13, after the words "Revised Statutes", to strike out "(U. S. C., Supp. VII, title 26, sec. 1811 (a))" and insert "(U. S. C., 1934 ed., title 26, sec. 1811 (a))"; in line 18, after the word "or", to strike out "distillery warehouse" and insert "Internal Revenue bonded warehouse"; and on page 11, line 2, after the words "by the", to strike out "Secretary of the Treasury" and insert "Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury", so as to make the section read:

SEC. 203. Section 3290 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1811 (a)) is amended to read as follows:

"SEC. 3290. Whenever any storekeeper-gauger employs any owner, agent, or superintendent of any distillery or Internal Revenue bonded warehouse, or any person in the service of such owner, agent, or superintendent, or any rectifier or wholesale liquor dealer, or any person in the service of such rectifier or wholesale liquor dealer, to use his brands or to discharge any of the duties imposed upon him by law, he shall, for each offense so committed, be subject to a fine of not more than $1,000. This section shall not apply in any case in which the use of the storekeeper-gauger's brand or the discharge of his duties by another has been directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, under authority of law."

The amendment was agreed to.

The next amendment was, under the heading "Title III", on page 11, line 8, after the word "amended" to strike out "(26 U. S. C., sec. 286; U. S. C., Supp. VII, title 26, secs. 1166 (b) and 1353)", and insert "(U. S. C., 1934 ed., title 26, secs. 1166 (b) and 1353)", so as to read:

SECTION 301. (a) Section 3262 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1166 (b) and 1353), is amended to read as follows:

"SEC. 3262. (a) No bond of a distiller shall be approved unless—

"(1) The distiller is the owner in fee, unemcumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated; or

"(2) The distiller files with the officer designated for the purpose by the Commissioner of Internal Revenue, in connection with his notice, the written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other person having a lien thereon, duly acknowledged, that the premises may be used for the purpose of distilling spirits, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other encumbrance, and that in the case of the forfeiture of the distillery premises, or any part thereof, the title to the same shall vest in the United States, discharged from such mortgage, judgment, or other encumbrance; or, if consent as required under this paragraph cannot be obtained,

"(3) The distiller, with the approval of the Commissioner, files with the officer designated by the Commissioner a bond, approved by the Commissioner, in the penal sum equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. Such value shall be determined, and such bond shall be executed, in such form and with such sureties, and filed with the officer designated by the Commissioner of Internal Revenue, under such regulations as the Secretary of the Treasury shall prescribe.

"(b) In any case where the owner of a distillery or distilling apparatus, erected prior to July 20, 1868, has only an estate for a term of years or other estate less than fee simple in the lot or tract of land on which the distillery is situated, the evidence of title to which shall have been duly recorded prior to that date; or in like case, where the lease or other evidence of title is held but was not required by the laws of the State to be recorded in order to be valid at the time of its execution; or in any case of such prior erection where the title was then, and has continued to be, in litigation; or in any case of such prior erection where such owner is possessed of the fee, but encumbered with a mortgage executed and duly recorded prior to July 20, 1868, and not due, or in any case of such prior erection where the fee is held by a femme-covert, minor, person of unsound mind, or other person incapable of giving consent, as required in subsection (a), the value of such lot or tract of land, together with the building and distilling apparatus, shall be appraised in the manner to be prescribed by the Commissioner; and the officer designated by the Commissioner may, at the discretion of the Commissioner, be authorized to accept, in lieu of the said written consent, the bond of such distiller, in such form as the Commissioner may prescribe, with not less than two personal sureties or one corporate surety, conditioned that in case the distillery, distilling apparatus, or any part thereof, shall by final judgment be forfeited for the violation of any of the provisions of law, the obligors shall pay the amount stated in said bond. Said sureties shall be residents of the collection district or county, or of an adjoining county in the same State in which the distillery is situated, and owners of unemcumbered real estate in said district or county, or adjoining county, equal to such appraised value, and the penal sum of said bond shall be equal to the appraised value of said lot or tract of land together with the buildings and distilling apparatus.

"(c) The officer designated by the Commissioner may at any time, at the discretion of the Commissioner, accept such bond as is authorized to be given by the distiller in lieu of the written consent of the owner of the fee in the case of a distillery erected

prior to July 20, 1868, notwithstanding such distillery has since then been increased by the addition of land or buildings adjacent or contiguous thereto, not owned by the distiller himself in fee; such bond to be for and in respect of such addition only, if the distillery be one which the distiller owns in fee or in respect to which he has procured the written consent of the owner of the fee or other encumbrance, otherwise to be for and in respect of the entire distillery as increased by such addition.

"(d) In case of any distillery sold at judicial or other sale in favor of the United States, a bond may be taken at the discretion of the Commissioner of Internal Revenue, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale, on complying with all the other provisions of law.

"(e) No lien shall attach to any lot or tract of land, distillery, building, or distilling apparatus, under the provisions of section 3251 of the Revised Statutes, as amended, by reason of distilling done during any period included within the term of any bond taken under the provisions of paragraph (3) of subsection (a) of this section."

The amendment was agreed to.

The next amendment was, on page 15, line 4, after the word "amended", to strike out "(26 U. S. C., sec. 289; U. S. C., Supp. VII, title 26, sec. 1168)" and insert "(U. S. C., 1934 ed., title 26, sec. 1168)"; and in line 17, after the word "amended", to strike out "(26 U. S. C., 321)" and insert "(U. S. C., 1934 ed., title 26, sec. 1198)", so as to read:

SEC. 302. Section 3264 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1168), is further amended by adding at the end thereof the following new paragraph:

"The Secretary of the Treasury in the case of any distillery, may, under regulations, waive such of the requirements of this section as he determines may be waived without danger to the revenue. Whenever the Secretary of the Treasury, by authority of this paragraph, waives any or all of the requirements of this section, he may, by regulation, relieve the distiller from such requirements of sections 3285, 3309, 3310, and 3311 of the Revised Statutes, as amended, and of section 6 of the act of March 1, 1879, as amended (U. S. C., 1934 ed., title 26, sec. 1198), and of such other provisions of law relating or incidental to survey requirements, as the Secretary determines may be waived without danger to the revenue."

The amendment was agreed to.

The next amendment was, on page 15, line 22, after the word "amended", to strike out "(26 U. S. C., sec. 284; U. S. C., Supp. VII, title 26, sec. 1165)" and insert "(U. S. C., 1934 ed., title 26, sec. 1165)"; and, on page 16, line 4, after the word "amended", to strike out "(26 U. S. C., sec. 289; U. S. C., Supp. VII, title 26, sec. 1168)" and insert "(U. S. C., 1934 ed., title 26, sec. 1168)", so as to read:

SEC. 303. Section 3260 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1165), is further amended by adding at the end thereof the following new paragraph:

"Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements of section 3264 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1168), he may likewise by regulation fix the penal sum of the distiller's bond, but in no case shall the amount of the minimum bond be less than $5,000 nor the amount of the maximum bond greater than $100,000."

The amendment was agreed to.

The next amendment was, on page 16, line 10, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 292; U. S. C., Supp. VII, title 26, sec. 1171)" and insert "(U. S. C., 1934 ed., title 26, sec. 1171)", so as to read:

SEC. 304. Section 3267 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1171) is amended by adding a new paragraph at the end thereof, to read as follows:

"Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he may, by regulation, require the distiller to provide such receiving cisterns, tanks, or such other equipment as the Secretary shall deem proper in order to protect the revenue."

The amendment was agreed to.

The next amendment was, on page 16, line 22, after "(28 Stat. 568)" and the comma, to strike out "(26 U. S. C., sec. 287; U. S. C., Supp. VII, title 26, sec. 1166 (c))" and insert "(U. S. C., 1934 ed., title 26, sec. 1166 (c))"; on page 17, line 20, after the words "taxation of", to strike out "intoxicating liquor" and insert "distilled spirits, wines, or fermented malt liquors"; and on page 18, line 2, after the word "of", to insert "distilled spirits, wine, fermented malt liquor, or other", so as to read:

SEC. 305. Section 67 of the act of August 27, 1894 (28 Stat. 568), (U. S. C., 1934 ed., title 26, sec. 1166 (c)), is amended to read as follows:

"SEC. 67. (a) No individual firm, partnership, corporation, or association, intending to commence or to continue the business of a distiller, rectifier, brewer, or winemaker, shall commence or continue the business of a distiller, rectifier, brewer, or winemaker until all bonds in respect of such a business required by any provision of law have been approved by the Commissioner of Internal Revenue or such other officer of the Bureau of Internal Revenue as the Commissioner, with the approval of the Secretary of the Treasury, may designate.

"(b) The Commissioner or the designated officer may disapprove any such bond or bonds if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of the business of the individual or firm, partnership, corporation, or association giving the same, shall have been previously convicted in a court of competent jurisdiction of (1) any fraudulent noncompliance with any provision of any law of the United States if such provision related to internal-revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or otherwise, or (2) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor.

"(c) In case the disapproval is by any officer other than the Commissioner, the individual, firm, partnership, corporation, or association giving the bond may appeal from such disapproval to the Commissioner.

"(d) The disapproval of the Commissioner in any matter under this section shall be final."

The amendment was agreed to.

The next amendment was, on page 18, line 10, after "Sec. 306", to insert:

(a) Section 1 of the act entitled "An act to allow the bottling of distilled spirits in bond", approved March 3, 1897, as amended (U. S. C., 1934 ed., title 26, sec. 1276), is further amended to read as follows:

"That whenever any distilled spirits deposited in the Internal Revenue bonded warehouse have been duly entered for withdrawal, before or after tax-payment, or for export in bond, and have been duly gauged and the required marks, brands, and tax-paid stamps (if required) or export stamps, as the case may be, have been affixed to the package or packages containing the same, the distiller or owner of said distilled spirits, if he has declared his purpose so to do in the entry for withdrawal, which entry for bottling purposes may be made by the owner as well as the distiller, may remove such spirits to a separate portion of said warehouse which shall be set apart and used exclusively for that purpose, and there, under the supervision of a United States storekeeper-gauger in charge of such warehouse, may immediately draw off such spirits, bottle, pack, and case the same. For convenience in such process any number of packages of spirits of the same kind, differing only in proof, but produced at the same distillery by the same distiller, may be mingled together in a cistern provided for that purpose, but nothing herein shall authorize or permit any mingling of different products, or of the same products of different distilling seasons, or the addition or subtraction of any substance or material or the application of any method or process to alter or change in any way the original condition or character of the product except as herein authorized; nor shall there be at the same time in the bottling room of any Internal Revenue bonded warehouse any spirits entered for withdrawal upon payment of the tax and any spirits entered for export.

"Every bottle when filled shall have affixed thereto and passing over the mouth of the same such suitable adhesive engraved strip stamp as may be prescribed, as hereinafter provided, and shall be packed into cases to contain six bottles or multiples thereof, and in the aggregate not less than 2 nor more than 5 gallons in each case, which, if tax-paid, shall be immediately removed from the warehouse premises. Each of such cases shall have affixed thereto a stamp denoting the number of gallons therein contained, such stamp to be affixed to the case before its removal from the warehouse, and such stamps shall have a cash value of 10 cents each, and shall be charged at that rate to the collectors to whom issued, and shall be paid for at that rate by the distiller or owner using the same.

"And there shall be plainly burned, embossed, or printed on the side of each case, to be known as the Government side, the proof of the spirits, the registered distillery number, the State and supervisory district in which the distillery is located, the real name of the actual bona fide distiller or of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, the year and distilling season, whether spring or fall, of original inspection or entry into bond, and the date of bottling, and the same wording shall be placed upon the adhesive engraved strip stamp over the mouth of the bottle. It being understood that the spring season shall include the months from January to July, and the fall season the months from July to January.

"And no trade-marks shall be put upon any bottle unless the real name of the actual bona fide distiller, or the name of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, shall also be placed conspicuously on said bottle."

On page 21, line 3, after the word "amended", to strike out "(26 U. S. C., sec. 412; U. S. C. Supp. VII, title 26, sec. 1277)" and insert "(U. S. C., 193) 4 ed., title 26, sec. 1277)"; and in line 11, after the word "spirits", to insert a colon and the following proviso: *"Provided,* That nothing in this act shall authorize the labeling of spirits in bottles contrary to the provisions of regulations issued pursuant to the Federal Alcohol Administration Act, or any amendment thereof", so as to read:

SEC. 306. (a) Section 1 of the act entitled "An act to allow the bottling of distilled spirits in bond", approved March 3, 1897, as amended (U. S. C., 1934 ed., title 26, sec. 1276), is further amended to read as follows:

"That whenever any distilled spirits deposited in the Internal Revenue bonded warehouse have been duly entered for withdrawal, before or after tax payment, or for export in bond, and have been duly gauged and the required marks, brands, and tax-paid stamps (if required) or export stamps, as the case may be, have been affixed to the package or packages containing the same, the distiller or owner of said distilled spirits, if he has declared his purpose so to do in the entry for withdrawal, which entry for bottling purposes may be made by the owner as well as the distiller, may remove such spirits to a separate portion of said warehouse which shall be set apart and used exclusively for that purpose, and there, under the supervision of a United States storekeeper-gauger in charge of such warehouse, may immediately draw off such spirits, bottle, pack, and case the same. For convenience in such process any number of packages of spirits of the same kind, differing only in proof, but produced at the same distillery by the same distiller, may be mingled together in a cistern provided for that purpose, but nothing herein shall authorize or permit any mingling of different products, or of the same products of different distilling seasons, or the addition or subtraction of any substance or material or the application of any method or process to alter or change in any way the original condition or character of the product except as herein authorized; nor shall there be at the same time in the bottling room of any Internal Revenue bonded warehouse any spirits entered for withdrawal upon payment of the tax and any spirits entered for export.

"Every bottle when filled shall have affixed thereto and passing over the mouth of the same such suitable adhesive engraved strip stamp as may be prescribed, as hereinafter provided, and shall be packed into cases to contain six bottles or multiples thereof, and in the aggregate not less than 2 nor more than 5 gallons in each case, which, if tax-paid, shall be immediately removed from the warehouse premises. Each of such cases shall have affixed thereto a stamp denoting the number of gallons therein contained, such stamp to be affixed to the case before its removal from the warehouse, and such stamps shall have a cash value of 10 cents each, and shall be charged at that rate to the collectors to whom issued, and shall be paid for at that rate by the distiller or owner using the same.

"And there shall be plainly burned, embossed, or printed on the side of each case, to be known as the Government side, the proof of the spirits, the registered distillery number, the State and supervisory district in which the distillery is located, the real name of the actual bona-fide distiller or of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, the year and distilling season, whether spring or fall, of original inspection or entry into bond, and the date of bottling, and the same wording shall be placed upon the adhesive engraved strip stamp over the mouth of the bottle. It being understood that the spring season shall include the months from January to July, and the fall season the months from July to January.

"And no trade-marks shall be put upon any bottle unless the real name of the actual bona-fide distiller, or the name of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, shall also be placed conspicuously on said bottle."

(b) Section 2 of the act entitled "An act to allow the bottling of distilled spirits in bond", approved March 3, 1897, as amended (U. S. C., 1934 ed., title 26, sec. 1277), is further amended by striking out the last clause following the words "Secretary of the Treasury", and inserting in lieu thereof the following: "but no spirits (except gin for export) shall be bottled in bond until they have remained in bond in wooden containers for at least 4 years from the date of original gauge as to fruit brandy, or original entry as to all other spirits: *Provided,* That nothing in this act shall authorize the labeling of spirits in bottles contrary to the provisions of regulations issued pursuant to the Federal Alcohol Administration Act, or any amendment thereof."

The amendment was agreed to.

The next amendment was, on page 21, after line 15, to strike out:

SEC. 307. (a) Section 3293 of the Revised Statutes, as amended; section 4 of the act of May 28, 1880 (21 Stat. 145); section 49 of the act of August 27, 1894 (28 Stat. 563; 26 U. S. C., sec. 371), as to the bonded period for spirits; and section 50 of the act approved August 27, 1894 (28 Stat. 564), as amended (26 U. S. C., sec. 407; U. S. C., Supp. VII, title 26, sec. 1275), as to loss allowance for spirits, are hereby declared to be the law on and after December 6, 1933. This section shall not invalidate any allowance for loss with respect to spirits withdrawn after December 5, 1933, and prior to the thirtieth day after the date of the enactment of this act.

(b) Distilled spirits 8 years of age, or older, which were in bonded warehouses on December 5, 1933, may remain therein after such date and, when withdrawn at any time on or after the thirtieth day after the date of the enactment of this act, may be granted an allowance (which shall be in addition to the allowance for loss otherwise allowable) for loss at the rate of one proof gallon as to casks or packages of a capacity of not less than 40 wine gallons, and one-half proof gallon as to casks or packages of a capacity of less than 40 wine gallons and not less than 20 wine gallons, for each period of 6 months or fraction thereof that the spirits remain in bond between December 5, 1933, and the thirtieth day after the date of the enactment of this act.

And in lieu thereof to insert the following:

SEC. 307. (a) All distilled spirits heretofore or hereafter entered for deposit in a bonded warehouse shall be withdrawn therefrom within 8 years from the date of original entry therein, except as provided in subsection (c) of this section.

(b) Any distilled spirits heretofore or hereafter deposited in any bonded warehouse may, at the time of withdrawal of the spirits from such warehouse, upon the filing of an application for the regauge of such spirits, giving a description of the package containing the spirits, be regauged by a storekeeper-gauger who shall place upon each such package such marks and brands as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall by regulations prescribe. If upon such regauging it shall appear that there has been a loss by leakage or evaporation of distilled spirits from any cask or package, without the fault or negligence of the distiller or warehouseman, taxes shall be collected only on the quantity of distilled spirits contained in such cask or package at the time of such withdrawal. The allowance which shall be made for such loss of spirits shall not exceed—

1 proof-gallon for 2 months or part thereof;

1½ gallons for more than 2 months and not more than 4 months;

2 gallons for more than 4 months and not more than 6 months;

2½ gallons for more than 6 months and not more than 8 months;

3 gallons for more than 8 months and not more than 10 months;

3½ gallons for more than 10 months and not more than 12 months;

4 gallons for more than 12 months and not more than 15 months;

4½ gallons for more than 15 months and not more than 18 months;

5 gallons for more than 18 months and not more than 21 months;

5½ gallons for more than 21 months and not more than 24 months;

6 gallons for more than 24 months and not more than 27 months;

6½ gallons for more than 27 months and not more than 30 months;

7 gallons for more than 30 months and not more than 33 months;

7½ gallons for more than 33 months and not more than 36 months;

8 gallons for more than 36 months and not more than 40 months;

8½ gallons for more than 40 months and not more than 44 months;

9 gallons for more than 44 months and not more than 48 months;

9½ gallons for more than 48 months and not more than 52 months;

10 gallons for more than 52 months and not more than 56 months;

10½ gallons for more than 56 months and not more than 60 months;

11 gallons for more than 60 months and not more than 64 months;

11½ gallons for more than 64 months and not more than 68 months;

12 gallons for more than 68 months and not more than 72 months;

12½ gallons for more than 72 months and not more than 76 months;

13 gallons for more than 76 months and not more than 80 months;

13½ gallons for more than 80 months from the date of original gauge as to fruit brandy, or original entry as to all other spirits; and no further allowances shall be made for loss by leakage or evaporation.

The foregoing allowance for loss shall apply only to casks or packages of a capacity of 40 or more wine gallons, and the allowance for loss on casks or packages of less capacity than 40 gallons shall not exceed one-half the amount allowed on said 40-gallon

cask or package; but no allowance shall be made on casks or packages of less capacity than 20 gallons. The proof of such distilled spirits shall not in any case be computed at the time of withdrawal at less than 100 percent.

(c) Distilled spirits which on the effective date of this section are 8 years of age, or older, and which are in bonded warehouses, may remain therein after such date; but no allowance for loss by leakage or evaporation shall be made in the case of such spirits with respect to any period after such date.

(d) This section shall take effect 30 days after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 26, after line 8, to strike out:

SEC. 308. Section 602 of the Revenue Act of 1918, approved February 24, 1919, is hereby amended to read as follows:

"SEC. 602. (a) At registered distilleries packages may be filled with spirits reduced to not less than 100 proof from receiving cisterns and tax paid without being entered into bonded warehouse. Such spirits may be also transferred from receiving cisterns at such distilleries, by means of pipe lines, direct to storage tanks in the bonded warehouse and may be warehoused in such storage tanks. Such spirits may be also transferred in tanks or tank cars to general bonded warehouses for storage therein, either in storage tanks in such warehouses or in the tanks in which they were transferred. Such spirits may also be transferred from receiving cisterns or warehouse storage tanks to barrels, drums, tanks, tank cars, or other approved containers, and may be transported in such containers to rectifying houses, for exportation, or for other lawful purposes.

"(b) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gauging, storing, and transportation of such spirits; the records to be kept and returns to be made; the size and kind of packages; the tanks or tank cars to be used; the marking, branding, numbering, and stamping of such packages and tanks; the kind of stamps, if any, to be used; the time and manner of paying the tax; and the kind of bond and the penal sum thereof.

"(c) The tax prescribed by law must be paid before such spirits are removed from the distillery premises, or from general bonded warehouse in the case of spirits transferred thereto, except as otherwise provided by law.

"(d) Under such regulations as the Commissioner with the approval of the Secretary of the Treasury may prescribe, distilled spirits may hereafter be drawn from receiving cisterns and deposited in distillery warehouses without having affixed to the packages containing the same distillery warehouse stamps. Such packages, when so deposited in warehouse, may be withdrawn therefrom on the original gauge where the same have remained in such warehouses for a period not exceeding 30 days from the date of deposit."

And in lieu thereof to insert the following:

SEC. 308. The first paragraph of section 602 of the Revenue Act of 1918, approved February 24, 1919, is amended to read as follows:

"SEC. 602. Subject to the provisions of existing law, spirits produced at registered distilleries and reduced in the receiving cisterns in such distilleries to not more than 159 degrees of proof and not less than 100 degrees of proof, may be transferred, by means of pipe lines, direct to storage tanks in the Internal Revenue bonded warehouse located on the bonded premises where produced and be warehoused in such storage tanks, or they may be drawn into approved containers and transferred to any Internal Revenue bonded warehouse for storage therein, or they may be tax-paid in such approved containers in such cistern rooms, without being entered into an Internal Revenue bonded warehouse. Such spirits may be drawn into approved containers from storage tanks in Internal Revenue bonded warehouse located on the bonded premises of the distillery either for storage in bond or tax payments. Such spirits, upon tax payment, may be transported in approved containers for use for beverage purposes only. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gauging, storing, and transportation of such spirits; the records to be kept and returns to be made; the size and kind of containers to be used; the marking, branding, numbering, and stamping of such containers; the kind of stamps, if any, to be used; and the kind of bond and the penal sum thereof."

The amendment was agreed to.

The next amendment was, on page 29, after line 7, to strike out:

SEC. 309. Section 3293 of the Revised Statutes, as amended (26 U. S. C., sec. 371, U. S. C., Supp. VII, title 26, sec. 1232 (a) and (b)), is further amended by amending the paragraph thereof immediately following the form "Entry for deposit in distillery warehouse" to read as follows:

"And the entry shall specify the kind of spirits, the whole number of packages, the marks and serial numbers thereon, the number of gauge or wine gallons, proof gallons, and taxable gallons, and the amount of tax on the spirits contained in them; all of which shall be verified by the oath of the distiller or owner of the same attached to the entry. One of said entries shall be retained in the office of the supervisor of the district, one sent to the storekeeper-gauger in charge of the warehouse, to be retained and filed in the warehouse, and one sent with a duplicate of the bond to the Commissioner of Internal Revenue, to be filed in his office. The distiller shall, at the time of making the entry for deposit of spirits in the warehouse, under such regulations as the Secretary of the Treasury shall prescribe, give a monthly or annual warehousing bond, in duplicate, in a penal sum of not less than 50 percent of the tax on the distilled spirits on deposit in the warehouse at any one time, or such higher sum as the Secretary of the Treasury may, by regulations, prescribe, conditioned that the principal named in said bond shall pay the tax on the spirits as specified in the entry, or cause the same to be paid, before removal from said distillery, warehouse, and within 8 years from the date of said entry."

And in lieu thereof to insert the following:

SEC. 309. Section 3293 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1232), is amended to read as follows:

"SEC. 3293. (a) The distillers of all spirits removed to an Internal Revenue bonded warehouse shall enter the same for deposit in such warehouse, under such regulations as the Commissioner of Internal Revenue may prescribe. Said entry shall be in such form as the Commissioner shall prescribe.

"(b) The tax on all distilled spirits hereafter entered for deposit in Internal Revenue bonded warehouses shall be due and payable before and at the time the same are withdrawn therefrom and within 8 years from the date of the original entry for deposit therein; and warehousing bonds hereafter taken under the provisions of the internal-revenue laws shall be conditioned for the payment of the tax on the spirits as specified in the entry before withdrawal from the Internal Revenue bonded warehouse and within 8 years from the date of said entry. The Commissioner shall prescribe the form and penal sums of bonds covering distilled spirits in Internal Revenue bonded warehouses and in transit to and between such warehouses: *Provided*, That the penal sums of such bonds covering distilled spirits shall not exceed in the aggregate $200,000 for each such warehouse.

"(c) A new bond shall be required in case of the death, insolvency, or removal of the surety or sureties, and may be required in any other contingency affecting its validity or impairing its efficiency, at the discretion of the Commissioner of Internal Revenue. And in case the warehouseman fails or refuses to give the bond required, or to renew the same, or neglects to immediately withdraw the spirits and pay the tax thereon, or if he neglects to withdraw any bonded spirits and pay the tax thereon before the expiration of the time limit in the bond, the collector shall proceed to collect the tax by distraint, issuing his warrant of distraint for the amount of tax found to be due, as ascertained by him from the report of the storekeeper-gauger if no bond was given, or from the terms of the bond if a bond was given. But this provision shall not exclude any other remedy or proceeding provided by law.

"(d) If it shall appear at any time that there has been a loss of distilled spirits from any cask or other package deposited in an Internal Revenue bonded warehouses, other than the loss provided for in section 3221 of the Revised Statutes, as amended, which, in the opinion of the Commissioner of Internal Revenue, is excessive, he may instruct the district supervisor of the district in which the loss has occurred to require the withdrawal from warehouse of such distilled spirits and direct the collector of internal revenue to collect the tax accrued upon the original quantity of distilled spirits entered into the warehouse in such cask or package, notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered into warehouse in such cask or package has not expired. If the said tax is not paid on demand, the collector shall report the amount due upon his next monthly list, and it shall be assessed and collected as other taxes are assessed and collected."

The amendment was agreed to.

The next amendment was, on page 32, after line 20, to strike out:

SEC. 310. Section 3302 of the Revised Statutes (26 U. S. C., sec. 365; U. S. C., Supp. VII, title 26, sec. 1229) is amended to read as follows:

"SEC. 3302. (a) The storekeeper-gauger assigned to any distillery warehouse shall, in addition to all other duties required to be performed by him, keep in a book to be provided for that purpose, and in the manner prescribed by the Commissioner of Internal Revenue, a daily account of all the meal and vegetable productions or other substances brought into said distillery, or on said premises, to be used for the purpose of producing spirits, from whom purchased, and when delivered at said distillery; of the materials put into the mash tub or otherwise used for the production of spirits; of the time when any fermenting tub is emptied of ripe mash or beer, recording the same by the number painted on said tub; and of all spirits drawn off from the receiving cistern, and the time when the same were drawn off.

"(b) Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he

may likewise relieve the storekeeper-gauger assigned to the distillery of such distiller from the requirements of this section as to recording of the time when any fermenting tub is emptied of ripe mash or beer."

And in lieu thereof to insert:

SEC. 310. Section 3302 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1229) is amended to read as follows:

"SEC. 3302. The storekeeper-gauger assigned to any distillery shall, in addition to all other duties required to be performed by him, keep records of the receipt and use of substances brought into said distillery, or on said premises, to be used for the purpose of producing spirits, and of all spirits drawn off from the receiving cistern, and the time when the same were drawn off, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall, by regulations, prescribe."

The amendment was agreed to.

The next amendment was, on page 34, after line 6, to strike out:

SEC. 311. Section 3303 of the Revised Statutes (26 U. S. C., sec. 314; U. S. C., Supp. VII, title 26, sec. 1192 (a)) is amended to read as follows:

"SEC. 3303. (a) Every person who makes or distills spirits, or owns any still, boiler, or other vessel used for the purpose of distilling spirits, or who has such still, boiler, or other vessel so used under his superintendence, either as agent or owner, or who uses any such still, boiler, or other vessel, shall from day to day make, or cause to be made, in a book or books, to be kept by him in such form as the Commissioner of Internal Revenue may prescribe, a true and exact entry of the kind of materials, and the quantity in pounds, bushels, or gallons purchased by him for the production of spirits, from whom and when purchased, and by what conveyance delivered at said distillery, and the amount paid therefor. And in another book he shall make like entry of the quantity of grain or other material used for the production of spirits, the time of day when any yeast or other composition is put into any mash or beer for the purpose of exciting fermentation, the quantity of mash in each tub, designating same by the number of the tub, the number of dry inches, that is to say, the number of inches between the top of each tub and the surface of the mash or beer therein at the time of yeasting, the gravity and temperature of the beer at the time of yeasting, and on every day thereafter its quantity, gravity, and temperature at the hour of 12 m.; also, of the time when any fermenting tub is emptied of ripe mash or beer, the number of gallons of spirits distilled, the number of gallons placed in the warehouse, and the proof thereof, the number of gallons sold or removed, with the proof thereof, and the name, place of business, and residence of the person to whom sold.

"(b) Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he may likewise, by regulations, relieve such distiller from such of the requirements of this section relating or incidental to the survey as the Secretary determines may be waived without danger to the revenue."

And in lieu thereof to insert:

SEC. 311. Section 3303 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1192 (a)) is amended to read as follows:

"SEC. 3303. Every person who makes or distills spirits, or owns any still, boiler, or other vessel used for the purpose of distilling spirits, or who has such still, boiler, or other vessel so used under his superintendence, either as agent or owner, or who uses any such still, boiler, or other vessel, shall keep a record, in the form and manner prescribed by the Commissioner of Internal Revenue, of the receipt on the distillery premises, and the use thereon, of materials intended for use in the distillation of spirits, and of the number of gallons of spirits distilled, the number of gallons placed in the warehouse, and the proof thereof, the number of gallons sold or removed, with the proof thereof, and the name, place of business, and residence of the person to whom sold."

The amendment was agreed to.

The next amendment was, on page 36, line 11, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 325; U. S. C., Supp. VII, title 26, sec. 1203)" and insert "(U. S. C., 1934 ed., title 26, sec. 1203)", so as to read:

SEC. 312. Section 3331 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1203) is hereby amended to read as follows:

"SEC. 3331. Any distillery or distilling apparatus seized for any violation of law may, in the discretion of the court, be released before final judgment to a receiver appointed by the court to operate such distillery or apparatus. Such receiver shall give bond, which shall be approved in open court, with two or more competent personal sureties, or one approved corporate surety, for the full appraised value of all the property seized, to be ascertained by three competent appraisers designated and appointed by the court. Funds obtained from such operation shall be impounded as the court shall direct pending such final judgment."

The amendment was agreed to.

The next amendment was, on page 37, line 1, after "SEC. 313" and the period, to strike out "The following sections of law are amended as set out hereafter:" and insert:

(a) Section 3339 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1330 (a) and (b)), is further amended by adding a new paragraph at the end thereof reading as follows:

"The provisions of this section requiring the accounting of hogsheads, barrels, and fractional parts of barrels at the next higher quantity shall not apply where the contents of such hogsheads, barrels, or fractional parts of barrels are within the limits of tolerance established by the Commissioner of Internal Revenue by regulations which he is hereby authorized to prescribe with the approval of the Secretary of the Treasury; and no assessment shall be made and no tax shall be collected for any excess in any case where the contents of the hogsheads, barrels, or fractional parts of barrels heretofore or hereafter used are within the limits of the tolerance so prescribed."

In line 18, before the word "section", to strike out "(a)" and insert "(b)"; in line 19, after the word "amended" to strike out "(26 U. S. C., 511; U. S. C., Supp. VII, title 26, sec. 1332 (a) and (b) and 1337 (b))" and insert "(U. S. C., 1934 ed., title 26, secs. 1332 (a) and (b) and 1337 (b))"; on page 39, line 5, before the word "section", to strike out "(b)" and insert "(c)"; in the same line, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 514; U. S. C., Supp. VII, title 26, sec. 1333 (a))" and insert "(U. S. C., 1934 ed., title 26, sec. 1333 (a))"; in line 10, before the word "section", to strike out "(c)" and insert "(d)"; in the same line, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 519; U. S. C., Supp. VII, title 26, sec. 1334 (e))" and insert "(U. S. C., 1934 ed., title 26, sec. 1334 (e))"; in line 15, before the word "section", to strike out "(d)" and insert "(e)"; in the same line after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 520; U. S. C., Supp. VII, title 26, sec. 1334 (f))" and insert "(U. S. C., 1934 ed., title 26, sec. 1334 (f))"; and after line 19, to insert:

(f) Notwithstanding any other provision of law, the Commissioner of Internal Revenue is authorized, if in his judgment the same can be done without danger to the revenue, to issue regulations, subject to the approval of the Secretary of the Treasury, under which any brewer may remove or transport, or cause to be removed or transported, in bulk, in any closed tank, tank car, hogshead, or other container or containers, any finished fermented malt liquor of his own manufacture, on which the tax has been fully paid, and in quantities of not less than 50 barrels at any one time, from his brewery or other place of manufacture to another brewery or to a depot, warehouse, racking room, or bottling house used exclusively for bottling, racking, storage, or sale, and provided such brewery, depot, warehouse, racking room, or bottling house is occupied and used solely by him, but to no other place, and such fermented liquor so transported may be there stored, carbonated, and bottled, or drawn into hogsheads, barrels, or fractional parts of barrels for sale. Such regulations shall provide the method of tax payment on such fermented malt liquor, and shall provide for any transit or other permits which the Commissioner of Internal Revenue may consider necessary for the proper protection of the revenue.

So as to read:

SEC. 313. (a) Section 3339 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1330 (a) and (b)), is further amended by adding a new paragraph at the end thereof reading as follows:

"The provisions of this section requiring the accounting of hogsheads, barrels, and fractional parts of barrels at the next higher quantity shall not apply where the contents of such hogsheads, barrels, or fractional parts of barrels are within the limits of tolerance established by the Commissioner of Internal Revenue by regulations which he is hereby authorized to prescribe with the approval of the Secretary of the Treasury; and no assessment shall be made and no tax shall be collected for any excess in any case where the contents of the hogsheads, barrels, or fractional parts of barrels heretofore or hereafter used are within the limits of the tolerance so prescribed."

(b) Section 3342 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1332 (a) and (b) and 1337 (b)), is amended to read as follows:

"SEC. 3342. (a) Every brewer shall obtain, from the collector of the district in which his brewery or brewery-warehouse is situated, and not otherwise unless such collector shall fail to furnish the same upon application to him, the proper stamps.

"(b) Every brewer shall affix, upon the spigot hole in the head of every hogshead, barrel, or keg in which any fermented liquor is contained, when sold or removed from such brewery or warehouse (except in case of removal under permit, as hereinafter provided), a stamp denoting the amount of the tax required upon such fermented liquor, which stamp shall be destroyed by driving through the same the faucet through which the liquor is to be withdrawn, or an air faucet of equal size, at the time the hogshead, barrel, or keg is tapped, in case it is tapped through the other spigot hole (of which there shall be but two, one in the head and one in the side), and shall also, at the time of affixing such stamp, cancel the same by writing or imprinting thereon

the name of the person, firm, or corporation by whom such liquor was made, or the initial letters thereof, and the date when canceled: *Provided, however*, That the Commissioner of Internal Revenue may, in his discretion, authorize the use of such other tapping devices or faucets as will permit the affixing and destruction of stamps in a manner consistent with the protection of the revenue.

"(c) Every brewer who refuses or neglects to affix and cancel, in the manner provided under this section, the stamps required by law, or who affixes a false or fraudulent stamp, or knowingly permits the same to be done, shall pay a penalty of $100 for each hogshead, barrel, or keg on which such omission or fraud occurs, and be imprisoned not more than 1 year."

(c) Section 3345 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1333 (a)) is amended by striking out the phrase "in one vessel" where it appears after the phrase "or not less than six barrels."

(d) Section 3348 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1334 (e)) is amended by striking out "kegs, or other vessels" where it appears therein and inserting in lieu thereof "or kegs."

(e) Section 3349 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1334 (f)) is amended by striking out "keg, or other vessel" where it appears therein and inserting in lieu thereof "or keg."

(f) Notwithstanding any other provision of law, the Commissioner of Internal Revenue is authorized, if in his judgment the same can be done without danger to the revenue, to issue regulations, subject to the approval of the Secretary of the Treasury, under which any brewer may remove or transport, or cause to be removed or transported, in bulk, in any closed tank, tank car, hogshead, or other container or containers, any finished fermented malt liquor of his own manufacture, on which the tax has been fully paid, and in quantities of not less than 50 barrels at any one time, from his brewery or other place of manufacture to another brewery or to a depot, warehouse, racking room, or bottling house used exclusively for bottling, racking, storage, or sale, and provided such brewery, depot, warehouse, racking room, or bottling house is occupied and used solely by him, but to no other place, and such fermented liquor so transported may be there stored, carbonated, and bottled, or drawn into hogsheads, barrels, or fractional parts of barrels for sale. Such regulations shall provide the method of tax payment on such fermented malt liquor, and shall provide for any transit or other permits which the Commissioner of Internal Revenue may consider necessary for the proper protection of the revenue.

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment to the committee amendment on page 39. In line 21, I move to strike out the word "if" and insert "to the extent that,".

Mr. KING. I accept the amendment. The committee intended to offer it.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 40, in the same committee amendment, I move to strike out all of line 8, and in line 9 down to and including the word "him." The following words are to be stricken out:

And provided such brewery, depot, warehouse, racking room, or bottling house is occupied and used solely by him.

Mr. KING. I accept the amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 40, line 19, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 191; U. S. C., Supp. VII, title 26, sec. 1397 (b) (1))" and insert "(U. S. C., 1934 ed., title 26, sec. 1397 (b))"; and in line 23, after "Revised Statutes", to strike out "(26 U. S. C., secs. 193, 306; U. S. C., Supp. VII, title 26, secs. 1184, 1397 (a) (1))" and insert "(U. S. C., 1934 ed., title 26, secs. 1184 and 1397 (a) (1))", so as to read:

SEC. 314. (a) The last sentence of section 3242 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1397 (b)) is hereby repealed.

(b) The first sentence of section 3281 of the Revised Statutes (U. S. C., 1934 ed., title 26, secs. 1184 and 1397 (a) (1)), as amended, is further amended to read as follows:

"Any person who shall carry on the business of a brewer, rectifier, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquors, retail dealer in malt liquors, or manufacturer of stills, and willfully fails to pay the special tax as required by law, or who shall carry on the business of a distiller without having given bond as required by law, or who shall engage in or carry on the business of a distiller with intent to defraud the United States of the tax on the spirits distilled by him, or any part thereof, shall, for every such offense, be fined not less than $100 nor more than $5,000 and be imprisoned for not less than 30 days nor more than 2 years."

The amendment was agreed to.

The next amendment was, on page 41, line 15, after the words "Revised Statutes", to strike out "(26 U. S. C., sec. 502; U. S. C., Supp. VII, sec. 1334 (a))" and insert "(U. S. C., 1934 ed., title 26, sec. 1334 (a))", so as to read:

SEC. 315. Section 3335 of the Revised Statutes (U. S. C., 1934 ed, title 26, sec. 1334 (a)) is amended to read as follows:

"SEC. 3335. Every brewer shall, before commencing or continuing business, file with the officer designated for that purpose by the Commissioner of Internal Revenue a notice in writing and in the form prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notice shall set forth (a) the name and residence of the brewer, and the names and residences of all such persons interested or to be interested in the business, directly or indirectly, as the Commissioner shall prescribe, (b) the precise place where the business is to be carried on, including a description of the premises on which the brewery is situated, the title of the brewer to the premises, and the name of the owner thereof, and (c) such additional particulars as the Commissioner shall prescribe as necessary for the protection of the revenue."

The amendment was agreed to.

The next amendment was, on page 42, line 11, after the word "amended", to strike out "(26 U. S. C., sec. 503; U. S. C., Supp. VII, title 26, sec. 1334 (b))" and insert "(U. S. C., 1934 ed., title 26, sec. 1334 (b))"; in line 19, after the figures "$1,000", to insert a colon and the following: *"Provided,* That if under such regulations bond in a penal sum in excess of $100,000 is required, no surety or collateral security shall be required for any such excess amount, but the brewer shall give an additional bond to cover such excess, which additional bond may be given without surety or collateral security"; and on page 43, line 11, after the word "aforesaid" and the period, to strike out "Once in every 4 years, and whenever" and insert "Whenever", so as to read:

SEC. 316. Section 3336 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1334 (b)), is further amended to read as follows:

"SEC. 3336. Every brewer, on filing notice as provided by law of his intention to commence or continue business, shall execute a bond to the United States in such penal sum, in proportion to the production capacity of the plant, as the Secretary of the Treasury shall by regulations prescribe, but in no event shall such sum be less than $1,000: *Provided,* That if under such regulations bond in a penal sum in excess of $100,000 is required, no surety or collateral security shall be required for any such excess amount, but the brewer shall give an additional bond to cover such excess, which additional bond may be given without surety or collateral security. The bond shall be conditioned that the brewer shall pay, or cause to be paid, as herein provided, the tax required by law on all beer, lager beer, ale, porter, and other fermented liquors made by or for him, before the same is sold or removed for consumption or sale, except as hereinafter provided; and that he shall keep, or cause to be kept, in the manner required by law, a book which shall be open to inspection by the proper officers, as by law required; and that he shall in all respects faithfully comply, without fraud or evasion, with all requirements of law relating to the manufacture and sale of any malt liquors aforesaid. Whenever required so to do by the Secretary of the Treasury, or such officer as may be designated by the Secretary of the Treasury, the brewer shall execute a new bond in the penal sum fixed in this section or prescribed in pursuance of this section, and conditioned as above provided, which bond shall be in lieu of any former bond or bonds of such brewer in respect to all liabilities accruing after its approval."

The amendment was agreed to.

The next amendment was, on page 43, line 20, after the word "amended", to strike out "(U. S. C., title 26, sec. 509; U. S. C., Supp. VII, title 26, sec. 1337 (a) (1), (2))" and insert "(U. S. C., 1934 ed., title 26, sec. 1337 (a))"; on page 44, line 24, after the word "premises", to insert "and bottling house"; and on page 45, after line 2, to strike out:

(d) The brewery premises shall consist of the land and buildings described in the brewer's notice and shall be used solely for the purposes of manufacturing beer, lager beer, ale, porter, and similar fermented malt liquors, cereal beverages containing less than one-half of 1 percent of alcohol by volume, vitamins, and ice; of drying spent grain from the brewery; and recovering carbon dioxide and yeast. The brewery bottling house shall be used solely for the purposes of bottling beer, lager beer, ale, porter, and similar fermented malt liquors, and cereal beverages containing less than one-half of 1 percent of alcohol by volume. Notwithstanding the foregoing provisions, where any such brewery premises or brewery bottling house is, on the date of the enactment of the Liquor Tax Administration Act, being used by any brewer for purposes other than those herein described, or the brewery bottling house is, on such date, being used for the bottling of soft drinks, the use of the brewery and bottling-house premises for such purposes may be continued by such brewer.

The brewery bottling house of any brewery shall not be used for the bottling of the product of any other brewery. Any brewer who uses his brewery or bottling house contrary to the provisions of this subsection shall be fined not more than $50 with respect to each day upon which any such use occurs.

And in lieu thereof to insert:

(d) The brewery premises shall consist of the land and buildings described as such in the brewer's notice and shall be used solely for the purposes of manufacturing beer, lager beer, ale, porter, and similar fermented malt liquors, cereal beverages containing less than one-half of 1 percent of alcohol by volume, vitamins, ice, malt, malt sirup; of drying spent grain and recovering and processing carbon dioxide and yeast; of storing bottles, packages, and supplies necessary or incidental to all such manufacture; and, under regulations issued by the Commissioner of Internal Revenue, for the purpose of manufacturing such other commodities or byproducts as he may find to be incidental to the manufacture of any such fermented malt liquors. The brewery bottling house shall be used solely for the purposes of bottling beer, lager beer, ale, porter, and similar fermented malt liquors; for bottling cereal beverages containing less than one-half of 1 percent of alcohol by volume; and for manufacturing, carbonating, and bottling soft drinks. The brewery bottling house of any brewery shall not be used for the bottling of the product of any other brewery, except under regulations prescribed by the Commissioner of Internal Revenue. Any brewer who uses his brewery or bottling house contrary to the provisions of this subsection shall be fined not more than $50 with respect to each day upon which any such use occurs.

So as to make the section read:

SEC. 317. Section 3340 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1337 (a)), is amended to read as follows:

"SEC. 3340. (a) Every owner, agent, or superintendent of any brewery, vessels, or utensils used in making fermented liquors, who evades or attempts to evade the payment of the tax thereon, or fraudulently neglects or refuses to make true and exact entry and report of the same in the manner required by law, or to do, or cause to be done, any of the things by law required to be done by him, or who intentionally makes false entry in said book or in said statement, or knowingly allows or procures the same to be done, shall—

"(1) forfeit, for every such offense, all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same; and

"(2) be liable to a penalty of not less than $500 nor more than $1,000, to be recovered with costs of suit, and shall be deemed guilty of a misdemeanor and be imprisoned for a term not exceeding 1 year.

"(b) Every brewer who neglects to keep books or refuses to furnish the account and duplicate thereof as provided by law, or refuses to permit the proper officer to examine the books in the manner provided, shall, for every such refusal or neglect, forfeit and pay the sum of $300.

"(c) For flagrant and willful removal of taxable malt liquors for consumption or sale, without payment of tax thereon, all the right, title, and interest of each person, who has knowingly suffered or permitted such removal or has connived at the same, in the lands and buildings constituting the brewery premises and bottling house shall be forfeited by a proceeding in rem in the district court of the United States having jurisdiction thereof.

"(d) The brewery premises shall consist of the land and buildings described as such in the brewer's notice and shall be used solely for the purposes of manufacturing beer, lager beer, ale, porter, and similar fermented malt liquors, cereal beverages containing less than one-half of 1 percent of alcohol by volume, vitamins, ice, malt, malt syrup; of drying spent grain and recovering and processing carbon dioxide and yeast; of storing bottles, packages, and supplies necessary or incidental to all such manufacture; and, under regulations issued by the Commissioner of Internal Revenue, for the purpose of manufacturing such other commodities or byproducts as he may find to be incidental to the manufacture of any such fermented malt liquors. The brewery bottling house shall be used solely for the purposes of bottling beer, lager beer, ale, porter, and similar fermented malt liquors; for bottling cereal beverages containing less than one-half of 1 percent of alcohol by volume; and for manufacturing, carbonating, and bottling soft drinks. The brewery bottling house of any brewery shall not be used for the bottling of the product of any other brewery except under regulations prescribed by the Commissioner of Internal Revenue. Any brewer who uses his brewery or bottling house contrary to the provisions of this subsection shall be fined not more than $50 with respect to each day upon which any such use occurs."

The amendment was agreed to.

The next amendment was, on page 47, line 9, before the word "Section", to insert "(a)"; in line 10, after the figures "1918", to strike out "(26 U. S. C., sec. 254; U. S. C., Supp. VII, title 26, sec. 1151)" and insert "as amended (U. S. C., 1934 ed., title 26, sec. 1151)", so as to read:

SEC. 319. (a) Section 605 of the Revenue Act of 1916, as amended (U. S. C., 1934 ed., title 26, sec. 1151), is amended by inserting, preceding the penalty paragraph the following new paragraph:

"The premises of a rectifier shall be as described in his notice and, whether they consist of an entire building or of rooms in a building, shall have means of ingress from and egress into a public street or yard, or into a public hall or elevator shaft leading into a public street or yard, and shall be used exclusively for the business of rectification and the bottling of liquors rectified by him thereon, and the bottling of wines and spirits without rectification. Notwithstanding the foregoing provisions, where any such premises are, on the date of the enactment of the Liquor Tax Administration Act, being used for purposes other than those herein described, such use may be continued for not more than 60 days after such date. Any rectifier who uses his rectifying premises contrary to the provisions of this paragraph shall be fined not more than $50 with respect to each day upon which any such use occurs, but shall not, on account of such use, be subject to the penalties otherwise prescribed in this section."

The amendment was agreed to.

The next amendment was, on page 48, after line 7, to insert:

(b) Section 605 of the Revenue Act of 1918, as amended, is amended by adding at the end thereof two new paragraphs, reading as follows:

"The filtering, clarifying, or purifying of wines on bonded winery premises shall not be deemed to be rectification within the meaning of paragraph 'Third' of section 3244 of the Revised Statutes. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations under this section as he deems necessary.

"The manufacture of vermouth with fortified sweet wine on bonded winery premises shall not be deemed to be rectification within the meaning of paragraph 'Third' of section 3244 of the Revised Statutes, if distilled spirits are not added to the fortified sweet wine used in the manufacture thereof or to such vermouth during or after its manufacture. Such vermouth may be manufactured on bonded winery premises, but only in a separate department thereof having no interior communication with any other department or part of such premises, under such supervision and in accordance with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

(c) So much of section 611 of the Revenue Act of 1918, as amended (relating to the tax on still wines) (U. S. C., 1934 ed., title 26, sec. 1300 (a) (1)), as reads:

"On wines containing not more than 14 percent of absolute alcohol, 10 cents per wine gallon, the percent of alcohol under this section to be reckoned by volume and not by weight;"

is amended to read as follows:

"On wines containing not more than 14 percent of absolute alcohol, 5 cents per wine gallon, the percent of alcohol under this section to be reckoned by volume and not by weight;".

(d) So much of section 613 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., title 26, sec. 1300 (a) (2)), as reads:

"Any of the foregoing articles containing more than 24 percent of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly."

is amended to read as follows:

"Any of the foregoing articles containing more than 24 percent of absolute alcohol by volume (except vermouth, liqueurs, cordials, and similar compounds made in rectifying plants and containing tax-paid sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, or apple wine fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy) shall be classed as distilled spirits and shall be taxed accordingly.

"The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back all distilled spirits tax on such liqueurs, cordials, and similar compounds paid by rectifiers or assessed prior to the date of the enactment of the Liquor Tax Administration Act."

Mr. JOHNSON. Mr. President, I desire to offer an amendment which probably is formal in character, and to which I think there will be no objection. On page 48, line 12, I move to strike out "on bonded winery premises."

Mr. KING. Mr. President, I do not quite understand the purpose of the amendment offered by the Senator.

Mr. JOHNSON. It relates to the question of filtering, and the like, which may not occur on bonded winery premises. I understood that the amendment had been submitted to the Treasury representatives.

Mr. KING. I may say that as the language appears in the bill it was approved by Representative BUCK, we understood, and by Judge De Vries.

Mr. JOHNSON. Quite the contrary. I have been handed the amendment by those who are interested in it, with the assertion to me that it was unobjectionable. If the Senator wishes to have that particular amendment passed over, I have no objection.

Mr. KING. Let it be passed over, because there may be another amendment to the same section.

Mr. JOHNSON. Let me present the amendment.

On page 48, line 12, I move to strike out "on bonded winery premises."

On page 48, line 14, I move to insert the following after the words "Revised Statutes":

Twenty-sixth U. S. C. A., section 1398 (f).

Mr. KING. Let it be passed over. My understanding is that the Treasury Department representatives would not be willing to accept that amendment, because it would permit the clarification to take place in a rectifying plant rather than a bonded plant.

Mr. JOHNSON. Let me state the third amendment so that the Treasury representatives may have it before them.

On page 70, line 5, after the words "wines are", I move to insert the words "destroyed or."

The PRESIDENT pro tempore. The amendment will be passed over temporarily. The clerk will state the next amendment of the committee.

The next amendment was, on page 51, line 1, after the word "all", to strike out "intoxicating liquors" and insert "distilled spirits, wines, and fermented malt liquors", so as to make the section read:

SEC. 321. Each retail liquor dealer shall provide at his own expense, and keep in his place of business, a record in book form, or shall keep all invoices of, and bills for, all distilled spirits, wines, and fermented malt liquors received, the quantity thereof, and from whom and the date when received. Such records, invoices, and bills shall be open to inspection during the usual business hours of the retailer by Government officers upon identification and request. Such records, invoices, and bills shall be kept for a period of 2 years after the time of the transactions to which they relate. For each willful violation of the provisions hereof the retailer shall be subject to a fine of $25.

Mr. KING. Let that be passed over.

Mr. JOHNSON. Very well. We will pass those over, then, until ultimately we may take them up.

Mr. KING. Yes.

Mr. JOHNSON. On page 49 there is an important amendment which I have to present, and it is one of those which I think the Senator from Utah prefers to pass over for the present, which is not at all objectionable to me; but I am wondering whether, with the acceptance of the amendment on page 49, it is essential for me now to present the amendment to the amendment.

Mr. KING. No technical rules will be applied. The Senator may offer the amendment at any time.

Mr. JOHNSON. Very well. I desire to have that understood, because after line 17, we have a very important amendment which deals with rates upon which we desire to be heard.

Mr. KING. That may be passed over, then.

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

Mr. COPELAND. Mr. President, I came into the Chamber just now. I assume the Senator from California has been speaking about his amendment relating to the use of trade names. Is that correct?

Mr. KING. That has not yet been touched.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, on page 51, line 12, after the word "amended", to strike out "(26 U. S. C., sec. 186; U. S. C., Supp. VII, title 26, sec. 1402 (b) and sec. 1403 (b))" and insert "(U. S. C., 1934 ed., title 26, secs. 1402 (b) and 1403)", so as to make the section read:

SEC. 322. Section 3237 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1402 (b) and 1403), is amended to read as follows:

"SEC. 3237. (a) All special taxes shall become due on the 1st day of July in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for 1 year, and in the latter case it shall be reckoned proportionately, from the 1st day of the month in which the liability to a special tax commenced, to and including the 30th day of June following.

"(b) It shall be the duty of the special-tax payers to render their returns with remittances to the collector at such times within the calendar month in which the special-tax liability commenced as shall enable him to receive such returns, duly signed and verified, together with the remittances, not later than the last day of the month, except in cases of sickness or absence, as provided for in section 3176 of the Revised Statutes, as amended."

The amendment was agreed to.

The next amendment was, on page 52, line 8, after the word "amended", to strike out "(26 U. S. C., sec. 205; U. S. C., Supp. VII, title 26, secs. 1394 (b) (1) and (2), 1394 (c) (1), and 1398 (b) and (c))" and insert "(U. S. C., 1934 ed., title 26, sec. 1394 (a) and (b) (1), and sec. 1398 (a) and (b))"; in line 18, after the word "liquors", to insert a colon and the following provisos: "*Provided*, That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a 'retail dealer in wines' or a 'retail dealer in wines and malt liquors' if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors: *And provided further*, That the tax required to be paid by this paragraph shall, in case of a retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist, be designated as a 'medicinal spirits stamp tax': *And provided further*, That any retail dealer in liquors or retail dealer in malt liquors whose business is such as to require him to travel from place to place in different States of the United States may, under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, procure a special-tax stamp 'At Large' covering his activities throughout the United States with the payment of but one special tax as a retail dealer in liquors or as a retail dealer in malt liquors, as the case may be"; on page 53, line 20, after the word "liquors", to insert a colon and the following proviso: "*Provided*, That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a 'wholesale dealer in wines' or a 'wholesale dealer in wines and malt liquors' if, as the case may be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors"; in line 14, after the word "in", to strike out "liquor" and insert "liquors"; and on page 55, line 3, after the word "dealers", to insert a comma and "or on account of the sale of such malt liquor when consummated at the purchaser's residence in consequence of an oral or written standing order to call at such residence", so as to make the section read:

SEC. 323. Paragraph "Fourth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1394 (a) and (b) (1), and sec. 1398 (a) and (b)), is amended to read as follows:

"Fourth. (a) Retail dealers in liquors shall pay a special tax of $25. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in less quantities than 5 wine gallons to the same person at the same time, shall be regarded as a retail dealer in liquors: *Provided*, That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a 'retail dealer in wines' or a 'retail dealer in wines and malt liquors' if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors: *And provided further*, That the tax required to be paid by this paragraph shall, in case of a retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist, be designated as a 'medicinal spirits stamp tax': *And provided further*, That any retail dealer in liquors or retail dealer in malt liquors whose business is such as to require him to travel from place to place in different States of the United States may, under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, procure a special-tax stamp 'At Large' covering his activities throughout the United States with the payment of but one special tax as a retail dealer in liquors or as a retail dealer in malt liquors, as the case may be.

"(b) Wholesale dealers in liquors shall pay a special tax of $100. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in quantities of 5 wine gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: *Provided*, That the Commissioner of Internal Revenue may, by regulations, with the approval of the Secretary of the Treasury, provide for the issuance of a stamp denoting payment of such special tax as a 'wholesale dealer in wines' or a 'wholesale dealer in wines and malt liquors' if, as the case may

be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors. A qualified wholesale dealer in liquors may not sell distilled spirits, wines, or malt liquors in quantities of less than 5 wine gallons without incurring liability to special tax as a retail dealer in liquors. A qualified retail dealer in liquors may not sell such liquors in quantities of 5 wine gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in liquors. But no distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales.

"(c) No retail dealer in liquors shall be held to be a wholesale dealer in liquors solely by reason of sales of 5 wine gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

"(d) No wholesale or retail dealer in liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered by the stamp issued to him to denote the payment of the special tax imposed upon such dealers, or on account of the sale of such malt liquor when consummated at the purchaser's residence in consequence of an oral or written standing order to call at such residence."

The amendment was agreed to.

The next amendment was, on page 55, line 8, after the word "amended", to strike out "(26 U. S. C., sec. 205 and sec. 222; U. S. C., Supp. VII, title 26, secs. 1394 (e) (1) and (2), 1394 (f) (1) and (2), 1396 (a), (b), and (c), and 1398 (e) and (f))", and insert "(U. S. C., 1934 ed., title 26, secs. 1394 (d), 1394 (e) (1) and (2), 1396, and 1398 (d) and (e))"; on page 56, line 3, after the word "liability", to insert "to special tax"; in line 6, after the word "tax", to strike out "applicable to the" and insert "as a"; on page 58, line 9, after the word "such", to strike out "dealers" and insert "dealers, or on account of the sale of such malt liquor when consummated at the purchaser's residence in consequence of an oral or written standing order to call at such residence"; and after line 12, to insert:

(g) Notwithstanding the foregoing provisions of this section, each person selling fermented malt liquor to the members, guests, or patrons of bona fide fairs, reunions, picnics, carnivals, or other similar outings, for a period of not more than 30 days once in each fiscal year, and not otherwise engaged in business as a dealer in malt liquors, shall pay, before such sales are made and in lieu of the special tax imposed by subdivision (a) of this paragraph, a special tax of $2 as a retail dealer in malt liquors.

So as to make the section read:

SEC. 324. Paragraph "Fifth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1394 (d), 1394 (e) (1) and (2), 1396, and 1398 (d) and (e)), is amended to read as follows:

"Fifth. (a) Retail dealers in malt liquors shall pay a special tax of $20. Every person who sells, or offers for sale, malt liquors in less quantities than 5 gallons to the same person at the same time, and does not deal in distilled spirits or wines, shall be regarded as a retail dealer in malt liquors.

"(b) Wholesale dealers in malt liquors shall pay a special tax of $50. Every person who sells, or offers for sale, malt liquors in quantities of 5 gallons or more, to the same person at the same time, and who does not deal in distilled spirits or wines at wholesale, shall be regarded as a wholesale dealer in malt liquors. A qualified wholesale dealer in malt liquors may not sell such liquors in quantities of less than 5 gallons without incurring liability to special tax as a retail dealer in malt liquors. A qualified retail dealer in malt liquors may not sell such liquors in quantities of 5 gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in malt liquors: *Provided*, That no brewer shall be obliged to pay special tax as a dealer by reason of selling in the original stamped hogsheads, barrels, or kegs, whether at the place of manufacture or elsewhere, malt liquors manufactured by him or purchased and procured by him in his own hogsheads, barrels, or kegs, under the provisions of section 3349 of the Revised Statutes, as amended, but the quantity of malt liquors so purchased shall be included in calculating the liability to brewers' special tax of both the brewer who manufactures and sells the same and the brewer who purchases the same.

"(c) No collection of special tax as a retail dealer in malt liquors shall be made from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrel packages.

"(d) No special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than 20 wine gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm. Nor shall the special tax of a wholesale dealer in liquors or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors. Section 3319 of the Revised Statutes shall not be held to prohibit a rectifier or liquor dealer from purchasing, in quantities greater than 20 wine gallons the distilled spirits sold in one parcel as aforesaid.

"(e) No retail dealer in malt liquors shall be held to be a wholesale dealer in malt liquors solely by reason of sales of 5 gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

"(f) No wholesale or retail dealer in malt liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered by the stamp issued to him to denote the payment of the special tax imposed upon such dealers, or on account of the sale of such malt liquor when consummated at the purchaser's residence in consequence of an oral or written standing order to call at such residence.

"(g) Notwithstanding the foregoing provisions of this section, each person selling fermented malt liquor to the members, guests, or patrons of bona fide fairs, reunions, picnics, carnivals, or other similar outings, for a period of not more than 30 days once in each fiscal year, and not otherwise engaged in business as a dealer in malt liquors, shall pay, before such sales are made and in lieu of the special tax imposed by subdivision (a) of this paragraph, a special tax of $2 as a retail dealer in malt liquors."

The amendment was agreed to.

The next amendment was, on page 58, line 23, after the words "Revised Statutes", to strike out "(26 U. S. C., secs. 1181, 1182; U. S. C., Supp. VII, title 26, sec. 1441)" and insert "(U. S. C., 1934 ed., title 26, sec. 1441)", so as to make the section read:

SEC. 325. Section 3450 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1441) is hereby reenacted and amended by striking out "fine or penalty of not more than $500" appearing at the end of the second sentence thereof, and inserting in lieu thereof the words "fine of not more than $5,000 or be imprisoned for not more than 3 years or both."

The amendment was agreed to.

The next amendment was, on page 59, after line 7, to strike out:

The Secretary of the Treasury may, under such regulations as may be prescribed by him, redeem any stamps issued under this act. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this provision.

And, after line 13, to insert:

The Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, may issue new stamps in exchange for any unused stamps issued under this act that have been spoiled by fire or water, or rendered useless by erroneous overprinting or cutting; or may refund the value of any unused stamps for which the lawful owner has no use due to the discontinuance or transfer of his business: *Provided*, That stamps may be exchanged, or the value thereof refunded, only in quantities of the value of $5 or more: *And provided further*, That no claim for the exchange of such stamps or refund therefor shall be allowed unless presented within 1 year after the date on which such stamps were purchased, or, in the case of any such stamps so spoiled or rendered useless or for which the lawful owner had no use due to the discontinuance or transfer of his business prior to the date of the enactment of the Liquor Tax Administration Act, within 1 year after such date. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this paragraph.

So as to make the section read:

SEC. 326. Section 203 of the Liquor Taxing Act of 1934 is amended by adding a new paragraph at the end thereof, as follows:

"The Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, may issue new stamps in exchange for any unused stamps issued under this act that have been spoiled by fire or water, or rendered useless by erroneous overprinting or cutting; or may refund the value of any unused stamps for which the lawful owner has no use due to the

discontinuance or transfer of his business: *Provided*, That stamps may be exchanged, or the value thereof refunded, only in quantities of the value of $5 or more: *And provided further*, That no claim for the exchange of such stamps or refund therefor shall be allowed unless presented within 1 year after the date on which such stamps were purchased, or, in the case of any such stamps so spoiled or rendered useless or for which the lawful owner had no use due to the discontinuance or transfer of his business prior to the date of the enactment of the Liquor Tax Administration Act, within 1 year after such date. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this paragraph."

The amendment was agreed to.

The next amendment was, on page 60, line 15, after the word "which", to strike out "has become unsalable" and insert "became unsalable between March 22, 1933, and the date of the enactment of this act,"; in line 22, after the figures "1933" and the comma, to insert "and prior to the date of the enactment of this act"; in line 24, after the word "house" and the comma, to insert "except in the process of destruction or for return to the brewery,"; on page 61, line 3, after the word "Revenue", to insert a comma and "or was returned from such bottling house to the brewery in which made for use therein as brewing material. No such claim shall be allowed unless filed within 90 days after the date of the enactment of this act"; after line 7, to strike out:

(b) No such claim shall be allowed unless filed within 90 days after such destruction or, in the case of any beer, lager beer, ale, porter, or other similar fermented malt liquor so destroyed before the date of the enactment of this act, within 90 days after such date.

And after line 12, to insert:

(b) The Commissioner of Internal Revenue is authorized and directed to make a survey for the purpose of determining whether, consistently with the protection of the revenue, refunds or credits for taxes may be made or allowed with respect to brewery bottling house, brewery and other losses of beer, lager beer, ale, porter, or other similar fermented malt liquor which has been fully tax-paid. If the Commissioner of Internal Revenue shall find, after such a survey, that such refunds or credits may be made or allowed consistently with the protection of the revenue, he shall issue regulations, subject to the approval of the Secretary of the Treasury, under which such refunds or credits may be made or allowed with respect to such losses of beer, lager beer, ale, porter, or other similar fermented malt liquor as the Commissioner finds are not excessive or unreasonable, upon the filing of a claim therefor by the brewer and proof by him to the satisfaction of the Commissioner of Internal Revenue (1) that such beer, lager beer, ale, porter, or other similar fermented malt liquor was fully tax-paid; (2) that the loss occurred in the brewery bottling house or brewery or elsewhere as the Commissioner may determine by regulations, subject to the approval of the Secretary of the Treasury; (3) that such loss was due to imperfect filling or capping, spoilage, leakage, breakage, or wastage; (4) that such loss was not due to carelessness, negligence, fraud, connivance, or collusion on the part of the brewer; and (5) that such loss was not excessive or unreasonable. No claim under this subsection shall be allowed unless filed within 60 days after the last day of the month in which such loss occurred.

So as to make the section read:

SEC. 327. (a) The Commissioner of Internal Revenue shall make refund, or in lieu thereof, if he so elects, allow credit to a brewer in the amount of tax paid by such brewer on any beer, lager beer, ale, porter, or other similar fermented malt liquor manufactured by such brewer which became unsalable between March 22, 1933, and the date of the enactment of this act, by reason of its condition, upon the filing of a claim therefor by the brewer and proof by him to the satisfaction of the Commissioner that such beer, lager beer, ale, porter, or other similar fermented malt liquor (1) was fully tax-paid, (2) was lawfully removed from his brewery to his bottling house on or after March 22, 1933, and prior to the date of the enactment of this act, (3) never was removed from such bottling house, except in the process of destruction or for return to the brewery, (4) had become unsalable without fraud, connivance, or collusion on his part, and (5) was destroyed by him in such bottling house in the presence of a representative of the Bureau of Internal Revenue, or was returned from such bottling house to the brewery in which made for use therein as brewing material. No such claim shall be allowed unless filed within 90 days after the date of the enactment of this act.

(b) The Commissioner of Internal Revenue is authorized and directed to make a survey for the purpose of determining whether, consistently with the protection of the revenue, refunds or credits for taxes may be made or allowed with respect to brewery bottling house, brewery and other losses of beer, lager beer, ale, porter, or other similar fermented malt liquor which has been fully tax-paid. If the Commissioner of Internal Revenue shall find, after such a survey, that such refunds or credits may be made or allowed consistently with the protection of the revenue, he shall issue regulations, subject to the approval of the Secretary of the Treasury, under which such refunds or credits may be made or allowed with respect to such losses of beer, lager beer, ale, porter, or other similar fermented malt liquor as the Commissioner finds are not excessive or unreasonable, upon the filing of a claim therefor by the brewer and proof by him to the satisfaction of the Commissioner of Internal Revenue (1) that such beer, lager beer, ale, porter, or other similar fermented malt liquor was fully tax-paid; (2) that the loss occurred in the brewery bottling house or brewery or elsewhere as the Commissioner may determine by regulations, subject to the approval of the Secretary of the Treasury; (3) that such loss was due to imperfect filling or capping, spoilage, leakage, breakage, or wastage; (4) that such loss was not due to carelessness, negligence, fraud, connivance, or collusion on the part of the brewer; and (5) that such loss was not excessive or unreasonable. No claim under this subsection shall be allowed unless filed within 60 days after the last day of the month in which such loss occurred.

(c) The Commissioner is authorized to issue to the brewer to whom a credit is allowed pursuant to this section stamps in an amount equal to such credit, for use by him in the payment of the tax upon beer, lager beer, ale, porter, or other similar fermented malt liquor manufactured by him.

(d) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 63, line 2, after the word "amended", to strike out "(26 U. S. C. 225; Supp. VII, title 26, sec. 1394 (h), (i), and (j))" and insert "(U. S. C., 1934 ed., title 26, sec. 1394 (g), (h), and (i))"; in line 6, after the word "winemakers", to insert "who have qualified as such under the internal-revenue laws and regulations, and", so as to make the section read:

SEC. 328. Section 3246 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1394 (g), (h), and (i)), is amended to read as follows:

"SEC. 3246. (a) Nothing in this chapter shall be construed to impose a special tax upon winemakers who have qualified as such under the internal-revenue laws and regulations, and who sell wines of their own production where the same are made or at the general business office of such winemaker: *Provided*, That no winemaker shall have more than one place of business for the sale of such wine that shall be exempt from the special tax.

"(b) No special tax shall be imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines unfit for use for beverage purposes.

"(c) No special tax shall be imposed upon manufacturing chemists or flavoring-extract manufacturers for recovering tax-paid alcohol or spirituous liquors from dregs or marc of percolation, or extraction, if such recovered alcohol or spirituous liquors be again used in the manufacture of medicines or flavoring extracts of the kind in the production of which originally used."

The amendment was agreed to.

The next amendment was, on page 63, after line 23, to insert:

SEC. 329. (a) Section 3 of title III of the National Prohibition Act, as amended (U. S. C., 1934 ed., title 27, sec. 73; U. S. C., 1934 ed., Supp. I, title 27, sec. 73), is amended by adding at the end thereof the following new sentence: "Permanent tanks and other structures located on the industrial alcohol plant premises and approved by the Commissioner, shall be deemed to be warehouses within the meaning of this section."

On page 64, line 7, before the word "The", to insert "(b)"; in the same line, after the word "section", to strike out "eleven of title" and insert "11 of Title"; and after line 13 to insert:

(c) Title III of the National Prohibition Act, as amended, and all provisions of the internal-revenue laws relating to the enforcement thereof, are hereby extended to and made applicable to Puerto Rico and the Virgin Islands from and after August 27, 1935. The respective insular governments shall advance to the Treasury of the United States such funds as may be required from time to time by the Secretary of the Treasury for the purpose of defraying all expenses incurred by the Treasury Department in connection with the enforcement in Puerto Rico and the Virgin Islands of the said title III and regulations promulgated thereunder. The funds so advanced shall be deposited in a separate trust fund in the Treasury of the United States and shall be available to the Treasury Department for the purposes of this subsection.

So as to make the section read:

SEC. 329. (a) Section 3 of title III of the National Prohibition Act, as amended (U. S. C., 1934 ed., title 27, sec. 73; U. S. C., 1934 ed., supp. I, title 27, sec. 73), is amended by adding at the end thereof the following new sentence: "Permanent tanks and other

structures located on the industrial-alcohol plant premises and approved by the Commissioner shall be deemed to be warehouses within the meaning of this section."

(b) The third paragraph of section 11 of title III of the National Prohibition Act, as amended and supplemented, is amended by inserting after the word "sanatorium" a comma and the following: "or for the use of any clinic operated for charity and not for profit, including use in the compounding of bona fide medicines for treatment outside of such clinics of patients thereof, but not for sale."

(c) Title III of the National Prohibition Act, as amended, and all provisions of the internal-revenue laws relating to the enforcement thereof, are hereby extended to and made applicable to Puerto Rico and the Virgin Islands from and after August 27, 1935. The respective insular governments shall advance to the Treasury of the United States such funds as may be required from time to time by the Secretary of the Treasury for the purpose of defraying all expenses incurred by the Treasury Department in connection with the enforcement in Puerto Rico and the Virgin Islands of the said title III and regulations promulgated thereunder. The funds so advanced shall be deposited in a separate trust fund in the Treasury of the United States and shall be available to the Treasury Department for the purposes of this subsection.

The amendment was agreed to.

The next amendment was, on page 65, after line 3, to strike out:

SEC. 330. Section 610 of the Revenue Act of 1918, as amended (26 U. S. C. 441; Supp. VII, title 26, sec. 1310), is amended to read as follows:

"SEC. 610. (a) Natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging.

"(b) The product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a storekeeper-gauger, unless such supervision is dispensed with by the Commissioner of Internal Revenue, under the provisions of section 318 of the Liquor Tax Administration Act) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 percent, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 percent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as 'wine', qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety.

"(c) Wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act.

"(d) The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines which are the product of normal alcoholic fermentation of the juice of sound ripe citrus fruit (except lemons and limes) with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging."

And in lieu thereof to insert:

SEC. 330. (a) The last paragraph of section 610 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. I, title 28, sec. 1310 (d)), is amended to read as follows:

"The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, and apple wines which are the products, respectively, of normal alcoholic fermentation of the juice of sound ripe (1) citrus-fruit (except lemons and limes), (2) peaches, (3) cherries, (4) berries, (5) apricots, or (6) apples, with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging."

(b) So much of section 613 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. I, title 26, sec. 1300 (a) (2)), as reads as follows:

"On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, or containing citrus-fruit wine fortified with citrus-fruit brandy, 2½ cents on each one-half pint or fraction thereof;" is amended to read as follows:

"On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, or apple wine, fortified, respectively with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy, 2½ cents on each one-half pint or fraction thereof."

The amendment was agreed to.

The next amendment was, on page 68, line 10, after the word "amended", to strike out "(26 U. S. C., 443; U. S. C., Supp. VII, title 26, sec. 1301)" and insert "(U. S. C., 1934 ed., Supp. I, title 26, sec. 1301)"; in line 14, after the word "such", to strike out "notices, entries, bonds, and other security" and insert "notices and entries"; in line 18, after the word "or", to strike out "special bonded warehouse" and insert "Internal Revenue Bonded Warehouse"; in line 21, after the word "made", and the comma to strike out "and any producer of citrus-fruit wines may similarly withdraw citrus-fruit brandy for the fortification of citrus-fruit wines on the premises where actually made" and insert "and any producer of citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines may similarly withdraw citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy for the fortification, respectively, of citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines, on the premises where actually made"; on page 69, line 9, after the words "citrus-fruit wines" and the comma to insert "peach wines, cherry wines, berry wines, apricot wines, or apple wines", so as to read:

SEC. 331. Section 612 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. I, title 26, sec. 1301), is amended to read as follows:

"SEC. 612. (a) Under such regulations and official supervision and upon the giving of such notices and entries as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or internal-revenue bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made, and any producer of citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines may similarly withdraw citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy for the fortification, respectively, of citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines, on the premises where actually made: *Provided*, That after the date of the enactment of the Liquor Tax Administration Act there shall be levied and assessed against the producer of such wines or citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines (in lieu of the internal-revenue tax now imposed thereon by law)", etc.

The amendments were agreed to.

The next amendment was, on page 69, line 11, after the word "of", to strike out "10" and to insert "20."

Mr. JOHNSON. Mr. President, of course I do not assent to this amendment, and I shall endeavor to have it rejected. May it be passed over?

Mr. KING. It may be passed over.

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

The next amendment was, on page 69, in line 13, after the words "citrus-fruit brandy" and the comma, to insert "peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy,"; in line 16, after the words "citrus-fruit wines", to insert "or peach wines, cherry wines, berry wines, apricot wines, or apple wines"; in line 19, after the word "within", to strike out "12" and to insert in lieu thereof "18", so as to read:

Provided, That after the date of the enactment of the Liquor Tax Administration Act there shall be levied and assessed against the producer of such wines or citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, or apple wines (in lieu of the internal-revenue tax now imposed thereon by law) a tax of 20 cents per proof-gallon of grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy, or wine spirits, whenever withdrawn and so used by him after such date in the fortification of such wines or citrus-fruit wines or peach wines, cherry wines, berry wines, apricot wines, or apple wines during the preceding month, which assessment shall be paid by him within 18 months from the date of notice thereof.

The amendments were agreed to.

The next amendment was, on page 69, in line 20, after the word "thereof", to insert a colon and the following proviso:

Provided, That every producer of wine who withdraws such brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy, or wine spirits shall give

bond to fully cover at all times prior to payment of the assessment the amount of tax due on such brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy, or wine spirits, which bond shall be in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall, by regulations, prescribe.

Mr. KING. Mr. President, the Senator from California has offered an amendment to this amendment, and the amendment of the committee may be passed over. We will recur to this later.

Mr. JOHNSON. Is the Senator referring to the amendment on page 71?

Mr. KING. On page 70, the one the Senator suggested.

The PRESIDENT pro tempore. The Chair understands that the amendment of the Senator from California is to the House text. Is that correct?

Mr. KING. That is correct. Of course, under the unanimous-consent agreement we were not to act on amendments to the text at the time the provision proposed to be amended was reached, but I am not following any technical rule, and when we get through with the amendments which the committee has tendered, then we will recur to this.

Mr. JOHNSON. The same rule will apply to the amendment which has been printed and filed to come at the end of section 331 on page 71?

Mr. KING. Yes.

The PRESIDENT pro tempore. Without objection, the amendment on page 69, line 20, will be passed over, and the clerk will state the next amendment of the committee.

The next amendment was, on page 70, line 9, after the words "citrus-fruit brandy" and the comma, to insert "peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy,"; in line 14, after the words "citrus-fruit wines" and the comma, to insert "peach wines, cherry wines, berry wines, apricot wines, apple wines,"; and in line 18, after the words "citrus-fruit wines" and the comma, to insert "or peach wines, cherry wines, berry wines, apricot wines, apple wines,"; so as to read:

When such wines are sold or removed for the manufacture of vinegar, or the production of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume, the tax under this section on such grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, apple brandy, or wine spirits shall, under such regulations as the Secretary may prescribe, be abated or refunded.

(b) Nothing contained in this section shall be construed as exempting any wines, citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, apple wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

(c) Any such wines, or citrus-fruit wines, or peach wines, cherry wines, berry wines, apricot wines, apple wines, may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume.

(d) The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 percent of alcohol by volume.

The amendment was agreed to.

The next amendment was, on page 71, after line 3, to strike out:

SEC. 332. Section 42 of the act approved October 1, 1890 (26 U. S. C. 445; U. S. C. Supp. VII, title 26, sec. 1302 (a)) as amended, is amended to read as follows:

"SEC. 42. (a) Any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computation for the wine spirits withdrawn to be used in fortifying sweet wines under this act.

"(b) The provisions of this section and section 43 shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit."

And in lieu thereof to insert:

SEC. 332. Section 42 of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes", approved October 1, 1890, as amended (U. S. C., 1934 ed., Supp. I, title 26, sec. 1302), is amended by inserting at the end thereof the following new paragraph:

"The provisions of this section and section 43 shall apply to the use of peach brandy, cherry brandy, berry brandy, apricot brandy, and apple brandy, in the preparation, respectively, of fortified peach wines, cherry wines, berry wines, apricot wines, and apple wines, in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines; except that (1) no brandy other than peach brandy may be used in the fortification of peach wine and peach brandy may not be used for the fortification of any wine other than peach wine, (2) no brandy other than cherry brandy may be used in the fortification of cherry wine and cherry brandy may not be used for the fortification of any wine other than cherry wine, (3) no brandy other that berry brandy may be used in the fortification of berry wine and a berry brandy prepared from one kind of berry may be used for the fortification of a berry wine prepared from another kind of berry or for the fortification of any wine other than berry wine, (4) no brandy other than apricot brandy may be used in the fortification of apricot wine and apricot brandy may not be used for the fortification of any wine other than apricot wine, and (5) no brandy other than apple brandy may be used in the fortification of apple wine and apple brandy may not be used for the fortification of any wine other than apple wine."

The amendment was agreed to.

The next amendment was, on page 73, after line 11, to strike out:

SEC. 333. Section 3255 of the Revised Statutes, as amended (26 U. S. C., 297; Supp. VII, title 26, sec. 1176), is amended to read as follows:

"SEC. 3255. (a) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, apricots, berries, plums, pawpaws, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes) from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon when in his judgment it may seem expedient to do so.

"(b) Where, in the manufacture of wine, or citrus-fruit wine, artificial sweetening has been used, the wine, or the fruit pomace residuum thereof, or the citrus-fruit wine may be used in the distillation of brandy, or citrus-fruit brandy, as the case may be, and such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so.

"(c) The distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 percent pure, such solution to have a saccharine strength of not to exceed 10 percent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

And in lieu thereof to insert:

SEC. 333. The first proviso of section 3255 of the Revised Statutes, as amended (U. S. C., 1934 ed., Supp. I, title 26, sec. 1176), is amended by inserting after "citrus-fruit wine", wherever it appears, the words ", peach wine, cherry wine, berry wine, apricot wine, or apple wine"; and by inserting after "citrus-fruit brandy", the words ", peach brandy, cherry brandy, berry brandy, apricot brandy, or apple brandy."

The amendment was agreed to.

The next amendment was, on page 75, line 2, after the numerals "1918", to strike out "(U. S. C., Supp. VII, sec. 1304)" and insert "(U. S. C., 1934 ed., title 26, sec. 1304)"; in line 6, after the word "produce", to strike out "grape wines and citrus-fruit wines" and insert "grape wines, citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, and apple wines"; and in line 12, after the word "plant" and the period, to strike out: "The alcohol removed from such liquid, if evaporated and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors. Credit shall be allowed on the tax due on any alcohol or brandy so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved", so as to make the section read:

SEC. 334. Section 618 (b) of the Revenue Act of 1918 (U. S. C., 1934 ed., title 26, sec. 1304) is amended to read as follows:

"(b) Under regulations prescribed by the Commissioner with the approval of the Secretary it shall be lawful to produce grape wines, citrus-fruit wines, peach wines, cherry wines, berry wines, apricot

wines, and apple wines on bonded winery premises by the usual method, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises, as distilling material in any fruit-brandy distillery or industrial-alcohol plant."

The amendment was agreed to.

The next amendment was, on page 75, line 21, after the numerals "1918", to strike out "(U. S. C., Supp. VII, sec. 1309)" and insert "(U. S. C., 1934 ed., title 26, sec. 1309)", so as to make the section read:

SEC. 335. Section 620 of the Revenue Act of 1918 (U. S. C., 1934 ed., title 26, sec. 1309) is amended by striking out the following: "or whoever rectifies, mixes, or compounds with distilled spirits any domestic wines, other than in the manufacture of liqueurs, cordials, or similar compounds."

The amendment was agreed to.

The next amendment was, on page 76, after line 14, to insert:

SEC. 338. Section 616 of the Revenue Act of 1918 (U. S. C., 1934 ed., title 26, sec. 1306) is amended by striking out "and shall, prior to sale or removal for consumption, affix to each cask or vessel containing such wine such marks, labels, or stamps as the Commissioner, with the approval of the Secretary, may from time to time prescribe" and inserting in lieu thereof "and shall, prior to sale or removal for consumption, affix to each cask, barrel, bottle, or other immediate container, and to each case or other shipping container, of such wine, such marks, labels, or stamps as the Commissioner, with the approval of the Secretary, may from time to time prescribe as to each."

The amendment was agreed to.

The next amendment was, under the heading "title IV", on page 77, line 3, after the word "amended", to strike out "(26 U. S. C., sec. 525; U. S. C., Supp. VII, title 26, sec. 1336)" and insert "(U. S. C., 1934 ed., title 26, sec. 1336)"; and in line 20, after the name "Treasury", to insert a comma and "which regulations shall not entail additional expense to the taxpayer", so as to make the section read:

TITLE IV

SEC. 401. (a) Section 3354 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, sec. 1336), is amended by striking out "keg, or other vessel" and inserting in lieu thereof "or keg."

(b) Such section 3354 of the Revised Statutes, as amended, is further amended by striking out the first sentence of the second proviso thereof and inserting in lieu thereof the following: *"Provided further,* That the tax imposed by law on fermented liquor shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancelation and defacement, by the officer designated by the Commissioner of Internal Revenue, in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed, or in such other manner as may be prescribed by regulations issued by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, which regulations shall not entail additional expense to the taxpayer."

(c) The Commissioner of Internal Revenue is hereby authorized, with the approval of the Secretary of the Treasury, to make all rules and regulations necessary to carry out the provisions of this section.

The amendment was agreed to.

The next amendment was, at the top of page 78, to strike out:

SEC. 402. (a) All spirits, spirituous liquors, wines, and fermented liquors forfeited, summarily or by order of court, under any law of the United States, shall be delivered to the Secretary of the Treasury to be disposed of as hereinafter provided.

(b) The Secretary of the Treasury shall dispose of all spirits, spirituous liquors, wines, and fermented liquors which have been delivered to him pursuant to subsection (a)—

(1) By delivery to such Government agencies as, in his opinion, have a need for such spirits, spirituous liquors, wines, or fermented liquors for medicinal, scientific, or mechanical purposes; or

(2) By gift to such eleemosynary institutions as, in his opinion, have a need for such spirits, spirituous liquors, wines, or fermented liquors for medicinal purposes; or

(3) By sale. Notwithstanding any other provision of law all such spirits, spirituous liquors, wines, or fermented liquors so sold shall be sold subject to the payment of internal-revenue taxes and duties due thereon; or

(4) By destruction.

(c) No spirits, spirituous liquors, wines, or fermented liquors which have been seized under any law of the United States, may be disposed of in any manner whatsoever except after forfeiture and as provided in this section.

(d) The Secretary of the Treasury is authorized to make all rules and regulations necessary to carry out the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 79, after line 5, to insert:

SEC. 402. Notwithstanding the provisions of section 3182 of the Revised Statutes, or any other law relating to the assessment of taxes, the Commissioner of Internal Revenue may, in his discretion, omit the making of assessments and the authorizing of suits for recovery of taxes on distilled spirits, wine, or fermented liquors, or special occupational taxes required to be paid by persons manufacturing or dealing in distilled spirits, wine, or fermented liquor, whenever after investigation it appears that such taxes, if assessed, would not be collectible in full or in any substantial amount; but in each case of such omission to assess or to authorize suit, a report setting forth the facts as to the uncollectibility of the tax must be filed in the office of the Commissioner of Internal Revenue.

The amendment was agreed to.

The next amendment was, on page 79, after line 19, to strike out:

SEC. 403. (a) Whenever the Secretary of the Treasury finds that there has been instituted, or that process has been issued for the institution of, any proceeding by the United States, based upon a claim arising under the customs or internal revenue laws in connection with an alleged importation or bringing into the United States of distilled spirits, wines, or fermented malt liquors, against any person, whether or not a resident of the United States, and that such person has, or at the date of the enactment of this act had, a substantial interest, direct or indirect, in any plant, establishment, or business outside of the United States for the production, manufacture, rectification, selling, or marketing of distilled spirits, wines, or fermented malt liquors, the Secretary shall publish such information as will, in his judgment, sufficiently identify such person and such plant, establishment, or business, and after such publication no distilled spirits, wines, or fermented malt liquors produced, manufactured, rectified, sold, or marketed by such person, or in which he has any interest, or produced, manufactured, rectified, sold, or marketed in or by any such plant, establishment, or business, shall be imported or brought into the United States unless and until such person submits to the jurisdiction of the court of the United States in which such proceeding has been instituted, or out of which such process has been issued, and, to secure payment of the claim, furnishes to the Secretary of the Treasury such security as he may require, but not in excess of double the amount of the claim, or complies with such other reasonable terms as he may impose.

(b) If any person fraudulently or knowingly imports or brings into the United States any distilled spirits, wines, or fermented malt liquors contrary to the provisions of this section, or any rule or regulation made hereunder, he shall be liable to a penalty in an amount equal to the value of such distilled spirits, wines, or fermented malt liquors which shall, in addition thereto, be subject to seizure and forfeiture. Any penalty or forfeiture incurred under this section may be sued for, prosecuted, and recovered, and shall be treated for all purposes, as a penalty or forfeiture incurred under the customs laws and the imposition of any such penalty or forfeiture shall not be deemed to exclude the imposition of penalties or forfeitures incurred under any other provision of law.

(c) The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 81, after line 15, to insert:

SEC. 403. Section 239 of the Criminal Code (U. S. C., 1934 ed., title 18, sec. 389) is amended to read as follows:

"SEC. 239. Any railroad company, express company, or other common carrier, or any other person who, in connection with the transportation of any spirituous liquor, or vinous, malted, or other fermented liquor, or any compound containing any spirituous liquor, or vinous, malted, or other fermented liquor, fit for use for beverage purposes, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which prohibits the delivery or sale therein of such liquor, or from any foreign country into any such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall collect the purchase price or any part thereof, before, on, or after delivery, from the consignee, or from any other person, or shall in any manner act as the agent of the buyer or seller of any such liquor, for the purpose of buying or selling or completing the sale thereof, saving only in the actual transportation and delivery of the same, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both."

The amendment was agreed to.

The next amendment was, on page 82, after line 13, to insert:

SEC. 404. Section 313 (d) of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1313 (d)) is amended by adding thereto the following:

"Upon the exportation of bottled distilled spirits manufactured or produced in the United States on which an internal-revenue

tax has been paid, there shall be allowed, under regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, a drawback equal in amount to the tax found to have been paid on such bottled distilled spirits: *Provided,* That such distilled spirits have been bottled especially for export, under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury."

Mr. JOHNSON. Mr. President, I call to the attention of the Senator from Utah another amendment, which I think is formal in character, after the words "distilled spirits" on page 82, lines 17, 23, and 24, in each instance, to insert the words "and wine."

Mr. KING. So that it will read how?

Mr. JOHNSON. "Distilled spirits and wine."

The PRESIDENT pro tempore. The clerk will state the amendment proposed by the Senator from California to the committee amendment.

The CHIEF CLERK. On page 82, line 17, after the words "distilled spirits", to insert the words "and wine"; on line 23, after the words "distilled spirits", to insert the words "and wine"; and on line 24, after the words "distilled spirits", to insert the words "and wine."

Mr. KING. Let the amendment be passed over.

The PRESIDENT pro tempore. The amendment will be passed over. The clerk will state the next amendment of the committee.

The next amendment was, on page 83, after line 2, to insert:

SEC. 405. Section 313 (1) (3) of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1313 (1)) is amended by striking therefrom the word "alcohol" and inserting in lieu thereof the words "distilled spirits."

Mr. JOHNSON. On page 83, line 6, after the words "distilled spirits", I move to amend by adding the words "and wine." Will that go over also?

Mr. KING. Let that be passed over.

The PRESIDENT pro tempore. The amendment will be passed over, and the clerk will state the next amendment of the committee.

The next amendment was, on page 83, after line 6, to insert:

SEC. 406. Section 311 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1311) is amended by adding a paragraph at the end thereof, reading as follows:

"Distilled spirits and wines which are rectified in bonded manufacturing warehouses, class 6, and distilled spirits which are reduced in proof and bottled in such warehouses, shall be deemed to have been manufactured within the meaning of this section, and may be withdrawn as hereinbefore provided, and likewise for shipment in bond to Puerto Rico, subject to the provisions of this section, and under such regulations as the Secretary of the Treasury may prescribe, there to be withdrawn for consumption or be rewarehoused and subsequently withdrawn for consumption: *Provided,* That upon withdrawal in Puerto Rico for consumption, the duties imposed by the customs laws of the United States shall be collected on all imported merchandise (in its condition as imported) and imported containers used in the manufacture and putting up of such spirits and wines in such warehouses: *Provided further,* That no internal-revenue tax shall be imposed on distilled spirits and wines rectified in class 6 warehouses if such distilled spirits and wines are exported or shipped in accordance with the provisions of this section, and that no person rectifying distilled spirits or wines in such warehouses shall be subject by reason of such rectification to the payment of special tax as a rectifier."

The amendment was agreed to.

The next amendment was, on page 84, after line 7, to insert:

SEC. 407. Section 51 of the act of August 27, 1894, as amended (U. S. C., 1934 ed., title 26, sec. 1265; U. S. C., 1934 ed., Supp. I, title 26, sec. 1265), is amended to read as follows:

"SEC. 51. The Commissioner of Internal Revenue shall be, and is hereby, authorized, in his discretion, and upon the execution of such bonds as he may prescribe, to establish warehouses, to be known and designated as Internal Revenue bonded warehouses, to be used exclusively for the storage of distilled spirits other than alcohol, each of which warehouses shall be in charge of a storekeeper-gauger to be appointed, assigned, transferred, and paid in the same manner as such officers for distillery warehouses have been appointed, assigned, transferred, and paid prior to the date of enactment of the Liquor Tax Administration Act. Every such warehouse shall be under the control of the district supervisor of the Alcohol Tax Unit district in which such warehouse is located, and shall be in the joint custody of the storekeeper-gauger and proprietor thereof, and kept securely locked, and shall at no time be unlocked or opened or remain open except in the presence of such storekeeper-gauger or other person who may be designated to act for him. No dwelling house shall be used for such a warehouse, and no door, window, or other opening shall be made or permitted in the walls of such warehouse leading into a distillery. Such warehouses shall be under such further regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe."

The amendment was agreed to.

The next amendment was, on page 85, after line 10, to insert:

SEC. 408. (a) Section 3271 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1225) is repealed: *Provided, however,* That the repeal of said section shall not relieve any distiller of liability for any taxes or penalties arising out of the use of, or storage of distilled spirits in, a distillery warehouse authorized, approved, or maintained under such section 3271 of the Revised Statutes.

(b) All distillery, general, and special bonded warehouses heretofore established according to law and on the date of the enactment of this act actually being lawfully used for the storage of distilled spirits (other than alcohol) on which the tax has not been paid shall be designated as Internal Revenue bonded warehouses, and, upon the filing of such new bonds, or the consents of sureties on such existing bonds, covering spirits in such distillery, general, or special bonded warehouses, as the Commissioner shall consider adequate to insure the payment of taxes due to the United States, may be used under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, for the storage of distilled spirits (other than alcohol) heretofore or hereafter produced.

The amendment was agreed to.

The next amendment was, on page 86, after line 7, to insert:

SEC. 409. The distinction between distillery bonded warehouses, general bonded warehouses, and special bonded warehouses is hereby removed, and any warehouse for the storage of distilled spirits (other than alcohol) prior to tax payments, shall be operated as an Internal Revenue bonded warehouse. The establishment, construction, maintenance, and supervision of Internal Revenue bonded warehouses shall be under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

The amendment was agreed to.

The next amendment was, on page 86, after line 17, to insert:

SEC. 410. Internal Revenue bonded warehouses established under authority of law shall be exempt from the provisions of those sections of law which, prior to the date of enactment of this act have made distinctions between distillery bonded warehouses, general bonded warehouses, and special bonded warehouses, as to (1) kind of spirits to be stored therein; (2) ownership or production of distilled spirits to be stored therein; (3) ownership or proprietorship of such warehouses; (4) location and construction of such bonded warehouses; (5) entry of distilled spirits therein; (6) withdrawal of distilled spirits therefrom; (7) transfers of distilled spirits to or from one or more of such classes of bonded warehouses; or (8) any other matter; it being hereby declared to be the purpose of the amendment to section 51 of the act of August 27, 1894, made by section 407 hereof, to establish the Internal Revenue bonded warehouse as the sole type and kind of bonded warehouses under the internal-revenue laws for the storage of distilled spirits (other than alcohol) on which the tax has not been paid.

The amendment was agreed to.

The next amendment was, on page 87, after line 11, to insert:

SEC. 411. Section 3296 of the Revised Statutes (U. S. C., 1934 ed., title 26, sec. 1287) is amended to read as follows:

"SEC. 3296. Whenever any person removes, or aids or abets in the removal of, any distilled spirits on which the tax has not been paid, to a place other than the Internal Revenue bonded warehouse provided by law, or conceals or aids in the concealment of any spirits so removed, or removes, or aids or abets in the removal of, any distilled spirits from any such warehouse authorized by law, in any manner other than is provided by law, or conceals or aids in the concealment of any spirits so removed, he shall be liable to a penalty of double the tax imposed on such distilled spirits so removed or concealed, and shall be fined not less than $200 nor more than $5,000, and imprisoned not less than 3 months nor more than 3 years."

The amendment was agreed to.

The next amendment was, on page 88, after line 2, to insert:

SEC. 412. Under rules and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, distillers may collect in locked tanks distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil (heads and tails) removed in the

course of distillation. Such distillates containing one-half of 1 percent or more of aldehydes or more than 1 percent of fusel oil so collected may be removed for denaturation, under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, or destroyed in the manner prescribed by the Commissioner of Internal Revenue, under the supervision of an internal-revenue officer to be designated by the Commissioner, and when so denatured or destroyed shall not be subject to the tax imposed by law upon distilled spirits.

The amendment was agreed to.

The next amendment was, on page 88, after line 18, to insert:

SEC. 413. Section 3318 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 26, secs. 1208 and 1209), is further amended to read as follows:

"SEC. 3318. Every rectifier and wholesale liquor dealer shall keep daily, at his place of business covered by his special tax stamp, a record of distilled spirits received and disposed of by him, and shall render under oath correct transcripts and summaries of such records: *Provided*, That the Commissioner may in his discretion require such record to be kept at the place where the spirits are actually received and sent out. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

"The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for such period of time as the Commissioner, with the approval of the Secretary of the Treasury, shall prescribe, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal-revenue officer.

"Every rectifier and wholesale liquor dealer who refuses or neglects to keep such records in the form prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purpose of correcting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal-revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this act or by regulations issued pursuant thereto, shall pay a penalty of $100, and, on conviction, shall be fined not less than $100 nor more than $5,000, and be imprisoned not less than 3 months nor more than 3 years.

"Every rectifier and wholesale liquor dealer who refuses or neglects to render transcripts or summaries in the form required by the Commissioner, with the approval of the Secretary, shall, upon conviction, be fined not more than $100 for each such neglect or refusal."

The amendment was agreed to.

The next amendment was, on page 90, after line 10, to insert:

SEC. 414. Section 62 of the act of August 27, 1894 (U. S. C., 1934 ed., title 26, sec. 1210), is amended to read as follows:

"SEC. 62. No distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale liquor dealer on account of such sales: *Provided*, That every distiller shall keep daily a record of such distilled spirits disposed of by him, and shall render under oath correct transcripts and summaries of such records. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

"The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for such period of time as the Commissioner, with the approval of the Secretary of the Treasury, shall prescribe, and during such period shall at all times be available, during business hours, for inspection and the taking of abstracts therefrom by the Commissioner or any internal-revenue officer.

"Every distiller who refuses or neglects to keep such records in the form prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purpose of correcting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal-revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this act or by regulations issued pursuant thereto, shall pay a penalty of $100 and, on conviction, shall be fined not less than $100 nor more than $5,000, and be imprisoned not less than 3 months nor more than 3 years.

"Every distiller who refuses or neglects to render the transcripts or summaries in the form as required by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall, upon conviction, be fined not more than $100 for each such neglect or refusal."

The amendment was agreed to.

The next amendment was, on page 92, after line 5, to insert:

SEC. 415. All internal-revenue laws of the United States in regard to the manufacture and taxation of, and traffic in, distilled spirits, wines, and malt liquors, and all penalties for violations of such laws, that were in force at the time the National Prohibition Act was enacted, shall be and continue in force, except as they have been repealed or amended by acts other than (1) Title II of the National Prohibition Act, as amended and supplemented, and (2) section 1 of the Liquor Law Repeal and Enforcement Act, and except as they may be modified by, or may be inconsistent with, this act.

SEC. 416. Except as provided in section 329 of this act, nothing contained in this act shall be construed as restricting or limiting the provisions of title III of the National Prohibition Act, as amended.

The amendment was agreed to.

The next amendment was, on page 92, after line 19, to insert:

TITLE V

SECTION 501. (a) The Federal Alcohol Administration created as a division in the Treasury Department by section 2 (a) of the Federal Alcohol Administration Act, approved August 29, 1935 (Public, No. 401, 74th Cong.), is hereby made an independent establishment of the Government. The office of Administrator of the Federal Alcohol Administration is abolished, and hereafter the Federal Alcohol Administration shall be composed of three members, appointed as provided in section 502 of this title.

(b) All rights, privileges, powers, and duties conferred or imposed upon the Administrator of the Federal Alcohol Administration are conferred and imposed upon the Federal Alcohol Administration. All papers, records, and property of the Administrator and the Federal Alcohol Administration, as a division of the Treasury Department, are transferred to the Federal Alcohol Administration as an independent establishment of the Government.

(c) The Federal Alcohol Administration is authorized, without regard to the civil-service laws, to appoint such attorneys and experts, and, subject to the civil-service laws, to appoint such other officers and employees as it deems necessary to carry out its powers and duties; and the compensation of all such attorneys, experts, and other officers and employees shall be fixed in accordance with the Classification Act of 1923, as amended. All officers and employees appointed by the administrator and engaged in carrying out his powers and duties shall be officers and employees of the Federal Alcohol Administration: *Provided*, That no such officer or employee who does not already possess a competitive classified civil-service status shall thereby acquire such status, except upon recommendation by the Federal Alcohol Administration to the Civil Service Commission, subject to such noncompetitive tests of fitness as the Commission may prescribe; and no such officer or employee, except attorneys and experts, may be retained in the Federal Alcohol Administration without appropriate civil-service status for a period longer than 60 days from the effective date of this section.

(d) All provisions of law applicable to the Administrator shall be applicable in the same manner and to the same extent to the Federal Alcohol Administration.

The amendment was agreed to.

The next amendment was, on page 94, after line 11, to insert:

SEC. 502. (a) The members of the Federal Alcohol Administration shall be appointed by the President, by and with the advice and consent of the Senate. Not more than two members of the Administration shall be members of the same political party. The terms of office of the members first taking office shall expire, as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, and one at the end of the third year after the date of the enactment of this act. A successor shall have a term of office expiring 3 years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy occurring prior to the expiration of such term shall be appointed for the remainder of such term. No person shall be eligible for appointment or continue in office as a member if he is engaged or financially interested in, or is an officer or director of or employed by a company engaged in, the production or sale or other distribution of alcoholic beverages or the financing thereof. Each member shall, for his services, receive compensation at the rate of $8,000 per annum, together with actual and necessary traveling and subsistence expenses while engaged in the performance of his duties as member outside the District of Columbia.

(b) One of the members shall be designated by the President annually as chairman and shall be the chief executive officer of the Administration; one of the members shall be designated by the President annually as vice chairman of the Administration and

shall perform the functions and duties of the chairman in his absence or in the event of his incapacity caused by illness; and one of the members, who shall be a lawyer, shall be designated by the President as general counsel of the Administration. The Administration may function notwithstanding vacancies, and a majority of the members in office shall constitute a quorum. The Administration shall meet at the call of the chairman or a majority of its members. The Administration is authorized to adopt an official seal, which shall be judicially noticed. The Administration shall be entitled to free use of the United States mails in the same manner as the executive departments.

(c) The Administration is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its powers and duties.

Mr. MALONEY. Mr. President, I offer an amendment to the committee amendment, on page 95, line 6, to strike out "$8,000" and insert in lieu thereof "$10,000", so as to read:

Each member shall, for his services, receive compensation at the rate of $10,000 per annum, together with actual and necessary traveling and subsistence expenses while engaged in the performance of his duties as member outside the District of Columbia.

Mr. GEORGE. I may say that I hope the Senator from Utah will let that amendment to the committee amendment go to conference, because unless the provision for $10,000 is inserted the conferees might have no leeway. I hope the Senator will accept the amendment to the committee amendment.

Mr. KING. Mr. President, I may say that the committee, after considering the subject involved in the proposed amendment to the committee amendment, rejected it and insisted upon the amount which is placed in the bill, namely, $8,000 per annum. However, when a member of the committee urges that an amendment changing the compensation go to conference I am tempted to permit it to do so, though I dislike to take such action.

Mr. GEORGE. Mr. President, the reason for my request is that since this particular provision is not contained in the House bill at all, if the bill should be passed providing for $8,000 there is some question whether the conferees could increase the amount. I suggested that the amendment now proposed go to conference so that the conferees may have the privilege of increasing the compensation fixed by the committee amendment.

Mr. KING. I shall allow the amendment to go to conference, Mr. President, but I give notice to the Senator and those who are proponents of this increase that if I happen to be one of the conferees I shall call attention to the fact that the committee, after full consideration, agreed upon $8,000.

Mr. CLARK. It was unanimously agreed to.

Mr. KING. Yes, Mr. President; it was unanimously agreed to.

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment proposed by the Senator from Connecticut, on page 95, line 6, is agreed to.

Mr. GEORGE. I desire to offer as an amendment to the committee amendment on page 95, line 11, after the word "annually", to insert "at the beginning of the calendar year."

Mr. KING. I have no objection to that, Mr. President.

Mr. GEORGE. Mr. President, that same amendment should be made after the word "annually" on the same page, line 13.

Mr. KING. I have no objection.

Mr. GEORGE. And the same amendment should be made to the committee amendment wherever the word "annually" appears in connection with the appointment of the members of the board in this particular section. I propose to insert after the word "annually" the words "at the beginning of the calendar year."

Mr. KING. I suggest that the Senator, before the bill leaves the Senate, confer with the clerk to see that the proposed amendments to the committee amendment are placed in the appropriate places.

The PRESIDENT pro tempore. Without objection, the amendments offered by the Senator from Georgia to the committee amendment on page 95 are agreed to.

The committee amendment as amended was agreed to, as follows:

SEC. 502. (a) The members of the Federal Alcohol Administration shall be appointed by the President, by and with the advice and consent of the Senate. Not more than two members of the Administration shall be members of the same political party. The terms of office of the members first taking office shall expire, as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, and one at the end of the third year after the date of the enactment of this act. A successor shall have a term of office expiring 3 years from the date of expiration of the term for which his predecessor was appointed, except that a person appointed to fill a vacancy occurring prior to the expiration of such term shall be appointed for the remainder of such term. No person shall be eligible for appointment or continue in office as a member if he is engaged or financially interested in, or is an officer or director of or employed by a company engaged in, the production or sale or other distribution of alcoholic beverages or the financing thereof. Each member shall, for his services, receive compensation at the rate of $8,000 per annum, together with actual and necessary traveling and subsistence expenses while engaged in the performance of his duties as member outside the District of Columbia.

(b) One of the members shall be designated by the President annually at the beginning of the calendar year as chairman and shall be the chief executive officer of the Administration; one of the members shall be designated by the President annually at the beginning of the calendar year as vice chairman of the Administration and shall perform the functions and duties of the chairman in his absence or in the event of his incapacity caused by illness; and one of the members, who shall be a lawyer, shall be designated by the President as general counsel of the Administration. The Administration may function notwithstanding vacancies, and a majority of the members in office shall constitute a quorum. The Administration shall meet at the call of the chairman or a majority of its members. The Administration is authorized to adopt an official seal, which shall be judicially noticed. The Administration shall be entitled to free use of the United States mails in the same manner as the executive departments.

(c) The Administration is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its powers and duties.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 96, after line 3, to insert:

SEC. 503. (a) Sections 2 (b), 2 (c), and 2 (d) of the Federal Alcohol Administration Act are hereby repealed. All rules, regulations, orders, permits, and certificates, prescribed or issued by the Administrator and in full force and effect on the effective date of this section, shall continue in full force and effect until duly modified, superseded, or revoked.

(b) All proceedings, hearings, investigations, or other matters pending before, or being carried on by, the Administrator shall be continued and brought to determination by the Administration.

(c) No suit, action, or other proceeding lawfully commenced by or against any agency or officer of the United States shall abate by reason of the transfer of rights, privileges, powers, and duties, or the abolition of the office of Administrator, under the provisions of this title.

The amendment was agreed to.

The next amendment was, on page 96, after line 19, to insert:

SEC. 504. The unexpended balances of appropriations available for salaries and expenses of the Federal Alcohol Administration, as a division of the Treasury Department, shall be available for salaries and expenses of the Federal Alcohol Administration, as an independent establishment of the Government, including the salaries and expenses of the members of the Federal Alcohol Administration.

The amendment was agreed to.

The next amendment was, on page 97, after line 2, to insert:

SEC. 505. The third paragraph of section 5 (e) of the Federal Alcohol Administration Act is hereby amended to read as follows:

"In order to prevent the sale or shipment or other introduction of distilled spirits, wine, or malt beverages in interstate or foreign commerce, if bottled, packaged, or labeled in violation of the requirements of this subsection, (1) no bottler of distilled spirits, no producer, blender, or wholesaler of wine, or proprietor of a bonded wine storeroom, and no brewer or wholesaler of malt beverages shall bottle, and (2) no person shall remove from customs custody, in bottles, for sale or any other commercial purpose, distilled spirits, wine, or malt beverages, respectively, after such date as the Administrator fixes as the earliest practicable date for the application of the provisions of this subsection to any class of

such persons (but not later than Aug. 15, 1936, in the case of distilled spirits, and Dec. 15, 1936, in the case of wine and malt beverages, and only after 30 days' public notice), unless, upon application to the Administrator, he has obtained and has in his possession a certificate of label approval covering the distilled spirits, wine, or malt beverages, issued by the Administrator in such manner and form as he shall by regulations prescribe: *Provided,* That any such bottler of distilled spirits, or producer, blender, or wholesaler of wine, or proprietor of a bonded wine storeroom, or brewer or wholesaler of malt beverages shall be exempt from the requirements of this subsection if, upon application to the Administrator, he shows to the satisfaction of the Administrator that the distilled spirits, wine, or malt beverages to be bottled by the applicant are not to be sold, or offered for sale, or shipped or delivered for shipment, or otherwise introduced, in interstate or foreign commerce. Officers of internal revenue are authorized and directed to withhold the release of distilled spirits from the bottling plant unless such certificates have been obtained, or unless the application of the bottler for exemption has been granted by the Administrator; and customs officers are authorized and directed to withhold the release from customs custody of distilled spirits, wine, and malt beverages, unless such certificates have been obtained. The district courts of the United States, the Supreme Court of the District of Columbia, and the United States court for any Territory shall have jurisdiction of suits to enjoin, annul, or suspend in whole or in part any final action by the Administrator upon any application under this subsection; or."

The amendment was agreed to.

The next amendment was, at the top of page 99, to insert:

SEC. 506. This title, except sections 502 and 505, shall take effect when a majority of the members of the Federal Alcohol Administration first appointed under the provisions of section 502 qualify and take office.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. CLARK in the chair). That completes the committee amendments.

Mr. JOHNSON. Mr. President, on behalf of my colleague [Mr. McADOO] and myself I offer an amendment, which has been printed, and which proposes, on page 49, between lines 17 and 18, to insert the following——

Mr. KING. I understood the Senator to say that the amendment has been printed.

Mr. JOHNSON. Yes; it has been printed, but I have a slight addition to it. The amendments we propose to offer, however, have been printed since the bill was reported on Tuesday last.

Mr. KING. I have had no opportunity to examine the amendment in question, and if I can get a copy I shall be very glad to examine it.

Mr. JOHNSON. This is one of the amendments we submitted to the Senator from Utah.

Mr. KING. I now have the copy of the amendment that was furnished me by the junior Senator from California.

Mr. JOHNSON. We furnished them to the Printing Office at the time the bill was reported.

On page 49, between lines 17 and 18, we ask to insert the following in lieu of the internal-revenue tax rates now by law provided, to wit:

On wines containing more than 14 percent and not exceeding 21 percent of absolute alcohol, 10 cents per wine gallon;

On wines containing more than 21 percent and not exceeding 24 percent of absolute alcohol, 20 cents per wine gallon.

Section 613 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1300 (a) (2)), is amended in part to read as follows:

I call the attention of the Senator to the fact that that is the formal language contained in the tax bills—

SEC. 613. (a) Upon the following articles which are produced in or imported into the United States, after the date of the enactment of this amendatory section, or which on the day after such date are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 2½ cents on each one-half pint or fraction thereof.

On each bottle or other container of artificially carbonated wine, 1¼ cents on each one-half pint or fraction thereof.

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy or containing citrus-fruit wine fortified with citrus-fruit brandy, 1¼ cents on each one-half pint or fraction thereof.

Mr. KING. I should like to make an inquiry of the Senator. I notice in the tendered amendment the following language:

Upon the following articles which are produced in or imported into the United States.

Does not that deal with revenue, and would it not be properly presentable, if presentable at all, before the Finance Committee in a revenue bill rather than in a bill of this character?

Mr. JOHNSON. What does the Senator call the pending bill?

Mr. KING. It is a codification of existing laws.

Mr. JOHNSON. Yes; but it is a bill dealing with the taxing power and levying rates of taxation, so I think the point would not lie that an amendment of this sort must be presented in the House.

Mr. KING. The bill deals with administrative measures, not with the taxing power at all. It is an administrative rather than a revenue measure.

Mr. JOHNSON. The bill, however, fixes rates and deals with taxation, and, inasmuch as it comes to us here in that form, it may be amended. It comes from the House with rates of taxation fixed. The Senate has not hesitated for an instant to change those rates when it thought it ought to do so. It has done so in one of the important parts that we shall reach in a few moments, and the point that we are dealing with a revenue measure, which ought to originate in the House—which I imagine is the point of the Senator from Utah—is wholly inapplicable under those circumstances.

Mr. KING. If I may make another inquiry, has the Senator examined the treaty or the trade agreement recently entered into between France and the United States to determine whether or not his amendment in any manner contravenes it?

Mr. JOHNSON. It does not. That is one of the things which ought to interest all of us. The reciprocal-trade agreement reduces the import tax or duty—the tariff, if you desire to call it so—one-half upon sparkling wines and upon champagnes. We touch only the internal-revenue duty which deals with our wines, by reducing the tax or the internal revenue one-half, as well. It would not seem inappropriate if by a reciprocal-trade agreement we have reduced the tariff rate by one-half, that we be permitted to reduce the internal-revenue tax by one-half, as well.

The proposed amendment contains two separate matters. The first is in the provision referring to wines of 14 percent and not exceeding 21 percent of alcohol, and the second in the provision referring to wines containing 21 percent and not exceeding 24 percent of absolute alcohol. The amendment provides the rates which have been fixed by the House in a bill which has passed the House, and which rests at present in the files of the Senate. In House bill No. 191, rates were fixed upon light wines and upon sweet wines. In the Senate bill, as I understand, the rates were fixed as the Senate committee saw fit upon light wines, and the sweet wines were not touched, but were left as in the existing law which was passed long ago.

We seek by the amendment, sir, to take care of the sweet wines with the alcoholic content that has been indicated, and to take care of those sweet wines with the rates the House in a separate measure, House bill 191, has fixed, the Senate bill not touching the subject matter at all, but relying upon the old law, which fixed entirely different rates.

That is all this amendment is, Mr. President, and I cannot for the life of me understand why the Treasury Department or those who are endeavoring to secure the passage of this bill will not accept the amendments that are presented here as affecting the rates.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California.

Mr. KING. Mr. President, I do not feel, in the light of the action taken by the committee, which, as I recall, with respect to these rates, was unanimous, that I should accept the amendment. There is one amendment which, if it were disassociated from the others, I would accept. I refer to the

amendment representing a modification of the action of the Senate committee with respect to sweet wines, reducing the rate from 20 cents to 15 cents.

Mr. JOHNSON. May I say to the Senator that question arises in another amendment which we will reach later.

Mr. KING. I understand that.

Mr. President, I do not accept these amendments. They would materially reduce the revenue, and we are trying now to obtain revenues in order to meet the expenses of the Government. So I shall ask that the amendment now pending be rejected and the action of the committee confirmed.

Mr. McADOO. Mr. President, does my distinguished colleague from Utah [Mr. KING] mean that he will accept the amendment to reduce the 20-cent rate to 15 cents on sweet wines as embodied in this amendment?

Mr. KING. Of course, I do not want to bargain with the Senator at all.

Mr. McADOO. No; I am just asking if that was the Senator's proposal?

Mr. KING. If the other amendments were not pressed, I think I would be willing to accept the amendment reducing the rate from 20 cents to 15 cents, and let it go to conference.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MURPHY. I desire at this time to call up an amendment which is lying on the table and ask that the clerk read it.

The PRESIDING OFFICER. The Chair will state that the Senators from California have pending another amendment to the committee amendment which was passed over temporarily. It would seem that the orderly procedure would be to consider that amendment next.

Mr. KING. I have no objection to taking up that amendment for consideration.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 48, at the beginning of line 12, it is proposed to strike out the words "on bonded winery premises."

Mr. KING. That amendment may go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment, offered by the Senators from California to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 48, line 14, after the words "Revised Statutes", it is proposed to insert "26 U. S. C. A., section 1398 (f)."

Mr. KING. That, as I understand it, is merely a citation.

Mr. JOHNSON. It is purely a citation.

Mr. KING. There is no objection to that.

Mr. JOHNSON. These are formal amendments, to which I think there can be no objection.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

The amendment, as amended, was agreed to.

Mr. JOHNSON. The next amendment relates to the increase of the tax as recommended by the committee from 10 to 20 cents and has to do, as my recollection is, with brandies and fortifying wines. On page 69, lines 11 and 12, we find stricken out before the word "cents" the figures "10" and the figures "20" inserted by the Senate committee. We ask that that amendment of the Senate committee increasing the tax from 10 to 20 cents be rejected. Has the Senator from Utah any objection to that?

Mr. KING. Yes, indeed, I have.

Mr. JOHNSON. I thought the Senator was going to consent to it.

Mr. KING. I wish to call the attention of the Senator to the fact that it would diminish the revenues perhaps by from six hundred thousand to a million dollars or more.

Mr. JOHNSON. No; if the Senator will pardon me——

Mr. KING. Of course I will; but my information comes from the Treasury Department.

Mr. JOHNSON. If one figures the revenues upon the ability of somebody to pay a certain sum which was agreed upon at some time in the past, and then computes the future earnings that might be made under the Treasury's estimate that was intended to fulfill some other requirements that are not stated at the present time, he might reach the conclusion that the Treasury's figures were accurate in that regard; but unless we deal with all those preliminary suppositions—unless, indeed, we accept the figures that are thus given upon the undisclosed matters that are here presented and that the Treasury has not discussed—then, of course, we reach a different conclusion and the figures are quite inaccurate. That, I am sure, will be apparent to the Senator from Utah and other Senators who listen to me. So let us not deal with the statistics that are thus presented by the Treasury Department. Here is a tax that is proposed to be increased upon a specific part of the liquor that is dealt with by this bill, when there has always been a proportionate relation between this fortifying liquor and the wines generally. So that there cannot be, so far as I am able to discern, a single reason why there should be this increase that has been reported by the Senate committee.

The Senator suggested a little while ago that the tax be fixed at 15 cents and that the amendment go to conference. I would have no objection to that course if the Senator suggests it, and then, as between the two rates, the conferees can determine what is appropriate.

Mr. KING. I will accept that.

Mr. JOHNSON. Mr. President, the Senator has accepted that amendment that, instead of a tax of 20 cents fixed on page 69 in line 12, 15 cents be inserted, and that the amendment may go to conference.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 69, line 12, before the word "cents", it is proposed to strike out "20" and insert "15."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to; and, without objection, the committee amendment, as amended, is agreed to.

Mr. JOHNSON. Mr. President, the next proposition that we come to is found at the end of section 331, page 71. The amendment has been submitted and has been printed, and I assume that it is in the hands of the distinguished gentleman who represents the United States Treasury.

Mr. KING. What is the amendment? I do not have it before me, I will say.

Mr. JOHNSON. The amendment reads as follows, if it is not immediately accessible to our friends. At the end of section 331, page 71, add the following:

> (e) That under rules and regulations to be prescribed by the Secretary, there shall be abated or refunded to the extent such exceeded the fortifying tax herein provided all such taxes paid upon grape brandy or wine spirits used in the fortifiction of wine held by the producer thereof upon the day this act takes effect and intended for sale or for use in the manufacture or production of any article intended for sale.

This amendment assumes the tax on fortifying spirits used in the manufacture of sweet wines reduced from 20 to 10 cents as by the House provided in House bill 191. This tax should be extended to the taxes paid upon wines in bond or which are stipulated to be paid by bond or lien upon the wines.

Unless this provision supplements the reduction of taxes, the wines in bond having paid the tax are at a disadvantage with those thereafter produced, which have not paid the tax in market sales. I think that ought to be obvious.

In this respect attention is called to the provisions of House bill 9185, as reported to the Senate, page 50, lines 10 to 15, inclusive, reading as follows—this is part of the Senate bill—

> The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back all distilled spirits tax on such liqueurs,

cordials, and similar compounds paid by rectifiers or assessed prior to the date of the enactment of the Liquor Tax Administration Act.

That is the provision of the law which has now been written into the bill. If there is any justification for this provision under the law, broadly refunding all internal-revenue taxes paid upon distilled spirits used in liqueurs, cordials, and similar compounds, there certainly is much more justification for the proposed provision, less broad, supporting the particular refund referred to in the amendment. It is not "playing the game", it seems to me, with impartiality where in the one instance a refund is granted and in the other instance is denied. Accordingly I hope the amendment will be accepted.

Mr. KING. Mr. President, the committee is unwilling to accept the tendered amendment which calls for a refund of a difference of 10 cents a gallon on brandy used in the fortification of wines now held by the producer.

The manufacturer of brandy must pay a tax of $2 per gallon. The committee has been generous in permitting to go to conference an amendment reducing the tax on brandy used to fortify wines to 15 cents per gallon, so that brandy for which other consumers have to pay $2 a gallon can be obtained at 15 cents a gallon for fortification purposes. Some have insisted that brandy for fortification ought to pay the same price as if acquired for beverage purposes instead of for fortification purposes. The wines, fortified by brandy, are used for beverage purposes. The Treasury has been generous, it seems to me, in approving a tax of 20 percent upon brandy so used to fortify wines, and the committee now consents, in order to take the matter to conference, to a reduction of the tax to 15 cents when used for fortification of wines.

Of course, if the rate is not reduced this part of the amendment becomes immaterial, but it has been reduced. Even so, there remain objections to the proposed refund. The Treasury believes that the provision is wholly impractical from an administrative standpoint. Their efforts to enforce analagous measures have proven them absolutely impractical and ineffective since it has been impossible from the records in the Treasury to determine the proper amount of such refund.

The wines now held by the producers may have contained anywhere from 1 to 13 percent of natural alcohol and may have had from 3 to 20 percent of brandy added. Many of the fortified wines subsequently have been blended with other wines. It is now impossible to tell how much brandy they contain because of these admixtures. For instance, as used in cordials, it would be impossible to tell how much was used for cordials and how much for sweet wines, how much was left only as wines and how much was left rather as cordials. It is now impossible to tell how much brandy the cordials or sweet wines now contain or did contain when consumed. Moreover, some of the brandy was assessed at the present rate of 20 cents per gallon and some at the rate of 10 cents per gallon, which rate was in effect prior to January 1934. No estimate was given to the committee of the amount which would be involved in such refund, because, for the reasons just given, it was impossible to determine the computation.

Mr. President, the amendment is unsound and improper, and is resisted by the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California. [Putting the question.] The "noes" seem to have it.

Mr. JOHNSON. Mr. President, I do not want to call a quorum to interfere with the progress of the bill. Will not the Senator take the amendment to conference?

Mr. KING. So many concessions have been made here and in the committee that I am unwilling to do so.

Mr. JOHNSON. Very well. Before announcement is made of the result of the vote I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. President, I wish to make plain, please, what the amendment provides. It calls for a refund upon which the House has acted by its bill, which I presume is buried in the committee by virtue of the fact that the bill now before us takes its place; but the bill was passed unanimously in the House. The bill provides for certain kinds of refunds; and we insist, since it provides for refunds in the fashion that it does, that those refunds should be extended to the wines as well as to other liqueurs that are provided for in the bill.

I again call the attention of the Senate to the fact that in this bill there is a provision respecting refunds:

The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back all distilled-spirits tax on such liqueurs, cordials, and similar compounds paid by rectifiers or assessed prior to the date of the enactment of the Liquor Tax Administration Act.

I am not complaining of that particular refund provision, but I say that if we play the game fairly to all we will not only make these refunds applicable to the liqueurs of which the Senate has been tender in its refunds, but we will make these refunds applicable to wines, too. I cannot see any reason on the face of the earth why that should not be done. It has been done in the past. It has been done in the bill which passed the House. It simply was eliminated and omitted in respect to wines in the bill coming before the Senate.

So I ask that the amendment be adopted.

Mr. KING. Mr. President, I desire to state that, so far as I am advised, this provision was not considered by the Ways and Means Committee of the House. It was brought to the floor of the House just before the bill was passed. I am assured by the Treasury Department that they have never had an opportunity to consider it, and can only anticipate its effect by reason of some experiences of a cognate or analogous character. Those experiences have demonstrated that the provision is absolutely unworkable.

The Senate and the House have been generous with the wine makers in preparing the bill before us. The Senate has been generous in dealing with the wine makers, and has granted concessions which the committee declined to grant. This particular provision was considered by the committee, and was unanimously rejected by the subcommittee and by the Finance Committee.

I may say—and I am repeating what I said a few minutes ago, before a quorum was called for—that under the law the manufacturers and producers of brandy must pay a tax of $2 per gallon. Under the law which we are passing, and which I may say is, in effect, those who use brandy for the fortification of their wines, their sweet wines, their highly alcoholized wines, pay a tax of only 20 cents per gallon on brandy on which, if it were used for beverage purposes, they would be compelled to pay a tax of $2 per gallon. We have therefore

permitted them to use the brandy for fortification and pay a tax of only 20 cents per gallon, and we have given them 18 months within which to make the payment. We have extended the period from 1 year to 18 months. We have been more than generous. Now we are asked to grant a refund for sweet wines which they have sold which contain various kinds and degrees of brandy, and, of course, the impracticability, if not impossibility, of determining the quantity, the character, the quality, and the amount that might be refunded is obvious to anyone.

This amendment requires that there shall be refunded the difference of 10 cents a gallon on all brandy used in the fortification of wine now held by the producer, and the amendment is retroactive as well as prospective. The Treasury Department believes that the provision is wholly impracticable from an administrative standpoint, since it is impossible from the records in the Treasury to determine the proper amount of such refunds.

The wines now held by the producers may have contained anywhere from 1 to 13 percent of natural alcohol, and may have had from 3 to 20 percent of brandy added. Many of these fortified wines have subsequently been blended with other wines. Moreover, some of the brandy was assessed at the rate of 20 cents per gallon, and some at the rate of 10 cents per gallon, which was in effect prior to January 12, 1934. Obviously, no estimate whatever was given to the committee of the amount which would be involved in such refunds; and, because of the reasons stated, the amount is impossible of computation.

I insist that the amendment is highly improper, and I hope the Senate will support the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senators from California [Mr. JOHNSON and Mr. McADOO]. [Putting the question.] By the sound, the ayes seem to have it.

Mr. KING. I call for a division.

On a division, the amendment was agreed to.

Mr. JOHNSON. Mr. President, I am not entirely clear that all the amendments which I thought were formal in character were accepted. One of the amendments is, on page 48, line 12, to strike out "on bonded winery premises."

The PRESIDING OFFICER. That amendment has been agreed to.

Mr. JOHNSON. I thought it had been.

Mr. KING. Yes; I accepted that one.

Mr. JOHNSON. Probably the one which had not been acted upon is as follows: On page 70, line 5, after the words "wines are", insert the words "destroyed or."

Mr. KING. That may go to conference.

The PRESIDING OFFICER. The Senator from California offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 70, line 5, after the words "wines are", it is proposed to insert the words "destroyed or."

The amendment was agreed to.

Mr. JOHNSON. On page 82, lines 17, 23, and 24, after the words "distilled spirits", where they occur in each instance, I move to insert the words "and wines."

Mr. KING. That may go to conference.

The PRESIDING OFFICER. The Senator from California offers an amendment, which will be stated.

The CHIEF CLERK. On page 82, in the committee amendment heretofore agreed to, lines 17, 23, and 24, after the words "distilled spirits", it is proposed to insert the words "and wines."

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. JOHNSON. And on page 83, line 6, after the words "distilled spirits", I move to insert the words "and wines."

Mr. KING. That is the same thing. That may go to conference

The PRESIDING OFFICER. The Senator from California offers an amendment, which will be stated.

The CHIEF CLERK. On page 83, line 6, in the committee amendment heretofore agreed to, after the words "distilled spirits", it is proposed to insert the words "and wines."

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The question is on agreeing to the amendment offered by the Senator from California to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. JOHNSON. Mr. President, I think I now come to the last of the amendments I have to present. On behalf of my colleague [Mr. McADOO] and myself, I offer the following amendment: At the proper place in the bill, insert the following as section 506:

SEC. 506. The second proviso of subdivision (e) of section 5 of the Federal Alcohol Administration Act is amended to read as follows: "*Provided further*, That nothing herein nor any decision, ruling, regulation, or other action of any department of the Government or official thereof shall deny the right of any person to use wholly or in part the wine names or brands Port, Sherry, Burgundy, Sauterne, Haut Sauterne, Rhine (Hock), Moselle, Chianti, Chablis, Champagne, Tokay, Malaga, Madeira, Marsala, Claret, Vermouth, Barbera, Cabernet, St. Julien, Riesling, Zinfandel, Medoc, or Cognac, or any other geographic name of foreign origin, upon any of the foregoing produced in the United States if of the same type and the use of such name or brand is qualified by the name of the State or other locality in the United States in which the product is produced, and, in the case of the use of such name or brand on any label or in any advertisement, if such qualification is as conspicuous as such name or brand: *Provided further*, That nothing in this section shall be held in any wise to affect or abridge any of the powers granted the Federal Alcohol Administration by an act of Congress entitled the 'Federal Alcohol Administration Act', approved August 29, 1935, to provide standards of identity, quality, labeling, or other regulations save as herein expressly provided as to said names or brands."

The PRESIDING OFFICER (Mr. POPE in the chair). The question is on agreeing to the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. CLARK. Mr. President, I am opposed to the amendment, which was rejected unanimously both in the subcommittee and in the full Committee on Finance.

The amendment should be designated as an amendment to authorize the pirating of brands and processes. While the amendment is not so bad as it was when it was originally presented in the subcommittee, under the terms of the amendment there would be absolutely nothing on the face of the earth to prohibit—and it forbids the Federal Alcohol Control Administration from prohibiting—any manufacturer of wine in California or any other State of the Union from pirating such a brand as Moet and Chandon, or Cliquot, or any other well-known brand of champagne or other wine which has a definite place among wine users throughout the world.

In addition to that, the particular purpose of the amendment is to keep the Federal Alcohol Control Administration from putting into effect a ruling which is to go into effect within the next month or two in order to protect the traditional process for the manufacture of champagne.

It seems that a process has been developed recently in California for making so-called champagne in bulk, in large tanks, which is not at all the champagne recognized by wine lovers and the wine trade throughout the world, which is a particular, well-defined, well-recognized process.

The Federal Alcohol Control Administration is about to put into effect a ruling which will permit the sale of this pseudo-champagne, but will permit the sale only on condition that it be labeled "Sparkling wine, champagne type", which it is. The purpose of the pending amendment is to prohibit the Federal Alcohol Control Administration from putting into effect a ruling which, after an exhaustive investigation, they have found to be necessary and desirable for the protection of the purchasers of wine throughout the country.

I myself do not profess to be an authority on the subject. I do not know whether or not champagne produced by the bulk method is as good as champagne made by the

old traditional method. It is a question of fact, which neither the Senate committee nor the Senate itself is in a position to try on its merits, and I submit that the matter should be left to the Federal Alcohol Control Administration, which is particularly constituted for the very purpose of deciding such questions of fact as are here involved.

Mr. JOHNSON. Mr. President, I think, historically, my friend the Senator from Missouri is a little inaccurate, but I do not wonder at that, because all of us become more or less inaccurate toward the end of a session, and particularly inaccurate historically.

The process of making champagne to which he refers was not patented and was not conceived in the State of California at all. It is a French process, and I do not know of any reason on earth, even if there were another mode of making champagne, why we should be so tender of champagne that comes from abroad that we would not permit any particular mode to be adopted in our own country for our own people.

It is not a question of pirating upon some other brand which some particular firm may have conceived in the past. It is provided in the amendment specifically—and this has been the fact during all the years that champagne has been made in other places than abroad—that all of the champagne that is bottled shall be so designated as to indicate exactly what it is. For instance, if made in Missouri, it is "Missouri champagne"; and if made in California, it is "California champagne", stated so upon the label itself and stated so that any individual may understand and may know exactly what it is.

On what conceivable theory is it to be said that a process which exists in France today shall be the only process by which champagne may be made, or that anybody in this country shall be forbidden making champagne as he sees fit, so long as he does not deceive, and so long as he designates it in such fashion that those who buy may understand just exactly what it is? I cannot fathom it.

Perhaps it may be because I am not particularly fond of champagne, and perhaps it may be because I do not drink it with great frequency because of its cost, but whatever may be the reason why we should be forbidden either to drink champagne that is manufactured in Missouri or in California because France may manufacture its champagne in a different fashion, passes my comprehension entirely.

As for the particular wines which are designated here, such as port, sherry, burgundy, and the like, it is an absurdity to say that we shall not be permitted to designate as manufactured at a particular place geographically a wine with a generic name.

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

Mr. JOHNSON. I gladly yield.

Mr. CLARK. I am sure the Senator does not know of any suggestion by the Federal Alcohol Control Administration, or anyone else in a position of authority, that it should not be permissible to put out port labeled "California port", or sherry labeled "California sherry", or any other wine of that sort so labeled. The whole controversy revolves around the question whether the producers shall be able to put out the new process champagne and label it "champagne" or be compelled to label it "Sparkling wine, champagne type."

Mr. JOHNSON. Mr. President, I think the Senator is in error again, because the first differences arose over the wines with which we are most familiar, not champagne. Subsequently, perhaps, differences arose regarding champagnes. But, so far as we are concerned, when we are legislating for our country, what difference does it make whether a producer in some State shall manufacture a champagne by a specific process of his own or a process which he may have purchased in France, or which he may have obtained in some other fashion? The law books are full of cases where pirating upon trade names is prevented, and the books are loaded down with cases deciding against misrepresentation. That, of course, may be prevented under any circumstances, but where there is neither pirating nor deceit nor any misrepresentation we cannot prevent, and we should not prevent, the manufacture of champagne by anyone as he sees fit to manufacture it. I might not like his kind of champagne, and someone else might not like it; but what of it? We have a right to deal in it, provided there is no deceit, misrepresentation, or fraud.

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

Mr. JOHNSON. I yield.

Mr. FLETCHER. Is there any reason why some producers in California could not bring over from France those who have engaged in making champagne for years and years and have them make champagne in California by their process, or in any other way?

Mr. JOHNSON. No; there is no reason in the world why we should not bring such persons to this country if we want to bring them here, but there is equally no reason in the world why we should not progress with a particular industry of that sort in any fashion we wish.

Mr. FLETCHER. The point is, we can call it champagne, because it is made by French people here in the United States according to the champagne process.

Mr. JOHNSON. Yes.

Mr. FLETCHER. We have a right to call it champagne.

Mr. JOHNSON. Yes; but I insist, I may say to the Senator from Florida, that we may not only call it champagne by virtue of the fact that it is made by a resident of France, or by one who intends to become a resident of the United States who was born in France, we may label it champagne if we wish to in our territory, where it is manufactured by our people.

Mr. COPELAND. Mr. President, may I ask the Senator from California whether he does not fear retaliation on the part of some other countries if we shall follow his advice today?

Mr. JOHNSON. Does the Senator address the query to me?

Mr. COPELAND. Yes.

Mr. JOHNSON. No, I will say to the Senator; with the policy of the "good neighbor" in effect, there never can be retaliation. [Laughter.]

Mr. COPELAND. I think the Senator places quotation marks about that and an exclamation point after it. [Laughter.]

I call the attention of the Senator from California to "Sun Maid raisins and "Sun Kist oranges." Would the Senator be willing to have Italy and southern France and Spain send oranges or raisins to this country marked "Sun Kist oranges" or "Sun Maid raisins"?

Mr. JOHNSON. Does not the Senator see that there is no analogy between what he states and the subject we are now discussing? An orange is an orange. If the analogy were followed at all, the Senator would say that we would try to prevent somebody selling oranges as oranges because our people sell oranges as oranges. That is just as clear as mud, I submit to the Senator. [Laughter.]

Mr. COPELAND. I think it is just as clear as mud, and no clearer. [Laughter.] As a matter of fact, there has come into existence popular knowledge regarding certain wines with the names "port", "burgundy", "sherry", and other names, which refer specifically to certain types made in certain countries and coming from certain geographical locations.

If we are to overturn all our international relations, which the Senator from California intimates are so important, and particularly our good-neighbor policy, we are going to be disturbed here; and I fear that on the other side they will not be good neighbors, because they will be sending us products which are called "Sun Maid" raisins and "Sun Kist" oranges, and they may even go to the typewriter field and send over "Remington" typewriters made abroad, and "Old Grand Dad", and "Idaho" potatoes, and "Ivory Soap", and "Uneeda Biscuits", and "Chesterfield" cigarettes, and "Ford" automobiles.

We have vested rights in those names. Through long years of experimentation, and through the sale of our products under those trade names, we have come to have a vested right in them. I am frank to say, without having

any more love for the international relationship than has my friend from California, that I can see that there would be retaliation for what the amendment seeks to do.

The Senator from California represents a wine-producing State. I also represent a wine-producing State. There are great vineyards in western New York. Wine has been produced in New York for decades. There is no desire on the part of the wine makers of New York to have the pending amendment adopted. I have been authorized by them to say that they do not want it. So I hope the Senate will not write into the bill something which will lead to retaliation and to a disturbance of the friendly relations referred to by the Senator from California.

Mr. McADOO. Mr. President, I cannot see where there may be any retaliation because we dare to assert our right to manufacture what we please in the United States, and to say frankly that it is manufactured in one State or another: "Champagne" is a generic term. Champagne is made not only in France; it is made in various other countries. It is made in Germany and in Spain and in Italy, as I understand; and we make a champagne in California. When we sell it, we sell it as California champagne, clearly and explicitly so stated on the label.

My distinguished friend the Senator from New York asks whether we should like to have Sun Kist oranges sent in here from Italy. Yes; I say, let them come in if they pay the duty and if they label them conspicuously "Italian Sun Kist oranges." If we want to admit Italian Sun Maid raisins, I say that is all right, provided they pay the duty and the raisins are labeled explicitly "Italian Sun Maid raisins."

The fact that France has developed a certain method of making champagnes which she thinks is best is no reason why we should not develop a method of making champagne which we think is best. I think the French method is no better than our method. We have a method which we in California consider far superior to the French method. Not all our manufacturers use the same process. Some of them use the French process; but the products are labeled in every instance "California champagne", so that the person who buys the bottle knows exactly what he is getting. No deception is practiced on the purchaser, and there is nothing piratical about it. We have made this wine in California for many years, and we have labeled it in that way; and it has gone into commerce; and everyone knows what it is. When the public buys California champagne, it buys it without a reference to whether it was made by a French process or a California process. It buys it because the popular taste demands it and because it is cheaper than the imported article.

I desire to ask Senators why should we be so tender with regard to champagne importation from foreign countries into this country? France, for instance, repudiated her debt to us. Why should we now turn the other cheek to France and say that we are not going to manufacture anything in this country in the way of champagne without her permission? That is what it comes down to in the final analysis if our producers are denied the right to label their product truthfully unless it conforms to some foreign process.

In that event we could not manufacture any of the various kinds of wines and label them with the name of the State in which they are produced without practically gaining the consent of some foreign country.

I think we ought to stand on our own legs, as we have always done, and that our people deserve first consideration so long as they are not engaged in piratical practices and so long as they are not deceiving the public.

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

Mr. McADOO. I yield.

Mr. COPELAND. Is the California champagne made in exactly the same way that the French champagne is made?

Mr. McADOO. Some of it may be; but suppose it is not—we do not concede that the French method of making champagne is better than the California method of making it. Whenever a bottle of California champagne is bought, the man who buys it does not say, "I should like to know whether you make this champagne according to the French method or the German method or the Italian method." He buys it because it is California champagne and because he thinks it is better than any other champagne and because he gets it for less money.

Mr. COPELAND. Let me ask the Senator another question. I should not ask him this question if he were a candidate for reelection this fall.

Mr. McADOO. The Senator may ask the question upon the assumption that I am a candidate for reelection this fall, and I will answer it.

Mr. COPELAND. No; I think it might be embarrassing to the Senator.

Mr. McADOO. Nothing my distinguished friend could say would be embarrassing to me.

Mr. COPELAND. Is the Senator willing to have "Sun Maid" raisins sent into this country from France and from Italy? Is he willing to have "Sun Kist" oranges sent here from Spain? Is he willing to have the word go back to California that the distinguished Senator representing that State, and representing it ably, is so regardless of the brand of "Sun Kist" oranges from the Golden States that he is perfectly willing to have that label used, no matter how many crates of oranges may be sent from Spain and Italy and other parts of the Old World? Be careful, because there will be an election some day.

Mr. McADOO. I shall be absolutely regardless of caution or anything else in answering the question of my distinguished friend from New York.

In the first place, I should have no objections, so far as I am concerned, to any effort on the part of any foreign country which can produce Sun Kist oranges or Sun Maid raisins to ship its product into this country if it is explicitly labeled by the name of the country which produced it, and provided, of course, it pays the lawful duties. We are protected by an adequate duty against any importation of that kind anyway. Moreover, there is no country in the world which can produce Sun Kist oranges and Sun Maid raisins except California [laughter]; so we have nothing to fear from that source.

All that the amendment means is that we will not permit the legitimate producers of port and sherry and champagne and other varieties of wines in this country to be deprived of the vested rights they have acquired over long years of struggle and fight to establish and sell their domestic brands in this country. We are not going to permit them to be deprived of their business by saying that they can conduct it only provided they conduct it according to the processes which are being used in some foreign country. So long as we are permitted to brand our articles with the name of the State or the locality where they are produced, there can be, to my mind, no conceivable objection to it.

We ask the Senate only to protect this great industry in California, which is honestly conducted, which has suffered through the past 15 years of a grave depression which has affected the prosperity of our entire citizenry. We ask only that Congress be fair enough to protect us in our right to conduct the legitimate business which we have established and maintained for the past 20 to 50 years, without unjust discrimination or restriction.

Mr. GLASS. Mr. President, I rise to say simply that I am going to vote for the pending amendment, because I think the Senators from California are absolutely right. However, I do not think the French indebtedness to this country has a thing on earth to do with the matter, and I deny that France has repudiated her indebtedness to this country. I do not think suggestions of that sort should be brought into the present discussion.

At a suitable time, when the question shall be pending, I desire to have something to say on the indebtedness of foreign governments to this country.

Mr. LA FOLLETTE. Mr. President, I wish to say just a few words about the amendment which the Senators from California have offered to the pending bill.

As I understand the proposition, there is nothing involved in the controversy insofar as it relates to the question of

champagne that has anything to do with competition between the French producers of champagne and the producers of champagne in the United States. Therefore, I think the Senate would be making a mistake if it should decide this question on any basis of rivalry between domestic and foreign producers of this product.

The issue concerning champagne is between domestic producers of champagne in the United States, one group producing it by the bottle-fermentation method and another group now producing it by the so-called bulk-fermentation method, which is a faster method of fermentation.

This controversy between the domestic producers, one using the old technique of fermentation and the other using the new method, has been before the Federal Alcohol Control Administration. It is a technical question. The Senate has not sufficient information upon which to render a decision. We cannot determine whether or not the champagne produced by the new bulk-fermentation method produces a product equal in quality and other characteristics of a chemical nature to that produced by the bottle-fermentation method. Therefore it seems perfectly reasonable that we should permit this intricate chemical question to be decided by an agency of the Government which has been created for that purpose, and which, as I understand, is now making a scientific investigation following hearings which have been held upon this subject. It would be just as absurd for the Congress to attempt to pass upon an intricate rate case involving railroad charges as it would be for us to predetermine this question upon the facts which are now before us. So much for the question involved in the issue of champagne; but, to sum up, I repeat that it is not an issue between the foreign producers of champagne and domestic producers of champagne. It is an issue between domestic producers of champagne in the United States who use two different methods.

So far as the importation of champagne is concerned, that is taken care of, presumably, by the tariff rates which have been imposed for the protection of domestic producers.

Then we come to the second part of the issue involved in the amendment presented by the Senators from California, namely, as to the use of what might be termed "trade names" that relate to the production of wines of a certain general character but which have been produced for many generations under a family name, as, for instance, Chateau y Quem.

This name, Mr. President, does not describe a type of wine, but describes a type of wine produced by a particular producer in France. He has just as much right to have that trade name protected in the United States as has the manufacturer of an American automobile the right to have the name of his car, created by himself and manufactured in the United States, protected when he sells it abroad.

Under the terms of the amendment as it is now pending, if it is adopted and becomes law, in case any producers of wine who have established a trade name for their product have not registered it with the Patent Office in the United States, the trade name may be taken and used by any producer in this country. This will lead to retaliation which will extend to other products than wine, and we will be in danger of incurring retaliatory tactics with regard to the established trade names and trade marks of products generally manufactured in the United States and exported in the foreign trade. So much for the trade names that are involved in this situation.

It is my understanding—and if I am in error I wish to be corrected—that the general types of wine mentioned in the amendment on page 2, beginning in line 12 and extending down to line 16, with one or two exceptions, have never been denied to any American producer. All that is required is that in a prominent fashion they shall designate where the wine is produced.

For example, if a producer of wine in California is producing a port he must indicate on the label that it is a California port, or if it is produced in some other wine-growing section of the United States, as New York, for instance—I am not informed whether port is produced in New York, but assume that it is—the domestic producer would have a perfect right to designate his product as port, but he would have to inform the purchaser by an imprint on the label in a prominent manner that it was New York port. Therefore, so far as the present defined policy of the Alcohol Control Unit is concerned—and there is no evidence that they have any idea of changing it—most of these names are open to the use of domestic producers, provided they indicate the territory or section in which the wine has been produced.

Therefore, Mr. President, while I always dislike to find myself in disagreement with the Senators from California, as one member of the committee that heard the evidence with regard to this amendment, I feel that I must indicate my opposition to it and my apprehension that, if it becomes law, it will result in retaliation against American-manufactured products when they are exported, which will cause us to rue the day we adopt this amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

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

The question is on the amendment offered by the Senator from California. [Putting the question.] The Chair is in doubt.

Mr. McNARY. I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. MURPHY. Mr. President, does the Senator from California [Mr. JOHNSON] desire to offer any further amendment?

Mr. JOHNSON. No; I have nothing further.

Mr. MURPHY. Then, I desire to offer the amendment heretofore submitted by me and now lying on the table.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. . (a) For the purposes of the Federal Alcohol Administration Act, the Food and Drugs Act, as amended, and of any act of Congress amendatory of or in substitution for either of said acts, no product shall be labeled or advertised or designated as neutral spirits, whisky, or gin, or any type thereof, for nonindustrial use, if distilled from materials other than grain, or if the neutral spirits contained therein are produced from materials other than grain. The term "neutral spirits" includes ethyl alcohol.

(b) The fifth paragraph of section 605 of the Revenue Act of 1918 is hereby repealed.

Mr. MURPHY. Mr. President, this amendment seeks to accomplish a twofold purpose. The first is to preserve for the American grain farmer a market which he has enjoyed for 100 years. The second is, in the interest of the consumer, to assure honest labeling of blended whisky.

Mr. BORAH. Mr. President, of what material other than grain may whisky be manufactured? The amendment says that "no product shall be labeled or advertised or designated as neutral spirits, whisky, or gin, or any type thereof, for nonindustrial use, if distilled from materials other than grain." What are the "other materials"?

Mr. MURPHY. Petroleum products, sugar, or sugarcane.

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

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. MURPHY. I yield.

Mr. GUFFEY. Alcohol is also made from apples and potatoes. Alcohol is distilled from other materials, such as fruit juices, for instance.

Mr. MURPHY. That is not applicable to the question asked by the Senator from Idaho, which concerned whisky, not alcohol. His question was directed to the amendment. Of course, it is a fact that alcohol may be distilled from anything containing sugar. The amendment does not concern anything but blended whisky. It does not affect brandy. It does not affect rum. It is confined, as I have said, to those grain products which have been used for 100 years in the manufacture of whisky.

Mr. GUFFEY. From what is rum made?

Mr. MURPHY. Rum is made from molasses.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. MURPHY. I yield.

Mr. GEORGE. As I understood the amendment when read, it applies also to gin.

Mr. MURPHY. Yes; it does. That is true.

Mr. GEORGE. Is not gin made from molasses?

Mr. MURPHY. Gin is not historically a grain product.

Mr. GEORGE. But the amendment does apply to gin, does it not?

Mr. MURPHY. Yes; it does.

Mr. GEORGE. The amendment would provide that gin may not be made unless it is made from grain.

Mr. MURPHY. It does so provide. It carries that provision.

Mr. MOORE. Mr. President——

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

Mr. MURPHY. I yield.

Mr. MOORE. The making of applejack is quite an industry in New Jersey. Would the Senator's amendment affect that industry?

Mr. MURPHY. No; it would not affect it.

Mr. MOORE. Why not?

Mr. MURPHY. Applejack is not contemplated. Applejack is made from fruit. Applejack is a brandy, and brandy is not to be affected by the provisions of the amendment.

Mr. MOORE. But it has been called "whisky", and the Senator's amendment provides that—

> No product shall be labeled or advertised or designated as * * * whisky—

And so forth.

Mr. MURPHY. This is the first instance of that nature that has come to my knowledge.

Mr. MOORE. Applejack has been called whisky, it has been called rum, and it has even been called worse than that on occasions. [Laughter.]

Mr. MURPHY. There are many products variously made which have been called whisky in the years through which we have recently passed.

Addressing myself seriously to the amendment, if I may be permitted, the repeal of prohibition brought about an increase, during the fiscal year ending June 30, 1934, of nearly 13,000,000 bushels in the quantity of grain used for making distilled spirits. Of the approximately 43,000,000 bushels of grain now being used in the distillation of whisky, gin, and alcohol for beverage purposes, it is estimated the market for 15,000,000 bushels would be lost to the farmer unless the grain-alcohol amendment shall be adopted and the Treasury ruling annulled.

The advocates of the amendment do not seek to take the market from any commodity which has previously enjoyed it. It seeks only to protect that market which grain has previously enjoyed.

Mr. CLARK. Mr. President——

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

Mr. MURPHY. I yield.

Mr. CLARK. It is a fact, is it not, that so far as is known there has never been a single measure of domestic blackstrap molasses produced in the United States that was used for the manufacture of beverages?

Mr. MURPHY. I should say the Senator has made a correct statement.

Mr. CLARK. In other words, the great bulk of blackstrap molasses from which alcohol is manufactured in this country comes from Cuba?

Mr. MURPHY. Yes; from Cuba and the West Indies; brought here and distilled in American distilleries along the Atlantic seaboard and in the State of Louisiana. Those interests are reaching out today to take for themselves a market which the American farmers have enjoyed. Those interests have no concern in the matter from the standpoint of the sugar producer. The sugar producer will not be benefited by the defeat of this amendment. The sugar producer of America finds his market in sugar, in a product of sugar, molasses, which goes upon the table, and molasses which is mixed with dry feed and fed to our cattle.

The opposition to the amendment is wholly and solely the opposition of the big distilling interests on the eastern seaboard and in the State of Louisiana. I would not consciously seek to hurt, to the profit of my State, an agricultural interest in the State of Louisiana; but I am satisfied from all I have learned about the subject that there never has been any Louisiana product that went into the manufacture of whisky. We well know that the "immense sugar production" in the State of Pennsylvania has not gone into whisky. It is the blackstrap-molasses distillers who seek to capture the market which grain has enjoyed.

At this time, when we are concerned with the welfare of farmers, when we have enacted legislation originally seeking to curb production and, finding that unconstitutional, have adopted other means, the means expressed in the soil-erosion and domestic allotment act, at a time when we are trying to restore the purchasing power of the farmer, it is sought to take from him a market which he has continuously enjoyed, and it is proposed that this shall be done in violation of all the historical precedents relating to the manufacture of whisky.

This amendment would keep whisky what whisky always has been. The defeat of this amendment would convert whisky into another substance.

True, ethyl alcohol distilled from blackstrap molasses and ethyl alcohol distilled from grain admit no chemical differentiation today on the basis of the research so far conducted. There is a difference, as the Senator from Missouri [Mr. CLARK] reminds me, in flavor; and the trade which is engaged in these things knows well that there develops a difference in taste when the bottle containing whisky made of ethyl spirits distilled from blackstrap molasses is permitted to stand in the sun. We know that there is that chemical effect in the case of beer. Beer bottled in an uncolored bottle, and permitted to stand in the sun, will develop what is known among consumers as a "skunky" taste. We know, further, that live yeast germs present in beer will further germinate, and affect not merely the taste, but the alcoholic content of the beer.

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

Mr. MURPHY. I yield to the Senator from Missouri.

Mr. CLARK. The Senator will recall from the testimony before the subcommittee which had in charge the pending measure that it is even proposed now, and predicted as a possibility or a probability if this amendment is defeated, that alcohol will be made out of petroleum and sold on the market as whisky.

Mr. MURPHY. Alcohol may be made out of petroleum today. Very large corporations control the process, and have it patented. Blackstrap molasses is not alone involved. Petroleum may be turned into alcohol. You may drink a form of coal oil with your whisky if you like it.

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

Mr. MURPHY. I yield to the Senator from Florida.

Mr. FLETCHER. May I inquire whether the Senator presented this amendment to the Finance Committee? Was it presented to the subcommittee?

Mr. MURPHY. It was presented to the Finance Committee.

Mr. FLETCHER. And the committee rejected the amendment?

Mr. MURPHY. The committee rejected the amendment, as I understand; but members of the committee have brought in what may be described as a minority report, signed by several Senators who attentively heard the case as presented by the proponents of the amendment.

Mr. President, of the approximately 43,000,000 bushels of grain which are now being used annually in the distilling of whisky, gin, and alcohol for beverage purposes, it is estimated that the market for 15,000,000 bushels will be lost to the farmer unless the grain-alcohol amendment is adopted and the Treasury ruling annulled.

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

Mr. MURPHY. I yield.

Mr. OVERTON. Is that 15,000,000 bushels per annum or 15,000,000 bushels per decade?

Mr. MURPHY. Fifteen million bushels per annum.

Mr. OVERTON. I think the minority report states differently.

Mr. MURPHY. I am reading from the minority report on page 3.

Mr. OVERTON. If the Senator will read further, I think the minority report shows that during a period of 10 years 15,000,000 bushels of corn would be used.

Mr. MURPHY. The Senator, I think, is slightly confused. Reading further, I read what the Senator has reference to:

During the 10 years prior to wartime prohibition—

It is more than halfway down on page 3—

an average of, roughly, 75,000,000 proof gallons of grain alcohol were used for beverage purposes, mostly for blended whisky and gin, or the equivalent, conservatively, of 15,000,000 bushels of grain. At least the same amount of grain is now being used for grain alcohol and for young whisky in whisky blends and for gin.

Mr. OVERTON. Does not the report specifically state that during 10 years 15,000,000 bushels of grain were used for blended whisky and gin? That would be an average of 1,500,000 bushels of corn per annum. What is the production of corn in the United States, may I ask?

Mr. MURPHY. The production of corn in the United States last year was 2,200,000,000 bushels.

Mr. OVERTON. Then, out of 2,200,000,000 bushels per annum there would be used in the manufacture of alcohol about 1,500,000 bushels of grain.

Mr. MURPHY. No; reading again the report, Mr. President—

Of the approximately 43,000,000 bushels of grain which are now being used annually in the distilling of whisky, gin, and alcohol—

Not 1,500,000 bushels; it is 43,000,000 bushels that are being used annually. The number of bushels that would be affected by the amendment is 15,000,000 bushels.

Mr. OVERTON. During 10 years.

Mr. MURPHY. It is true that that has the appearance of being an insignificant amount in relation to the total production. Most of the corn that is produced is fed. Only 6 to 7 percent of the entire corn production goes to market. The amount that goes to market is the amount that fixes the price of the corn that is fed on the farm; and the more grain that goes to market, the more the price of grain is depressed; so that the farmer's price for his corn is affected by the withdrawal of a market he now enjoys for that corn, to wit, the alcohol market.

It will be suggested here that we ought to permit the use of blackstrap molasses in the production of this alcohol.

Molasses prices at the seaboard are about the equivalent of 35-cent corn in the Middle West. Corn and other grains cannot compete with molasses in the production of distilled spirits. At the present time molasses alcohol sells at 13 cents per proof gallon less than grain alcohol used in blended whisky.

There cannot be any room for doubt that grain has always enjoyed the market. There cannot be any room for doubt that if the blackstrap interests are given access to the market grain has enjoyed, since they are able to produce that alcohol much cheaper than grain producers can afford to sell their product for, the farmer will suffer in consequence of the defeat of this amendment.

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

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

Mr. BORAH. I think I am in sympathy with what the Senator has as his objective; but the Senator's amendment reads:

No product shall be labeled or advertised or designated as neutral spirits, whisky, or gin, or any type thereof, for nonindustrial use, if distilled from materials other than grain—

And so forth. Suppose alcohol is made out of blackstrap molasses. Suppose it is a product which otherwise would be sold properly under the law; may we say that such product shall not have a market?

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. BORAH. I am seeking information now. Suppose, instead of adopting this amendment, we should simply insert an amendment to the effect that the manufacture of alcohol from blackstrap molasses should not be permitted; could we constitutionally enact such a law as that?

Mr. BAILEY. I think so, and I think that is in accord with the construction of the Pure Food and Drugs Act.

Mr. BORAH. But whisky is whisky. It does not make any difference how it is made, it is whisky.

Mr. BAILEY. But President Taft held that whisky is a spirit distilled from grain. Spirits distilled from molasses, according to his decision, are not whisky. Whisky has its peculiar character; and, fortunately for this discussion, that was established in the decision rendered by President Taft. That does not cut off the market for distilled spirits made from molasses, but it simply says that that type of spirits may not be sold as whisky. Ordinarily that type of spirits is called rum.

Mr. BORAH. In other words, this amendment is based upon the theory that such a product would not be whisky and therefore it should not be labeled whisky? I am pleased to have this view of the Senator, as it was not clear to me just how we could accomplish what we are seeking to accomplish.

Mr. BAILEY. It is not whisky according to the decision of President Taft, and it is not whisky according to the construction of the Pure Food and Drugs Act by the Department of Agriculture.

Mr. GUFFEY. Mr. President——

Mr. MURPHY. I yield to the Senator from Pennsylvania.

Mr. GUFFEY. The Senator from North Carolina a moment ago referred to alcohol and whisky. I am not so sure he knows that the finest grade of alcohol today, C. P., is made from natural gas. There have been a great many advances in the science of distilling in the past few years.

Mr. BAILEY. At the same time, according to the policy of the Government, I think alcoholic spirits made from petroleum could not be classified as whisky. Further, according to the historic conception, or, if Senators desire, the dictionary definition of whisky, I think, spirits made from molasses or petroleum could not be classified as whisky.

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

Mr. MURPHY. I yield.

Mr. CONNALLY. The Senator from North Carolina suggested that if it were made from anything but grain it could not be whisky. What about neutral spirits? The product called "neutral spirits", as I understand, is pure alcohol. That is not whisky. Why could not neutral spirits be made from petroleum or any other product containing the chemical elements which will make neutral spirits?

Mr. BAILEY. I think that may be possible, but it does not entitle it to be named "whisky."

Mr. CONNALLY. But the amendment covers something more than whisky.

Mr. GEORGE. Mr. President, the amendment outlaws alcohol, even gin, and I had very much hoped that the Senator from Iowa would exempt gin, so that we may go on having a supply of gin made by the present processes. Let me ask the Senator from Iowa whether he will not exempt gin from his definition.

Mr. MURPHY. Not at this time, I will say to the Senator from Georgia.

Mr. GEORGE. The Senator ought to be that considerate.

Mr. MURPHY. Mr. President, further referring to the question raised by the Senator from Idaho, it is stated that whisky is historically a grain product; therefore a similar product, no matter from what other material it is made, cannot be designated as whisky.

In support of that the Senator from North Carolina has stated that President Taft so declared. A controversy raged for some years between the distillers of straight whisky put up in charred barrels for aging and for presumed purification after distillation, and that which was the product of continuous distillation. That discussion, after raging for a long time, and after it had been before two Attorneys General, finally reached the White House, and President Taft in his decision made this statement:

> After an examination of all the evidence it seems to me overwhelmingly established that for a hundred years the term "whisky" in the trade and among the customers has included all potable liquors distilled from grain.

President Taft said further in that decision:

> Neutral spirits made from molasses and reduced to a potable strength has sometimes been called "whisky", but not for a sufficient length of time or under circumstances justifying the conclusion that it is a proper trade name. The distillate from molasses used for drinking has commonly been known as "rum." The use of "whisky" for it—

That is the use of "whisky" for the distillate from molasses—

> The use of "whisky" for it is a misbranding.

This decision of President Taft was not a hasty decision. It was not arrived at as harassed Senators are all too frequently compelled to arrive at decisions—hastily, and without complete information. There was before him a record of 1,200 printed pages. Because of the importance of the case, he said:

> I have thought it necessary to read with care the entire evidence adduced.

And he began the statement of his conclusions with this sentence:

> Whisky for more than a hundred years has been the most general and comprehensive term applied to liquor distilled from grain.

There is a market which grain has historically enjoyed. Go out and ask the first 10 men you meet on the street what whisky is made from, and what will the answer be? The answer will be that it is made from grain. It is rye whisky; it is Scotch whisky; it is Bourbon.

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

Mr. MURPHY. I yield.

Mr. GUFFEY. What is Irish whisky made from?

Mr. MURPHY. We do not make Irish whisky in this country.

Mr. GUFFEY. Does the Senator know what it is made from?

Mr. MURPHY. Yes; I have the data here.

Mr. GUFFEY. I will tell the Senator.

Mr. MURPHY. It is made from mash over there.

Mr. GUFFEY. It is made from potatoes.

Mr. MURPHY. Oh, no. It is poteen the Senator has in mind. Irish whisky is not made from potatoes; it is made from grain.

Mr. President, this market which grain has enjoyed continuously for a hundred years, this understanding which every consumer of whisky and all the trade has had, that whisky is the product of grain, is to be cast aside, in the face of the testimony of President Taft, a conclusion reached after an examination, as he said, of a record of 1,200 pages. We are asked to cast it aside in order to enrich further the blackstrap-distilling interests of this country. We are asked to give them that market now for beverage alcohol, with which grain cannot compete in any measurable quantity. They have the market for industrial alcohol now. But they are not content with that. They want to reach out further and produce more chaos on the farms of the United States.

If our concern is for the few industrial-alcohol refiners, the alcohol refiners in Louisiana and along the Atlantic seaboard, let us defeat the amendment which I have presented. If our concern is for the producers of the United States generally, let us adopt it.

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

Mr. MURPHY. I yield.

Mr. WHEELER. One of the arguments that was very persuasive with a great many people in this country when they were asked to repeal the prohibition amendment was that it would result in a great deal of benefit to the wheat farmers and rye farmers and other farmers, because their grain would then be used for making alcohol.

Mr. MURPHY. The Senator is quite right.

Mr. BARKLEY. What brand of whisky is made out of wheat?

Mr. WHEELER. I am not so familiar with the making of whisky, apparently, as is my friend the Senator from Kentucky.

Mr. BARKLEY. My question did not indicate that I knew anything about it. I am seeking information from an expert. [Laughter.]

Mr. WHEELER. I had always supposed that wheat was used. Perhaps I am wrong about that.

Mr. MURPHY. I will say to the Senator that he is perfectly correct; we did make to the farmers the representation to which he has referred. I am the first Democrat to receive an election certificate from Iowa as United States Senator since 1848, and I am here because Iowa is concerned with a market for its products, a market shut off by the consideration shown the very industrial interests which today are opposing the pending amendment.

When I went out among the people of Iowa in my campaign I did not argue the question of prohibition on the basis of personal liberty; I did not argue it on any of its abstract lines. I said to the people of Iowa that with the prohibition amendment repealed we would have a market for our grain which we then lacked. I pointed out wherein repeal was to their economic interest, at a time when corn was selling for 7 cents and 10 cents a bushel, when it was cheaper to burn it in boilers as fuel than to feed it to stock or to send it to market. I pointed out that this enlarged market would create more demand for their corn, and that they would be economically the beneficiaries from it.

I am here today seeking to make good the pledge I made to the people of my State, seeking to enlarge their market, and I am opposed in my effort by those who seek to enlarge the market for Cuban blackstrap molasses, by those who want to enrich further the producers of Cuban blackstrap molasses and the distillers in this country.

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

Mr. MURPHY. I yield.

Mr. OVERTON. If the purpose of the amendment is not to further the interest of grain distilleries, but is in the interest of domestic agriculture and domestic products, why would not the Senator from Iowa propose that no product should be labeled or advertised or designated as neutral spirits, whisky, or gin if distilled from materials other than those domestically produced?

Mr. MURPHY. The answer is that, so far as I have been able to learn, there has been no product of Louisiana distilleries that is competing with grain.

We buy the product of Louisiana in the form of molasses and mix it with dried food and feed it to our cattle. It commands a higher price than it would command if used in liquor. The objection to the suggestion offered by the Senator is that it would be impossible for grain alcohol to compete with domestic alcohol from blackstrap.

My objection is that even if Louisiana did go into blackstrap-alcohol production it would put corn in as a competitor

on the basis of 35 cents a bushel, and that would mean starvation for us.

I am not surprised to find the senior Senator from Louisiana seeking to serve the interest of his State as he sees it. I think there is a confusion in his mind. I do not believe the sugar producers of Louisiana are concerned with this amendment. I believe the only ones interested are the distillers down there, who can supplement present operations with operations on Cuban blackstrap.

It is characteristic of the Senator, who throughout his term in the Senate has on every occasion sought to serve the people of his State, now to seek to serve them according to the light given him. It has been a pleasure to sit here beside him through these years since we both came to the Senate, and in that time I have acquired a great deal of affection for the Senator from Louisiana. Not merely that, but I have acquired great respect for his mental qualities. I sincerely believe that I am not adversely affecting the interest of the people of his State by the amendment which I propose.

Mr. President, the amendment has the support of the Agricultural Administration. It has that support because of its relation to the welfare of the farmer. It has the support of the Food and Drug Administration as preserving the integrity of the Pure Food and Drugs Act. It has the endorsement of the National Grange. It has the endorsement of the American Farm Bureau. It has the endorsement of all those who believe in the integrity of our food standards. It has the opposition alone of those whose attitude will serve the distilling interests which desire to bring to this country in greater quantities blackstrap from the West Indies to drive out the product of the American farmer.

MESSAGE FROM THE HOUSE

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

S. 4317. An act to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.; and

S. 4594. An act to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. and others.

The message also announced that the House insisted upon its amendments to the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, 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. McREYNOLDS, Mr. BLOOM, and Mr. FISH were appointed managers on the part of the House at the conference.

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. 3483. An act to provide for rural electrification, and for other purposes;

H. R. 2982. An act for the relief of Sarah Shelton;

H. R. 7110. An act to authorize the President to bestow the Navy Cross upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased;

H. R. 8262. An act for the relief of Tom Rogers and the heirs of W. A. Bell, Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson;

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

H. R. 8372. An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

H. R. 8431. An act to provide for the establishment of the Fort Frederica National Monument at St. Simon Island, Ga., and for other purposes;

H. R. 8784. An act to authorize withholding compensation due Government personnel;

H. R. 9995. An act to grant a renewal of patent no. 59560, relating to the emblem of the Disabled American Veterans of the World War;

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of the Holy Name Society;

H. R. 10267. An act to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service to correspond to the rates established by the Classification Act of 1923, as amended; and

H. R. 10934. An act to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior.

PROPOSED ADDITIONAL TAXATION

Mr. DICKINSON. Mr. President, the present discussion reminds me of the discussions of the blackstrap question which took place in the other House many years ago.

The pending amendment is an effort to secure a greater use for the corn products of the corn States of this country. I remember very well that when we were discussing what we called the blackstrap amendment to the tariff bill, we won it by a few votes in the Committee of the Whole. Then, when the bill was considered by the House we lost the blackstrap amendment by a few votes. The pending amendment is another effort to provide a wider use for the products of the fertile lands of the Middle West. Therefore I believe we ought to give the amendment very serious consideration, and we should give the corn of Iowa a preference in the market over the blackstrap of the West Indies.

Mr. BORAH. Mr. President——

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

Mr. DICKINSON. I yield.

Mr. BORAH. Will the pending provision affect the potato growers of the West?

Mr. DICKINSON. I do not believe much alcohol or whisky is made from potatoes. Starch is made from potatoes. So I think the amendment would not affect the potato growers of the West. I may be mistaken.

It is not my purpose to take much time, however, in discussing the pending amendment. I desire to make a few observations with reference to the general tax bill which is now pending before the Finance Committee.

Mr. President, the House has already passed and there is now pending in the Finance Committee the so-called revenue bill of 1936. I presume that before long, in a somewhat revised form, it will be favorably reported to us. Nevertheless, I have no hesitation in placing myself on record now, prior to our formal consideration of the measure. I shall vote against the bill. I am proud to speak in opposition to it. I am speaking of the tax bill which is now before the Finance Committee, and not the amendment which we are now considering here for the protection of corn. What I shall say will only scratch the surface of the reasons why the tax bill should not be passed.

Three objections to the measure stand out:

First, its provisions, as drafted, are crude and discriminatory.

Second, the philosophy behind it is vicious.

Third, and most important, it is high time to stop the oppression of those for whom this Government exists—the public.

I

I have said that the provisions of the bill, as now drawn, make it a crude and discriminatory measure. Even if we

were to admit that additional revenue must be raised, and that the philosophy of the proposal is sound, we must also admit that we have before us a mass of language hastily thrown together, most of which is incomprehensible not only to the ordinary man but even to those who have spent their working lives in the study of the technicalities of tax law.

I do not profess to understand the deep technicalities of tax law. If I did, I could probably cite thousands of examples of discrimination, unfairness, and inequity. For those examples I beg leave to refer the Senate to the testimony of the more than 150 witnesses who have appeared before the Finance Committee and before the Committee on Ways and Means. The record of that testimony covers nearly 2,000 printed pages, and is replete with instance after instance of unfair, inequitable, and discriminatory results.

Let me confine myself to just one category of those instances as a sample.

I have never yet seen a Member of this body who did not look with horror upon favoritism to the strong and well-established at the expense of the weak and struggling. This bill is a perfect illustration of just such favoritism.

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

Mr. DICKINSON. I yield.

Mr. DAVIS. The bill that came from the House to the Senate has been labeled "the Blue Bill of Woe", and it was said that there was a woe in every line.

Mr. DICKINSON. I think that is a good designation.

Take, for example, the case of an old-established corporation, with ample capital, and with ample reserves laid away for future contingencies: That corporation can distribute all of its earnings and not suffer in the slightest. By the provisions of the bill it will suffer no penalty. Competing with the older and larger corporation is a newer and smaller company. It went into the business with the expectation of building up a reserve for contingencies out of its earnings—the wisest kind of business policy. It cannot compete successfully, it cannot continue in business, it cannot exist unless it follows that policy. If it does follow it, the proposed tax bill imposes heavy penalties upon it, and thus destroys its power to compete. If that is fair, if that is equity, if that is anything but the rankest discrimination, then for a long time we have all had strange ideas of fair play.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. DICKINSON. I yield.

Mr. CONNALLY. Is the Senator discussing the House bill as it came to the Senate?

Mr. DICKINSON. Yes.

Mr. CONNALLY. Has the Senator read the hearings before the Senate Finance Committee?

Mr. DICKINSON. Part of them. I have not read them all. I have not read them clear down to date.

Mr. CONNALLY. Does the Senator know in what form the Senate committee expects finally to report the bill?

Mr. DICKINSON. I do not. I hope I shall make suggestions here now which will be helpful in the formulation of the bill.

Mr. CONNALLY. The Finance Committee had hearings on the bill, and we should have been glad to have had the Senator from Iowa appear before the committee if he had helpful suggestions to offer. I do not remember seeing him there. I was wondering how the Senator can really discuss the bill when he does not know what it is going to be.

Mr. DICKINSON. I am discussing the general philosophy of the bill as it appeared in the hearings, and so forth, as reported in the press. That is all I know about it. I hope the Senator from Texas will have the bill in good shape before it is brought to the floor of the Senate.

Mr. CONNALLY. I am a member of the Finance Committee, and I should have been very glad indeed to have had the Senator appear before the committee, because we had before us a great many persons who knew all about the measure.

Mr. DICKINSON. I do not believe there is anyone except Mr. Oliphant, of the Treasury Department, who knows all about the measure, and I do not happen to agree with Mr. Oliphant.

Mr. President, the effect of the bill, if it shall be enacted, will be to permit strong corporations to gobble up the weak business units. Assume, for example, that a corporation today happens to have a large cash reserve, that in the next few years it maintains this strong cash position, although not adding to it because of the proposed tax law, and that it is the only organization in its industry, which does hold such a reserve at the beginning of a depression in business: Under such conditions, this one corporation would be in a position to buy its competitors at bankruptcy prices. In short order, therefore, it could attain a monopolistic position, and thereafter charge such prices as it liked, and limit its production as it saw fit.

The development of such monopolies would be possible in almost every industry, for in almost every industry there is at least one company that would be in a position to take advantage of those of its competitors forced on the auction block by the working of this proposed tax bill.

It does not seem to me, however, that the American public, when the time comes, will permit the development of such monopolies. They will demand some other means for meeting what would be termed, as it has been termed recently, "the break-down of the American business system." This first possibility of meeting problems which will be created by this tax bill, therefore, it seems to me, is nothing more than a possibility. It could never be realized in fact. We must turn then to the second possibility if we are to anticipate what actually would happen.

The second method would be to have the Government guarantee economic activity. By this I mean that the Government would have to take control of our economic system to the extent necessary to assure the continuation of production and the continuation of employment. It might do this by nationalizing business, as in Russia, or it might do it by directing business in all its details, as in Italy or Germany. But bear in mind that it is only by one or the other of these systems, private or State monopolies, that a Government can guarantee employment and can guarantee production.

That is the general basis upon which I make the charge that this bill will destroy the present business structure. At the moment I am not interested in whether this or that person in the Treasury would welcome such destruction. Neither am I interested in whether they realize that their proposal will have such effect. The point that interests me, and for the moment the only point that interests me, is to make it clear that the enactment of this tax measure must be considered as evidence that we are willing to destroy the American business system.

II

Suppose we close our eyes to the multitude of technical defects of the measure, still assuming that additional revenue must be raised, and consider for a moment the vicious philosophy behind it.

What is the philosophy behind this bill? There is no mystery about that. It is not a bill for revenue only. It is not a measure designed to clarify and simplify our revenue statutes. I maintain that its purpose is clear, and that it is nothing more than a device to further regiment, further control, further harass American business—driving us constantly nearer a completely dictatorial regime of state socialism.

The American business structure as a unit not only is worthy of defense but it is something of which we have reason to be proud. It has made possible the payment of the highest real wages in the history of mankind. It has given us a wider range of products that add to our comfort than has ever before been known. It has led the world in the development and perfection of processes that enable us to convert luxuries into necessities.

Of course, there have been crooks and thieves in our business structure, some of whom have attained positions of great importance; but the presence of such crooks and thieves has not been a distinguishing characteristic of American business any more than it has been a distinguishing characteristic of any other broad division of the American economic and social system. And in defending the American business structure I am not defending the existence of such crooks and thieves. I am defending the right of American business to continue to produce goods for the American public; to continue to give employment to American labor; to continue to develop those processes which will make the luxuries of today the necessities of the American laboring man a few years hence.

This tax measure, if it becomes a law and remains on our statute books in its present form, will do more than merely prevent further growth of American business. It—and I say this with the utmost seriousness—will destroy the American system of enterprise. For this bill is not designed to reform our tax structure, to raise revenue, or to protect the American workingman. It is designed to bring about a collapse of private ownership of business in the United States.

This bill will not stand up under analysis of any of the reasons advanced as arguments by its sponsors. May I ask for what hidden, sinister purpose was this bill designed? Why are we asked to pass a bill carrying with it the dynamite of destruction of our corporate structures?

We have been repeatedly told by the professors that spending is good, while saving is bad; that the only thing to do with money is to get rid of it fast; that reserves for a rainy day are an evil; that we do not know what to do with our savings when we have succeeded in accumulating a few. We have listened to the professors—far too indulgently—but we have not believed them, and we never will believe them when they tell us that.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. DICKINSON. I yield.

Mr. CONNALLY. Is the Senator referring to the "brain trust" the Republican National Committee has recently employed?

Mr. DICKINSON. No; I am referring to the "brain trust" the Senator from Texas defended when Dr. Wiley made revelations concerning it. The Senator tried to laugh him out of court, although, as a matter of fact, Dr. Wiley was telling the truth, as is now being proved. I should like to have the Senator from Texas read the article written by Mr. George N. Peek, which I have put in the RECORD today and which was published in last week's Saturday Evening Post. It shows the socialistic tendency about which I have been talking here for a year or so.

We have not believed the professors, and they know it. Perhaps they are now going to give up lecturing us. If that were to be the end of them, we should be well off. But it is not the end. We will not adopt the rules they have preached to us; so they are going to write them into the law and force us to live by them. We have refused to believe that thrift is wrong, so they are proceeding to legislate against thrift. We have refused to believe that heedless, profligate spending is praiseworthy, so they are writing into the law of the land a rule which will ruin those American businesses which refuse to adopt such a course.

The American people will not accept these professorial rules. They know those rules are wrong, and will not submit to their yoke. American business can conduct itself honestly, intelligently, and successfully without them. It resents, and rightly so, the intrusion of government into every detail of its affairs.

Whether or not the tax bill, if enacted, will bring in its wake monopolies for the strong, and bankruptcies and receiverships for the less strong—as I predict it will—it is most certainly another step toward dictatorship. Such a regime this Nation will never accept.

III

Mr. President, I turn now to my third and most practical, if not most important point. It is simply that this is no time for Congress to enact another gouging tax measure. I should like to discuss that question at somewhat greater length.

The American taxpayer must and does look upon government as one of the necessities of life. He knows full well that government is a necessity, just as food, clothing, shelter, and other goods and services are necessities. Likewise, he knows that the functions of government cost money, just as does his daily bread, his suit of clothes, the roof over his head, his furniture, his car, his radio, his doctor, and his church. He knows that he must pay the cost of all of these. But, I need not point out to you, Mr. President, that it is characteristic of the American citizen to insist upon full value for all the money he spends for his necessities.

If the corner-grocery man asks a dollar for a loaf of bread, none of us need inquire whether the loaf is worth a dollar. We know it cannot be. And we would all refuse to pay such an astounding and incredible price. Shall we not take the same attitude toward the outlay of a similarly astounding and incredible price for Government? Once we comprehend what that price is, and appreciate that it is astounding and incredible, shall we not insist that no government is worth it? If by any chance we are willing to say that some government might be, shall we not still searchingly inquire whether the particular government we are asked to pay for can conceivably be worth it? Or shall we meekly, silently, spinelessly hand over the price when it is glibly asked of us?

I, for one, propose to insist, vigorously and even impatiently that neither the particular government we are now being asked to pay for, nor any other, is worth the price that is asked.

Unfortunately for us all, statistics in the realm of Government finance have become as incomprehensible and unreal as those in the realm of astronomy. None of us actually knows what a "million" is, much less a "billion." It is hard for us to understand what a monstrous thing a debt of $35,000,000,000 is. We cannot readily grasp the significance of a deficit of $6,000,000,000 for the present year. However, I contend that it is the duty of every thinking citizen to study those figures, to appreciate their import, to understand what really is the price of the government we are getting.

When I speak here of the price of government I am including only the money cost. The cost in freedom, morale, and happiness is incalculable. But let me be purely practical and hard-headed and take a look at the money cost of the service for which we are asked to pay.

For the "advantage" of a Federal Government during the fiscal year 1936 we are asked to pay $10,000,000,000, that is, about $400 for every single family in the country. How many families in this country can spend $400 per year for food? How many can spend that much for their housing? How many can spend that much for clothes? How many can spend that much for furniture, an automobile, their schooling, or their church? These questions answer themselves, and I say that the question whether any of them can spend that much for their National Government answers itself just as readily. No national government which any party can provide is worth $400 to any family in this country, much less all of them.

No one can deny that the cost of the best national government will be substantial. But think of it—$10,000,000,000, or $400 per family for this year. Can government possibly be worth it?

Let us look into the figures a little deeper. During the fiscal year 1934, the first full year of the present administration, it cost $7,105,000,000 to run the National Government. The preceding fiscal year (1933), that cost was $5,307,000,000. In 1 year, the total increased 33⅓ percent. Contrast this with the promise we heard so much of back

in 1932, that the cost of government would be reduced by 25 percent.

The fiscal year 1935 saw no reversal of the trend. In that year the National Government cost us $7,375,000,000.

The Secretary of the Treasury now tells us that during the fiscal year 1936 the administration will spend nearly $10,000,000,000.

Finally, we already have the President's word that in the fiscal year 1937 the cost of the National Government will be not less than $8,250,000,000.

To venture again into the astronomical, the 4 Roosevelt years are to cost us the staggering total of $32,574,000,000—$1,200 for every family in the United States.

Suppose we disregard relief expenditures for the moment. We have gotten ourselves into the vicious habit of dividing our Budget into two parts—one of which might be balanced some day and the other of which we are letting grow so top-heavy it will soon crush us. But suppose we take a look at the President's "ordinary expenditure" budget.

In the fiscal year 1934 the administration's so-called "ordinary expenditures" were $3,444,000,000. They had not even shifted into second gear then. The following year they stepped on the gas a bit and spent $4,306,000,000, on the "ordinary side." That was a lot of fun; so this year they are managing to run it up to $4,776,000,000. Now, with 1937 just ahead, they have begun to forget their campaign promises and loosen up a little—not much; just 20 percent or so—and will spend $5,649,000,000 on "ordinary" activities.

What is the total? For "ordinary" activities for 4 Roosevelt fiscal years, $18,175,000,000—a good $700 per family. I ask again, Is it worth it?

Far more significant than the total is the trend. "Ordinary" expenditures rose 25 percent in 1935 over 1934. In 1936 they are 11 percent higher than in 1935 and 40 percent higher than in 1934. In 1937, we are told, they will be 20 percent higher than in 1936, 30 percent higher than in 1935, and 65 percent higher than in 1934. May I ask another question that answers itself? Can we stand that trend any longer?

Finally, we have the so-called "relief and recovery" expenditures, on the "nonbalancing" side of the Budget. They will aggregate over $12,000,000,000 for the 4 Roosevelt fiscal years, 1934 to 1937, inclusive—$500 per family in the United States. The $3,000,000,000-a-year average for expenditures in this category is not showing a real declining trend—and this despite the absorption of millions into private employment because of the natural improvement in business and the improved circumstances of millions of others because of that same improvement.

So much for expenditures. They would be very fine if the bills never came in. But the bills do come in, and someone must pay them. In most cases we do that ourselves, or frankly cast the expense upon those who will come along later. Usually we either tax or borrow. But what does this administration do? It taxes, heedlessly and to the limit, and then proceeds to borrow, also heedlessly and to the limit.

In 1934 the American people were rendered the first bill for this orgy of governmental extravagance. In that year the President smilingly asked the Congress to impose new and unprecedented taxes upon the American people, and Congress obediently applied the lash. Revenues rose, but the spenders increased their pace, too; and in 1935, as if amused at the race, and perhaps only to give more encouragement to the spenders, the President submitted another bill to the people, and at his bidding Congress imposed still more burdensome and unconscionable taxes upon American enterprise and property. And now, for the third time in 3 years, we have before us a Presidential demand for more money.

In the fiscal year 1934, a total of $3,116,000,000 was extracted from the pockets of American citizens by the tax collector. In 1935 under the rising rates imposed by the Revenue Act of 1934, that worthy was 20 percent more efficient, and managed to abstract $3,800,000,000. The drastic provisions of the Revenue Act of 1935 helped him still more, and in the fiscal year 1936 it is said that he will collect $4,411,000,000, or a 15-percent better job than in the previous year. Now it is proposed that he be given a new instrument of torture and oppression, the Revenue Act of 1936, to aid him in raising in 1937 $5,800,000,000, a 30-percent increase over 1936, a 50-percent increase over 1935, and practically a 90-percent increase over 1934.

I repeat that neither the Government we are being asked to pay for, nor any other, is worth the price that is asked. We must flatly refuse to commit ourselves to pay that price. We do not want what we will get for our money, so we must not order it. It is that refusal which I shall express when I vote against the tax bill.

I have been speaking so far of the cost to the present generation. Were that all, we might grin and bear it. But when we see the bill to be rendered to future generations piling up to an enormous total at an amazing rate, it is time to call a halt. As I have said, the 4 Roosevelt fiscal years are to cost us thirty-two and one-half billions of dollars. If all predicted revenue is collected, the total will hardly exceed sixteen and one-half billions. We are therefore adding to our public debt during these 4 fatal years at least $16,000,000,000—for someone to collect some day from our children and grandchildren. Are we to let this process go on? Here again, we must end our encouragement to the spenders. Killing this bill may not stop the borrowing, but if we begin to say "no", vigorously and unequivocally, perhaps it will dawn on some of those in power that the American people mean it.

Actually, I believe, no further taxation at this time is necessary. If we would stop the waste and extravagance which today is such a dominant characteristic of the present administration, we would take care of our unemployed and meet the legitimate expenses of our Government out of the receipts of the present taxes. To impose taxes without making these needed obvious economies means that we admit the necessity of perpetuating the present system of waste and extravagance and graft and financial irresponsibility.

Insofar as I am concerned, I do not think it is desirable to perpetuate such a system, and I refuse to vote for any measure which will have that effect, although I will actively sponsor any measure which either will make needed reforms in our tax system or will result in a more equitable distribution of the legitimate costs of our Government among American taxpayers.

But my own views as to whether we need additional revenue are of no particular importance. We are told that we must raise more money. If we assume that the money must be raised, what are the possibilities? One could list many. We might impose a tax of $50 on every automobile sold. We might impose a processing tax of 1 percent or 5 percent or 15 percent, depending upon the amount of money which it is decided must be raised. Or, we might stop this much-too-prevalent nonsense of preaching against the money changers and the speculators and the gamblers, while at the same time protecting them, and impose a tax upon their parasitic profits. But were we to do that we would be attacking the class dear to the heart of the one who says that the current tax proposal is a "must" legislation. But that, Mr. President, is another chapter.

There is just one further remark that I should like to make. Should this tax bill be enacted, and remain on the books until the next business recession starts, it will be of no aid at that time to repeal the act, for the damage then will have been done. It will have been done by having made it impossible for our business organizations to have accumulated the needed reserves during the period when they had a net income.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (H. R. 8940) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

REORGANIZATION OF CORPORATIONS UNDER BANKRUPTCY LAW—RECONSIDERATION

Mr. ASHURST. Mr. President, yesterday I gave notice that when the House returned the bill to the Senate I would move to reconsider the vote by which the Senate passed House bill 8940, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. I am advised that the bill has been returned to the Senate. Is that true?

The PRESIDING OFFICER. The Senator's information is correct.

Mr. ASHURST. I now move that the vote by which the bill H. R. 8940 was ordered to a third reading, read the third time, and passed be reconsidered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to.

Mr. ASHURST. I now ask that the bill be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, the bill will be recommitted to the Committee on the Judiciary.

Mr. ASHURST. Mr. President, there has been some disagreement among Senators and on the part of the public as to the exact meaning of some of the amendments added by the Senate to the House bill. The able Senator from Indiana [Mr. VAN NUYS] was chairman of the subcommittee which considered the bill; I am authorized to say that he joins with me in making the motion which I have made and he approves my action; and that, as chairman of the subcommittee of the Senate Committee on the Judiciary, he desires me to give notice that the subcommittee will hold a hearing on this bill at the rooms of the Senate Committee on the Judiciary on Thursday morning next at 10:30 o'clock, at which hearing all persons who have any interest in the bill will have an opportunity to be heard.

COLLECTION OF REVENUE FROM INTOXICATING LIQUORS

The Senate resumed consideration of the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes.

Mr. OVERTON obtained the floor.

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

Mr. OVERTON. I yield.

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

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

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

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

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

Mr. OVERTON. Mr. President, the amendment offered by the Senator from Iowa [Mr. MURPHY] to the pending bill was presented before the Finance Committee of the Senate and, after thorough consideration, was rejected.

In the very able presentation which the Senator from Iowa made of his amendment, he declared that it was being proposed in the interest of agriculture, with particular reference to those engaged in the production of corn. The record shows that two and a half billion bushels of corn are produced annually in the United States. The record does not show how much of this corn enters into the production of alcohol; but there has been submitted a minority report which was placed on our desks this morning, and that report declares that—

> During the 10 years prior to wartime prohibition an average of, roughly, 75,000,000 proof gallons of grain alcohol were used for beverage purposes, mostly for blended whisky and gin, or the equivalent, conservatively, of 15,000,000 bushels of grain.

Therefore, during the 10 years prior to wartime prohibition, when presumably more liquor was being consumed and used in this country than during any other period, 15,000,000 bushels of grain were used in the production of alcohol and whisky. This is equivalent to an average of 1,500,000 bushels of grain per annum out of a total production of corn alone of two and a half billion bushels per annum.

Therefore, Mr. President, when I consider the monopolistic effect of the amendment, while it may not at all be the purpose of the Senator from Iowa to offer the amendment not in the interest of agriculture but in the interest of the grain distilleries of the country, I think I am justified in making the observation that that is its effect, because if it were being offered in the interest of domestic products, agricultural and others, why should it undertake to select grain alone as constituting a proper commodity out of which to manufacture alcohol, and exclude cane products, exclude fruit juices, exclude apples, exclude petroleum products, and exclude every other commodity produced in this country out of which alcohol may be successfully made?

The Senator from Iowa states that historically alcohol is produced from grain. Well, historically, intoxicating beverages were produced from wine. If my Biblical recollection serves me right, I think it was upon the juice of the grape that Noah got drunk.

Historically, mankind used to live in caves and in trees; but no one would suggest today that either the Senator from Iowa or myself should legislatively be driven out of our apartments in the Wardman Park Hotel to inhabit either caves or trees. [Laughter.]

Historically, in the temperate and colder climates, man clothed himself in skins, and in the tropical climates, did not clothe himself at all. If we pursue the argument of the Senator from Iowa to its logical conclusion, we should be legislatively driven to use skins as our garments, or else be driven into nudist colonies. [Laughter.]

The Senator from Iowa states that his amendment is perfectly defensible because there is a difference in flavor between whisky made from alcohol that has been manufactured from molasses, for instance, or some other products, and that made from corn. Well, there is a difference in flavor between all kinds of intoxicating liquors. There is a difference in the flavor of bourbon and rye and of Scotch and of different kinds of wines. There is a difference in taste; and permit me to remind the Senator from Iowa of that splendid old Latin adage:

> De gustibus non est disputandum.

The amendment cannot be defended upon the ground that there is a difference in flavor. Some people may prefer the flavor of corn alcohol or corn whisky, and some may prefer the flavor of some other kind of whisky. Some may prefer to get drunk from corn liquor, and some may prefer to get drunk from some other kind of liquor. The amendment can be defended solely upon the ground that alcohol and neutral spirits and gin manufactured from other commodities are more deleterious to health than are similar products manufactured from grain.

That, I thought, was the original contention that was going to be used in the presentation of the Murphy amendment. I appeared before the Senate Finance Committee in opposition to the amendment. I presented letters which I had written to the different departments of the Government in order to ascertain the facts.

I have a letter from Mr. Robert L. O'Brien, Chairman of the United States Tariff Commission, which appears on page 209 of the hearings. I also have a letter from Mr. W.

V. Linder, Chief of the Laboratory Division of the Treasury Department; a letter from Mr. W. G. Campbell, Chief, United States Department of Agriculture, Food and Drug Administration of the Department of Agriculture; a letter from Mr. Martin H. Ittner, chairman of the Committee on Industrial Alcohol of the American Chemical Society, and other letters appearing in the record, all of them to the effect that modern distillation and rectification practice has attained such a high degree of refinement that the resulting alcohol is recovered with only extremely minute traces of the original congenerics, and that molasses alcohol which has been highly rectified or purified cannot be distinguished by any known chemical tests from grain alcohol which has been similarly rectified and purified.

Quoting from Mr. Howe, chairman of the Industrial Alcohol Committee, we find the statement:

> To those of us in the chemical industry it seems absurd to endeavor to define a perfectly well-known, easily identifiable, and definite chemical compound by the source or kind of raw materials from which it is made. We recognize, of course, that it is an effort to obtain an extensive market for one particular agricultural product, but this discrimination seems to us unwarranted and unsound.

The Senator from Iowa quotes the ruling made by President Taft while he was in the White House. If the Senator from Iowa had quoted a decision rendered by Justice Taft on some constitutional question, I would have had a very high regard for it, but I do not think that this august body will consider very seriously either President Taft's or Judge Taft's view as to the commodities from which liquor should be manufactured.

There is a history back of this proposed legislation. Congress enacted a law which provided that no discrimination should be practiced in reference to the branding and marketing of liquors. It was the Revenue Act of 1919, and it contained this provision:

> All distilled spirits or wines taxable under this section shall be subject to uniform regulations concerning the use thereof in the manufacture, blending, mixing, marking, branding, and the sale of whisky and rectified spirits, and no discrimination whatever shall be made by reason of the difference in the character of the material from which the same may have been produced.

Mr. President, that is the law today. It is a proper and a just law. There is no reason why there should be any discrimination on account of the commodity from which alcohol is produced, provided the alcohol so produced is as good and as pure as alcohol produced from other sources.

This same amendment was offered last year by the Senator from Iowa, and it was rejected by the Congress. Following that an effort was made to have the Federal Alcohol Control Administration adopt a regulation which would create a monopoly of grain alcohol and exclude all other forms of alcohol. But, instead of that, the Secretary of the Treasury authorized the promulgation of a ruling which requires that the percentage and the name of the commodity shall be given with reference to alcohol and its products. Therefore the public is put upon notice, under the present law, and under the present rulings. The contents of a bottle, the commodity out of which the contents are made, and the percentage of the commodity, are, under the recently adopted regulation of the Treasury Department, to be indicated on the label on each bottle, and therefore the public can determine whether or not it is getting liquor that is manufactured out of grain, or gin that is manufactured out of sugar or molasses, and just what kind of alcohol is being used.

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

Mr. OVERTON. I yield.

Mr. WHEELER. I am asking merely for information. Is most of the whisky made out of grain at the present time, or is much of it made out of alcohol produced otherwise and blended with something else?

Mr. OVERTON. Frankly, I cannot give the Senator the information he seeks.

Mr. WHEELER. If whisky and the various other spirits which are drunk so freely in the United States were made out of grain, it would undoubtedly help the farming industry in the United States to some extent would it not?

Mr. OVERTON. To a very limited extent, so far as grain is concerned. I do not know whether or not the Senator was present in the Chamber when I made the statement, but it is shown by the minority report and by the record that two and a half billion bushels of corn are produced annually in this country, and that only 1,500,000 bushels of all kinds of grain enter into the manufacture of beverage alcohol.

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

Mr. OVERTON. I yield.

Mr. MURPHY. I submit there is an inconsistency in the statement which appears in the report, and I think there is no justification for saying that only a million and a half bushels of corn enter into the manufacture of liquor. I stated that for the fiscal year ended June 30, 1934, alone there was an increase in the use of grain, not the absolute amount of production but an increase in the use, of 13,000,000 bushels of grain in that year alone.

Mr. OVERTON. I do not think that makes very much difference. I do not think one can make the argument that in order to help agriculture we should take one class of agricultural commodities and make a monopoly out of it in the manufacture of a product and exclude any other agricultural commodity in the United States.

Mr. WHEELER. We would not be excluding any other product, as a matter of fact.

Mr. OVERTON. We would be excluding molasses, which is a product of sugarcane and also a product of beet sugar.

Mr. WHEELER. Where is the great proportion of the beet sugar which goes into the making of alcohol produced at the present time? Does it come from Cuba and other places?

Mr. OVERTON. A great deal of it is imported. It comes from our insular possessions.

Mr. CLARK. The Senator does not refer to Cuba as an insular possession of the United States, does he?

Mr. OVERTON. No; I mean that it also comes from our insular possessions—from Puerto Rico and from Hawaii. Some of it also comes from the Philippine Islands and from Cuba, from Louisiana, and from the beet-sugar area.

Mr. WHEELER. Is it not true that there is a depression among the grain farmers of the United States, and that this measure would provide one way by which we could be of help to the producers of grain?

Mr. OVERTON. It would be one way by which we could hurt the sugar interests.

Mr. WHEELER. As a matter of fact, we would not be hurting the sugarcane grower in the United States to any appreciable extent. The only people against whom we would be discriminating would be the Cuban sugar growers, who ship in the blackstrap, or whatever it is, that is used in the production of competing alcohol.

Mr. OVERTON. I will say to the Senator that whenever we create a monopoly we benefit that concerning which we create the monopoly. There is no question about that. But the Senator is in error when he says that the only people who would be hurt would be the Cubans, those who reside in our insular possessions, and those interested in the sugarcane industry in Louisiana, and the beet industry. We would also be injuring and putting out of business factories which have been established along our seaboard, along the Atlantic coast, and in Louisiana, which use blackstrap molasses, which take the sucrose content out of it and convert that content into alcohol. If we create a monopoly in favor of the grain distillers, then we destroy the business of all of the molasses distillers along the Atlantic coast.

We are not asking for that. We are not proposing an amendment providing that alcohol and gin may be manufactured solely from molasses. We are perfectly willing that it shall be manufactured from grain and shall be manufactured from molasses. It ought to be manufactured from any commodity produced in the United States or elsewhere from which it can successfully be made.

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

Mr. OVERTON. I yield.

Mr. MURPHY. I think the Senator from Louisiana did not mean to say that the adoption of the pending amendment would put the industrial alcohol plants on the Atlantic

seaboard and elsewhere out of business. If the adoption of my amendment would accomplish their destruction, we are left to wonder what market accounts for their existence. The truth of the matter is that the distilling interests referred to now import a tremendous quantity of blackstrap molasses, as the Senator has stated. The domestic production of blackstrap molasses is 59,629,000 gallons. We import 165,266,000 gallons. In addition, there are imported from Hawaii and Puerto Rico 39,964,000 gallons. It is all distilled in the seaboard and other distilleries. It is sold as industrial alcohol. Of course, they are existing today and earning profits as they are thus employed, and my amendment would not disturb them in the market which they now enjoy.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. OVERTON. I yield.

Mr. KING. I do not quite understand the attitude of the Senator from Iowa. Does he mean that no part of the importations of molasses is now used for the manufacture of whisky?

Mr. MURPHY. That is my understanding, Mr. President. There is not any evidence anywhere that even a gallon of domestic blackstrap molasses has gone into the manufacture of alcohol for beverage purposes.

Mr. OVERTON. I think the Senator is in error about that. He has made the statement that none of the molasses of Louisiana is used for that purpose. My information is to the contrary. My information is that domestic molasses is used for the production of alcohol for both industrial and nonindustrial purposes.

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

Mr. OVERTON. I yield.

Mr. MURPHY. I should not wish to make the statement that no Louisiana molasses goes into alcohol. The extent of the statement I make is that I have not been able to find anywhere—and I have made diligent inquiries—that any of it has gone into such production. Repeated statements have been made to me that none of it has gone into alcohol for beverage purposes.

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

Mr. OVERTON. I yield.

Mr. KING. Would it not be as just and wise and sound, as a national policy, to forbid the use of rayon for the manufacture of clothes, and compel us all to use silk, as it would be to deny the use of molasses for the manufacture of a commodity which is just as good as that which is manufactured from grain?

Mr. OVERTON. I think so.

Mr. MURPHY. Mr. President, will the Senator yield for another moment?

Mr. OVERTON. I yield.

Mr. MURPHY. I suggest to the Senator from Utah that rayon is sold as rayon. It is not sold as silk.

Mr. OVERTON. Mr. President, I get back to the original proposition which I advanced, that the pending amendment cannot be defended upon the ground that it is desired to favor a certain agricultural commodity exclusively and that all other sources of alcohol manufacture in the United States of America should be wiped out. The only way such a proposition can be defended would be to show that other alcohol is not as good as the alcohol manufactured from grain. The records show conclusively and abundantly, and it was so stated by the Senator from Iowa himself before the Senate Finance Committee, that alcohol manufactured from molasses is just as good as is alcohol manufactured from grain.

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

Mr. OVERTON. I yield.

Mr. BARKLEY. I recall that Dr. Doran, who for a number of years was in charge of the Prohibition Division during prohibition days, testified that ethyl alcohol made from cane or from molasses could not be distinguished from alcohol made from grain; that they are practically identical; that whisky made with alcohol derived from molasses could not be distinguished from whisky manufactured from alcohol made from grain.

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

Mr. BARKLEY. I should like to finish my statement.

Mr. CLARK. I desire to refresh the Senator's memory as to Dr. Doran's statement. He said that on chemical analysis there was no difference to be distinguished, but that there was a very material difference in flavor.

Mr. BARKLEY. I do not recall his statement about the flavor, but I know that he said that from the standpoint of science there is no difference whatever between alcohol produced from grain and alcohol produced from cane.

It seems to me, of course, that the question which confronts us is whether Congress shall say, by adopting the pending amendment and limiting the production of whisky to alcohol produced from grain, that we shall forever prohibit any scientific research that may develop any process of manufacturing ethyl alcohol from any kind of vegetation from which it may be manufactured. That is what the amendment means. If the amendments shall be adopted, it will tie the hands of scientific investigation. It will make absolutely useless any research into the possibilities of producing alcohol from any vegetation unless it happens to be grain.

If alcohol produced from grain and alcohol produced from other vegetation are identical, it seems to me that no harmful results could be produced by making whisky from alcohol produced from vegetation other than grain. All my interests would naturally be in favor of the amendment of the Senator from Iowa. We produce in the State of Kentucky no liquor made from blackstrap or from any other vegetation except grain, but I have not had a letter from a single farmer in my State asking me to vote for the pending amendment by reason of the fact that it will increase the market for grain. I do not know whether or not the farmers in my State know anything about it, but I am not concerned about that.

It seems to me that we are going far afield in legislation when we say by an act of Congress that ethyl alcohol shall not be made from any kind of vegetation from which it may be produced in the manufacture of whisky or any other commodity. It seems to me that we are not justified in limiting the source from which this product may be made simply because we desire to give a monopoly to one particular type of manufacture.

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

Mr. OVERTON. I yield.

Mr. WHEELER. It seems to me that a distinction to which the Senator has not called attention should be made between alcohol and whisky. After all, there is nothing in the amendment which, if it should be adopted, would prevent a continuation of scientific investigation in connection with the manufacture of alcohol.

Mr. BARKLEY. Not for industrial purposes. The amendment prohibits the labeling of any whisky as such, although it actually is whisky, unless it is produced from alcohol which came from grain. A commodity may not be labeled as gin, although it actually is gin, unless it comes from grain. A product may not be labeled ethyl alcohol, although it actually is ethyl alcohol, unless it came from grain.

Mr. OVERTON. It is, in other words, a legislative absurdity to undertake to say that that which is is not.

Mr. WHEELER. Mr. President, I do not agree with the Senator in his statement about this being a legislative absurdity. It seems to me that whisky has a well-known and a well-defined place in the minds of the general public. There is corn whisky, and there is rye whisky. When I buy what is sold to me as rye whisky, I wish to know that I am getting whisky made from rye.

Mr. OVERTON. The Senator has that knowledge now under the present regulations. The whisky must be labeled. If any of it is made of sugarcane products it is so labeled, and the percentage that goes into it is noted on the bottle. Therefore, full notice is given under the present regulations.

Mr. WHEELER. As the Senator from Iowa has said, it seems to me that the amendment will have nothing to do with preventing the making of alcohol for industrial purposes. The manufacturers may make all the alcohol they desire. They may carry on all the scientific investigations they desire. By the amendment we are simply saying that when a purchaser buys a product labeled "whisky", he shall receive whisky made from grain. That is all the amendment provides.

Mr. OVERTON. That is it, Mr. President. The amendment seeks to make a monopoly of grain-made whisky. Let us get down to the real meat in the coconut. The trouble about this whole thing is not that good alcohol cannot be made from other products, but it is that alcohol can be made cheaper from certain other products. It can be made cheaper from molasses than from grain, and therefore grain distillers do not wish to enter into competition with those who manufacture alcohol from molasses and from other products.

The amendment if adopted will increase the price not only of beverage alcohol but the price of medicinal alcohol. The pharmaceutical societies are opposed to this amendment and have written letters addressed to the Finance Committee in opposition to it. I read from the record of the hearings at page 48 from the testimony of Mr. Hilton, president of the United States Pharmaceutical Union, as follows:

> If alcohol can only be produced from grains, a condition will be imposed upon the sick and suffering in obtaining their necessary medicine, and prices will be exorbitant.

The adoption of the amendment will mean high prices for liquor and whisky and also high prices for medicine. If we create a monopoly for this source of manufacture of alcohol, whisky prices are going to mount to the sky; prices of medicinal alcohol are going to mount also; and it is going to impose not only upon those bibulously inclined, I will say to the Senator from Montana and the Senator from Iowa, but also, as Mr. Hilton says, upon the sick and suffering, the needy, the poor, and the distressed who require medical attention. We cannot defend a monopoly, and whether we say it is in the interest of agriculture, in the interest of corn or other grain, the amendment is monopolistic in character. That is the whole purpose of it. Its purpose is to drive out all other forms of production and have this one source of production.

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

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. OVERTON. I yield.

Mr. BARKLEY. I wish to call attention to the fact that the pending amendment not only applies to the bill now under consideration, the Federal Alcohol Administration Act, but it applies also to the Foods and Drugs Act not only as it now exists but as it may be amended or substituted for hereafter. Hereafter, no matter what act Congress may pass in substitution of the measure that is now under consideration or the Food and Drugs Act that has been on the statute books for a quarter of a century, this amendment would apply to any future enactment the Congress may see fit to substitute for or add to the law as it now exists.

Mr. WHEELER. Of course, we could not do that, as a matter of fact.

Mr. BARKLEY. Of course, one Congress cannot bind another, but every effort is being made here to hog-tie the future. Under the amendment that has been offered, if in the future a source should be found from which to develop a quality of alcohol better than has so far been known to man, advantage could not be taken of it to produce the alcohol or use it in connection with drugs.

Mr. OVERTON. At least it would require another act of Congress.

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

Mr. OVERTON. I yield.

Mr. MURPHY. I call the Senator's attention to the exception in the amendment embraced in the words "for nonindustrial use." Of course, this amendment does not apply to alcohol that is going into pharmaceutical uses.

Mr. OVERTON. Are not pharmaceutical uses nonindustrial uses?

Mr. MURPHY. Yes; and the amendment excepts them. So we cannot affect the price of medicines by the adoption of this amendment.

Mr. OVERTON. The amendment says that "no product shall be labeled or advertised or designated as neutral spirits", and so forth, "for nonindustrial use, if distilled from materials other than grain." Is not alcohol used in medicine a "nonindustrial use"?

Mr. MURPHY. It refers to beverage purposes.

Mr. OVERTON. It does not say "for beverage purposes." I disagree with my learned friend from Iowa.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The question is on the amendment offered by the Senator from Iowa [Mr. MURPHY].

Mr. BAILEY. Mr. President, I gave notice in the committee that I would file minority views in favor of the pending amendment. I have heard the arguments here, one to the effect that we propose to "hog-tie the future", which is clearly an impossibility; and the other to the effect that we are oppressing the sick and the poor and the lame and the halt, which cannot be sustained. I must say that when I heard the discussion and the testimony in the subcommittee no one thought of putting forward suggestions of that sort.

The question revolves wholly around the point whether or not any distillate from a product other than grain may be designated as whisky, and the collateral question is whether or not we should permit the distillation of blackstrap molasses, admittedly shipped in from outlying islands, some our own and others independent, in competition with American grain, and therefore adversely to the American farmer. They were the considerations which moved me to dissent from the recommendation of the subcommittee of the Finance Committee in charge of this bill. I wish to address myself to those considerations.

In the first place, do we have a right to permit or would it be proper to declare by law that alcohol distillates derived from materials other than grain may justly and prudently be permitted to be advertised and sold in our country as whisky? I make no pretense of technical capacity to define whisky, but we have certain historical standards to which we all may repair for our definition. No Senator here denies that every dictionary that undertakes to define whisky defines it as a distillate of grain. If there be a question about that, go to Webster's Dictionary or the Standard Dictionary or the Century Dictionary and my statement will be found to be absolutely supported. I did not know that when I sat on the subcommittee; but when the question arose I went to the dictionary and I was rather surprised to find that the historical definition of the word "whisky" is "a distillate of grain."

Now the next evidence is this: Mr. Taft, formerly President of the United States, rendered a decision, not with the force and effect of an adjudication but with the force and effect of a great lawyer and a great judge sitting in the Presidency of the United States with the question presented directly to him, What is whisky? We may give as much weight to a decision of that sort as we choose; we are not bound by it; but I submit it must have a very moving force with every reasonable man, and it has more force coming from a President who afterward became Chief Justice, and who, prior to being President, was a district judge and a circuit judge in our great judicial system, than it could have coming from any other man who has sat in the White House. It was a combination of a finding of fact and a determination not by a court of justice but by a great judicial mind with great judicial experience.

But that is not all. The Attorney General of the United States has held that whisky is a distillate of grain, and nothing else is whisky. The Department of Agriculture, administering the Pure Food and Drugs Act, has consistently held that whisky is a distillate of grain, and nothing else is whisky.

At any rate, when we come to determine the essential meaning of the word in the trade, and that is the thing at which we are driving, in the minds of men, we have a right justly to assume that when a man speaks of whisky or undertakes to buy whisky he understands that he is buying a distillate of grain. So the amendment is precisely in line with the whole policy of the Government, and especially the Pure Food and Drugs Act which has been on the statute books now for 30 years.

I see no injustice in the amendment; I see no straining. On the other hand, I see a perfect consistency with the general understanding of what we are to do here. We cannot make an arbitrary decision. We do not propose to call rayon "silk" or to call silk "rayon", as was intimated. We propose to call rayon, rayon, and to call silk, silk, to call a distillate of grain, whisky, and whisky, a distillate of grain. Every one of them is perfectly consistent with the ordinary human understanding.

I cannot bring forward that argument for gin, and I cannot bring forward that argument for neutral spirits. I do not know of what gin is made. I do not know just what is its base. But the argument for whisky is absolute.

The other consideration is the interest of the American farmer. I think the Congress in the years since I have been here has been struggling desperately by many devices to do something to place the American farmer in a better position than that which he has occupied. I question whether we have done that in the particular interest of the farmer alone. We have done it with a profound sense of the national interest, and we are right about that. We said at the outset the one way to meet the problems of the depression, perhaps the surest way to solve them all, would be to correct the disparity between the price paid by the farmer and the price received by the farmer. We have done many things. We have enacted some 17 or 18 different acts in the interest of the American farmer. Nevertheless, that disparity has not been corrected. We still have that great task, that essential objective ahead of us.

I have brought that point forward for one purpose, and that is to say that we are not going to secure justice for the farmer by one act or two acts or three acts or four acts. We have to look to his interest in every law we enact. He will be saved, if saved at all, by 100 little things rather than any one big thing. He will be saved at the point of taxation, for example. He may be saved at the point of money lending, for example. He may be saved to some degree at the point of soil conservation, for example. He is going to be saved in part by giving him his share of the protection that this country gives to everybody else. He pays the tax, but he has no benefit from the tax.

We set up recently the doctrine of a domestic tax which we call the A. A. A. benefits, the farmer's tax. He ought not to be made to pay his tariff rates. The benefits he receives ought to be charged against his crop and his income. So long as we charge them against his production, we have him in the position of trying to lift himself by his own boot straps.

Here is an incident of precisely that kind. Regret it though we may, the United States Senate is in the position at this moment of providing a law for the administration of a national liquor traffic. Whether we like the traffic or not, if there is one small opportunity in the enactment of laws concerning that traffic to aid the farmer by way of selling his grain, we cannot afford to neglect it. It may be a small contribution, but I was just saying that it is by the small contributions—here a little and there a little—that we will finally derive for him that parity which is the object of the national policy. We will correct that disparity which has placed him where he is by a long process of small neglects and discriminations.

That is what caused me to be interested in this matter. I do not care of what intoxicating liquors may be made. Personally that is a matter of indifference. I take it that is the attitude of most of us. But if we have an opportunity to sell, for the purpose of manufacture into whisky, 15,000,000 bushels of grain or 30,000,000 bushels of grain or 1,000,000 bushels of grain, why should we neglect the opportunity?

The evidence is that there are about 15,000,000 bushels of grain available each year. Since the corn crop and to some degree, the wheat crop are not sold in the open market—my associate from Iowa [Mr. MURPHY] said 67 percent of the corn is consumed on the farm—if we can provide a market for 15,000,000 or 10,000,000 or 5,000,000 bushels of grain to be consumed in the liquor traffic, in the manufacture of whisky, we should not overlook the opportunity to do so.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Louisiana?

Mr. BAILEY. I yield.

Mr. OVERTON. If the Senator will refer to the record, he will find it was testified that there are 2,500,000 bushels of grain used anually in the manufacture of alcohol.

Mr. BAILEY. I thank my good friend. I do not profess to know just what the statistics are. There has been dispute here all day about the figures, and I am sorry to say no one has been able to make an authoritative statement. I have before me the minority report in which it is said:

> Of the approximately 43,000,000 bushels of grain which are now being used annually in the distilling of whisky, gin, and alcohol for beverage purposes, it is estimated the market for 15,000,000 bushels will be lost to the farmer unless the grain-alcohol amendment is adopted and the Treasury ruling annulled.

Very well; at least that statement has been on the desks of Senators all day and no one has introduced one atom of evidence to deny it.

Mr. OVERTON. If the Senator will read the complete statement he will see that the 15,000,000 covered a period of 10 years.

Mr. BAILEY. I differ with my friend on the direct interpretation of the statement, but to be perfectly fair I shall read the statement:

> During the 10 years prior to war-time prohibition an average of, roughly, 75,000,000 proof gallons of grain alcohol were used for beverage purposes—

That is the average per year—

> mostly for blended whisky or gin, or the equivalent, conservatively, of 15,000,000 bushels of grain.

That is the average per year. That is the perfectly apparent meaning of the statement. It could have been made more definite, but to read it intelligently we are going to read that 15,000,000 bushels was the average per year for 10 years. I think we have very little trouble on the point of interpreting that language.

Mr. President, before I take my seat, to go back and say just a word again, all the evidence we have is that the molasses which is shipped into this country and manufactured into spirits and sold as whisky comes from the outlying islands or from other countries. There may be some from Louisiana. The Senator from Louisiana says there is. I do not think he will say there is a great deal; but the Senator from Louisiana will agree, I think, to two things. One is that the historic interpretation of the word "whisky" is a grain distillate. The other is that American farmers are always suffering from an overproduction of grain. If we can create this market out of a traffic that has no good in it that I can see save such an economic good as we may bring about by creating a market for the farmer, we at least to that extent shall have made some contribution to the solution of the great problem of correcting the disparity between the prices the farmer receives and the prices he pays. We shall have taken one little step in the long series which we must be taking as long as we live to bring about for the farmer the parity to which he is entitled; and if it is desired to put the matter on the basis of protection, so long as this country gives protection to any other class of Americans, as a matter of common justice it ought to give it to the American farmer. If we put him on a free-trade basis and put everybody else on a free-trade basis, very well. If we put him on a tariff-for-revenue basis and put everybody else on a tariff-for-revenue basis, well and good; but there

is not a hope for the farmer so long as the rest of the country is on a protective basis and he is in competition with all the other farmers of the world.

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

Mr. BAILEY. I yield to the Senator from Utah.

Mr. KING. The Senator, I am sure, knows that the strongest supporters of a high protective-tariff policy for many, many years have been the farmers. They have pointed to the fact that their surplus products not exported were largely consumed in the manufacturing and commercial centers; and they have urged that it was necessary for the employees in the manufacturing centers to find foreign markets for a part of their products, and that the farmers must find the markets for their products largely with those who were engaged in the manufacturing business. Therefore they have been the most urgent devotees of the cult of high protection that I have discovered since I have been in public life.

Mr. BAILEY. Yes; and they have received less of it than any other class. They have been the victims of it for 70 years. If there is one market under the sun to which the American farmer is entitled, it is his home market. If we close the doors, protect the manufacturer, and open the doors to all the other farmers of the world to compete with the American farmer, it will be a thousand years before we shall solve our simple problem of parity. This is not a big aspect of it, but it is just as important as any of the others, because the whole big aspect consists of many small ones.

Mr. BARKLEY. Mr. President, if the object of this amendment primarily is to protect the American farmer, why not prohibit the importation of Scotch whisky made from grains, or Canadian whisky made from grains, or vodka made from potatoes, or any other alcohol that is manufactured from any other vegetation grown anywhere else except in the United States?

Mr. BAILEY. Mr. President, I am surprised by my friend's question. We do not prohibit, but we certainly do put a tariff on all those articles.

Mr. BARKLEY. But if the object is to protect the grain growers of the United States—and out of a total production of two and a half billion bushels of corn the amount involved would be not much more than a million bushels, even if this amendment were adopted and protected the farmer to that extent—why not prohibit the importation of anything made from foreign grain, or put so high a tariff on it that it could not get in?

Mr. BAILEY. I have not implied, and the amendment does not imply, that we are going into the business of prohibiting anything by way of importations. I cannot see the analogy. The Senator suggests, by way of analogy with this amendment, that we prohibit the importation into the United States of Scotch whisky. If the Senator will give me the analogy, I shall be very much obliged to him.

Mr. BARKLEY. I was basing my inquiry upon the Senator's desire to protect the American farmer from the competition which is brought about by allowing the manufacture of whisky or gin or these other products from alcohol produced from other vegetation than grain.

Mr. BAILEY. I think the American farmer does have a certain amount of protection in those respects, in that we do levy a tariff upon every one of those articles of whisky from abroad.

Mr. BARKLEY. And, of course, a tariff would be levied upon the same product produced from any source, whether it was from grain or otherwise; so there is no discrimination there.

Mr. BAILEY. There is no discrimination; but, at the same time, that does not deprive the farmer of his share of that protection.

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

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

Mr. MURPHY. It may be observed at this point, as settling, I hope, the question of how much grain is used in the manufacture of alcohol, that in the year 1935—and the amount will be greater for 1936—a total of 33,006,619 bushels of corn, rye, malt, and other grains entered into the manufacture of whisky. We have already protected molasses. There is now a 3-cent tariff on imported molasses, except molasses imported from Cuba and made of sugarcane, on which there is a 20-percent reduction. Of the 1,140,000,000 gallons imported from Cuba in 1934, the tariff was 0.024 cents, which was equivalent to an ad valorem duty of 5 percent.

I put those facts into the RECORD merely for their bearing on the remarks of the Senator from Kentucky [Mr. BARKLEY].

Mr. BAILEY. I thank the Senator.

Mr. President, in conclusion—I am now reading from the report of the minority—

> The adoption of the grain-alcohol amendment will eliminate this conflict—

The conflict between the Treasury Department and the Department of Agriculture—

> and restore the requirements as to the labeling of blended whisky to those that prevailed continuously until January 18 of this year, when the Treasury Department regulation was promulgated.

We are not doing a new thing. We are simply restoring what was.

Further:

> The adoption of the proposed grain-alcohol amendment is urged by the American Farm Bureau Federation—

And that is a federation which has really national representation—

> and the Farmers' National Grain Corporation. Such State units of the Farmers' Union as have been heard from up to the present are all favorable. These include the Farmers' Union in the States of Montana, North Dakota, Minnesota, Wisconsin, Washington, Oregon, and Missouri. The Distilled Spirits Institute approves the proposed amendment. The National Institute of Wine and Spirit Distributors is on record before the Treasury Department in opposition to its regulation.
>
> Chester C. Davis, Administrator of the Agricultural Adjustment Administration, has endorsed the amendment on behalf of that Administration, as being in conformity with the legislative mandate already binding the Agricultural Adjustment Administration, namely, to undertake all practicable measures to increase domestic utilization of agricultural products, and as being necessary to prevent interference with the present agricultural program through depriving the farmer of one of his large grain outlets. Walter G. Campbell, Chief of the Food and Drug Administration, has, on behalf of that Administration, approved the amendment so far as it relates to the honest labeling of whisky. The Treasury Department does not object to the amendment. It stated to the committee that the amendment would not affect the revenues and that in other respects the amendment involved a question of legislative policy.

There is the combination of the official representation of the farmers of the Middle West and of America. There is the Department of Agriculture, through Chester Davis. There is the Pure Food and Drug Administration, through Mr. Campbell, and here is the Treasury Deparment saying that it does not object.

Mr. BARKLEY. Mr. President, the attitude of the Treasury Department is that it is not a matter of revenue, and that it has no interest one way or the other. It being a matter of policy, they express no view about it.

Mr. BAILEY. That is true; they do not touch the merits. They simply stand aside and say they will let us do what is wise.

Mr. President, I fortify my argument with the support of the men who are charged with the duty directly of speaking to the Congress concerning the needs of the farmers of the United States, two of them representatives of national organizations, and the third the head of the Agricultural Administration, Mr. Chester Davis. When we come to the question of labeling, the responsibility is Mr. Campbell's, who has been the administrator of the pure food and drug law for a great many years.

In the presence of the facts and the testimony, and the considerations which I have mentioned here, I can see no course other than to vote for the amendment.

Mr. BARKLEY. Mr. President, I have no interest in this matter except my interest in good legislation. I have no interest, direct or indirect, in the manufacture of any kind of distilled spirits out of any sort of vegetation from which they may be produced. But in order that we may understand what we are about to vote upon, I wish to make a very brief statement.

Mr. ASHURST. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. ASHURST. I regard the Senator from Kentucky as an authority on this subject, not that he is in any sense an ultimate consumer of liquor, but he comes from a State which produces a great quantity of liquor.

I have here a copy of a letter dated February 10, 1936, addressed to Hon. WILLIAM H. KING, chairman of the subcommittee of the Committee on Finance, signed by Dr. H. E. Howe, chairman, industrial alcohol committee, American Institute of Chemical Engineers, and I regard Dr. Howe as a very able chemist. The letter is as follows:

FEBRUARY 10, 1936.

Hon. WILLIAM H. KING,
Chairman, Senate Finance Committee,
Washington, D. C.

DEAR SENATOR KING: As chairman of the industrial alcohol committee of the American Institute of Chemical Engineers, an organization of approximately 1,400 technical men, I wish to have placed in the record the opposition of that body to the amendment proposed by Senator MURPHY, of Iowa, to H. R. 9185.

The proposed amendment is to a bill drawn to insure the collection of revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes. The amendment undertakes to define according to its source a perfectly definite identifiable chemical compound, namely, ethyl alcohol. The American Institute of Chemical Engineers as such is not directly concerned with the nonindustrial use of ethyl alcohol, where it is affected by the Federal Alcohol Administration Act, but it is convinced that it is both unsound and unwise to set up for this or any other purpose a definition of a chemical compound as something derived from a particular source in contradistinction to the established properties of the product, regardless of how it is made.

The basic purposes of the Food and Drug Act are to prevent the manufacture, sale, or transportation of adulterated or misbranded food and drugs, but there is no reference in the Food and Drug Act nor in the bill S. 5, now pending, to the industrial or nonindustrial use of distilled spirits or the beverage or nonbeverage use of alcohol. The Food and Drug Act has to do with the purity and quality of the articles which it covers and not their use, and in the pending legislation the term "drugs" refers to preparations recognized in the United States Pharmacopoeia, in which ethyl alcohol as such has long been recognized, quite irrespective of the source of its manufacture, being concerned only with its quality and purity.

Under the wording of the proposed amendment all other sources than grains themselves would be barred as a source of ethyl alcohol. This would include sugars, whether derived from the cane, the beet, or corn; starches that might be converted into fermentable carbohydrates; various farm crops, such as the Irish and the sweetpotato; artichokes, which are being widely discussed as a source of alcohol to give variety to farm crops; and many agricultural wastes. Ethylene as a source would likewise be barred. Since alcohol is alcohol, regardless of the raw material from which it is made, it is not difficult to foresee numerous difficulties and unjustifiable expense in the enforcement of such a plan of manufacture, and the amendment can scarcely be viewed as anything else than an effort to discriminate in favor of one small group at the expense of the others.

We urge that action on the amendment be unfavorable.

Very truly yours,

H. E. HOWE,
Chairman, Industrial Alcohol Committee,
American Institute of Chemical Engineers.

In brief, the purport of the letter is that alcohol is alcohol, whether it comes originally from potatoes, grain, or sugarcane. I wish the Senator would at least enlighten me upon that subject, because I regard Dr. Howe as an able chemist.

Mr. BARKLEY. Mr. President, the Senator is right about that. There are different sorts of alcohol. Plain alcohol is the parent of all the alcohol family, and going on down from the parent we get ethyl alcohol, which is the potable or consumable part of the alcohol family. Then we get butyl alcohol, depending upon the content. Then we get the methyl alcohol, and finally we get wood alcohol, and they are all traceable back to the parent of the whole alcohol family. Ethyl alcohol is the only sort of alcohol out of which whisky or gin or any of these other drinkable beverages is manufactured. Others are used for industrial purposes and for scientific purposes.

When we get ethyl alcohol, whether we get it from grain or from sugarcane or molasses cane or the molasses itself, or from any other vegetation, and subject it to scientific analysis, we cannot tell the difference.

Reference has been made to a decision of President Taft while he was President of the United States, when he traced the definition of whisky historically, which indicated that two or three centuries ago they did not know how to make whisky out of anything but grain. They did not know how to extract ethyl alcohol from anything except grain; and because they did not know how to get alcohol from anything but grain two or three centuries ago, we are asked to say now by legislation that we cannot get it from anything else at this time. That is what the amendment really means, and although the beverage made from the alcohol covered by the amendment, which is indistinguishable from grain alcohol, is not harmful to the human system as compared with the beverage made from alcohol produced from grain, although it is indistinguishable, and although whatever difference in flavor there may be is due to the process of distillation and of aging, we are asked to say by this amendment that whisky is not whisky unless it happens to be whisky that comes from grain.

What about gin? I know nothing about gin except what I have learned about it from study, because I do not consume it. I am not interested in its consumption. I do not even like the odor of it. But gin is ethyl alcohol further distilled over what are called aromatics, which in most cases take the form of juniper berries, so that every bottle of gin that is for sale is a beverage which represents ethyl alcohol redistilled over aromatics, usually juniper berries.

Under the proposed amendment we could not call it gin, although it is ethyl alcohol, indistinguishable from any other kind of ethyl alcohol. We could not take that alcohol and redistill it over an aromatic and call it gin. If we cannot call it gin, what can we call it, and what is it? What will it be, if it is not gin? It is the same sort of beverage, it is made by the same process, but we cannot call it gin. If we cannot call it gin, what will we call it. I do not know what we could call it.

Now, let us consider whisky. What is the beverage which we get from distillation of vegetation outside of grain? In Russia they make a certain type of vodka out of Irish potatoes. About as much alcohol can be produced from an Irish potato, according to its size, as out of the cubic space content of any vegetation. Potatoes are very high in alcoholic content.

Take rum, for instance. Rum is made from a vegetation which in itself contains the required sugar, whereas whisky is made from a grain which contains a certain amount of starch that has to be made into alcohol by distillation. That is one of the chief differences between rum and whisky. If we cannot call whisky that which is made from alcohol which is not produced from grain, what are we going to call it?

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

Mr. BARKLEY. I yield.

Mr. MURPHY. Call it alcohol from whatever product it is made. Under this ruling——

Mr. GEORGE. Mr. President, it is so branded today. It may not be sold unless it is so branded.

Mr. MURPHY. If the Senator from Georgia will let me finish, I will suggest that it be sold frankly for what it is. Whisky has always been a grain product. Now it is proposed to take 20 percent of whisky and mix with it 80 percent of alcohol made from products other than grain, and sell the whole as whisky, thereby violating what is strictly a grain market, and has been a grain market for 100 years. Why permit the substitution in whisky of an alcohol made from any other product for alcohol made from grain, when alcohol from grain has been used, as I have said, for a century?

The Senator from Kentucky says that our proposal will interfere with scientific progress. I have no desire to interfere with scientific progress, but I wish to have things called by their right names. The product is not whisky, as President Taft found, unless it is made from certain materials. Let us call the liquor by its right name. Go and find some name for it, but do not take the livery of whisky to sell blackstrap-molasses alcohol.

Mr. BARKLEY. I am not concerned with the historical cobweb surrounding the origin of whisky. I am not responsible, and I do not think Congress ought to make itself responsible, for perpetuating the designation of a thing for which centuries ago only one process of manufacture was known. There was no other vegetation which the scientists of an earlier day knew from which to produce alcohol except grain, and it was the most convenient source of alcohol from which they could make a drinkable beverage. Dr. Doran, who holds himself to be, and I think properly so, somewhat of a scientist on the subject, testified that as a matter of fact no whisky is being made out of blackstrap molasses. We are legislating against an inchoate fear. We are afraid the time may come when from Cuba they may bring in blackstrap molasses and make whisky from it. Even now, Louisiana blackstrap molasses is not being made into whisky. It is more valuable to be used as food for livestock. Is that, however, any reason why we should deny distillers the privilege of making whisky from alcohol made from blackstrap molasses, which scientists cannot distinguish from alcohol made from grain?

The question is whether we shall say by legislation that although scientists may discover some process by which whisky may be made in the future, it shall not be availed of, for whisky must be made only from alcohol distilled from grain.

I am as much interested in the market for all grain as anyone. We produce grain in my State, and we produce exclusively whisky made from grain. However, there are raised every year in the United States two and one-half billion bushels of corn. Think of it—two and one-half billion bushels. Yet all the corn that goes into the manufacture of whisky, out of two and one-half billion bushels, is about 30,000,000 bushels. How much more of a market for corn is going to be produced by prohibiting the manufacture of a little whisky from blackstrap molasses or from sugarcane down in Louisiana or in Georgia or somewhere else?

In my State we grow what we call a sorghum cane, and every autumn one may see the little sorghum mill out on the hillside, with the steam rising from it, and a man with a shovel or a scoop stirring the liquid that is ground out of the grain over a hot fire, and producing what we call a sirup, made of sorghum. This sirup has alcohol in it, and the juice which is ground out of that cane may produce alcohol. It may produce ethyl alcohol just as good as may be produced from the grain or corn raised on the very same farm beside this crop of molasses cane. Are we going to deny the farmer who raises cane, who can produce molasses, and who can raise potatoes, and who grows any other form of vegetation besides corn, the right to have his product used for the distillation of alcohol from which a drinkable liquor may be manufactured?

It seems to me, Mr. President, that for Congress to do that is to fly in the face of all modern scientific investigation. It is closing the door to the man who desires to take advantage of all the activities of agriculture and to produce what may be consumed from it.

I have no interest at all in the question except as a matter of sound legislation. If I were looking at it purely from the standpoint of selfishness, I should be in favor of the amendment, because my State is the largest producer of grain spirits or whisky made from grain in the United States, and we are a large producer of corn and of wheat and of rye, and grains of that sort. However, from a legislative standpoint, I cannot stultify myself by voting to deny every farmer who produces any sort of vegetation from which alcohol may be distilled the right to put his product on the market on terms of equality with those who produce grain.

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

The amendment was rejected.

Mr. KING. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Utah to the fact that there is an amendment on page 51, line 1, which was passed over. The amendment will be stated.

The CHIEF CLERK. On page 51, line 1, after the word "all", it is proposed to strike out "intoxicating liquors" and to insert in lieu thereof "distilled spirits, wines, and fermented malt liquors", so as to make the section read:

SEC. 321. Each retail liquor dealer shall provide at his own expense, and keep in his place of business, a record in book form, or shall keep all invoices of, and bills for, all distilled spirits, wines, and fermented malt liquors received, the quantity thereof, and from whom and the date when received. Such records, invoices, and bills shall be open to inspection during the usual business hours of the retailer by Government officers upon identification and request. Such records, invoices, and bills shall be kept for a period of 2 years after the time of the transactions to which they relate. For each willful violation of the provisions hereof the retailer shall be subject to a fine of $25.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. KING. I now ask that the amendment I have just offered be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 507. Section 9 of the Federal Alcohol Administration Act (U. S. C., 1934 ed., Supp. I, title 27, sec. 209) is amended by adding at the end thereof the following new subsection:

"(e) Nothing in this section shall affect the authority of the Secretary of the Treasury, under the customs or internal-revenue laws, to remit or mitigate the forfeiture, or alleged forfeiture, of such distilled spirits, wines, or malt beverages."

Mr. KING. That amendment is recommended by the Treasury Department, and I think it is a very proper one.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. KING. Mr. President, I am advised that the Senator from Maryland [Mr. TYDINGS] has an amendment which he left with the Senator from Massachusetts [Mr. WALSH]. I see neither of the Senators in the Senate Chamber at the moment. I am familiar with the amendment, and the committee could not accept it. All the other amendments have been disposed of, and I ask for a vote on the passage of the bill.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

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

The bill was read the third time and passed.

The title was amended so as to read: "An act to insure the collection of the revenue on distilled spirits, wines, and malt liquors, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of distilled spirits, wines, and malt liquors, to amend the Federal Alcohol Administration Act, and for other purposes."

NATIONAL FLOOD CONTROL

Mr. COPELAND. I move that the Senate proceed to the consideration of House bill 8455, being Calendar No. 2050, the flood-control bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which had been reported from the Committee on Commerce, with an amendment in the nature of a substitute.

Mr. COPELAND. I suggest that two typographical errors be corrected, and then, perhaps, we may let the bill go over until the morning.

On page 79, at the top of the page, I move that the word "Lambrook" be stricken out and the words "Laconia Circle" inserted in lieu thereof.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. COPELAND. On page 93, line 20, the numerals should be $19,616,800, and in the next line the numerals should be $10,519,600.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 23, line 20, it is proposed to strike out the numerals "$19,965,900" and insert in lieu thereof the numerals "$19,616,800"; and in line 21, to strike out the numerals "$10,170,500" and insert in lieu thereof the numerals "$10,519,600", so as to make the paragraph read:

Reservoir system for the reduction of Ohio River floods below Pittsburgh: Construction of reservoirs including the completion of the Bluestone Reservoir now under way, which together with the reservoirs for Pittsburgh flood control, constitutes a comprehensive plan for flood control on the main stream of the Ohio River and on the tributary stream below the reservoirs, as set forth in House Document No. 306, Seventy-fourth Congress, first session; estimated construction cost, $19,616,800; estimated cost of lands and damages, $10,519,600.

The amendment to the amendment was agreed to.

Mr. ROBINSON. Mr. President, I understand it is not desired to proceed further with the consideration of the bill this evening.

Mr. COPELAND. That is correct.

ACCOMPLISHMENTS OF DIVISION OF RURAL REHABILITATION

Mr. LA FOLLETTE. Mr. President, I have received a letter from Mr. Tugwell, Administrator of the Resettlement Administration, in relation to the work of the Division of Rural Rehabilitation. I ask that the letter may be inserted in the RECORD as a part of my remarks.

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

RESETTLEMENT ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, May 18, 1936.

HON. ROBERT M. LA FOLLETTE, Jr.,
United States Senate.

MY DEAR SENATOR LA FOLLETTE: It has been impressed upon me during the development of the program of the Resettlement Administration that so much emphasis has been placed upon the rural and suburban resettlement activities and the land-use program, which are more spectacular in their nature, that there has not been full realization of the scope of the work being accomplished by the Division of Rural Rehabilitation, although it is expending almost half of the funds allocated to the Resettlement Administration for the present fiscal year.

There has been delegated to that division the responsibility for performing a number of services for destitute and low-income farm families by loans, grants, and debt adjustments. By June 30, including $17,000,000 authorized from funds of the rural-rehabilitation corporations previously granted to the States by the Federal Government under the Emergency Relief Appropriation Act of 1933, there will have been expended in excess of $125,000,000, of which approximately $108,000,000 will be for loans and the balance for grants. Almost $90,000,000 of these amounts have already been paid to destitute and low-income farmers. It is further estimated that at an administrative cost of less than 2 percent of the total indebtedness involved, debts of 30,000 farmers will have been adjusted with scale-downs in excess of $25,000,000, or 27½ percent of the original indebtedness. Through March 31, the date of the last available report, 17,400 cases had been adjusted and scale-downs effected, totaling $16,200,000, or 27½ percent of the original indebtedness.

Making allowance for duplications, more than 700,000 farm families will be aided through the rural-rehabilitation program this year as follows:

Standard rehabilitation loans	300,000
Emergency rehabilitation loans	30,000
Emergency grants	300,000
Corporation clients under care	180,000
Farm-debt adjustment cases	30,000
Community and cooperative services	25,000
Total	865,000

In addition, nearly 100,000 applications, involving loans of $35,000,000, have had to be rejected because of lack of funds.

In your State $2,554,000 have been allotted for loans to 4,000 farm families, and on May 12, $2,116,205 had been advanced on 2,672 loans. Loans are being made rapidly, and the balance will probably be fully paid out to needy farm families by June 10, with the exception of a small part committed for monthly payments for subsistence purposes to carry some farm families through the harvest season. In addition, $165,000 have been allotted for emergency crop production loans to farmers ineligible for such loans from the Farm Credit Administration because they had received subsistence grants from the Resettlement Administration.

As of May 12, $453,187 had been expended in your State for 20,918 grants to 7,126 different families, and this amount will be increased before the end of the fiscal year. Added to this, debts of 317 farmers, involving the original indebtedness of $1,309,911, have been reduced to $791,205, a scale-down of $518,706, or 39.6 percent, with additional adjustments by reduction in interest rates and extensions in dates of maturity, and it is anticipated that the total adjustments will be doubled by June 30. The extent of these services in your State is apparent when you consider that the total number of farms in Wisconsin is 199,877.

In addition to the rural-rehabilitation program, which affects the most persons directly, the Resettlement Administration is carrying on in your State two other programs. One of them, the land-use program, returns to public ownership and develops for public uses agricultural lands which cannot support the farmers now living on them. The other, the resettlement program, affords opportunities for farmers from submarginal lands, for successful rehabilitation clients, for those who have been tenants, sharecroppers, or dispossessed owners, and for newly married young people of agricultural background who are without other resources to settle upon good agricultural land and thus to become again self-supporting and independent members of their communities.

In the State of Wisconsin the Resettlement Administration is purchasing 222,021 acres of submarginal land on the following projects. The cost of this land is estimated to be $1,496,909, and options on the entire amount of acreage will have been accepted by the end of the fiscal year.

Project no.	Project	County	Total cost of project	Acreage to be purchased
LA-WI-2	Drummond	Sawyer and Bayfield	$118,485	8,809
LA-WI-3	Lakewood	Oconto, Langlade, and Forest.	118,810	8,790
LA-WI-4	Crandon	Vilas, Florence, and Forest.	105,099	9,850
LA-WI-5	Necedah	Juneau, Wood, Monroe, and Jackson.	441,324	94,256
LA-WI-6	Black River	Clark and Jackson	420,354	39,043
LI-WI-8	Bad River	Ashland and Iron	47,564	19,747
LI-WI-9	LacCourt Oreilles	Sawyer	32,884	16,508
LI-WI-11	Stockbridge	Shawano	77,431	13,950
LA-WI-12	Mill Bluff Park	Monroe	1,672	68
LO-WI-16	Camp McCoy	do	133,286	11,000

Of these land-acquisition projects, the following are being developed by the Resettlement Administration at this time for public uses. The amount of funds available for this work in your State is $535,252, and 1,921 relief and rehabilitation clients are at present employed on these projects.

Project no.	Project	Amount of money available	Number of men working May 1
LD-WI-5	Central Wisconsin Game Necedah	$185,952	706
LD-WI-6	Black River Game	216,000	680
LD-WI-12	Mill Bluff Park	6,300	15
LD-WI-16	Camp McCoy	127,000	520

The Resettlement Administration is planning eight rural-resettlement projects in the State of Wisconsin. It is now actively engaged in either purchasing land or in construction on three active projects to cost a total of $1,002,242. These active projects are being planned for 245 families and are:

Project no.	Project	County	Total estimated cost	Total number of units
FS-WI-13	Drummond	Taylor, Price, Sawyer, Mayfield, and Ashland.	$192,242	40
RR-WI-15	Lakewood-Crandon	Vilas, Oneida, Lincoln, Price, Forest, Oconto, Florence, Langlade, and Shawano.	470,000	125
RR-WI-23	Summit Farms	Langlade	340,000	80

The preceding figures do not include the suburban resettlement demonstration project being established at Milwaukee. Present plans call for the construction of homes for 750 low-income industrial and farm families who will have the benefit of modern utilities, community facilities, gardens, and recreational areas. Approximately 4,000 acres will be needed for the project, including

a "green belt" area, which may be used for farming and in addition insures the permanence of the community's natural advantages. The project area is so planned that it will be possible to increase the number of dwelling units. Over 3,000 acres have already been acquired, and as of May 1, 1936, 339 laborers were employed in connection with the topographical survey work being performed. At the peak of construction approximately 3,000 workers will receive employment on the project.

I trust that you will find this information of interest.

Sincerely yours,

R. G. TUGWELL, *Administrator.*

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate messages from the President of the United States submitting a nomination in the United States Public Health Service (and withdrawing a nomination), which was referred to the Committee on Finance.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postoffice nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 20, 1936, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate May 19 (legislative day of May 12), 1936

PUBLIC HEALTH SERVICE

Dr. Carroll E. Palmer to be passed assistant surgeon in the United States Public Health Service, to take effect from date of oath.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 19 (legislative day of May 12), 1936

POSTMASTERS

CALIFORNIA

V. Betty Doheney, Hynes.

FLORIDA

Wendell V. Gilbert, Dade City.
Bess W. Rowell, Trenton.

MARYLAND

Cora E. Hopkins, Mardela Springs.
Maude Ringgold Toulson, Salisbury.

MASSACHUSETTS

James Leo Mack, Ashburnham.
Michael J. Moriarty, Bondsville.
Edwin C. Howe, Enfield.
John Robert Crowley, Monson.
Alfred J. Peloquin, Southbridge.
John J. Nolan, Spencer.
Thomas Leo McCarron, Taunton.
Lester J. Murphy, Wrentham.

NEW JERSEY

Edwin Douglas Hill, Andover.
Isaac E. Bowers, Groveville.
Charles W. Nolan, Union City.

OREGON

Percy Pope Caufield, Oregon City.

RHODE ISLAND

James J. Martin, Newport.
Antonio Prince, Woonsocket.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 19 (legislative day of May 12), 1936

POSTMASTER

NEW MEXICO

Helen B. Hickman to be postmaster at Hurley, in the State of New Mexico.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 19, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O give thanks unto the Lord, all ye nations; praise Him all ye peoples; for His merciful kindness is great toward us and the truth of the Lord endureth forever.

Gracious Lord God, we believe that the most certain and permanent fact in all the universe is that Thou art our Father. Bless us today with a large sense of Thy presence, forgiveness, and care. We pray Thee that we may be granted that loftiness of nature, that stability of character, and repose of mind and heart that the spirit of the Eternal One may have expression in us. Through Jesus Christ Our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3486. An act to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States."

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. 9496) entitled "An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11687) entitled "An act to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKellar, Mr. Hayden, and Mr. Frazier to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution:

Senate Resolution 300

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM D. THOMAS, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock meridian tomorrow.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the three special orders of business for yesterday which we were not able to carry out may be made in order for today.

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman from Alabama inform us when we are to take up the conference report on the Interior Department appropriation bill?

Mr. BANKHEAD. Mr. Speaker, I may state to the gentleman that I have already announced that we expect to take it up tomorrow.

Mr. RICH. How much time will the Members have to discuss the various items making up the $63,000,000 the Senate is asking be put on this bill and which ultimately will cost the country over $1,000,000,000?

Mr. BLANTON. The rules allow 1 hour.

Mr. RICH. That is not enough time to give to the consideration of expenditures which will ultimately reach $1,000,000,000.

Mr. BANKHEAD. Mr. Speaker, does the gentleman want to ask a question?

Mr. RICH. If we are to have only 1 hour's discussion of the conference report, it will not be enough.

Mr. BANKHEAD. Mr. Speaker, I may say to the gentleman from Pennsylvania that I recognize there is a good deal of controversy with reference to this bill, but I feel confident the gentleman from Colorado [Mr. TAYLOR], chairman of the subcommittee having the bill in charge, will be willing to allow a reasonable amount of debate before moving the previous question on the conference report.

Mr. RICH. Does the gentleman from Alabama think 1 hour is enough time in which to consider the spending of $1,000,000,000 of the taxpayers' money?

Mr. BANKHEAD. I may say to the gentleman from Pennsylvania probably that is not sufficient time, but it is not a matter within my discretion, because I am not acquainted with all the details included in the bill. I may say to the gentleman further that I am sure there will be no disposition to prevent adequate debate on the merits of the conference report.

Mr. RICH. We shall look forward with interest to seeing what the gentleman thinks is adequate time for debate.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the three special orders for yesterday be made in order today. Is there objection?

There was no objection.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, in order that we may take up the conference report to which the gentleman from Pennsylvania referred, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CONFERENCE REPORT—VETERANS' ADMINISTRATION

Mr. MEAD submitted a conference report on the bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration.

HUMAN RIGHTS COME FIRST UNDER NEW DEAL

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a speech by the First Assistant Secretary of the Interior for which I have an estimate.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a speech delivered by Hon. T. A. Walters, Assistant Secretary of the Interior, at the Democratic convention in Lewiston, Idaho, May 6, 1936, entitled "Human Rights Come First Under the New Deal."

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

[From the Lewiston (Idaho) Morning Tribune, May 7, 1936]

HUMAN RIGHTS COME FIRST UNDER NEW DEAL, ASSERTS T. A. WALTERS—ROOSEVELT TO SWEEP NATION AGAIN, AVERS DEMOCRATIC KEYNOTER—RECOVERY BELIES CARPERS—ASSISTANT SECRETARY OF INTERIOR FLAYS OLD GUARD CRITICS IN CONVENTION ADDRESS

(The text of the speech delivered before the Democratic State convention at the Temple Theater yesterday by T. A. Walters, First Assistant Secretary of the Interior, follows:)

Madam Chairman, delegates, ladies, and gentlemen, it is no formal expression forced by the arts of polite society when I say that it is a very real pleasure for me to be with you today. The honor and preferment is one that impels my deepest gratitude, and I take this, my earliest opportunity, to greet you with praise on my lips and grace in my heart. You are delegates at a time when the Democratic Party, both in the State and in the Nation, is making history that will be looked upon with pride and admiration by those who come after us. Our chosen leaders have not only felt and interpreted the demands of the masses, the average citizen, for a new, a better, a more humane, social, and economic structure, but have had the courage, in face of determined opposition, to propose and enact into law measures designed to make those demands a living fact.

About 4 years ago at Weiser—to be more exact, on the 10th day of June 1932—as chairman of the Democratic convention convened for the purpose of electing delegates to the Chicago convention, by resolution unanimously passed, I had the pleasure of sending a message to the Honorable James A. Farley advising him that the Democratic Party of Idaho, the second State in the Union so to do, had instructed its delegates to vote for Franklin Delano Roosevelt. Today I am privileged and more than honored in being requested to deliver to you and to the Democratic Party of Idaho expressions of gratitude, faith, and good will of our beloved President, Franklin Delano Roosevelt, and I may add with the utmost sincerity, the next President of the United States.

MANY CHANGES WROUGHT

A great many things political, social, and economic have happened since the Weiser convention. During the autumn of 1932 the Democratic Party united as never before behind its national and State leaders. We sent to the Senate of the United States the Hon. JAMES P. POPE, of Boise, who has, by ability and earnest application, become one of the most outstanding and respected of the younger Members of that distinguished body. He has the interest of Idaho at heart and is one of the Senate's most loyal and dependable supporters of the administration. For the first time in the history of our State we elected Democrats to the lower House of Congress—the Hon. COMPTON I. WHITE and the Hon. THOMAS C. COFFIN. The latter, to the sorrow and loss of Idaho and the Nation, has gone to that "undiscovered country from whose bourne no traveler ever returns." The second district elected to succeed him another young man of exceptional ability and integrity, the Hon. D. WORTH CLARK, who has already made his influence felt in the State and Nation. Our delegation in Congress—Senator POPE, Congressmen WHITE and CLARK—work as one man in the interest of Idaho and those measures advocated by the administration. Who of you but know of the untiring efforts of Congressman WHITE in the interest of the forgotten man? The mineral resources of the State, its agricultural wealth, and reclamation are his special concern. In gracious recognition of their work and loyalty the electorate of Idaho will, with an increased majority, at the November election return both of these men to Congress.

In the State of Idaho we have been fortunate in having in our chief executive leadership of the highest order. For business ability, for devotion to the pressing duties of public office, for a sense of humane values in Government, and for courage in putting progressive ideals into practice the State owes a debt of lasting gratitude to its devoted and respected Governor, C. Ben Ross.

ADMINISTRATION UNDER ATTACK

We are rapidly approaching another national campaign. Already the opposition is attacking the administration's program, its ideals and conception of the duties and functions of Government. The issues will be more clearly defined than in any Presidential election for the past quarter of a century. The opposition will be composed largely of those who belong to that school of thought who believe that the rules of government should be fixed, static, and not subject to change; that the social and economic structure should be made to conform to the rules laid down by dead hands. This group refuses to recognize the Democratic doctrine that the Government's concern with and for the welfare of its citizens has grown with our complicated, mechanized civilization of the twentieth century; that the greatest good to the greatest number should be the object of Government. We believe that the problems of

Government are not only to protect the lives and property of its people—important and essential as that is—but to bring them increased happiness, contentment, and security. A static government becomes stale, inefficient, and unresponsive to the needs of an intelligent and progressive people. The application of Government must ever be in gestation.

Our forefathers formed and fashioned a Government whose very end and purpose was the happiness and prosperity of those who brought it into existence. With a new philosophy of liberty they laid its foundation with stones quarried from the mountains of eternal truth. In the birth certificate they announced: "We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness." And the man who made equality, liberty, and the pursuit of happiness mean something to 4,000,000 human beings was set upon as a radical, and defamed for contravening the Constitution.

AMERICA'S DEVELOPMENT

We spent a century, from the War of 1812 to the beginning of the World War of 1914, in exploiting the great natural resources of a continent so rich that we vainly imagined that they were inexhaustible. We felled the forest, broke with our plowshares the virgin sod of the Great Plains, tunneled the mountains for precious metals. We spanned the continent with ribs of steel and ran upon them fast-moving trains to carry the products of mine, forest, and farm to the consumer, or down to the sea where ships waited to carry them to the four corners of the earth. Free land on the frontier of the ever-present West helped to relax and relieve the stress of recurring depressions.

We developed our institutional life under a Constitution and a political system born of agricultural civilization where the interests of its citizens were similar and scattered along the Atlantic coast. Under these social, economic, and industrial conditions we defined liberty and established it as a controlling principle of our social and political organization and action.

With the close of the nineteenth century, the agricultural era of American civilization had largely passed away. Large-scale business, which had not entered into the picture at the time of the adoption of our political and social institutions, now dominated the commercial world. A large percentage of our population was no longer attached to the soil nor interested in it from the standpoint of making a home upon it or cultivating it as a livelihood. Tenements and apartment houses became numerous in the great centers of population. The habits and customs of our people were largely changed. Distance, as it had been known, was annihilated. Methods of communication had been transformed. Mass production dominated the industrial world.

Our entrance into the World War for a time stilled the surging demand for the application of new social, political, and industrial principles. A great patriotic wave swept the country, and all thought and effort was focused on the one purpose of winning the war. At the conclusion of the war, artificial means were used to stimulate industry in order that those who had offered themselves on behalf of the Government might be reabsorbed into the body politic. Individualism, in its largest meaning, had full sway. An old political order, entrenched at Washington, attempted in a fumbling fashion to administer a new social order. It could see only the past. Its leaders were unable to see that the economic situation was loaded with dynamite which might at any time explode. In the closing months of 1929 it exploded.

WHEN THE DEPRESSION HIT

Business of all kinds was prostrate. The great fundamental industry of agriculture was unable to sell its produce for a sum that would equal the cost of production. Transportation was operated at enormous loss. Banks failed on every hand. Many communities were left without a single bank. The savings of millions of our people were lost overnight. Unemployment increased, schools closed, wages were decreased. Poverty reigned where affluence existed but a few months before. We were challenged by the paradoxical situation of having so much wheat, so much flour, so much corn, so much meat that millions of our citizens were compelled to go hungry. We had so much wool, so much cotton, so much fabrics, that millions of children were under the necessity of having insufficient wearing apparel to protect them against the inclemency of the weather. We had so much lumber, so much cement, so much steel, so much building material, so many railroads and transportation facilities that human beings were compelled to live in places unfit for human habitation. A shuddering fear clinched the citizen of the street, and he stood and wondered. Many even went so far as to question the integrity of the Government itself.

With no pleasure do I recall conditions as they existed on March 4, 1933. Were it not for the fact that men's memories are short, I would not undertake to do so. You will recall that there had come into our national life an ever-expanding spirit of fear and distress. Whatever the cause, the blighting effect was appalling. Industries vied with each other in reducing personnel, in reducing wages and salaries, and in postponing every possible repair and maintenance. The army of unemployed increased with each rising sun. People were helpless and rapidly becoming hopeless. The Nation was on the verge of hysteria. Men distrusted each other and, worse yet, they distrusted their Government. There was little difference in the mental attitude of the merchant, banker, farmer, or the so-called captains of industry. The man who had money in the bank wanted to get it out before the crash came. The owner of property wanted to sell it for cash without regard to its intrinsic value before the expected cataclysm.

A Republican administration in Washington did nothing to relieve the situation other than to advise that "prosperity was just around the corner."

REVOLUTION OF 1932

In the fall of 1932 we had a revolution—a truly democratic revolution—one decided by ballots and not by bullets—which resulted in giving us a President, Franklin Delano Roosevelt. With a courage seldom equaled he boldly undertook the task of restoring the Nation to a healthy and normal condition. Hope had a new birth in the hearts of men and women. They realized that courage, strength, vigor, and determination reigned in high places. From threatening, disorganized, and discouraged crowds of men and women emerged a self-reliant, courageous and optimistic nation. Under his guidance, the National Recovery Act became a law. He said, "Our citizens shall not starve." Money was made available to provide food, shelter, and raiment for the needy, most of whom, through no fault of their own, could look nowhere for needed relief but to the Federal Government. For the first time in the history of our country, human life and welfare was placed above property rights. First things were put first. Humanity was placed above things. The hungry must be fed. Profits were made subservient to service. Public works of sound social and economic value were undertaken, a portion of the cost of which will be repaid. Under the Public Works Administration hardly a city or community but which has been bettered, made more beautiful, more sanitary, a better place in which to live. The welfare of the citizen has become the concern of a great government. Was this wrong in principle? Does the Government owe no debt to its citizens? As so aptly put by my aggressive and capable superior, Secretary Ickes, "Are we merely to endure a purgatorial existence in anticipation of a beatific eternity after the grave closes on us?"

Under the conditions which existed on March 4, 1933, was there no occasion for the New Deal? Was there no occasion for the Government to meet the new social and industrial conditions which were the natural outgrowth of a century of progress? A government sensitive to the demands and needs of the governed must, if it is to be efficient, be modified in its application to meet the demands of the present and measure up to the possibilities of the future. Many of the critics of the administration now contend that recovery would have come about without the New Deal. Some, who by virtue of their integrity and capacity to see and know, admit that conditions have greatly improved but allege that it is all in spite of rather than on account of the New Deal. I admire their honesty and their ability to see but I am utterly unable to follow their reasoning. The statement that recovery would have come about without the efforts of the present administration is a statement easily made but more difficult of proof. The fact is that the New Deal came and recovery is following it. We might answer them by saying, as did one of old when his faith was challenged, and he replied: "Once I was blind, but now I can see."

REPUBLICANS TARGET OF COURT

The opposition, big and little, is making a great noise over the fact that the Supreme Court held the National Recovery Act unconstitutional. By the volume and heat of their criticism one might be led to the erroneous conclusion that this is the only time the Supreme Court has held an act passed by Congress and signed by a President to be in excess of constitutional authority. It should be remembered that President Coolidge had seven acts bearing his signature declared invalid. President Harding also had seven, and President Hoover had three administration acts declared by the Supreme Court to be unconstitutional.

The National Recovery Act was in effect for 2 years and in that time gave such an impetus to business as to carry us well on the road to recovery, which was the aim and purpose of the Democratic Party when it came into power. In the 2 years the National Recovery Act functioned it put hundreds of thousands of men to work, abolished child labor, cleared industry of disgraceful sweatshops, and established a code of ethics in business and rules of fair competition that not only lifted us out of the depths of depression, but created such a favorable public opinion that much of its good will be continued. It brought labor and industry into a more friendly relationship and created a better understanding of the problems of each by the other. Whatever may have been the weakness of the National Recovery Act and whatever your attitude may have been or is now relative to its being constitutional or otherwise, do not let us forget for a moment that it was the expression of a new hope, a new confidence, a new enthusiasm. Our people were beginning to come out of their lethargy. They were divesting themselves of discouragement and once more were facing the future with a feeling of security and hope. It is easy to criticize after the event has happened and to point out what might have been or could have been avoided. Regardless of any other considerations, there is no doubt but what the National Recovery Act served a great purpose. At a time when courage and hope were necessary to supplant the darkness of despair the National Recovery Act made the star of hope again shine over the unrisen morrow.

We can be proud that the Democratic Party has, and is, seeking to place the welfare of the masses above the classes—the welfare of the average citizen above individuals or groups. It has concerned itself with human life above property rights. It has announced to the world that human rights must be safeguarded and

has enacted a program of social legislation which has never been surpassed in importance or beneficial effects. The Federal Social Security Act is the most comprehensive and effective piece of social legislation ever enacted by our Government. It is the beginning of a program which will in the end secure the honest unemployed against poverty or alms and will provide the dependent aged with the comforts of life.

CONDITIONS THEN AND NOW

In answer to those who seriously or otherwise contend that the New Deal has failed, or, to use their own stock phrase, "that it has not primed the pump", permit me to call your attention to a few facts and figures. Let us see what the financial and industrial conditions are now as compared to what they were in March 1933. Between January 1, 1933, and January 1, 1936, industrial production advanced 51 percent; steel production advanced 257 percent; auto registration advanced 326 percent. Do not overlook the stock market, which is generally regarded as a barometer of financial and industrial conditions. It is very sensitive to any changes which affect finance or industry in any of its various phases. Stocks listed on the exchange advanced 34 percent from March 1933 to January 1936. The value of listed stocks during the same period increased more than $20,000,000,000. Listed bonds, during the same period, advanced 22 percent. I might add for the benefit of our utility friends, who have been so worried over the effect of legislation affecting that industry, that during the same period of time power production increased about 20 percent.

Under the "old deal", during the 3 years preceding March 1933, the picture was very different. During that time cotton declined 61 percent; wheat, 59 percent; corn, 73 percent; industrial production, 44 percent; and power production (notice particularly power production) declined 9 percent. The fact is that during that period the only thing that increased was unemployment, poverty, want, and despair.

A very different picture appears before the eyes in the 3 years following March 4, 1933. Banks, insurance companies, and other financial institutions are stronger than ever. Their deposits have increased. They have gained in assets and earnings. And, above all, and more important than all, they again have the full confidence of the people. The average citizen with his earnings in the bank can now go to sleep at night without the shuddering fear that tomorrow his life's savings may be lost. Bank failures since that time have practically disappeared. Depositors in the few institutions, small and inconsequential as they were, that have failed, had their money within 24 hours after the closing notices were posted. What would the insurance of bank deposits have meant to the people of the State of Idaho or to the Nation when the banks closed their doors prior to March 4, 1933? The question answers itself.

Permit me to use a few more figures which tell more forcefully than words the story of recovery under the present national administration. In January 1933 the production of steel was 861,000 gross tons. Last month it was 3,300,000 gross tons. Of 32 important industrial corporations 22 reported deficits in 1932. Only two in 1935. The total profits of the 10 that showed returns in 1932 were $38,000,000 for that year; in 1935 for the same corporations the total profits were $887,000,000. One of our greatest automobile companies made a profit in 1932 of $165,000; in 1935 it increased that profit just one thousandfold, to $167,000,000. Another automobile company had a profit of $34,000,000 in 1935 as against a deficit of $11,000,000 in 1932. The combined profits of 2,010 companies showed earnings for the year 1935 of $2,541,000,000, or an increase of 42 percent over those of 1934. Business for the first 6 months of the present year gives every indication that substantial gains in profits and volume will be shown over a similar period of last year. Do these sound like business is not getting better? Who, in the face of these facts, but those who, having eyes see not, and having ears hear not, will seriously contend that the New Deal is not succeeding?

IDAHO VASTLY BENEFITED

How have the policies of the administration affected Idaho? You men who tunnel mountains and wash the sands of ancient streams to rescue gold and silver from their hiding places—do you get any more for your find than you did preceding 1933? Are the products of the forest of less value? What about the income of our greatest industry, agriculture? All you men who till the soil or tend the flocks need do to answer that question is to compare the price of hogs, wheat, sheep, and cattle in 1933 with 1936.

Let us see what our State has received from some of the Federal agencies created by the present administration. The figures show that Idaho has received in rentals and benefit payments for acreage reduction and rentals under the Agricultural Adjustment Act, which aims to free glutted markets and better prices, from May 12, 1933, to January 1, 1936, the total sum of $12,138,628.81. This sum is divided as follows:

Wheat	$8,646,676.48
Corn-hogs	1,578,092.27
Sugar	1,913,860.06
Total	12,138,628.81

Up to January 1, 1936, there were 52 civilian conservation camps in the State, with a total enrollment of 10,400 men, and $22,182,259 has been invested in the conservation and development of our forests and range resources. Great advancement has been made in fire protection, forest-stand improvement, development of grazing lands, erosion control, game and fish conservation, control of plant disease and the eradication of noxious weeds and pests. Through the conservation policies of the administration, made more effective by the persistent and intelligent attitude of Secretary Ickes, our country has been made soil conscious. We have been made to realize as never before that the future prosperity of our country depends largely upon the conservation of our natural resources of soil, forest, and plain by proper use and the restoration thereof.

The Farm Credit Administration, through its various agencies, made loans in the State amounting to $48,558,829 up to February 29 of this year. These loans have lifted from the backs of many of our farmers loads which they could not bear. It has given them a chance that they otherwise would not have had. It has given them a farm and a home that would otherwise have been lost.

The Federal Emergency Relief Administration expended funds, up to January 1, 1936, in the amount of $15,432,164. No small amount of these funds was used for the purchase of surplus crops bought to feed the destitute. This not only removed the crop and made it useful but also helped to remove an oversupply from the market which would otherwise have depressed farm prices.

The Home Owners' Loan Corporation, up to April 2 of this year, made 4,556 loans to distressed home owners amounting to the sum of $7,946,254. These loans, together with the interest, are secured by the properties involved. Consequently, the funds so used will be repaid. These, like the farm loans, have saved the homes and firesides of a great number or our most respected citizens.

In the stimulation of employment the Public Works Administration made loans on Federal projects amounting to $13,813,987.

R. F. C. BRINGS RELIEF

The Reconstruction Finance Corporation was in full swing and well equipped to aid the New Deal in an efficient fashion. Perhaps its most vital function has been the loans made to banks, both closed and solvent, first to free frozen deposits which recovered the savings of millions of people and, second, to increase the capital of open banks widening the channels of credit which will hasten recovery. The amount lent to railroads in our State cannot be accurately determined. Prior to the creation of the Federal Emergency Relief Administration the Reconstruction Finance Corporation lent money to the State to care for the needy. This and other loans will eventually be paid back. The entire amount of loans in Idaho up to September 30, 1935, exclusive of that loaned to railroads, amounts to $11,198,562.01.

An outstanding index toward recovery in the State of Idaho has been provided by the recent release by the Bureau of Internal Revenue showing the revenue collected for the fiscal year of 1933 compared with the same period in 1935. The total revenue collected for the year 1933 was $692,781.10, while in 1935 it was $1,870,265.61, or an increase of 171 percent.

The banks in the city of Lewiston, one of the largest cities in the State, are largely representative of the banks in other communities. The increase in deposits marks the progress of recovery in any community. The total deposits of the banks in Lewiston for the year 1935 is $6,601,844, an increase of $1,185,568 over the preceding year.

The work-relief legislation has, and is, dealing the most serious blow to the depression. Administered by the President with the assistance of able advisers, it is giving impetus to business and industry. The benefits of this program are reaching every city, town, and hamlet in the broad expanse of our country. It is reflected in increased retail sales. The American people trust the wisdom of our President. The program is being administered through him impartially and sympathetically. He is earnestly alive to what its proper administration will accomplish in the way of the return of normal economic and social life.

BILLIONS BE REPAID

The opponents of the administration complain of the amount of money that the Government is spending. The serious question is not the amount of money the Government is spending but what is being accomplished by it. Since March 4, 1933, through 1936, there has been an increase of the national debt of approximately $9,000,000,000. About 50 percent or $4,500,000,000, is merely loaned by the Government and will be returned with interest. Making the justified assumption that this $4,500,000,000 will be returned, the Government will have actually expended during the first 4 years of the Roosevelt administration $4,500,000,000 more than it has received. After all, $4,500,000,000 is a small sum for the wealthiest Nation on the face of the earth. During the World War we spent more than twice that amount to send men to possible death. I am among the number who feel that we should be more eager to spend money to assist men to live than to furnish them an opportunity to die.

Confidence in the President has not been shaken, either by carping critics or a loathsome whispering campaign. The President is bringing order out of chaos and contentment out of misery. Members of the Old Guard would have you believe that he is seeking to destroy the Constitution and establish a dictatorship. When the Congress approves his recommendations and enacts them into law that body is denominated a "rubber-stamp Congress." When it amends or refuses to follow the President's recommendations then the Old Guard shouts, "The administration is turned down. The President is losing his control over Congress." My dear friends, the Constitution still exists. The administration is making the Republic a better place in which to live, a place where those who toil may be more secure in age, a place where failure of employment will not mean charity. The Government is secure.

ELECTORATE NOT DECEIVED

The electorate of the Nation is not deceived. The strength of the administration is increasing every day. Registrations in western Pennsylvania show that it is Democratic for the first time since the Civil War. The eastern portion of the State is showing similar gains. There was an increase of 50 percent in Democratic registrations in the State of California. The recent primary in the State of Illinois showed beyond doubt that that State is overwhelmingly in favor of the President. The average man, he who constitutes the strength, power, and dignity of our Nation, has faith that the Government in Washington is being administered with him in mind. He knows that the White House is occupied by the most loyal friend the people have ever had. I believe that Idaho will not be found wanting at the November election and will, by an increased majority, assist in the reelection of Franklin Delano Roosevelt to the Presidency of the United States.

There is a Danish myth to the effect that at one time there lived in Denmark a king who, by reason of his skill and prowess and the quality of the soldiery which he had assembled, was able to overcome any nation which might throw down the gage of battle. The place of his burial was unknown. Centuries hence the then reigning king gathered around him the strong men of his kingdom and trained them in the arts of war. One day as they were digging a trench through a rock cliff, as they plunged their huge instruments of steel into the rock, to their great surprise, a voice came forth, saying, "Who are you that disturbs the ancient king of the Danes?" They replied, "We are Danes." The voice said, "Nay; you are not Danes. They would not disturb the rest of the ancient king of the Danes." Upon the soldiers reassuring the voice that they were Danes, the ancient king came forth from his resting place and inspected the soldiers. He looked with pride upon their huge physiques, strong arms and limbs, and bent their heavy bows. Whereupon he said, "Yea; you are Danes, and with the defense of Denmark in the keeping of such as you, Denmark is safe and the ancient king may lie down in peace forever."

So today, if the Father of his Country could come from his resting place at Mount Vernon and view the President of the United States, together with those who serve him in his Cabinet, he would say, "Yea; you are Americans, and with America in the keeping of such as you, America is safe and I may lie down in peace forever."

CITY OF BUFFALO, N. Y.

Mr. BEITER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4317) to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.

The SPEAKER. The Members will understand that this is being done with the indulgence of the three gentlemen who are entitled to recognition at this time under the special orders.

The gentleman from New York asks unanimous consent for the immediate consideration of a Senate bill which the Clerk will report.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand from the gentleman from New York, this is a unanimous report and that there is no objection to it from any source.

Mr. BEITER. In addition, we have a favorable report from the War Department which I would like to include in the RECORD to complete the record.

Mr. DONDERO. Mr. Speaker, reserving the right to object, and I shall not object, is this the same as the bill which came before the Committee on Rivers and Harbors regarding the question of the disposal plant, and so forth?

Mr. BEITER. Yes; the bill as amended.

Mr. MEAD. Mr. Speaker, if the gentleman will yield, I may say that I have received a telegram endorsing this proposition which I would like to have inserted in the RECORD. I therefore ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MEAD]?

There was no objection.

Mr. MEAD. Mr. Speaker, I have received the following telegram from the commissioner of parks of the city of Buffalo, endorsing H. R. 11504:

Without any qualification I am in favor of Bird Island pier bill permitting city of Buffalo or Buffalo Sewer Authority to use the pier for treatment works site. Plans of authority provide amply for beautifying property. Only 40 percent will be occupied by buildings.

FRANK A. COON,
Commissioner of Parks, City of Buffalo.

In explanation of the bill before us, let me say that the city of Buffalo, in 1913, was granted by the United States and by the State of New York the right to use Bird Island for park purposes; this bill simply provides that this grant be extended to include its use for a sewage-disposal plant.

From the standpoint of intercepting sewers, Bird Island is the most logical spot in the city for the collection of sewage. It is directly opposite the new Michigan-Masten and Bird Avenue storm-water relief drain and is also the ideal location for the collection of sewage from the main interceptors which run along the entire river front.

If the city of Buffalo is permitted to use it, it will save several hundred thousand dollars, perhaps as much as three-quarters of a million, which should be required to purchase and put into shape any other suitable property. In addition, it will save the expense of carrying the large intercepting sewers coming from the south farther north, which would be the case if any other property was used.

So far as the collection of sewage, sedimentation, and chlorination is concerned, it has been definitely established by the engineers that, leaving out of consideration the land cost, Bird Island is the natural and economical location. The city would, therefore, save not only the cost of the land but also the cost of carrying the large intercepting sewer from the south to any other site, which must necessarily be north of Bird Island; there is nothing available south of it.

At two hearings on the subject much was said about the money which has already been spent by the city in preparing Bird Island for a park. As a matter of fact, not a dollar of that money will be wasted. No buildings have been built on it and no landscaping done. To date there has been built a retaining wall along the riverside and some grading, all of which would be necessary for our purposes, in any event.

It is also contended that this action might deprive the children of Buffalo of a playground. As a practical proposition it would take more money than Buffalo will probably have available for many years to come to develop the island into a park. The commissioner of parks at the first hearing estimated this amount to be over half a million. Two weeks later he gave a revised estimate of $75,000. Whether or not his opinion had changed is not known, but that amount certainly would not build a retaining wall across the north and easterly sides, which now open into the river and canal.

As a matter of fact, if the public enjoyed the island after the plant is finished, about 40 percent of the land area will not be used above the surface. Structures that are placed on it above the surface will not interfere with anyone who wishes to come out there. No criticism is directed toward those who for many years have endeavored to have the island developed into a park. It has become a matter of sentiment to them, but as a practical proposition it will not be developed by the city for many years, and if it is, it will not be practical. This site is exactly what is needed for the sewage disposal plant, and its acquisition will save Buffalo a great deal of money.

In view of the above, I hope there will be no objection to the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BEITER]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in addition to the grant made by the Secretary of War to the city of Buffalo pursuant to the act of Congress entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved February 27, 1911, for the purpose of establishing a public park and landing facilities on that part of the structure known as Bird Island Pier on Niagara River lying north of Albany Street extended, in the city of Buffalo, N. Y., and forming a part of Black Rock Harbor improvement and the lands of the United States under water on both sides of said pier to the established harbor lines, subject to the terms, conditions, and stipulations in said grant specified, the Secretary of War is authorized to grant to the city of Buffalo, N. Y., also the right and privilege of occupying said lands and lands under water, and also the lands owned by the United States on the west side of Black Rock Canal, described as follows: Beginning at a point where the northerly line of property formerly owned by William H. Slade, or that line extended, intersects the United States Government property line (formerly New York State blue line); thence easterly

parallel to the line forming the northeasterly boundary of lands heretofore granted to the city of Buffalo by the United States and known as Bird Island Pier until a point is reached in direct prolongation of the easterly boundary line of said last-mentioned lands; thence southwesterly in direct line with said easterly boundary of said lands to the northeasterly corner of said lands heretofore conveyed to the city of Buffalo by the United States; thence westerly along the northeasterly boundary of said Bird Island Pier lands to said United States Government property line; thence northeasterly along said last-mentioned line to the place of beginning, or so much thereof as may be necessary, for use either by the city of Buffalo or by the Buffalo Sewer Authority (created by chapter 349 of the Laws of the State of New York of 1935) for sewage-disposal facilities, on such terms, conditions, and stipulations as he may deem expedient and equitable and necessary for the protection of all the interests of the United States in and to said premises: *Provided, however,* That the city of Buffalo shall have secured the sanction and consent of the State of New York through its constituted agencies.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

TITLE OF UNITED STATES TO THE BIRD ISLAND PIER AND THE LANDS ADJACENT THERETO, FORMING PART OF THE SHIP CANAL AT BUFFALO, N. Y.—SENATE BILL 4317

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include therein a letter from the Secretary of War approving the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, the so-called Black Rock Harbor was improved by private individuals as early as 1807. The first public work was by the State of New York under chapter 51 of the Laws of 1822 and chapter 99 of the Laws of 1923. The Bird Island Pier is a stone pier about 20 feet in width and was constructed by the State of New York under the above and subsequent legislative acts of the State. The improvement included the Bird Island Pier and a dam and lock downstream and was intended for the purpose of forming a harbor with water of a depth sufficient to accommodate boats drawing 8 feet of water. The pier was subsequently extended further up toward Lake Erie. This improvement was completed in about 1825. At various times prior to 1860 the Erie Canal was constructed and widened and improved and passes through Black Rock Harbor. A division wall was constructed separating the canal from Black Rock Harbor, and bridges were constructed across both the canal and Black Rock Harbor at Ferry Street to connect with the then existing and probable future ferries between the State of New York and the Dominion of Canada crossing Niagara River (see Annual Report of Thomas W. Symons, major, Corps of Engineers, U. S. Army, Appendix RR, Annual Report of the Chief of Engineers for 1901). The State of New York maintained the Black Rock Harbor and Erie Canal and continued to improve the same until the construction by the United States of a ship canal along the easterly shore of Niagara River and between Lake Erie and the lower Niagara River. The State of New York was the owner of the lands occupied by the Erie Canal, the Black Rock Harbor, the Bird Island Pier, and adjacent lands under the water of Niagara River.

Pursuant to chapter 373 of the Laws of 1904 of the State of New York, the State of New York, through its land board, conveyed to the United States the lands sought by the United States for the purpose of the construction of said ship canal. The act provided:

The land board is authorized to convey to the United States such lands now owned by the State under the waters of Niagara River or in the vicinity of said river in the city of Buffalo, including such lands as are now used for canal purposes in the city of Buffalo and as may be deemed by the canal board as may be required by the United States in the construction of a ship canal from Lake Erie to the foot of Squaw Island in the city of Buffalo.

The land board of the State of New York authorized the conveyance and there was conveyed to the United States by letters patent dated July 25, 1905, and recorded in the office of the clerk of the county of Erie, State of New York, in liber 1018 of deeds, at page 315, January 11, 1906. The description in the deed is under paragraphs A, B, C, D, E, F.

A. The structure known as Bird Island Pier with the strip of land owned by the State in continuation of the pier along the east shore of Squaw Island to the north end of said land near the present ship lock. (The then State ship lock was in the same location as the present United States ship lock.)

B. The partition wall between the canal and Black Rock Harbor.

C. All of the lands under Black Rock Harbor from the foot of Maryland Street extended to and including the then present ship lock, including also all of the lands owned by the State near the ship lock and within the limits of the proposed improvement (the United States ship canal).

D. The lands under the water under the Erie Canal and the towpath from the foot of Vermont Street extended northerly to Amherst Street.

E. The right-of-way across the city trunk sewer at the foot of Albany Street and over the city water intake at the city waterworks.

F. The right-of-way across and through the site of the then present bridges over the Erie Canal and the Black Rock Harbor at the foot of Ferry Street.

The deed recites:

Which lands are required by the United States in the construction of a ship canal from Lake Erie to the foot of Squaw Island.

To have and to hold the said lands and structures unto the said United States of America so long as the United States constructs and maintains said ship canal.

Subsequently the United States took possession and did construct the ship canal and the same is now in operation.

The ship canal does not occupy any part of the lands occupied by the Bird Island Pier and only a part of the lands occupied by the Black Rock Harbor. The canal extends parallel to the shore line of the river and occupies the location of the old Erie Canal, leaving a considerable space between the ship canal and the Bird Island Pier. The Bird Island Pier is parallel with the shore line and with the ship canal and lies a considerable distance landward from the harbor line of Niagara River as fixed and established by the Secretary of War. The lands under water between the Bird Island Pier and the harbor line as so established were not conveyed to the United States.

The Bird Island Pier at the time of the conveyance in 1905 to the United States was in a most dilapidated condition, the cribbing had rotted away and the action of the water had broken down the pier. Citizens of the city of Buffalo were desirous of the formation of a park outside the ship canal and instituted the activity which finally resulted in the grant or permit to the city of Buffalo by the United States.

The State of New York by chapter 350 of the laws of 1911 consented to the use of the lands in question by the city of Buffalo, as follows:

The consent of the State of New York is hereby given to the city of Buffalo to use, improve, and occupy, for the purposes of a public park and landing facilities, that part of the structure in said city known as Bird Island Pier, on Niagara River, lying north of Albany Street extended, and forming a part of the Black Rock Harbor improvement, and the lands and lands under water adjacent to said Bird Island Pier on both sides thereof to the established harbor lines.

Such grant to the city was by said act made subject to "such conditions, restrictions, and regulations as shall be prescribed for said city by the United States."

The Congress by act of February 27, 1911, being the rivers and harbors bill (vol. 36 of Statutes, p. 925, ch. 166, sec. 3, 61st Cong.) authorized the Secretary of War—

To grant to the city of Buffalo, N. Y., the right and privilege of occupying and improving and using for the purpose of establishing a public park and landing facilities the part of the structure known as Bird Island Pier on Niagara River, lying north of Albany Street extended, in said city and forming part of the Black Rock Harbor improvement, and the lands of the United States under water along both sides of said pier to the established harbor lines, on such terms, conditions, and stipulations as he may deem expedient and equitable and necessary for the protection of all the interests of the United States in and to said premises.

Pursuant to said last act of Congress and pursuant to said act of the Legislature of the State of New York (chap. 350 of the laws of 1911), the Secretary of War granted to the city of Buffalo for the purposes mentioned in said acts the Bird Island Pier from Albany Street northerly to the

end thereof at Squaw Island and the lands under waters adjacent thereto to the harbor line established for the ship canal and the harbor line established for the Niagara River. Subsequently the city of Buffalo constructed a sea wall along the river side and a like wall along the ship canal side and has filled in the lands between the two walls. The lands occupied by the city are largely on the river side of the Bird Island Pier.

The bill now before Congress provides for the consent of the United States to an additional use of the lands covered by the prior grant to the city of Buffalo for sewage disposal purposes. There is also included an additional strip of land lying along the westerly line of the ship canal, and largely adjacent to lands owned by the city of Buffalo north of the Bird Island Pier, which is now unused for any purpose and which we anticipate that in the opinion of the Secretary of War that land also may be included. The bill is in practically the same language as the act of Congress above referred to of 1911, and the grant or permit, if made, will be made subject to such conditions as the Secretary of War may wish to insert for the protection of the properties of the United States.

WAR DEPARTMENT,
Washington, May 7, 1936.

Hon. J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

DEAR MR. MANSFIELD: Reference is made to this Department's report of April 13, 1936, on H. R. 11504, Seventy-fourth Congress, second session, entitled "A bill to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities parts of the land forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y."

That report recommended an amendment of the description and expressed the opinion that the bill merits the favorable consideration of Congress, if amended as indicated.

Congressman BEITER and representatives of the city of Buffalo recently called at this office and indicated that they desire to further amend the description of land as set forth in the bill so as to reduce the additional area of land to be occupied. A copy of the bill amended to conform to their expressed desire is herewith.

The Department is of the opinion that the bill merits the favorable consideration of Congress, if amended as indicated in red on the copy hereto attached.

The Director of the Bureau of the Budget has been consulted and states that the above report is not in conflict with the financial program of the President.

Sincerely yours,

HARRY H. WOODRING,
Acting Secretary of War.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIMOND. Mr. Speaker, I ask unanimous consent that on Thursday of this week after the reading of the Journal and disposition of matters on the Speaker's table, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

Mr. PATMAN. Mr. Speaker, reserving the right to object, did I understand the gentleman to ask unanimous consent to address the House for 30 minutes?

The SPEAKER. No; his request was for 15 minutes.

Mr. PATMAN. Mr. Speaker, I shall not object to this request, but I am inclined to object to any future requests to address the House at that time. I think there is some legislation coming up for the consideration of the House at that time, and I should not like to have anything interfere with its consideration.

Mr. SNELL. Mr. Speaker, reserving the right to object, what is the legislation that is coming up on Thursday that is so important? The House has not been informed as yet.

Mr. PATMAN. I am not sure about it, but it concerns a bill I am very much interested in, and I do not want anything to get in ahead of it if I can avoid it.

Mr. SNELL. The gentleman from New York [Mr. REED] desires to submit a unanimous-consent request to address the House for a few minutes at that time.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal, the disposition of matters on the Speaker's table, and the pending special order, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, may I say that it is getting rather late in the session for these speeches. We are going to have a tremendous amount of work to do. Two rules have been reported, one of which if taken up on Thursday will take all day. It is an important matter. It is rarely requested at this stage of the session to address the House. We have reached a point where somebody will have to object very soon if we want to complete the business we have to do before we adjourn on the 18th of July.

Mr. SNELL. Mr. Speaker, that matter was just as important 2 minutes ago when the gentleman from Alaska asked for time as now. I especially request that the gentleman from New York may be allowed to address the House.

Mr. O'CONNOR. Mr. Speaker, I do not intend to object to the request of the gentleman from New York [Mr. REED].

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

FRAZIER-LEMKE MORATORIUM CONSTITUTIONAL

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a decision of the Fifth Circuit Court of Appeals sustaining the constitutionality of the farm moratorium.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

Mr. RICH. Mr. Speaker, reserving the right to object, may I inquire how much of the RECORD this will take?

Mr. LEMKE. Less than a column.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota [Mr. LEMKE]?

There was no objection.

Mr. LEMKE. Mr. Speaker, since some 14,000 farm families have been forced to take advantage of the Frazier-Lemke farm moratorium law, which was passed in the closing days of last session of Congress, and since the question of constitutionality has been raised, it gives me great pleasure to insert here a decision by Presiding Judge Hutcheson, of the Circuit Court of Appeals, Fifth Circuit. This decision appears on page 5 of the May 12 United States Law Week. You will note that the Dallas Joint Stock Land Bank is the plaintiff. This and other joint-stock land banks that are now in the process of liquidation have ruthlessly foreclosed and evicted from their homes hundreds and thousands of men, women, and children.

FRAZIER-LEMKE ACT OF 1935—CONSTITUTIONALITY

Frazier-Lemke Act of 1935 constitutes bankruptcy legislation within meaning of bankruptcy clause. Depriving mortgagee of right to collect debt by State court foreclosure, it does not take his property without due process of law in violation of fifth amendement.

C. C. A., FIFTH CIRCUIT (HUTCHESON, C. J.), DALLAS JOINT-STOCK LAND BANK OF DALLAS *v.* DAVIS, NO. 7966, MAY 5, 1936

(Digest-summary of the opinion)

The Frazier-Lemke Act of 1935 (sub. (s) of sec. 75 of the Bankruptcy Act) is not unconstitutional on the ground that it is not bankruptcy legislation within the meaning of the bankruptcy clause of the Federal Constitution.

"The authority of Congress to make uniform laws on the subject of bankruptcy is a broad one. It extends to and authorizes not merely ordinary bankruptcy laws, as they were understood and in existence at the time of the adoption of the Constitution, but insolvency laws in general. It extends to and authorizes all just laws having for their object the liquidation of indebtedness. It lawfully embraces in its scope and purpose not only the just protection of the creditor but the relief of the debtor. (*Louisville Bank* v. *Radford*, 295 U. S. 555; *In re Landquist*, 70 F. (2d) 729; *In re Chicago R. I. & Pac.*, 72 F. (2d) 443; *Local Loan Co.* v. *Hunt*, 292 U. S. 234; *Continental Bank* v. *C. R. I. & P.*, 294 U. S. 648; *Van Huffel* v. *Harkelrode*, 284 U. S. 225; *Hanover National Bank* v. *Motses*, 186 U. S. 181)."

In the exercise of its bankruptcy powers, Congress has lawfully provided for the complete abrogation of the personal obligation of debts, discharging the debtor therefrom; for the making of compositions; and for the marshalling of property of debtors and for the equitable distribution thereof among the secured creditors, to the extent even of authorizing a complete rearrangement and rewriting of the obligations. In the exercise of such powers, Congress may, also, make just provision for the exercise of judicial discretion in granting reasonable stays of liquidations in bankruptcy.

The act, insofar as it prevents a mortgagee from collecting its debt by State court foreclosure proceedings and provides for its collection through the bankruptcy court, does not deprive the mortgagee of substantial property rights in violation of the due process clause of the fifth amendment.

The defects in the original Frazier-Lemke Act pointed out by the Supreme Court of the United States in the *Radford case* (295 U. S. 555) were cured by the 1935 act. The new act was written so as to conform to the decision in the Radford case.

"On its face the act merely transfers the liquidation of the indebtedness from State courts to the court of bankruptcy. It remits to the judicial discretion of that court the administration of the property of a bankrupt, with the end in view to bring about, if a due regard for the property rights and interests of his creditors permits it, a gradual and therefore more just and equitable liquidation, in lieu of an unduly hasty and forced one."

The act authorizes a stay of collection for the maximum period of 3 years, during which time the debtor may remain in possession, "but the stay so granted is not an absolute one. It is one granted and continued in the judicial discretion of the court if, and only if, this may be done without deprivation of or injury to, and upon conditions looking to the preservation of, the creditor's security.

"Under its provisions the court must fix, and require the debtor to pay, a reasonable rental on the property, to be applied upon the debt"; and "may, and if in the exercise of a sound discretion the protection and preservation of the security demand it, must require additional payments on the principal sum due and owing"; and "may, upon a finding that the preservation of the security requires it, revoke the stay order and direct the sale of this property."

"These provisions of the act make it clear, we think, that the act grants no absolute stay, permits no arbitrary or unjust interference with creditors. It merely remits all questions regarding the collection of the debt to an informed judicial discretion, a discretion which, keeping the preservation of the security paramount, may yet, if circumstances permit, afford a means of relief to the debtor. They make it clear that the controlling, the dominant purpose and effect of the act as amended is not to deprive creditors of their security to give it to debtors, but to remit to judicial discretion in each case, whether the facts justify giving the debtor an equitable opportunity in an orderly way, to liquidate his indebtedness, provided always that the essential security of the creditor is not impaired but preserved. A law on the subject of bankruptcy having this purpose and effect is not, in our judgment, violative of the fifth amendment."

Affirmance of the order of the district court retaining jurisdiction of the proceeding under the act "is without prejudice to right of the appellant (mortgagee) to apply at any further stage of the proceedings for relief from actions or orders which it is advised have the effect of depriving it of any substantial rights."

In addition to the above, the following United States district courts have also held the Frazier-Lemke Moratorium Act constitutional:

In re Slaughter, northern district of Texas, October 12, 1935, Atwell, district judge.

In re Williams, middle district of Tennessee, November 1, 1935, Gore, district judge.

In re Reichert, western district of Kentucky, January 9, 1936, Hamilton, district judge.

In re Cole, southern district of Ohio, January 22, 1936, Nevin, district judge.

In re Bennett, western district of Missouri, January 24, 1936, Otis, district judge.

In re Allison, eastern district of Illinois, February 25, 1936, Wham, district judge.

In re McCune, western district of Pennsylvania, February 24, 1936, Schoonmaker, district judge.

There also have been some United States district courts and one United States circuit court that have held the act unconstitutional. The reasoning of some of these courts is so shallow and superficial that I feel they are not worthy of serious consideration. The circuit court of appeals just referred to held that section 77B of the Bankruptcy Act was constitutional and that the right to redeem was a property right. It took the property out of the hands of the receiver and placed it in the hands of the trustee in bankruptcy. A few months later that same court held that the Frazier-Lemke Act was unconstitutional for the reason that the right to redeem was not a property right. Therefore, it held the act took property without the due process of law. No wonder that some of the district courts in that circuit refuse to follow such an erroneous decision and have held the Frazier-Lemke Act constitutional.

I feel confident that the Supreme Court of the United States will hold the Frazier-Lemke moratorium constitutional and that these erroneous opinions of these creditor and corporation-minded courts will be corrected. I find no fault with our courts, but I maintain that a lawyer who is afraid to criticize an erroneous decision is a moral coward.

Our judges are human. They possess no divine wisdom and are not infallible and the way to improve the standard of our courts is to honestly and fearlessly criticize erroneous decisions. This Government does not belong to the courts, nor to Congress, nor to the President, but to the people. Public opinion alone will correct abuses, whether they exist in the judicial, legislative, or executive branches of the Government.

TOLL BRIDGE ACROSS MISSOURI RIVER AT OMAHA, NEBR.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12056) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, the gentleman just informed me this is an emergency proposition and has been unanimously reported. We are further informed that there is no objection to this bridge being constructed, therefore we have no objection.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interest of navigation, at or near the east end of Dodge Street, in the city of Omaha, Nebr., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the said States all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said States are hereby authorized to operate such bridge free of tolls, or, at their discretion, to fix and charge tolls for transit over such bridge, and in case rates of toll are so fixed, such rates shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to liquidate, within a period of not to exceed 10 years from the date of completion of such bridge, all or any part of the bonds held by the United States and outstanding against the bridge constructed in accordance with section 4 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930. The said States may enter into an agreement or agreements with the United States or other interested parties for the liquidation of all or any part of such bonds held by the United States and the tolls authorized to be charged by this act shall be used only for the purpose of carrying out the provisions of any such agreement or agreements. When a fund sufficient to meet the requirements of any such agreement or agreements shall have been

provided, the bridge authorized to be constructed by this act shall thereafter be maintained and operated free of tolls. Said States may construct such bridge with the aid of any Federal funds appropriated and apportioned to said States for expenditure under the Federal Highway Act, as amended and supplemented, and the limitations of such act, as amended and supplemented, relating to the construction of toll bridges with Federal funds and the use of tolls collected for transit over bridges so constructed and operated shall not be applicable to the tolls authorized to be charged under the provisions of this act. If tolls are charged, an accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSTITUTION OF SUIT AGAINST NORTHERN PACIFIC RAILWAY CO. ET AL.

Mr. DUFFY of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4594) to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. et al.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. MICHENER. Mr. Speaker, reserving the right to object, as I understand it, this bill has been unanimously reported by the Judiciary Committee, and I understand further that a Senate bill has been passed by the Senate and is now on the Speaker's table.

Mr. DUFFY of New York. That is correct.

Mr. MICHENER. The gentleman simply desires passage of the Senate bill?

Mr. DUFFY of New York. The gentleman is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the suit entitled United States of America, plaintiff, against Northern Pacific Railway Co. et al., defendants, no. E-4389, instituted and pending in the District Court of the United States for the Eastern District of Washington, under the authority and direction of the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), now on reference to a special master for hearing under an order of said court entered in said suit on April 21, 1936, a direct review by the Supreme Court of the United States by appeal may be had by any party to said suit of any order or decree of said district court entered upon a review of the report of the master to be made pursuant to said order of April 21, 1936, and also of the order or decree of said district court entered in said suit on October 3, 1935, as amended by an order of January 29, 1936. Such direct review by the Supreme Court of either or both of the said orders or decrees may be had by appeal taken within 60 days from the date of the order or decree of the district court entered upon a review of the report of the master to be made pursuant to the said order of April 21, 1936. The right of review of any final judgment authorized by said act of June 25, 1929, shall continue in force and effect.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

SEVENTY-FIFTH ANNIVERSARY OF THE BATTLE OF ANTIETAM

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12168) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, a great many times, on the floor, I have expressed my opposition to bills of this character. I think it is a mistake that we have put through a great many of them during the present session, and I am not going to object to the request of my friend from Maryland, although I object to the entire policy we have adopted in this respect during the present session.

Mr. RICH. Mr. Speaker, reserving the right to object, I may say that there have been 15 or 20 bills similar to this passed at this session of the Congress. I do not know whether this is the Democrats' way of starting inflation or not, but we are certainly doing this to the queen's taste, and I think it ought to be stopped very shortly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the seventy-fifth anniversary of the Battle of Antietam there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 5,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1937, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Washington County Historical Society of Hagerstown, Md., upon payment by it of the par value of such coins, but not less than five thousand such coins shall be issued to it at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Washington County Historical Society of Hagerstown, Md., and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendments:

Page 1, line 6, strike out "to exceed five" and insert "less than twenty-five."

Page 2, line 9, strike out the word "five" and insert "twenty-five."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEEPING FAITH WITH UNITED STATES

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Puerto Rico.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, when the United States Army landed in Puerto Rico, July 28, 1898, to further the "cause of liberty, justice, and humanity", and "bearing the banner of freedom", in accordance with Maj Gen. Nelson A. Miles' proclamation, the island was converted into a part of the United States, and the monarchic and military autocratic government of Spain was ended.

The people of Puerto Rico received the American Army with open arms and cordial public receptions.

After the signing and ratification of the Treaty of Paris, President McKinley declared:

The people of Puerto Rico should be led and educated to become a State of the Union.

On April 12, 1900, Congress approved the Foraker Act, establishing a civil government for Puerto Rico. In the year 1906 President Theodore Roosevelt sent special messages to Congress specifically recommending American citizenship to the people of Puerto Rico, as a matter of right and justice. "They are loyal", he said, "and they are glad to be under our flag."

President Theodore Roosevelt went to Puerto Rico, and delegations representing agriculture, commerce, and industry met him. It was at this time that the Federation of Labor requested citizenship for the people of Puerto Rico, and handed him the following memorial:

Free Federation of Workingmen of Puerto Rico—Affiliated with the American Federation of Labor

Hon. THEODORE ROOSEVELT,
President of the United States,
San Juan, P. R.

ILLUSTRIOUS CITIZEN: The laboring class of Puerto Rico, represented by the "Federacion Libre", the branch of the American Federation of Labor in this island, desires to extend to you through this petition its heartiest and most cordial welcome to our shores, and the assurance of our love for the American people, of whom you are the honored and worthy representative.

The aims and purpose of our organization are the same as those of the trades unions of the United States. We are loyal and faithful adjunct of the American Federation of Labor, and our education, our efforts, and our ambitions are directed toward obtaining a higher moral, intellectual, and civic standard for the working class and the people of Puerto Rico in general.

With this object in view and as a means of its attainment, all the aspirations of our people, the strongest desire and longing of our hearts is that we may be made citizens of the United States in the highest and truest sense and interpretation of the term.

And though recognizing that our needs are more of an industrial than political nature, the laboring class and the people of Puerto Rico in general feel convinced that with the establishment of self-government in its truest significance that all would enjoy to its fullest extent the liberty and blessings of freedom symbolized by the Stars and Stripes.

Our dearest and fondest aspirations are these: Citizenship and self-government.

And while this legitimate request of the Puerto Rican people is being considered by the Government wisely directed by you, we beg that you will use your influence and good offices to impress upon the officials in Puerto Rico the opinion which has invariably been your guide when speaking of trade unions. In other words, that such unions are necessary to proper industrial development, to the progress of a country, and that the aid and approval given to labor institutions by all citizens is a demonstration of the love and affection felt for the advancement and growth of a people.

Anything you may do for us, honored sir, will forever be engraved on the heart and be cherished in the memory of this country, and on all occasions the laboring class of Puerto Rico will have an additional reason for congratulating itself on the outlook for the future, because its interests are safeguarded by the rulers of the American Nation.

And we ask you to tell the American people that their institutions are loved and wished for in Puerto Rico.

You, Mr. President, can always count on our sincere affection, and may God grant you a safe and happy return to your native shores and an eternal memory of this true and loyal island.

Respectfully,

EUGENIO SANCHEZ LOPEZ, *President.*
MANUEL ALDEA NAZARIO, *Secretary.*
RAFAEL ALONSO, *Organizer.*
MIGUEL SANCHEZ GOYTIA, *Organizer.*
JOSÉ VENTURA, *Organizer.*
JUAN GUERRA, *Treasurer.*

SAN JUAN, P. R., *November 21, 1906.*

In his annual message President Theodore Roosevelt made the following recommendations:

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Puerto Rico. There is, in my judgment, no excuse for failure to do this.

And under date of March 26, 1906, in the following letter, President Roosevelt manifested his deep interest in the subject and at the same time called attention in a forceful way to the injustice and embarrassment involved in the continuance of that status:

THE WHITE HOUSE,
Washington, March 26, 1906.

MY DEAR SENATOR FORAKER: As you know, Mr. Airrinaga had been appointed as one of the American delegates to the Pan American Congress at Brazil. It would be a real misfortune not to have the citizenship bill for Puerto Rico pass at this session prior to his going there. I cannot believe there will be an opposition to the bill, and I most earnestly hope that it will be put through as speedily as possible. I know how heartily you sympathize with it.

THEODORE ROOSEVELT.

In 1912 I wrote the following letter to President Taft:

WASHINGTON, D. C., *April 5, 1912.*

MR. PRESIDENT: As a representative of organized labor of Puerto Rico I have come to the United States to assist, insofar as I am able, in obtaining the passage of the bill now pending in the United States Senate providing American citizenship for Puerto Ricans.

While this is desired by all Puerto Ricans, it is especially desired by the laboring people, who feel that American citizenship will mean a great step forward for them, because, unless the American citizenship and the spirit that guides the American in such matters are extended to the islands, the laborers must continue with but little hope of uplift.

I have collected, with a view of having it printed, the various recommendations in Presidential messages and in reports of the Secretary of War and of the Governor of Puerto Rico, favoring the granting of American citizenship to Puerto Ricans. I have been unable to find in your message or elsewhere a statement specifically favoring the granting of American citizenship, though I understand fully that you have approved such recommendations of the Secretaries of War. May I ask, Mr. President, that you say a word specifically approving such legislation, that I may place it as a foreword in the little pamphlet.

Thanking you, with much respect, I am,

SANTIAGO IGLESIAS,
President of the Free Federation of Workingmen of Puerto Rico.

To this letter came the reply as follows:

THE WHITE HOUSE,
Washington, April 15, 1912.

SANTIAGO IGLESIAS, Esq.,
President of the Free Federation of the Workingmen of Puerto Rico,
Washington, D. C.

MY DEAR MR. IGLESIAS: I am in favor of granting citizenship to the people of Puerto Rico. The connection between Puerto Rico and the United States has been, from the beginning, regarded as permanent. Puerto Rico came to us with the hearty good will of both the American and Puerto Rican people, and I believe that both, as a matter of sentiment and practical justice, the Puerto Ricans should be made citizens. At the same time I believe that our duty to the island will be best discharged, and Puerto Rico's interests will be best subserved, by affording the largest opportunity for the development of local traditions and habits, which are very different from our own.

This means that as fast as the instinct and habit of self-government is acquired by the people at large, and no faster, the fullest possible measure of local and fiscal self-government should be granted. It is a happy sign of the realization of what should be the most fitting political aspiration of the island, as well as a recognition of the public opinion of the United States, that in the minds of neither people is the grant of citizenship associated with any thought of statehood.

Very truly yours,

WM. H. TAFT.

The Committee on Insular Affairs, in House Report 341, Sixty-second Congress, stated that the bill was to definitely fix the civil and political status of the people of Puerto Rico, and at the same time to make those at present defined to be citizens of Puerto Rico and certain other natives citizens of the United States. The report adds:

It has long been a conceded fact that Puerto Rico has become a permanent territory of the United States. Its people have accepted this fact in good faith and have never sought, nor do they desire, a separate and independent political existence. Their loyalty to the United States under all circumstances has never been questioned.

What they most desire, and what they have long and earnestly endeavored to secure, is American citizenship, accompanied with the right to legislate for themselves in respect to all purely local affairs.

The Secretary of War, in his 1911 report, urged Congress to grant American citizenship to the people of Puerto Rico and, in part, said:

The demand for American citizenship on the part of the Puerto Rican people is genuine and well-nigh universal. * * * The connection between Puerto Rico and the United States is permanent and has been from the beginning regarded as permanent. * * *

A joint resolution was passed by the Legislative Assembly of Puerto Rico to commend the recommendations made to Congress by President Theodore Roosevelt. Besides, many labor and other associations and the majority of political parties of the island adopted resolutions time and again requesting the Presidents and Congress to grant American citizenship to the Puerto Rican people.

Secretaries of War from Stimson, Baker, Governors Winthorpe, Colton to Yeager, recommended the American citizenship for the people of Puerto Rico. Samuel Gompers, former president of the American Federation of Labor, urged self-government and citizenship for our people.

March 5, 1912, one of my predecessors, Resident Commissioner Luis Muñoz Rivera, founder of the Liberal and Unionist Parties of Puerto Rico, delivered a speech in the House of Representatives, in which he stated:

I must declare that the majority, the large majority, of Puerto Ricans are sincerely attached to the American Nation. And I must also declare that, should American citizenship be bestowed upon them, my countrymen will always feel grateful to the American Representatives who, through their action, would give them a proof of confidence in their loyalty, and that they would enthusiastically, bravely, and proudly uphold their citizenship, identifying themselves with the new country to which their historic destiny has united them, loving and respecting the flag that protects their homes, doing honor by their civic conduct to the national family that receives them, and finally endeavoring to be the worthy sons of the America of Washington and Lincoln, not only because so impelled by the natural feelings of their souls, jaded and mortified up to the present time by indifference and injustice.

Samuel Gompers, while president of the American Federation of Labor, made these remarkable recommendations to various conventions:

It is certainly evident that Puerto Rico is to be a permanent possession of the United States; and, inasmuch as her wage earners

manifest a strong disposition not only to organize but to make common cause with us for the principles and progress of our cause, we should encourage and make easy their complete fraternization with the organized labor movement of our continent.

The people of Puerto Rico are intensely sympathetic with the institutions of our Republic and universally desire the recognition of the principles of equality with the sovereign citizenship of the United States. These rights they are eminently qualified to exercise; these rights they are entitled to, and it should be our aim to aid in achieving them.

I strongly urge that every effort be made, not only by this convention but also by every union, union member, and sympathizer, to help to the very best of his ability the worthy working people of Puerto Rico to a realization of a better and brighter day.

Senators, Congressmen, and governmental authorities have agreed that Puerto Rico be and is a permanent territory of the United States, and all the Governors appointed to the island have striven to lead the people in that right direction.

So after 19 years of constant appeals to the Presidents and to Congress, with the aid of the press, the American Federation of Labor, and the sympathetic and friendly attitude of Woodrow Wilson, Congress granted the Puerto Ricans not only citizenship but a greater measure of democratic form of government, by which all classes and the masses of workers were given the opportunity to work out their own destiny by the means of organizing themselves and of having representation in the affairs of the island's administration in accordance with the new organic law, and to build up their political, economic, and social entities; to obtain more liberal and humanitarian laws, as is done in many States of the Union.

President Harding, in one of his addresses, termed Puerto Rico "our Caribbean State", and both President Coolidge and President Hoover mentioned Puerto Rico as an island where the people in good faith were making wonderful progress under the guidance of American institutions.

In answer to a specific question put by me as to whether the term "Territories" as used in Federal acts included Puerto Rico, the Department of Justice's reply was in the affirmative, and the reason was based upon several decisions of the Supreme Court, in which it was stated that Puerto Rico was a fully organized Territory of the United States, although not an incorporated one.

President Franklin D. Roosevelt, since the beginning of his administration, has recommended and decided to help the people of Puerto Rico in their economic problems. He extended to the island the benefits of his program of relief and rehabilitation. Many important Federal laws of financial assistance for education, public works, sanitation and agriculture to the States were extended to Puerto Rico.

In May 28, 1935, by Executive order, President Roosevelt appointed Ernest H. Gruening, of the Department of the Interior, administrator of the Puerto Rico Reconstruction Administration to initiate, formulate, administer, and supervise a program of approved projects for providing relief and work relief and for increasing employment in Puerto Rico. The President also gave the administrator authority to acquire, by purchase or by the power of eminent domain, any real property or any interest therein and improve, develop, grant, sell, lease, or otherwise disprove of any such property or interest therein.

Administrator Gruening appointed about 30 representatives of himself in the island for carrying out these enterprises, and unfortunately it happened that with the exception of three men the other 27 belonged to the opposition, Liberal Party, as against the majority coalition of the legislature and the insular government, ignoring, as it seems to me, the President's recommendation that all parties and interests be represented.

The Governor himself became a mere figurehead, and his actions were handicapped by a real supergovernment created in this way.

The formulation of plans in accordance with the intentions of President Roosevelt included changing the general economic conditions of the island. A plan of reconstruction providing for permanent improvement of the people of Puerto Rico was devised, having in mind to use practically the amount of income derived from the sugar processing tax and the allocations of money granted by the President, which would afford benefits for all people.

Puerto Rican workers claim the term "for the benefit of the general agriculture" weakened and completely submerged the phrase "that labor will be given protection in Puerto Rico."

The President's intention as expressed by him to me as Resident Commissioner of Puerto Rico regarding the machinery of the reconstruction program under the Emergency Relief Appropriation Act was to avoid overlapping discriminations and politics. At that time the President advocated the formation of a true coordinating committee of Federal and insular authorities, headed by the Governor as chairman, and members selected by him from the executive and legislative branches of the insular government. With his own hand the President also designated the president of the insular senate and speaker of the house as advisory members. In the formation of the machinery for the executive committee Dr. Gruening has appointed people who represent liberal professions and others, but there is not a single representative of labor.

While this work of reconstruction was going on in the island two political bills were unexpectedly introduced in the United States Senate, apparently recommended by the administrator, Dr. Ernest H. Gruening. One of the bills is an unwarranted intervention in the electoral rights of the people and the other bill, authorizing a plebiscite in the island for the year 1937 on the matter of independence was a tremendous mistake, being unwise and morally destructive.

Both bills have been vigorously protested by the people of Puerto Rico, except a very small minority.

Last week Governor Winship approved an electoral bill and is considering all proposed amendments which will go to make clean, honest elections.

Congress should not be influenced to legislate on local political matters of this character, based on the following objection which the vice president of the Puerto Rican Senate sent to me, as follows:

First. The bill of Senator TYDINGS on elections is substantially the same as bill—S. B. 20—passed by the Legislature of Puerto Rico last April.

Second. The provision of the bill that the list of registered voters shall be those of the persons appearing in the 1935–36 census is contrary to law, unconstitutional, and unfair, because—

(a) It annuls all registrations of voters made in Puerto Rico in accordance with the laws in force.

(b) It deprives thousands of legal voters of the rights acquired by them when they registered in accordance with the insular laws in force.

(c) It runs contrary to all precedents governing election matters, inasmuch as when the census was taken the political parties had no representation whatever in the taking of that census. These parties represent organized public opinion in Puerto Rico.

(d) It is claimed that thousands of voters who had acquired the right to vote under the provisions of our laws were left out of the census.

(e) It also is claimed that such census of 1935–36 was taken by men politically partial, as they were chosen from only one political party to the detriment of other organized parties.

(f) It was publicly asserted, and denounced, that the P. R. R. A., the reconstruction machinery, selected those men, and this agency is biased in favor of one political party.

(g) It is further contended that the approval of said measure would annul all the registrations already made, and would require starting the work all over again, doubling thereby the cost of election expenses to the Treasury of Puerto Rico.

In regard to the bill intended to hold a plebiscite for independence and the reasons and arguments proudly given by Dr. Gruening and others, I desire to assure you that the great majority of the people of Puerto Rico have always been for the permanent union with the United States, and I hope that it will be so in the future.

This bill represents a tremendous blow to the majority of all citizens of the United States in the island who for 38 years have been fighting a thousand battles to obtain American liberties, cultivating and maintaining with absolute convictions the principles and ideals of the democratic institutions of the United States of America.

The argument that there exists a group in Puerto Rico favoring independence is not a reason why it should jeopardize the rights of the great majority of the people who have maintained the sane and sincere doctrine of "permanent union of Puerto Rico with the United States."

It is, indeed, very deplorable and regrettable that without proper consultation with the majority of citizens of the United States in Puerto Rico, the Governor, the legislature, and other constituted authorities of the island, such a far-reaching measure should have been introduced.

We are very grateful to the President for what he has done in behalf of the poor, and also to the American Federation of Labor under President William Green that has for years helped to obtain freedom for the workers of Puerto Rico, the guaranty of public assembly, and the right to organize and better their economic and social conditions within the fold of our American institutions. The workers of the island are very grateful to them for all these.

I desire to repeat again that the people of Puerto Rico as a whole are no more responsible for the assassination of Colonel Riggs than the people of the United States for the assassination of the great Presidents Lincoln, Garfield, and McKinley.

The beautiful island of Puerto Rico, which has made wonderful progress in all directions during the American regime, is one of the first customers of the mainland, and has had over three thousand millions of dollars of commerce with the United States in the last 36 years, two-thirds of which has benefited business of the continent. The money sent for relief and reconstruction is practically a help and compensation to the people of the island, and of which money two-thirds reverted right back to the mainland again.

If the Tydings referendum bill or any other similar bill were to be approved, all civil and individual rights which have been gained for the workers in 40 years of struggle would be sacrificed.

I certainly am sorry that I have lived to see the day the great American Government would ask our people to commit suicide. That is what independence, as it has been offered, means.

All leaders of parties see by themselves that a new era of reconstruction has come to the island to perfect our democratic institutions dedicated to social, political, and economic rehabilitation. Free and guaranteed vote of the people makes the island more progressive and gives opportunity to acquire greater capacity and progress.

Our coalition parties in the legislature have won the most honest and clean elections of 1932 with this issue:

> That the influence of the people of the United States in the destiny of Puerto Rico has been, is, and will be civilizing, and the extension of the Constitution to Puerto Rico represents a positive guarantee of the public and political liberties convenient and favorable to the enjoyment of the individual rights.

We reject all forms of a colonial government; therefore, we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of the United States. We want and are willing to be recognized as an integral part of the States of the Union and lead our future in that line.

Puerto Rico has a population over 1,700,000, or 500 inhabitants to the square mile, as compared with 55 per square mile on the mainland.

As all of you know, Puerto Rico stands literally at the crossroads of the world, at the entrance to the Caribbean region, and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles away from the Panama Canal, 1,300 miles from New York or Philadelphia, less than 1,000 miles away from Havana, and under 4,000 miles from the great European markets.

Puerto Rico is an integral part of the United States, under the supreme authority of Congress. The Treaty of Paris between the United States and Spain, 1899, in article II, provided that—

> The civil rights and political status of the native inhabitants of the Territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by Congress.

As an explanation of this provision, the American representatives at the peace negotiations, leading to the Treaty of Paris, in replying to the representatives of the Spanish Kingdom, said:

> The congress of a nation which never enacted a law oppressive or detrimental to the rights of residents within its dominion and whose laws guarantee the greatest liberty compatible with the conservation of property surely can be trusted not to depart from its well-established practice in dealing with the inhabitants of these islands.

LOSSES OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE OF THE UNITED STATES

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 267) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, with House amendments, insist on the House amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McREYNOLDS, BLOOM, and FISH.

CLELLIA S. IRVIN

Mr. TAYLOR of Tennessee. Mr. Speaker, the bill (H. R. 10298) granting a pension to Clellia S. Irvin was erroneously referred to the Committee on Pensions. I, therefore, ask unanimous consent that the Committee on Pensions be discharged from the further consideration of the bill and that the same be referred to the Committee on Invalid Pensions.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REVENUE AND EXPENDITURES

The SPEAKER. Under special order of the House, the Chair recognizes the gentleman from Georgia [Mr. CASTELLOW] for 15 minutes.

Mr. CASTELLOW. Mr. Speaker, with governments, as with individuals, few have found it difficult to spend money, but its replacement presents a different story. My observation is that one of the easiest habits to form is that of extravagance. Even extravagance may not be definitely menacing so long as the spender remains conscious of his extravagance, just as the driver of an automobile may operate his car at a high rate of speed in safety so long as he realizes he is driving fast, for the realization will constrain him to observe caution. The hazard arises when to him a high rate of speed becomes a habit of which he is unconscious. Therein lies the danger. Even so, as long as we realize that our national expenditures are without peacetime parallel, and that billions of dollars represent much in human toil, we will at least exercise care and caution in the manner and purposes of its distribution. But let us take thought lest familiarity with stupendous figures destroy our sense of proportion and lull us as a Nation into an unwarranted sense of security while we indulge in reckless expenditures resulting finally in practical repudiation or in confiscation of the savings of the frugal and thrifty through the instrumentality of taxation. Little comfort could be derived from acceptance of either horn of such a dilemma. Is it not apparent to the thoughtful

that by legislative act the accomplishment of the former has been rendered simple in the event the latter becomes too unpopular?

The tax plan proposed by the bill which recently passed the House admittedly will discourage the accumulation by corporations of a reserve, absolutely essential to the successful operation of any business venture. [Applause.] If corporations are detrimental to our economic life, they should not be tolerated; if they perform any useful service, they should not be handicapped by unreasonable restrictions. It is difficult to conceive that any businessman would contend for a moment that a reasonable reserve for future contingencies is not helpful, if not, indeed, essential, to success. This being true, it occurs to me that while unreasonable hoarding should not be encouraged, it would be advisable to permit the accumulation of a surplus equaling a reasonable percentage of its capital structure without undue restriction. Operating capital, usually supplied from accumulated profits, is the very heart of all business; and before operating on this delicate organ, maturest deliberation should be exercised.

The necessity of "storing up" or providing a reserve in times of plenty to carry through in times of scarcity has been recognized not only by thoughtful men of all ages but taught by nature to the insects of the field and the denizens of the forest. Who would say to the bee, "Cease to provide stores against the approach of winter", or to the squirrel, "Gather not to provide for a time when there is nothing to gather"? Nature itself provided for the great State of Minnesota abundant lakes to render more uniform its moisture. Without vision to correctly judge the logical results of their acts, men have drained these great natural reservoirs and are now seeking relief from the consequences of their folly. Why has our Government built, and is still building, at the cost of uncounted millions, dams to restrict the natural flow of water in time of abundance except to render it more effective in power and afford more uniformity of supply for the arid lands of the West? The unparalleled prosperity and progress of our great country is largely due to recognition of the fact that money, representing energy, like water, to attain its greatest efficiency must be accumulated at times in abnormal quantity, and with due caution and judgment released when needed. Great dams have been constructed in the past. The more expert the builder, the higher the walls, the more secure the masonry; the more water it will detain, and the longer. The builder for a season claims ownership, and exercising dominion directs its use and proudly claims it as his own. At his bidding it may turn the wheels of commerce or cause to produce in abundance thousands of acres of otherwise barren land. Yet, with all this added productivity, the owner's individual capacity to consume is not increased, and so the multiplied production must necessarily enure ultimately to the benefit of others. Not only that, there never was a dam built so high, so thick, or so permanent, as to prevent indefinitely a single drop of water from returning to its true parent, the ocean. So a financier may construct in the stream of commerce an obstacle to the flow of dollars, restrain them for a season, direct their activities, and call them his own. The more efficient he may be, the more he may acquire and the longer retain, but there never was nor ever will be one with the ability to withhold indefinitely a single dollar from mankind, its true owner. In the first instance, would wisdom be manifested by hastily, with pick and shovel or devastating explosives, destroying the agency by which the accumulation and retention of the necessary supply of water is made possible? Or would you discourage from labor those persons, artificial or natural, who by their efforts are building financial reservoirs from which mankind may draw in time of need? The folly of him who killed the goose to more speedily secure an extra egg has often been repeated in the past, and I presume will be in the future, for observation discloses that human nature changes, if at all, very slowly.

It has been the custom of men through the ages to class, as among the enemies of mankind, those whose labors have seemingly been unduly rewarded, but to the overcritical I suggest that the real dead weight imposed upon society is the drone in this human hive who consumes more, whether rich or poor, than he contributes to its good by his own efforts. [Applause.] All that we possess, all that civilization now enjoys, represents the net profits from human effort plowed back in full into the reserve of the greatest of all corporations—that in which every human being on earth today is to some extent a stockholder, and the assets and liabilities of which future generations will inherit.

One justification for increasing old taxes or levying new is to bring the Government revenues nearer in line with expenditures. All must know that this is imperative, but could not the same result be accomplished by a reduction of expenditures, and would that not be the saner course to pursue? [Applause.] Let us not delude ourselves with the belief that by some magic power any Government can give more than it takes. If the giving is done with caution, the taking may be done with moderation and justice more nearly accorded to all.

Unquestionably taxes should be imposed in accordance with ability to pay. The tax bill now before the Senate, as originally reported to the House, would have rendered it most difficult, if not, indeed, impossible, for corporations now in financial difficulties to ever regain a sound footing. By those who sponsor Government ownership of industry this failure to prosper might have been advanced as a reason why the Government should assume direct control, and thus a failure due to Government planning could have been advanced as a reason for governmental ownership. This feature, however, was modified in the House by amendment.

As the levying of taxes so vitally and directly affects the individual citizen, our Constitution provides that all bills for the raising of revenue must originate in the lower branch of Congress, every Member of which must necessarily have been elected by the people within the preceding 2 years. To facilitate legislation, committees have been formed for special consideration of such legislative matters as come within the jurisdiction of each, respectively. The members of the Ways and Means Committee, to which is referred all tax legislation, on account of the importance of the committee, are elected by the membership of the House and are selected usually by reason of their long service, proven ability, and peculiar fitness. The revenue bill recently passed was reported to the House by this committee. It is reasonable to assume, and the facts disclose, that they gave mature consideration to the subject and if, under those conditions, their wisdom and patriotism cannot be relied upon, representative government is seriously threatened.

While entertaining some misgivings as to the wisdom of the proposed legislation, as indicated by the foregoing expressions of my observations and conclusions, I sincerely trust that the results of this legislation will not prove disappointing. [Applause.]

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, my colleague has just completed what will probably be the last speech he will make on the floor of this House, as he voluntarily retires as a Member of this body at the expiration of his present term. When he goes I would like for him to go conscious of the fact that he leaves a membership that holds for him the very profoundest respect and whose fondest affection will follow him the remainder of his days. [Applause.]

The SPEAKER. The gentleman from Massachusetts [Mr. TREADWAY] is recognized under the special order for 20 minutes.

RUINOUS RECIPROCITY

Mr. TREADWAY. Mr. Speaker, some days ago the gentleman from Ohio [Mr. HARLAN] remarked that I seemed to be "mysteriously silent" recently on the subject of the administration's trade-treaty program, and indicated my silence showed that I was finally admitting that these unconstitutional treaties were a solution of our ills.

I beg to assure the gentleman that he is completely in error, for I personally feel more strongly every day against

these iniquitous reciprocal-tariff agreements, and as far as my effort to do away with them is concerned I have just begun to fight! [Applause.]

FURTHER SURRENDER OF DOMESTIC MARKET UNDER FRENCH TREATY

My purpose in speaking this morning is primarily to answer some of the recent statements made by the proponents of the trade-treaty program, both in and out of Congress, but first I wish to discuss for a few moments the trade treaty with France which has just been concluded, and which was made public last Wednesday. It is another outstanding example of surrendering our rich domestic market for illusory benefits in foreign markets.

According to the summary of the treaty issued by the State Department—and of course we had no knowledge of it whatsoever in advance, as all these treaties are star chamber procedures—this country granted to France reductions up to 50 percent on 71 separate items, and we received only 19 reductions, some of which even the State Department admitted were only nominal percentages. The major French concessions were not duty reductions at all, but simply a liberalization of quota restrictions. However, both in the case of the duty reductions and the quota liberalizations, the French Government reserves the right to increase the rates or modify the quotas. Even in according us most-favored-nation treatment, it makes a number of exceptions to the general rule.

You have heard comments made about horse trading, and now Professor Sayre informs us we ought not to indulge in horse trading. Well, we ought not to indulge in horse trading of that kind, I agree. In the country I came from, when we used to trade horses, when there were horses to be traded, there was an effort to get an even swap, which we never had in any of these things, and particularly we have not done so in this recent one with France.

REDUCTIONS LARGELY ON LUXURY ARTICLES

Here are just a few of the articles on which we have granted reductions which, in accordance with the usual practice, will be generalized in favor of all other countries:

Article and percentage by which existing duty is reduced

Bottled perfume	49
Cosmetics	40–50
Tinsel products	27–40
Roquefort cheese	28
Canned mushrooms	34
Brandy	50
Cordials and liquors	50
Champagne	50
Still wines (not over 14-percent alcohol)	40
Vermouth	50
Silk broadcloths	18–31
Silk-pile fabrics	17–29
Rayon-pile fabrics	21
Papeteries	25
Straw hats	43
Feathers and downs	33
Jewelry	25–41
Articles of adornment	25–41
Cotton lace	33–44
Silk lace	28
Cotton or silk wearing apparel with lace or embroidery	17
Clocked and embroidered cotton hose	20–33
Corsets	17–27
Elastic fabrics	33
Hand-seamed women's and children's gloves	31
Brierwood pipes	40
Cigarette paper	25

As you look over that list, it will be noted that many of them are luxuries. If there is one class of articles that ought to pay the duty, even though you believe in "tariff for revenue only", it is luxuries. Who can better afford to aid in support of our Government than a person who can purchase champagne to use on his table for himself or his friends? The same is true with regard to those who wish to use exclusive French perfumes. If some people must have the imported article, let them pay for it. We make good champagne and perfumes right here in this country, and there is no reason why we should encourage the use of the foreign articles. I could say the same thing for corsets and other articles on which the duty is reduced under the treaty.

What do our grape growers in New York State, in the area represented to a large extent by the gentleman from New York [Mr. TABER], think of a 40- to 50-percent reduction on wine and champagne? Our friends from California know something about how the tariff has benefited them in the past. Take brandy alone. If the tariff permitted, we would increase the consumption of the domestic product; so why reduce the tariff in order to allow the foreigner to ship his brandy into the United States in competition with that which can be produced in California? I think the answer to some of those questions will be very plainly made when the votes are counted in November.

FURTHER REDUCTION ON CHEESE

Take the question of cheese. The State Department, in its analysis of the treaty, says that this reduction "is in line with the reductions already made to Switzerland and the Netherlands on the cheese specialties of those countries." It might be said that Roquefort cheese could well be reduced in the tariff. Of course, the agriculturists here and our rural friends throughout the country realize that the more imported cheese is sold in this country and the lower price charged for it the less consumption there will be of home-manufactured domestic cheese. A further reduction in the tariff on Swiss cheese was made in the treaty with Finland, which was just announced today. This reduction of 2 cents per pound provided in the treaty seriously affects Wisconsin and other States, where our domestic Swiss cheese is a large dairy product. Oh, these Democratic reciprocal theorists are some "friends" of the farmer! There could not be anything more ridiculous in the way of argument than to try to tell our sensible agriculturists and rural population that these agreements, unconstitutionally entered into, are of benefit to them.

I see one of the distinguished Representatives from Maine interested in what I am saying. Only a few days ago Canada raised the tariff against Maine potatoes, although there had been an agreement entered into with our Secretary of State and his able assistants and theorists that the duty should be lowered on potatoes. Yet as soon as the agreement is made it is increased again, and at the same time they say it is of benefit to us here in this country.

AN ANSWER TO CHAIRMAN O'BRIEN, OF TARIFF COMMISSION

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BANKHEAD. The gentleman seems to charge this entire reciprocal-tariff agreement is supported alone by the Democratic Party. What has the gentleman to say about the attitude of men like David Lawrence and the Chairman of the Tariff Commission, Mr. O'Brien, and a number of others?

Mr. TREADWAY. Would the gentleman like my opinion of the gentleman from Massachusetts, Mr. O'Brien, who alleges that he is a Republican, the Chairman of the Tariff Commission?

Mr. BANKHEAD. That is what I am asking the gentleman.

Mr. TREADWAY. Very well, allow me to give it to the gentleman. I have known Mr. O'Brien, to whom our distinguished floor leader refers, for a long period of years. There is no more delightful gentleman for an after-dinner speech or an after-dinner companion than Robert Lincoln O'Brien, but politically he is an enigma. He alleges that he is a Republican, but I do not want to belong to the party which advocates such principles as he seems to believe in, which are directly contrary to the well-defined and long-established principles of the Republican Party. Further than that, let me say that he has offered his unsolicited advice to the Republican convention, which will meet in about 3 weeks to select the next Republican candidate and next successful candidate for the Presidency, to the effect that it should endorse the administration's trade-treaty program. Mr. O'Brien's advice will not be heeded.

Let me give you two particularly outstanding illustrations of Mr. O'Brien's position. It is a matter of record before the Ways and Means Commitee that Mr. O'Brien testified that the reciprocal treaties would be so beneficial to the country

that the bill then before the committee ought to be passed unanimously. That is Democratic doctrine, pure and simple. I have never seen any Republican who advocated the passage of the reciprocal treaties or the bill under which they are unconstitutionally enacted.

Another angle to Mr. O'Brien's attitude appears in the hearings before a committee of another body when he was asked this question:

Senator HASTINGS. Well, is it or not true that the Tariff Commission exercises an independent judgment; or is it, as I think I saw where you stated before the House committee, wholly subject to and under the control of the President?

Listen to Mr. O'Brien's answer:

Mr. O'BRIEN. The President appoints the Tariff Commissioners. Most men in positions wish to retain them and be reappointed.

So his views, of course, were warped by his desire to continue in office. [Applause.] We may assume that this frank statement holds the key to his views respecting the trade treaties. It is interesting to note that he was rewarded by the President by being redesignated as chairman of the Tariff Commission, effective December 1, 1935. That kind of advice we do not want at any Republican convention. Aside from that, I have great admiration for the gentleman to whom the majority leader referred.

Mr. BANKHEAD. The gentleman has not quite finished, I hope. The gentleman made no reference, for instance, to the opinion of a great publicist, like Mr. David Lawrence, who is unequivocally in favor of this tariff, and the Young Republican organization of New York, and Mr. Ogden Mills. What has the gentleman to say about them?

Mr. TREADWAY. If the gentleman will withhold his interest until the Republican National Convention is held, when the Republican Party will state its principles, I do not think he will see that there are very many Republicans who believe in this monstrosity of so-called reciprocal tariffs which are not "reciprocal" in any sense. So reserve your interest until we get together the forces of the Republican Party of this country and tell you what we think about the tariff position of the Democratic Party today. Why did you not come in here with a straight, out-and-out tariff revision bill instead of going around the corner in this unconstitutional manner? I am sorry I do not have more time, because when I get on that subject my regular remarks are all thrown in the discard.

PRESERVATION OF WORLD PEACE NEW EXCUSE FOR TRADE-TREATY PROGRAM

I was very much amused the other day to read the speech made by the Secretary of State, Mr. Hull, before the United States Chamber of Commerce, in which he gave a new "excuse" for the administration's trade-treaty program.

Heretofore we have been given to understand that it was for the purpose of expanding our foreign markets. The act itself so states. But now the Secretary of State tells us it was for a higher and nobler purpose, namely, "the preservation of world peace." He reiterated this new purpose in a press release accompanying the announcement of the French treaty. The only reason I can see why he brings world peace into the tariff measure is that probably he was ashamed of the results of the agreements. Therefore he says they are a great help to world peace. I never heard of anything more ridiculous.

I am not surprised that the Secretary has been forced to look for some new argument to support his treaty program, because it has been a dismal failure insofar as expansion of our foreign markets is concerned; but why pick on world peace? He cannot be serious in thinking that a trade-treaty program will supplant the League of Nations, the Hague Tribunal, the World Peace Foundation, and such other agencies and organizations for keeping peace throughout the world. At least he has no grounds for hoping that his plan will be any more successful.

A certain Mediterranean country, which I need not mention, is known to have entered into some 35 bilateral trade treaties, but they apparently had little effect in restraining its military ambitions, which were culminated within the last few days. A certain oriental country is known to have at least seven bilateral trade treaties, but these do not seem to have had any effect in curbing its martial spirit.

I wonder if the Secretary of State thinks that free-trade tariff reductions or trade treaties would have kept Napoleon's armies at home? I wonder if he thinks that international tariff barriers were responsible for the military conquests of Caesar and Alexander the Great? I wonder if he blames the Norman Conquest on protective tariffs? The whole thing is worse than a ridiculous pipe dream. Why try to delude the American people with any such statements that this sort of giving away our home markets is going to aid world peace? It would be an expensive price at the best, but what does history say about it?

The Democratic Party was in control of Congress from 1913 on. Did it keep us out of the World War because the Underwood Free-Trade Tariff Act was passed? Why does not Mr. Hull recall the days he spent on this floor as a colleague of some of us and whom we greatly admired before he puts up any such bluff that world peace is involved in a reduction of tariff rates? If that had been true we certainly would never have lost the thousands of the flower of our manhood overseas fighting to make the world "safe for democracy." Now the Secretary of State wants our workingmen to give up their jobs and our farmers and manufacturers to surrender their home market to make the world safe from future wars. A beautiful dream; nothing more.

TREATY PROGRAM HAS FAILED TO EXPAND FOREIGN MARKETS

Now, let us forget a little of this theory that the gentleman has been telling us about and get down to actual brass tacks. What has been accomplished under this reciprocal treaty proposition which was instituted in 1934? Our favorable balance of merchandise trade declined from $478,000,000 in 1934 to $233,000,000 in 1935, a net loss of $243,000,000. This resulted from the fact that our imports increased $392,000,000 in 1935 as against an increase in exports of only $149,000,000.

While not all of the tremendous increase in imports was due to concessions made under the trade treaties, neither was the small increase in exports due entirely to concessions obtained from the few countries with whom treaties were negotiated. The gentleman from Ohio [Mr. HARLAN] is himself authority for the statement that only $23,000,000 of our increased export trade was with treaty countries, but even this amount cannot be attributed entirely to trade concessions, because our exports to the United Kingdom increased $50,000,000 in 1935 over 1934 without benefit of any trade treaty and without giving the United Kingdom any concessions in our market to get the increased business. Similarly, our trade with Canada increased $21,000,000 in 1935 over 1934 before the trade treaty with that country became effective. Many other similar instances could be cited.

FARM EXPORTS DECLINING

When the trade-treaty legislation was under consideration the farmers of the country were promised an increased foreign market for their products. Let us see to what extent the farmers' export market has been increased, whether by trade treaties or otherwise. Looking at the figures published by the Department of Agriculture we find that the exports of many major farm commodities are decreasing rather than increasing. Here are the figures:

Decline in exports of certain major agricultural commodities

Commodity	Exports	
	1934	1935
Wheat (including flour) ..... bushels	36,500,000	15,700,000
Leaf tobacco ..... pounds	419,000,000	381,200,000
Bacon, hams, and shoulders ..... do	83,700,000	61,700,000
Lard ..... do	341,200,000	96,400,000

And still our Democratic colleagues are always telling us what great friends they are of the farmers. That is the way they have "taken care" of the farmers.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FARM IMPORTS INCREASING

Mr. TREADWAY. But that is not all the administration has done to the farmer. It has refused to protect the farmer in the domestic market. With imports pouring in from abroad, the administration has not only failed to increase agricultural tariffs where necessary, but has actually reduced many of the existing rates, including the duties on such important products as cattle, cream, cheese, and various vegetables and fruits. This was done in spite of the President's promise to the farmers not to reduce the duties on agricultural products.

As compared with the decline in agricultural exports, here is how some of our agricultural imports have increased since 1934:

Increase in imports of certain major agricultural commodities

Commodity	Imports	
	1934	1935
Live cattle ..... head	66,000	378,000
Canned beef ..... pounds	46,700,000	76,300,000
Wheat ..... bushels	7,700,000	27,400,000
Corn ..... do	3,000,000	43,200,000
Oats ..... do	5,600,000	10,100,000
Barley malt ..... pounds	193,700,000	320,600,000
Egg products ..... do	3,200,000	7,600,000

The decline in foreign markets and the increase of foreign competition in the domestic markets is not confined to agriculture. We find that exports of cotton cloth, for example, declined 18 percent in 1935, while imports increased 53 percent. It is bad enough for agriculture and industry to see their foreign markets disappear, but when this is coupled with increased competition in the domestic market it means disaster.

MANY REASONS FOR FAILURE OF TREATY PROGRAM

Many reasons could be advanced why the trade-treaty program has proved a failure. In the first place, it is based upon the false notion that by allowing foreign countries to sell us more of their goods we will necessarily benefit by being enabled to sell them more of our goods. Such has not been our experience. It is disproven by the fact that, although we increased our merchandise imports by 24 percent in 1935, our exports only increased 7 percent. When we include our gold and silver purchases, and take into consideration the so-called invisible trade balances, we find that foreign countries in 1934 had an excess purchasing power over the amount necessary to pay all balances in our favor amounting to $970,000,000. In 1935 this excess purchasing power was approximately $2,000,000,000. These tremendous balances in favor of foreign countries were not settled by the sale of additional American goods but by the transfer of stocks, bonds, and other securities.

When we reduce our tariff rates under the trade treaties, foreign countries are quick to take advantage of the opportunity to secure increased business in our rich domestic market, to the detriment of our own producers. It must be kept in mind that our reductions in rates are not confined to the country with whom a particular treaty is negotiated but are extended generally to all countries, Germany alone excepted. On the other hand, we receive concessions only from the country with whom we negotiate a particular treaty. Whether we sell that country any additional goods depends upon our ability to undersell the rest of the world. This throwing open of our market to the whole world, while we get in return concessions of doubtful value from particular countries, is another reason why the trade-treaty program is a failure, and is dangerous and ruinous to our trade.

TREATY NEGOTIATORS NOT SEEKING TRADE ADVANTAGES FOR OUR PRODUCERS

Another reason why the trade-treaty program is such a failure from the standpoint of increasing our foreign trade is that those in charge of the negotiations are more interested in trying to set an example for the world than they are in trying to gain any benefits for our own people. We have definite proof of this fact in the public utterances of these officials. The Assistant Secretary of State, Dr. Sayre, who is Secretary Hull's right-hand man in the trade-treaty negotiations, has this to say in his recent pamphlet, America Must Act, published by the World Peace Foundation—I quote:

> If the purpose for which the act was passed is to be attained our methods must be broader than mere "horse trading." We must make of the act an instrumentality for throwing the weight of American power and influence against the disastrous world movement toward economic nationalism.
>
> * * * * * * *
>
> What matters is not selfish trade advantages gained by individual nations over their competitors, but the gradual liberalization of world trade through the adoption of similar programs by other nations.

Now there is a frank statement of what these free-traders down in the State Department are trying to do. They are not seeking to gain advantages for our own farmers, manufacturers, or workingmen, but are tearing down our tariff in the pious hope that the world will follow our example.

No country is going to be foolish enough to adopt this sort of program unless it is more interested in other countries than it is in its own. The rest of the nations of the world are out to get trade advantages, and are naturally glad to accept the generous concessions offered them by Secretary Hull and his "free-trade missionaries."

FOREIGN COUNTRIES OVERANXIOUS TO ENTER INTO TRADE TREATIES

In this connection, let me cite a statement made by Dr. Grady, Chief of the Trade Agreements Section of the Department of State, before the Committee on Appropriations on December 10, 1934. He was being interrogated by one of the members of the committee who asked him this question:

> With respect to the countries that you have made contacts with up to this time, * * * have you found a sympathetic interest manifested by them to go on?

Here is Dr. Grady's answer:

> Extremely so. As a matter of fact, we have had pressure from countries to proceed before we were ready for them.

Think of that—"pressure" from countries to enter into these agreements. I am not surprised. They have everything to gain and nothing to lose. They know we have the richest market in the world, and they know further that there is nothing binding about the treaties to make them buy anything from this country if they do not choose to do so.

TARIFF REDUCTIONS HAVE INJURED DOMESTIC PRODUCERS

In his recent Chamber of Commerce speech, to which I have already adverted, Secretary Hull made many statements which will be difficult for him to substantiate, but none any more so than the following:

> The general aim of our negotiators is * * * to grant the other country concessions with respect to commodities the possible increased importation of which would be beneficial to our country.

Never was a more absurd statement ever made. If that has been the aim of the negotiators, who do their work in secret star-chamber sessions, it must be that their aim is bad. Perhaps this is due to the lack of "light" upon the proceedings. I could go through the whole list of concessions made under the various trade treaties, which cover some 35 printed pages, and point out scores of items, the increased importation of which could not possibly be of any benefit to this country. Just consider a few of the agricultural items on which substantial reductions in duty have been made. How is it going to help our farmers by reducing the duties on cattle, cream, cheese, poultry, apples, cherries, blueberries, grapefruit, lima beans, peas, potatoes, tomatoes, sugar, tobacco, and other such items? The only beneficiary will be the foreign producer. Likewise the reductions in the duties on certain textiles, on watches, cement, structural iron and steel, plate glass, paper, and other manufactured products can only benefit the foreign producer and the foreign workingman.

CONSUMERS ARE ALSO PRODUCERS

"Yes", the free-trader says, "but what about the consumer? Is he not benefited?" My answer is simply this: If it is so good for the consumer to buy a few things abroad, why is it not good for him to buy everything abroad, since he can get it cheaper? There is a reason and a very good reason. The word "consumer" is a very indefinite term. A farmer is a consumer, but he is also a producer. The same is true of the workingman. We find that the terms "producer" and "consumer" generally identify the same person. If all consumers are benefited by the importation of cheap goods, then all producers must be adversely affected. In the end we would find that our so-called consumers would have nothing with which to buy the cheap foreign goods, because as producers they would have been put out of business by foreign competition.

The exponents of the trade-treaty program are very fond of saying that when some export industry is benefited under a trade treaty, this benefit is reflected in many directions and accrues to many more persons than those directly affected. However, the same is true with respect to the injury done to individual groups under the trade treaties through the granting of concessions to foreign countries. That injury is reflected throughout the whole country. We consume in this country 90 percent of what we produce and export 10 percent. If we increase the 10 percent at the expense of the 90 percent, nothing is gained. Moreover, it may be pointed out that it would take a 90-percent increase in the 10 percent exported to be the equivalent of a 10-percent increase in the 90 percent consumed at home.

DEMOCRATIC CRITICISM OF REPUBLICAN TARIFF NOT BORNE OUT BY FACTS

If I may refer again to Secretary Hull's recent chamber of commerce speech, I should like to call attention to his conception of what would happen if we repealed the trade-treaty legislation and abrogated the treaties made thereunder. Here is what he has to say on this point:

> We would automatically go back to the Smoot-Hawley tariff and face once more the vicious discrimination against our trade which it caused and the virtually suicidal effort at economic self-containment which it represented.

Now, let us analyze that statement for a moment. In the first place, let me say that the Hawley-Smoot tariff is still the law of the land after 3 years of Democratic control, except insofar as it has been modified by particular trade treaties. The Democratic platform of 1932 severely criticized the Hawley-Smoot tariff and promised the country a tariff "for revenue." If the 1930 act was such a bad law, I cannot for the life of me see why the Democrats have not repealed it. The late Speaker Rainey gave the probable reason back in 1932 when he declared on this floor:

> Lower the tariff drastically? You (Republicans) will not do it and we (Democrats) dare not do it with conditions as they are. We do not want this market flooded with the products of cheap labor in other countries.

Every revision of the rates made through the trade treaties is a downward revision, except where existing rates are "frozen" for a definite period. There are no tariff increases under the treaties—no element of protection for American agriculture, industry, and labor. The Republican tariff yardstick of equalizing foreign and domestic production costs has been thrown out entirely. The administration, in the words of Speaker Rainey, is now engaged in flooding the market "with the products of cheap labor in other countries."

To return to Secretary Hull's statement, to which I have made reference. He stated that the 1930 Tariff Act caused vicious discriminations against our foreign trade. Let me say that our trade was no more discriminated against than was that of any other country. When the world-wide depression began, each nation tried to protect its own market by raising tariff barriers, and we were not alone in that. When the bottom of the depression in this country was reached in 1932 and domestic conditions began to improve, our foreign trade likewise began to climb. Exports and imports in 1933 were both greater than in 1932.

FOREIGN TRADE ON INCREASE PRIOR TO TRADE TREATIES

From 1933 to 1934 our exports alone increased $458,000,000, which seems to have disproved the charges made by our Democratic friends that the Hawley-Smoot tariff would stifle our international trade.

The interesting thing is that the increase in export trade since the trade-treaty legislation became effective has been smaller than it was under the "iniquitous" Hawley-Smoot Act before it was modified by the trade treaties. As against the $458,000,000 increase in exports from 1933 to 1934, the increase from 1934 to 1935 was only $149,000,000. The import situation, however, was just the reverse. From 1933 to 1934 our imports increased only $205,000,000 as against an increase of $392,000,000 between 1934 and 1935.

I should like to point out that when the Fordney-McCumber Tariff Act of 1922 was passed, the Democrats charged that it, too, would stifle our foreign trade, but our exports and imports increased every year up to and including 1929, when we exported merchandise of the value of $5,240,000,000 as against imports of $4,400,000,000.

INCREASED IMPORTS THE RESULT RATHER THAN CAUSE OF DOMESTIC PROSPERITY

While large imports and prosperity go hand in hand, it is not true, as Secretary Hull and other free-traders attempt to make people believe, that imports are the cause of our prosperity. Rather, increased imports result from our prosperity. In good times we need more raw materials, and our people are able to afford more luxuries. If imports were the cause of prosperity, then it would necessarily follow that if we bought everything we needed abroad, we would reach the zenith of prosperity. Of course, any such notion is ridiculous, yet the whole trade-treaty program is founded on just such fallacious notions and theories as that.

Despite all the charges made by our Democratic brethren the Hawley-Smoot Tariff Act does not present an insurmountable barrier to foreign imports. Two-thirds of our imports on the basis of value now come in duty-free, which is more than can be said about the imports of most foreign countries, whose tariffs are purely arbitrary and do not represent an attempt merely to equalize foreign and domestic production costs.

I do not understand how Secretary Hull can characterize the 1930 tariff as a "suicidal effort at economic self-containment" in view of the fact that such a vast proportion of our imports are duty-free, and in view of the further fact that we have a tremendous importation of dutiable products, both agricultural and manufactured, in spite of the tariff duties which it imposes.

This reference to "self-containment" is just another argument used to attack the protective-tariff system and bolster support for the free-trade theories the administration is seeking to put into effect. I use the words "free trade" in a rather broad sense; but when rates are not protective, we might just as well have free trade. So far as I know, no one has ever proposed that we shut out all imports. It is recognized that there are many things which we do not produce which we must and will continue to buy abroad. Hence any effort to make people believe that the abandonment of the trade-treaty program means the erection of a Chinese wall around this country is just plain misrepresentation. The proponents of the program are so hard up for arguments that they have to set up "straw men" just to be able to knock them down again.

TARIFF WILL BE A LEADING ISSUE IN ELECTION

In the coming election campaign, there is no question but that the tariff will be one of the leading issues before the country. The people will have the opportunity to determine the clear-cut question of whether they wish the present policy of "ruinous reciprocity" continued, or go back to the long-established Republican policy of giving American agriculture, industry, and labor the first chance to supply the needs of the domestic market.

It is going to be difficult for the administration to explain the inconsistency of its position in telling our farmers on

the one hand to restrict their production while on the other hand taking no steps to stop the flooding of our market with foreign agricultural products. The farmer has seen his foreign market disappear, and now the administration is taking his domestic market away from him.

Likewise it is going to be difficult for the administration to explain the inconsistency of its position in telling our employers on the one hand to put men back to work, while on the other hand, tearing down our tariff and permitting foreign competition to drive these employers out of business.

The administration talks about raising the wage level, but even the present wage level cannot be maintained if our workers must compete on equal terms with the cheap labor of Europe and the Orient.

Free trade is not the key to prosperity. As the German economist, List, has said:

Free trade is an idealism not to be engaged in until the people with whom you trade have the same living standards as your own, otherwise they will tear you down to their level.

Likewise, reduced tariffs are not the answer to the problem, since they also mean a lowering of the wage level and living standards. We must face the fact that our prosperity is based primarily on the home market. Our foreign trade is important, but incidental. It is to our interest to conserve the home market so far as possible for our own people. The Republican policy of protection is dedicated to that principle. The policy of the present Democratic administration, on the other hand, is to share that market with the world, notwithstanding the fact that two-thirds of our imports already come in duty-free. The people will determine next November which course they wish to follow in the future; and I have every confidence that they will reaffirm their belief in the Republican principle of protection as they have always done in the past after a short trial of Democratic free trade. [Applause.]

[Here the gavel fell.]

NATIONAL SAFETY AND ACCIDENT PREVENTION

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11108) to advance a program of national safety and accident prevention.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $50,000 to be expended under the direction of the Secretary of Commerce for the furtherance of the work of the accident-prevention conference. Money appropriated pursuant to this act shall be available upon vouchers approved by the Secretary of Commerce for fostering accident-prevention work on the part of organizations engaged in the promotion of safety and accident prevention; preparation and printing of material designed to enlighten the general public in matters of safety and accident prevention, such material to be disseminated through schools, newspapers, magazines, the radio, or any other means of intercourse or communication; the preparation and attempts to obtain enactment of uniform vehicle regulations in the several States; clerical assistance for the members of the general committee of the Accident Prevention Conference; travel expenses incurred by members of the general committee of the Accident Prevention Conference in the furtherance of the work of the said conference.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPACT BETWEEN CERTAIN STATES

Mr. CITRON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 377, to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, and Connecticut to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the immediate consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the consent of the Congress of the United States is hereby given to the States of Maine, New York, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, or any two or more of them, to negotiate and enter into agreements or compacts for conserving and regulating the flow, lessening flood damage, removing sources of pollution of the waters thereof, or making other public improvements on any rivers or streams whose drainage basins lie within any two or more of the said States.

SEC. 2. No such compact or agreement shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the legislatures of each of the States whose assent is contemplated by the terms of the compact or agreement and by the Congress.

With the following committee amendments:

Page 1, line 5, strike out the word "and"; and on page 1, line 6, after the word "Connecticut", insert "Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the joint resolution was amended to read: "Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States."

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent that on next Monday, immediately after the reading of the Journal and the disposition of business on the Speaker's table, I may be permitted to address the House for 30 minutes.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object—I do not think I shall object—next Monday is District day.

I do not see a member of the District Committee here who might want to make an objection, but I hope Members hereafter will be very reasonable in their requests along this line.

Mr. ROBSION of Kentucky. I may say that I was granted this time some time back, but I was ill and could not take advantage of it. I have been here for years and have not made many of these requests.

Mr. BANKHEAD. I am not going to object.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. The Clerk will report the first omnibus bill on the Private Calendar.

The Clerk called the first bill, H. R. 9054, for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(H. R. 971. For the relief of the Tevis Motor Co.)

That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, the sum of $415 to the Tevis Motor Co., a corporation with its principal place of business at St. Louis, Mo., said sum representing money collected from the sale of one Ford Tudor sedan, owned by said Tevis Motor Co., seized by the United States customs officials in the State of Florida and subsequently sold under the forfeiture and sales provisions of the National Prohibition Act, the proceeds from said sale being paid into the United States Treasury.

With the following committee amendment:

Page 2, line 1, strike out "said sum representing" and insert "in full settlement of all claims against the United States for", and after line 8, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or

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

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 3, strike out all of title I.

Mr. COSTELLO. Mr. Speaker, this bill provides that the Tevis Motor Co. shall be paid the sum of $415 for an automobile which was taken over by the prohibition agents and sold. This car had been sold by the Tevis Motor Co. on a conditional sales contract and was used in bootlegging. As a result it was confiscated by the Government. The court ordered that the car be sold, and in accordance with the court order it was sold and the sum of $415 was received from the sale.

The Tevis Motor Co. failed to protect its rights, and it was not until after the sale had taken place that the company applied to the court for an order to restrain the sale and protect their title to the car. As a result of the failure of the company to protect its own rights, I feel they are not entitled to relief at this late date, and for this reason I oppose the passage of the bill and recommend that the amendment which I have just offered be adopted.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was agreed to.

The Clerk read as follows:

Title II—(H. R. 3559. For the relief of John L. Alcock.)

Whereas the Court of Claims of the United States, in the case of John L. Alcock, trading as John L. Alcock & Co., against United States (no. J 567), has ascertained and determined that John L. Alcock, having first obtained in January 1918 the authority and consent of the Spruce Production Division of the War Department and the necessary permits and releases from the War Department and the British Government, accepted in February 1918 foreign contracts or orders for the shipment and delivery from February 1918 to December 1918 of 6,000,000 feet of spruce and fir lumber to be exported for the use of the British Army for the prosecution of the war, and entered into contracts with the American mills for the production and shipment of said 6,000,000 feet of lumber; and

Whereas the said Court of Claims in said case has found that on April 6, 1918, the said Spruce Production Division of the War Department refused to permit any further shipments under the said contracts and foreign orders and on April 9, 1918, ordered the said contracts between the said Alcock and the American mills to be canceled; and

Whereas the said court has found that at the time of the promulgation of said order canceling the said contracts there was undelivered thereunder 5,290,363 feet of said lumber covered by said Alcock's foreign orders, and that had he been allowed to deliver the said lumber, Alcock would have received a profit of $195,230.62, being the difference between what he would have received from the foreign purchasers upon delivery of the lumber, less commissions and ocean and inland freight, and the amount which he had agreed to pay to the American mills free on board cars at mills; and

Whereas the said court has determined that the said Alcock, under the act of Congress approved May 28, 1928 (Private, No. 226, 70th Cong, S. 3308), entitled "An act to confer jurisdiction on the Court of Claims to hear and determine the claim of John L. Alcock", has no right of recovery for the loss or damage sustained by him growing out of the withdrawal of the right of shipment under his foreign orders and the cancelation of his domestic contracts and for the unfulfilled portion of his said foreign orders; and

Whereas it was the purpose of Congress to confer jurisdiction upon the Court of Claims to hear, determine, and award compensation for the claim of the said Alcock for losses and/or damages sustained by him by reason of the prevention by governmental agencies of the performance of all the said contracts, executed or executory, for the shipment and delivery of said lumber: Therefore

That (1) the Court of Claims of the United States be, and hereby is, given jurisdiction to hear and determine the claim of the said John L. Alcock, and to award him compensation for losses and/or damages, if any, sustained by him by reason of the action of the officers of the Signal Corps and/or the spruce-production division of the War Department in promulgating the order refusing to permit any further shipments under his said contracts and foreign orders and directing the canceling of the said contracts of the said Alcock with the said American mills; and to enter a decree or judgment against the United States for such losses and/or damages, with interest thereon at 6 percent from April 6, 1918, until paid, notwithstanding the executory character of such contracts and that there had been no delivery of title to him under his contracts with the American mills, such losses and/or damages to be measured by the difference between what he would have received from the foreign purchasers upon delivery of the lumber, free on board cars at mills, and the amount he had agreed to pay the American mills free on board cars at mills.

(2) The Court of Claims in the adjudication of the said claim is authorized in its discretion to use, in addition to any evidence that may be offered in any suit which may be brought under this act, the pleadings and evidence in the case of John L. Alcock & Co. against the United States (61 Ct. Cls. 312), and in the case of John L. Alcock & Co. against the United States (no. J-567), decided April 4, 1932.

(3) Suit hereunder may be instituted at any time within 4 months after the approval of this act, notwithstanding lapse of time or any statute of limitations, and proceedings therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code as amended.

With the following committee amendment:

Beginning on line 22, page 2, strike out all the preamble, and in line 12, on page 4, strike out "with interest thereon at 6 percent from April 6, 1918, until paid."

The committee amendment was agreed to.

The Clerk read as follows:

Title III—(H. R. 3575. For the relief of Mrs. Lawrence Chlebeck)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lawrence Chlebeck the sum of $2,000 as compensation in full for injuries sustained in the United States customhouse building, St. Paul, Minn.

With the following committee amendment:

Page 6, line 2, strike out "$2,000 as compensation in full", and insert "$750, in full settlement of all claims against the United States" and in line 5, after the word "Minnesota" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: On page 5, beginning with line 22, strike out all of title III.

Mr. HANCOCK of New York. Mr. Speaker, let me state the facts very briefly with reference to this claim. The claimant, Mrs. Chlebeck, says she fell in a post-office building because the steps were slippery. It seems the day on which this accident occurred was a wet day. There had been a light snowfall. People walked in and out of the building and the steps were necessarily made wet and somewhat slippery. Unfortunately this lady slipped and fell, either because the steps were wet or for some other reason.

In my humble judgment, there is no liability whatever. There would not be any liability on the part of a private owner of the building, in my opinion, and there is no liability on the part of the Government. It is just one of those unfortunate accidents. I find nothing in the record to indicate that the agents of the Government were guilty of any neglect or wrongdoing. I cannot see the theory on which the claim is based at all. We all know that snow is slippery, which, of course, cannot be helped. We know that people who walk in slippery places must be careful. The Government cannot insure people against falling down, and the Government is not responsible for the fact that it snows in the wintertime or that snow is slippery.

Mr. MAAS. Will the gentleman yield?

Mr. HANCOCK of New York. I yield to the gentleman from Minnesota.

Mr. MAAS. In St. Paul there is liability within buildings as well as without. This is clearly a case of negligence on the part of the Government. This snow had been tramped

into the building, and the accident occurred on a rather narrow, steep stairway that had been swept out once or twice, but then the janitor became negligent and left considerable snow there which had been tramped in. The steps became wet and slippery. This woman slipped and fell purely through the negligence of the Government. Had the accident occurred in a private building, I may say to the gentleman, the owners of the building would have been liable, and they would have had to pay a great deal more than the modest sum asked for in this bill.

Mr. Speaker, this woman has raised 14 children. Her earning capacity has been very materially reduced, if not practically destroyed. She has carried on the best way she possibly can. I may say we have constantly paid claims where a Government truck has backed into somebody, and I do not see any difference so far as this case is concerned.

Mr. HANCOCK of New York. Mr. Speaker, it is a question of opinion purely. There are many good lawyers here. I have no pride of opinion, but it seems to me in a case of this sort and under the circumstances there is no liability on the part of the Government. I think the Members fully understand the facts. People going in and out of a public building on wet, snowy days track snow in there and the steps become slippery. This woman fell under those circumstances, and that is all there is to the matter.

I simply say very modestly that in my opinion there would not be any liability on the part of a private owner. Other gentlemen may disagree with me, but I have stated the facts, and the House may reach its own conclusion.

Mr. MAAS. Is not that a pretty hard and cold-blooded attitude to take?

Mr. HANCOCK of New York. Well, it is very easy to be generous with Government funds. I do not think we have any right to make gratuity settlements with respect to claims against the Government based on facts which would not warrant a recovery in a private action.

Mr. MAAS. That is a question of fact. In Minnesota you could recover on the facts involved in this case if it were a private owner.

Mr. HANCOCK of New York. That is a question of opinion, too. I submit the matter to the judgment of the House.

Mr. EKWALL. Mr. Speaker, I rise in opposition to the amendment.

I investigated this claim. In years gone by I have sat in the trial of many personal-injury cases. I am positive from the facts adduced in the hearing on this bill that it is a case which in court would have gone to a jury and in which a recovery would have been had. The Government was clearly liable in that it failed to take the ordinary precaution of using sand or some similar substance to keep the stairway from being slippery. This lady, who is the mother of 14 children—of course, this has nothing to do with the question of liability—slipped and fell and broke her wrist and partially paralyzed her arm. The claim was reduced from $2,000 to $750. The committee went into the claim very carefully.

There are a number of lawyers on this committee who have had experience in this line and the report is a unanimous one to the effect that there is liability in the case, and I therefore believe the amendment should be voted down.

The SPEAKER pro tempore (Mr. DRIVER). The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The amendment was rejected.

The Clerk read as follows:

Title IV—(H. R. 3729. To confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, Laura B. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania)

That (1) the Court of Claims of the United States be, and it hereby is, given jurisdiction to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, Laura B. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania, and severally to award judgments covering compensation for losses and/or damages arising through the seizure, condemnation, and sale of those certain lands, theretofore belonging to them, more specifically described in the decree of the District Court of the United States for the Eastern District of Pennsylvania, on June 9, 1921, in a proceeding entitled "United States of America against Certain Tract of Land in Falls Township and borough of Tullytown, Bucks County, Pennsylvania", December term, 1918, no. 5860, notwithstanding the fact that said claimants executed and delivered deeds pursuant to the said decree of the court in the above-entitled matter, and, notwithstanding that said claimants were paid the respective amounts set forth in said decree, the said losses and/or damages to be awarded to be the difference between the entire amount paid by the Government for the whole tract and the amount for which the Government subsequently sold the tract, as the respective interests of the claimants may appear, together with interest thereon at the rate of 6 percent per annum from the date of the Government's entry upon the land, to wit, October 1, 1918, until paid.

(2) Suit hereunder may be instituted at any time within 4 months after the approval of this act, notwithstanding lapse of time or any statute of limitations, and proceedings herein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code as amended.

Amend the title so as to read: "A bill to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania."

With the following committee amendments:

Page 7, line 4, strike out "Laura B. Margerum" and insert "estate of Harry B. C. Margerum."

Page 7, line 25, strike out "together with interest thereon at the rate of 6 percent per annum from the date of the Government's entry upon the land, to wit, October 1, 1918, until paid."

Amend the title.

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 6, line 18, strike out all of title IV.

Mr. COSTELLO. Mr. Speaker, this bill involves a tract of land taken over by the Government during the war to be used in connection with a munitions plant in Pennsylvania. The land was taken over on October 1, 1918, as a result of a condemnation suit. The owners were paid for this land in excess of the sum of $472,000. The Government kept the property until 1927, when the land was sold as being of no further use to the Government.

Prior to the sale of the ground the Government was offered a rather large sum for the property, due to the fact that underlying the soil there were valuable deposits of gravel and sand. Prior to the Government taking over the property it was used solely as agricultural land and at the time of the condemnation the owners of the property did not set up its value as gravel-bearing or sand-bearing soil, with an extremely high value; but it was taken over as agricultural land.

Now, as a result of the sale of this property by the Government and an increased value because of the nature of the soil, the former owners are attempting to come in here and get the right to go to the Court of Claims and recover the difference between the amount the court allowed them and the amount which the Government received; namely, $1,620,000.

Apparently the idea seems to be that the Government is not entitled to any profit upon any property of this sort, even though a period of years may have elapsed, and these people want to come in and reap the benefit of a subsequently discovered value in the property.

I do not believe the claimants are entitled to this relief. I think the Federal Government should be entitled to keep the $1,000,000 increase in the value of the property which they received as a result of its sale, and I recommend that the amendment which I have offered be adopted.

Mr. FREY. Mr. Speaker, I rise in opposition to the amendment. If the background of this bill were as stated by the gentleman from California [Mr. COSTELLO], I would probably agree with him. It is not the fact, however, that

the claimants did not know of the gravel and sand content of their land which was taken by the Government. They certainly did know that the land contained the finest gravel to be found near the Atlantic coast. What is more, the purchasers of the land from the Government had previously negotiated with the claimants, the owners of the land, for the purchase of their property because of the gravel and sand content.

Another reason I cannot agree with the gentleman from California is the fact that this land was not taken by the Government in October 1918. On the contrary, in the early part of 1918 the Government, by its agents, called upon the claimants and took leases for their farms upon the representation that they were necessary for governmental purposes, to wit, to build an arsenal. These leases ran for a period of 6 months and contained an option to buy. Of course, the Government had the right at the expiration of the leases to remove all its personal property. Before the expiration of the leases, agents of the Government called upon the claimants and told them they would not be paid any more rent as the Government proposed to condemn the property and build a permanent arsenal, and that there had been a contract entered into between the Government and the Foundation Co. of America for the construction of a bag-loading plant. Work started in May, and on the date of the armistice and the end of the war, November 11, 1918, it was in a partial state of completion.

This partially completed contract was suspended on November 12, 1918. Up until that time there had been no factory erected upon the acreage, the buildings consisting principally of houses for the personnel. Notwithstanding the war was over, and notwithstanding the contract for the erection of the arsenal and bag-loading plant had been suspended, the United States, on January 7, 1919, filed a petition for condemnation in the United States District Court for the Eastern District of Pennsylvania to condemn the lands of these claimants.

On January 14, 1919, 7 days after this petition was filed, the contract was canceled and no more work was done or money expended by the Government. The fact that all work was suspended and the contract definitely canceled was withheld from the court in which the condemnation proceedings had been begun. The matter then proceeded in a leisurely fashion, and the jury of view filed its report on May 6, 1921, over 2 years after the beginning of the action. The Government again failed to disclose to the court these facts, when, on June 9, 1929, a final decree of condemnation was obtained.

In deciding upon your vote, I ask you to remember that the condemnation proceedings were begun in January 1919; that the claimants—the owners—did know of the gravel and sand content of their land; that they had refused to enter into negotiations for the purchase and sale of their land before the war, as well as the further facts that the contract for the construction of the loading plant was definitely canceled on January 14, 1919, and that no work had been done by the Government or money expended upon the land after the signing of the armistice on November 11, 1918.

In December 1927, after the sale and removal by the Government of the personal property, the land was sold for almost five times the amount of money the Government had paid the claimants. This increase in the sale price is admitted to have been due to the gravel and sand content of the land, known to the claimants at the time the Government condemned the property, known to the Government officials themselves, and certainly known to the purchasers of the property.

All the claimants ask is that the Government return to them the money received from the purchasers for the claimants' land which had been taken from them upon the representation that the land was to be used for the manufacture of munitions for war.

Mr. KENNEDY of Maryland. Will the gentleman yield?

Mr. FREY. I yield.

Mr. KENNEDY of Maryland. All they ask is to go into the Court of Claims and have the same rights that they had at the time of the negotiations.

Mr. FREY. Yes. We are not asking for any appropriation; we are asking to be heard in the Court of Claims.

Mr. LAMNECK. Will the gentleman yield?

Mr. FREY. Yes.

Mr. LAMNECK. What was the date the Government paid for this property?

Mr. FREY. On or about June 25, 1921, the Government deposited the money in the registry of the court at Philadelphia.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California.

The question was taken and the amendment was rejected.

The Clerk read as follows:

Title V—(H. R. 3907. For the relief of James L. Park)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James L. Park, of Philadelphia, Pa., the sum of $2,000. Such sum represents the amount of two Liberty bonds of the face value of $2,000 deposited by the said James L. Park with the United States District Court for the Southern District of Florida to secure the appearance in such court of Charles Park and Ned Shaw.

With the following committee amendments:

Page 8, line 15, after the figures, insert "in full settlement of all claims against the United States."

Page 9, line 1, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The Clerk read, as follows:

Title VI—(H. R. 4841. 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)

Mr. KENNEDY of Maryland. Mr. Speaker, a similar Senate bill has already been passed. Therefore, I move to strike out title 6 of the bill.

The motion was agreed to.

The Clerk read as follows:

Title VII—(S. 537. For the relief of C. O. Meyer)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. O. Meyer the sum of $297.86. Such sum represents the amount paid to C. O. Meyer as substitute carrier while he was postmaster at Meyers Mill, S. C., and which amount was charged by the Department to the account of C. O. Meyer: *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.

With the following committee amendment:

Page 22, line 12, after the figures, insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

The Clerk read as follows:

Title VIII—(S. 560. For the relief of the Western Electric Co., Inc.)

That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Western Electric Co., Inc., the sum of $7,192.35, in full satisfaction for services and materials furnished the War Department in connection with a contract dated June 5, 1920, and for completing certain work in connection with subaqueous sound-ranging equipment for seacoast defenses: *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.

Title IX—(S. 760. For the relief of Harry P. Hollidge)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry P. Hollidge, the sum of $903.70, in full settlement of all claims against the Government for damages to his automobile as the result of a collision with a Packard truck belonging to the War Department, said collision occurring on the evening of March 27, 1919, on the Baltimore-Washington Pike: *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.

Title X—(S. 920. For the relief of Ruth J. Barnes)

That the Chief of Finance of the Army shall cause to be paid to Ruth J. Barnes, wife of Joseph A. Barnes, late of the Air Corps Reserve, Air Service, United States Army, who was killed while engaged in flying at the Brooks Field, Tex., on October 12, 1932, an amount equal to 6 months' pay at the rate the said Joseph B. Barnes was receiving at the date of his death. Such amount shall be paid from funds appropriated for pay of the Army.

Title XI—(S. 1360. For the relief of Teresa de Prevost)

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Teresa de Prevost the sum of $25,000, in full satisfaction of her claim against the United States for losses sustained by reason of alleged irregularities in the distribution through the State Department to claimants under the so-called Alsop award of July 4, 1911, made by the King of Great Britain as arbitrator: *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. COSTELLO. Mr. Speaker, I offer the following amendments which I send to the desk and ask to have read.

The Clerk read as follows:

Amendments offered by Mr. COSTELLO: Page 25, line 10, after the word "of", insert "estate of."

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 25, line 14, after the word "to", insert "the estate of."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 26, disagrees to the amendment of the House to the amendment of the Senate no. 49, further insists upon its amendments nos. 48 and 52 to the bill (H. R. 10919) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes", asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. STEIWER, and Mr. NORBECK to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. COOPER of Tennessee. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 99]

Adair	Eaton	Lee, Okla.	Romjue
Andrew, Mass.	Ellenbogen	Lehlbach	Russell
Andrews, N. Y.	Fenerty	Lemke	Sabath
Barden	Ferguson	Lesinski	Sadowski
Berlin	Fitzpatrick	Lundeen	Sanders, La.
Bolton	Gambrill	McGroarty	Sandlin
Brennan	Gassaway	McKeough	Schaefer
Brewster	Gifford	McLean	Schuetz
Brooks	Gingery	McSwain	Sears
Buckler, Minn.	Gray, Pa.	Maloney	Seger
Buckley, N. Y.	Green	Marcantonio	Sisson
Bulwinkle	Greenway	Meeks	Smith, W. Va.
Caldwell	Greenwood	Miller	Snyder, Pa.
Cartwright	Gwinne	Mitchell, Tenn.	Starnes
Cary	Hamlin	Montague	Steagall
Casey	Hancock, N. C.	Montet	Stewart
Cavicchia	Harter	Moran	Taber
Chapman	Hartley	Nelson	Taylor, Colo.
Claiborne	Hess	Nichols	Utterback
Clark, Idaho	Hill, Samuel B.	Norton	Wearin
Connery	Hoeppel	O'Day	Weaver
Cummings	Hollister	Palmisano	Wigglesworth
Dear	Hook	Parks	Wilcox
Dempsey	Hope	Perkins	Williams
DeRouen	Kee	Peterson, Fla.	Wilson, La.
Dietrich	Keller	Pierce	Withrow
Dingell	Kerr	Rabaut	Wolfenden
Dirksen	Kleberg	Ransley	Wolverton
Eagle	Lea, Calif.	Risk	Zioncheck

The SPEAKER pro tempore. Three hundred and nine Members have answered to their names. A quorum is present.

Without objection, further proceedings under the call were dispensed with.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the communication received from the Senate with regard to the bill H. R. 8940 be laid before the House.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. The Chair lays before the House the request of the Senate referred to by the gentleman from Texas, which the Clerk will report.

The Clerk read as follows:

THE SENATE OF THE UNITED STATES,
May 12 (calendar day, May 18), 1936.

Ordered, That the Secretary be directed to request the House to return to the Senate the bill H. R. 8940, an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with the Senate amendments and all papers pertaining thereto.

The SPEAKER pro tempore. Without objection, the request of the Senate will be acceded to.

There was no objection.

PRIVATE CALENDAR

The Clerk will call the next omnibus bill on the Private Calendar.

The Clerk called the next bill, H. R. 9112, for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(H. R. 237. For the relief of the Rowesville Oil Co.)

That the statutes of limitation so far as they bar the linters claim of the Rowesville Oil Co., now owned by the estate of W. C. Fairey, against the United States of America, arising out of contract had with the Government, expiring July 31, 1919, be, and the same are hereby, waived and revoked.

SEC. 2. That said claimant is hereby authorized to file and have said claim adjudicated by the Court of Claims of the United States.

Title II—(H. R. 254. For the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay the Farmers' Storage & Fertilizer Co., of Aiken, S. C., out of any money in the Treasury not otherwise appropriated, the sum of $4,967.97, which represents the balance due and unpaid on 123 bales of linters purchased under contract by the United States Government through its agents on December 31, 1918.

With the following committee amendment:

Strike out all of lines 7 to 14, both inclusive, on page 2, and insert: "That the statutes of limitation, so far as they bar the linters' claim of the Farmers' Storage & Fertilizer Co., of Aiken, S. C., now owned by Wesley Johnson, against the United States of America, arising out of contract had with the Government, expiring January 1, 19 , be, and the same are hereby, waived and revoked."

Mr. BEITER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BEITER: Page 2, line 19, after "January 1", strike out "19 " and insert in lieu thereof "1918."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The Clerk read as follows:

Title III—(H. R. 3790. For the relief of Walter W. Johnston)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Walter W. Johnston, out of any money in the Treasury not otherwise appropriated, the sum of $5,495 as full compensation to him, the said Walter W. Johnston, for personal services rendered to the United States Shipping Board Emergency Fleet Corporation and the use of appliances personally owned and operated by him in connection with the launching of ships for the United States Shipping Board Emergency Fleet Corporation for carrying on the war. The ships were launched at the shipyards of the fourth and other districts during the year 1918 and subsequent thereto, said work being done by order of and under the direction of the district supervisor of the United States Shipping Board Emergency Fleet Corporation, and for which services and use of his devices the claimant has not been fully compensated by the United States Shipping Board Emergency Fleet Corporation or the United States.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 2, line 21, strike out all of title III.

Mr. COSTELLO. Mr. Speaker, this bill provides for the payment of $5,495 to Walter W. Johnston, who had developed during the war a method for the launching of ships. In order to obtain recovery Johnston took his case to the Court of Claims and was given judgment. As a part of the judgment, the sum of $5,495, which was paid by private shipbuilding companies to him as salary and expenses, was alleged by the Government as not to be due him from the Government, and that that amount should therefore be deducted from the $20,000 which Johnston recovered in this judgment in the Court of Claims. Johnston alleges that this sum of $5,495 was not salary but was only his expense money. He, therefore, contends that it should not be deducted from the judgment of $20,000, whereas the Government takes the opposite attitude. The Government also feels that the decision of the court should be final and that it should not be reopened by Congress going behind the decision and making payment of this sum of money. In my opinion, the motion to strike out the title should be adopted and the sum of $5,495 should not be paid to Walter W. Johnston.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. RICH. As I understand, the gentleman has asked that the sum of $5,495 be reduced in this claim? Is that it?

Mr. COSTELLO. My motion is to strike out the entire title.

Mr. RICH. I think if the membership will read the statement put in the RECORD yesterday by the gentleman from Missouri [Mr. COCHRAN], giving the reasons why the claim should be rejected, they will agree with the gentleman.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was agreed to.

The Clerk read as follows:

Title IV—(H. R. 1618. For the relief of Anna McDonald)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of $422.50, with interest, to Anna McDonald, being in full settlement of all claims against the Government in the name of her deceased husband, James McDonald, who served in the Civil War, said claim having been approved by the Court of Claims, February 6, 1905.

With the following committee amendment:

On page 3, line 20, strike out the figures "$422.50" and insert in lieu thereof "$422.45."

The committee amendment was agreed to.

The Clerk read as follows:

Title V—(H. R. 4059. For the relief of Ella B. Kimball, daughter and only heir of Jeremiah Simonson)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ella B. Kimball, daughter and only heir of Jeremiah Simonson, the sum of $16,441.81, being the amount found due by the Court of Claims, as reported to Congress in Senate Document No. 320, Fifty-ninth Congress, second session, and also contained in Court of Claims Congressional Cases, volume 16, page 703.

Title VI—(H. R. 6356. To carry out the findings of the Court of Claims in the case of Joseph G. Grissom)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Joseph G. Grissom, widow of Joseph G. Grissom, late a second lieutenant, Company H, One Hundred and Thirtieth Regiment Indiana Volunteer Infantry, $1,208.19, being for 12½ months' extra pay proper of his grade in the Volunteer service, due him at the time of his honorable discharge.

With the following committee amendment:

Page 4, line 21, strike out "$1,208.19" and insert in lieu thereof "$1,153.43."

The committee amendment was agreed to.

Title VII—(H. R. 7727. To confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc.)

That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claims, legal or equitable, of George B. Marx, Inc., a New York corporation, and assignee or successor of George B. Marx, growing out of or arising under or from the suspension and cancelation of a certain contract no. 4241, dated August 6, 1918 (order no. 110016), which claims are for reimbursement and payment for services performed and goods furnished under said contract and order, for goods manufactured or in process of manufacture, and for materials and equipment bought, contracted, or committed for by George B. Marx under the said contract, which contract was made by the United States with the said George B. Marx for the construction of a quantity of carts for carrying wire for the use of the Signal Corps, United States Army; and to enter decree or judgment upon said claims, notwithstanding the bars or defenses of any settlement, release, or adjustment heretofore made or of any assignment of said claims, by George B. Marx to George B. Marx, Inc., or of laches, lapse of time, or of any statute of limitations: *Provided, however,* That the United States shall be given credit for any sum heretofore paid the said George B. Marx on said claims.

SEC. 2. The record, or any part of the record, of the proceedings and hearings had before the Committee on War Claims of the House of Representatives on H. R. 1611 in the second session of the Seventy-first Congress and the third session of the Seventy-first Congress, together with any and all exhibits, affidavits, or inventories presented to or filed with the said War Claims Committee of the House of Representatives in connection with said act, and together with any and all Government reports, statements, inventories, and other documents, on file in the War Department or any other department of the Government or elsewhere, having a bearing upon the claim embodied in said act, may be introduced before the Court of Claims with the full force of depositions, subject to objections as to materiality and relevancy.

SEC. 3. Such claims may be instituted at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

Title VIII—(S. 2520. For the relief of T. D. Randall & Co.)

That the claim of T. D. Randall & Co. growing out of losses and/or damages suffered under purchase orders nos. 1904, and 1914 to 1919, both inclusive, for furnishing hay to the Army during the late war, is hereby referred to the United States Court of Claims,

with jurisdiction to hear the same to judgment and to adjudicate the same upon the basis of the losses and/or damages suffered due to car shortage and/or other war conditions: *Provided*, That suit on such claim may be instituted at any time within 4 months after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The Clerk called the next bill, H. R. 9195, for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(S. 1186. For the relief of Frank P. Ross)

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Frank P. Ross, of Tacoma, Wash., against the United States, for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Frank P. Ross under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

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

Title II—(S. 1490. For the relief of Earl A. Ross)

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Earl A. Ross, of Chicago, Ill., for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Earl A. Ross, under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, we are passing important legislation today, and I make the point of order there is not a quorum present. The Members should be here to know what is going on.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is not a quorum present.

Mr. COSTELLO. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 100]

Adair	Dempsey	Hartley	Mansfield
Andresen	DeRouen	Healey	Marcantonio
Andrew, Mass.	Dietrich	Hennings	Marshall
Andrews, N. Y.	Dingell	Hess	Mead
Ayers	Dirksen	Hill, Ala.	Meeks
Bacharach	Ditter	Hill, Samuel B.	Mitchell, Tenn.
Barden	Driscoll	Hoeppel	Montague
Beam	Dunn, Miss.	Hoffman	Montet
Berlin	Eagle	Hollister	Moran
Bolton	Eaton	Hook	Nelson
Boykin	Eckert	Hope	Nichols
Brennan	Fenerty	Johnson, W. Va.	Norton
Brooks	Ferguson	Kee	O'Day
Buckley, N. Y.	Fernandez	Keller	Oliver
Bulwinkle	Fish	Kelly	O'Malley
Burdick	Fitzpatrick	Kenney	Owen
Caldwell	Flannagan	Kerr	Palmisano
Carmichael	Ford, Calif.	Kleberg	Parks
Carey	Fuller	Kopplemann	Perkins
Casey	Gambrill	Lea, Calif.	Peterson, Fla.
Cavicchia	Gassaway	Lee, Okla.	Powers
Celler	Gehrmann	Lehlbach	Rabaut
Chapman	Gifford	Lesinski	Randolph
Claiborne	Gillette	Lord	Ransley
Clark, Idaho	Goldsborough	Lucas	Rayburn
Cole, Md.	Green	Ludlow	Risk
Collins	Greenway	Lundeen	Russell
Connery	Greenwood	McGroarty	Ryan
Corning	Gwynne	McKeough	Sabath
Cross, Tex.	Hamlin	McLean	Sadowski
Cummings	Hancock, N. C.	McLeod	Sanders, La.
Dear	Harter	Maloney	Sandlin
Schaefer	Smith, W. Va.	Taylor, Colo.	Withrow
Schneider, Wis.	Starnes	Utterback	Wolverton
Schuetz	Steagall	Wearin	Wood
Sears	Stewart	Weaver	Zioncheck
Seger	Sullivan	West	
Shannon	Sumners, Tex.	Wigglesworth	
Sisson	Taber	Wilcox	

The SPEAKER pro tempore. Two hundred and seventy-two Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVATE CALENDAR

The SPEAKER pro tempore. The Clerk will call the next omnibus claims bill.

The Clerk called the next bill, H. R. 11214, for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(H. R. 1105. For the relief of Lucy Jane Ayer.) By Mr. HOLLISTER

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lucy Jane Ayer, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 as compensation for personal injuries caused as a result of an accident involving an Army vehicle near Dodsonville, Ohio, on September 24, 1933.

With the following committee amendments:

Page 1, line 8, strike out "$10,000 as compensation" and insert in lieu thereof "$4,000 in full settlement of all claims against the United States for personal injuries."

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

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 3, strike out "title I."

Mr. COSTELLO. Mr. Speaker, in explanation of this amendment I may say that the bill provides for the payment of $4,000 to a woman who was injured as the result of an accident on a highway in Ohio. The claimant's husband had parked their car upon the highway in order to change a tire. As a result of the car being so parked on the highway, two Army trucks had difficulty in passing, and the second truck in passing caused a soldier to be thrown from the truck, who struck the claimant. She sustained various injuries.

Mr. Speaker, I am opposed to the passage of the bill because of the fact the claimant parked the car upon the highway in the line of travel of vehicles, that the car being so parked was an act of negligence.

Mr. Speaker, I hope the amendment will be favorably considered.

Mr. EKWALL. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I think this is a most meritorious claim. The claimant and her husband were in a place where they had a perfect right to be. The Government truck was operated in a very negligent manner, and the claimant was seriously injured. This claim was gone into very thoroughly and, as I remember, there was a unanimous report from the Claims Committee.

I do not think there can be any question as to the legal liability of the Government, and I am of the opinion the amendment should be voted down.

The SPEAKER. The question is on the amendment of the gentleman from California.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 23, noes 56.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-five Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 50, nays 227, answered "present" 1, not voting 148, as follows:

[Roll No. 101]

YEAS—50

Amlie	Duffey, Ohio	Imhoff	Michener
Blanton	Duffy, N. Y.	Jacobsen	Patterson
Boehne	Duncan	Jones	Pearson
Brown, Mich.	Faddis	Kloeb	Polk
Carter	Farley	Kniffin	Rankin
Castellow	Fletcher	Larrabee	Rich
Cochran	Ford, Miss.	Luckey	Taylor, S. C.
Colden	Fulmer	Ludlow	Turner
Colmer	Gray, Ind.	McFarlane	Warren
Cooper, Tenn.	Gray, Pa.	McGrath	Whittington
Costello	Hancock, N. Y.	Mahon	Wolcott
Dies	Hobbs	Mapes	
Doxey	Huddleston	May	

NAYS—227

Allen	Dobbins	Kramer	Rogers, Okla.
Arends	Dondero	Kvale	Romjue
Ashbrook	Dorsey	Lambertson	Sanders, Tex.
Ayers	Doughton	Lambeth	Sandlin
Bacharach	Drewry	Lamneck	Sauthoff
Bacon	Driver	Lanham	Scott
Bankhead	Dunn, Pa.	Lemke	Scrugham
Barry	Eckert	Lewis, Colo.	Secrest
Beiter	Edmiston	Lucas	Shanley
Bell	Eicher	McAndrews	Short
Binderup	Ekwall	McClellan	Sirovich
Blackney	Ellenbogen	McCormack	Smith, Conn.
Bland	Engel	McGehee	Smith, Va.
Bloom	Englebright	McLaughlin	Smith, Wash.
Boileau	Evans	McMillan	Snell
Boland	Fiesinger	McReynolds	Snyder, Pa.
Boykin	Fish	Maas	Somers, N. Y.
Boylan	Flannagan	Main	South
Brennan	Focht	Martin, Colo.	Spence
Brewster	Frey	Martin, Mass.	Stack
Brooks	Fuller	Mason	Stefan
Brown, Ga.	Gavagan	Massingale	Stubbs
Buck	Gearhart	Maverick	Sullivan
Buckler, Minn.	Gilchrist	Merritt, Conn.	Sutphin
Burch	Gildea	Merritt, N. Y.	Tarver
Burdick	Gillette	Millard	Taylor, Tenn.
Cannon, Mo.	Gingery	Miller	Terry
Carlson	Goodwin	Mitchell, Ill.	Thom
Carpenter	Granfield	Monaghan	Thomason
Cartwright	Greenwood	Moritz	Thompson
Celler	Greever	Mott	Thurston
Chandler	Gregory	O'Brien	Tinkham
Christianson	Griswold	O'Connell	Tobey
Church	Guyer	O'Connor	Tolan
Citron	Haines	O'Leary	Tonry
Clark, N. C.	Halleck	O'Neal	Treadway
Cole, N. Y.	Harlan	Owen	Turpin
Cooley	Hart	Parsons	Umstead
Cooper, Ohio	Hennings	Patman	Vinson, Ga.
Corning	Higgins, Conn.	Peterson, Ga.	Vinson, Ky.
Cox	Higgins, Mass.	Pettengill	Wallgren
Cravens	Hildebrandt	Pfeifer	Walter
Crawford	Hill, Knute	Pittenger	Welch
Crosby	Holmes	Plumley	Werner
Crosser, Ohio	Houston	Ramsay	Whelchel
Crowe	Hull	Ramspeck	White
Culkin	Jenckes, Ind.	Randolph	Williams
Cullen	Jenkins, Ohio	Reece	Wilson, La.
Curley	Johnson, Okla.	Reed, Ill.	Wilson, Pa.
Daly	Johnson, Tex.	Reed, N. Y.	Withrow
Darden	Kahn	Reilly	Wolfenden
Darrow	Kennedy, Md.	Richards	Wood
Deen	Kennedy, N. Y.	Richardson	Woodruff
Delaney	Kenney	Robertson	Woodrum
Dickstein	Kinzer	Robinson, Utah	Young
Disney	Knutson	Rogers, Mass.	Zimmerman
Ditter	Kocialkowski	Rogers, N. H.	

ANSWERED "PRESENT"—1

Biermann

NOT VOTING—148

Adair	Cary	Dempsey	Ford, Calif.
Andresen	Casey	DeRouen	Gambrill
Andrew, Mass.	Cavicchia	Dietrich	Gasque
Andrews, N. Y.	Chapman	Dingell	Gassaway
Barden	Claiborne	Dirksen	Gehrmann
Beam	Clark, Idaho	Dockweiler	Gifford
Berlin	Coffee	Doutrich	Goldsborough
Bolton	Cole, Md.	Driscoll	Green
Buchanan	Collins	Dunn, Miss.	Greenway
Buckley, N. Y.	Connery	Eagle	Gwynne
Bulwinkle	Creal	Eaton	Hamlin
Burnham	Cross, Tex.	Fenerty	Hancock, N. C.
Caldwell	Crowther	Ferguson	Harter
Cannon, Wis.	Cummings	Fernandez	Hartley
Carmichael	Dear	Fitzpatrick	Healey
Hess	McGroarty	Palmisano	Schulte
Hill, Ala.	McKeough	Parks	Sears
Hill, Samuel B.	McLean	Patton	Seger
Hoeppel	McLeod	Perkins	Shannon
Hoffman	McSwain	Peterson, Fla.	Sisson
Hollister	Maloney	Peyser	Smith, W. Va.
Hook	Mansfield	Pierce	Starnes
Hope	Marcantonio	Powers	Steagall
Johnson, W. Va.	Marshall	Quinn	Stewart
Kee	Mead	Rabaut	Sumners, Tex.
Keller	Meeks	Ransley	Sweeney
Kelly	Mitchell, Tenn.	Rayburn	Taber
Kerr	Montague	Risk	Taylor, Colo.
Kleberg	Montet	Robsion, Ky.	Utterback
Kopplemann	Moran	Russell	Wadsworth
Lea, Calif.	Murdock	Ryan	Wearin
Lee, Okla.	Nelson	Sabath	Weaver
Lehlbach	Nichols	Sadowski	West
Lesinski	Norton	Sanders, La.	Wigglesworth
Lewis, Md.	O'Day	Schaefer	Wilcox
Lord	Oliver	Schneider, Wis.	Wolverton
Lundeen	O'Malley	Schuetz	Zioncheck

So the amendment was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Sears with Mr. Wadsworth.
Mr. Mead with Mr. Ransley.
Mr. Weaver with Mr. Lehlbach.
Mr. Beam with Mr. Dirksen.
Mr. Schulte with Mr. Bolton.
Mr. Fernandez with Mr. Hartley.
Mr. Gasque with Mr. Lord.
Mr. Mansfield with Mr. Andrew of Massachusetts.
Mr. Taylor of Colorado with Mr. Burnham.
Mr. Hancock of North Carolina with Mr. Eaton.
Mr. Lea of California with Mr. Hollister.
Mr. Kelly with Mr. McLean.
Mr. Buchanan with Mr. Taber.
Mr. Steagall with Mr. Wolverton.
Mr. Kleberg with Mr. Perkins.
Mr. McSwain with Mr. Andresen.
Mr. Cary with Mr. Gwynne.
Mr. Dingell with Mr. McLeod.
Mr. Fitzpatrick with Mr. Risk.
Mr. Chapman with Mr. Wigglesworth.
Mr. Wilcox with Mr. Powers.
Mr. Maloney with Mr. Hess.
Mr. Green with Mr. Seger.
Mr. Connery with Mr. Andrews of New York.
Mr. Montague with Mr. Cavicchia.
Mr. Kerr with Mr. Doutrich.
Mr. Bulwinkle with Mr. Hoffman.
Mr. Rayburn with Mr. Robsion of Kentucky.
Mr. Patton with Mr. Stewart.
Mr. Gambrill with Mr. Marshall.
Mr. Cole of Maryland with Mr. Hope.
Mrs. Norton with Mr. Crowder.
Mr. Meeks with Mr. Fenerty.
Mr. Wearin with Mr. Collins.
Mr. Johnson of West Virginia with Mr. Marcantonio.
Mr. Nelson with Mr. Gehrmann.
Mr. Sabath with Mr. Lundeen.
Mr. Rabaut with Mr. Schneider of Wisconsin.
Mr. Schuetz with Mr. Russell.
Mr. Dear with Mr. Adair.
Mr. Hook with Mr. Caldwell.
Mr. Kee with Mr. Shannon.
Mr. Quinn with Mr. Peyser.
Mr. Gassaway with Mr. Dockweiler.
Mr. Peterson of Florida with Mr. Murdock.
Mr. Brown of Georgia with Mr. Sweeney.
Mr. Schaefer with Mr. Ferguson.
Mr. Cummings with Mr. Lewis of Maryland.
Mr. Creal with Mrs. O'Day.
Mr. Barden with Mr. Hamlin.
Mr. Harter with Mr. Sisson.
Mr. Coffee with Mr. Claiborne.
Mr. Starnes with Mr. Montet.
Mr. McKeough with Mr. Moran.
Mr. Driscoll with Mr. Lee of Oklahoma.
Mr. Smith of West Virginia with Mr. Buckley.
Mr. Carmichael with Mr. Dietrich.
Mr. DeRouen with Mr. Clark of Idaho.
Mr. Nichols with Mr. Samuel B. Hill.
Mr. Ryan with Mr. Sanders of Louisiana.
Mr. Hill of Alabama with Mr. Utterback.
Mr. Healey with Mr. Parks.
Mr. Zioncheck with Mr. Berlin.
Mrs. Rogers of New Hampshire with Mr. Oliver.
Mr. Dunn of Mississippi with Mrs. Greenway.
Mr. Eagle with Mr. McGroarty.

Mr. DARROW, Mr. GILCHRIST, Mr. LAMNECK, Mr. CURLEY, Mr. CULLEN, and Mr. SNYDER of Pennsylvania changed their vote from "yea" to "nay."

The doors were opened.

The result of the vote was announced as above recorded.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I am in no sense a mentor for the action of any Member for staying here when we have up for consideration the omnibus private claims bill. The truth is there are a great many Members here who are very vitally interested in items included in these various omnibus bills. For a great many years we have had difficulty in securing for the Members an opportunity for the real consideration of the merits of many of these private bills. We are operating at this session of the Congress under a new rule.

Mr. Speaker, we are approaching what we hope is the end of the session. There is great pressure being brought on the leadership of the House to try to get the program disposed of. I occupy a rather unique position in that I have been here for 20 years, yet I have never had a bill on the Private Claims Calendar. However, I realize there are a great many Members—probably every Member of the House—who may be interested in this Private Calendar. Of course, if a quorum does not remain present, roll calls will be necessary if a point of order is made. If it is at all possible for the Members to remain here for an hour or two longer, I am assured by the chairman of the committee that substantial progress can be made in disposing of a good many of the bills that are now pending. As a matter of fair dealing, I request the Members to stay. It may be a little inconvenient for some of you to stay away from your office, but I want you to remember that you, yourself, have had bills on this calendar that you were anxious to have disposed of. I think it is a fair request to ask the Members to remain here for the remainder of the session today in order to transact this public business.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. SNELL. I am wondering if the gentleman can tell us how near the end of the session we are.

Mr. BANKHEAD. As I stated some days ago when that question was put, I am neither a crystal gazer nor a clairvoyant; but we indulge the reasonable hope, I may say to the gentleman from New York, if the Senate is as expeditious in disposing of the matters now remaining as the House can be, we may be able to adjourn this session of Congress not later than the 5th of June, for the reason we want to give the gentleman from New York ample opportunity to prepare that great speech that he will make as the permanent chairman of the Republican convention [applause], if they decide to hold the convention. [Laughter.]

Mr. SNELL. We think now we will hold the convention.

Mr. BANKHEAD. And I want to congratulate the gentleman from New York upon the honor that has been conferred upon him.

Mr. SNELL. I thank the gentleman.

Mr. BANKHEAD. May I say the temporary chairman of that convention is going to have a great deal of trouble with reference to whether or not he shall view with alarm or point with pride to the actions of the present administration, having voted for about as many New Deal proposals as he voted against; but not so with the gentleman from New York [Mr. SNELL]. He is a persistent, consistent, and perpetual standpatter and will have no trouble. [Laughter and applause.]

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 8, after the words "sum of", to strike out "$4,000" and insert "$2,000."

Mr. COSTELLO. Mr. Speaker, this amendment simply reduces the amount of the claim from $4,000 to $2,000. The original bill as introduced in the House called for the sum of $10,000, which the committee has seen fit to reduce to $4,000. It is noted that the hospital bills in this case amount to a total of only $750, and it appears to me that a balance of $1,250 would be adequate compensation to the claimant involved in this bill, especially in view of the fact I am personally of the opinion that she herself was in part responsible for the injuries which she sustained.

Mr. EKWALL. Mr. Speaker, I rise in opposition to the amendment.

The gentleman from California [Mr. COSTELLO] makes the statement that in his opinion $2,000 is ample compensation for the claimant involved in this bill. This claimant has hospital bills and medical bills totaling more than $750. She has also sustained loss in wages to an amount of $1,300 or over. These two items total over $2,000. In addition, she has sustained permanent injury, including a badly fractured ankle, and will be crippled to some extent for the balance of her life. I am sure if the gentleman from California [Mr. COSTELLO] sustained a similar injury he would be requesting damages of fifteen or twenty thousand dollars.

Mr. Speaker, this amendment should be voted down. The committee reduced the claim to $4,000 after a thorough investigation and made this reduction from $10,000, as called for in the original bill.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was rejected.

The Clerk read as follows:

Title II—(H. R. 2479. For the relief of Charles G. Johnson, State treasurer of the State of California.) By Mr. ENGLEBRIGHT

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles G. Johnson, State treasurer of the State of California, the sum of $17,500. Such sum represents the value of 10 coupons from 3½-percent Treasury notes, series C–1930–32, nos. 3512B, 3513C, 3514D, 4361A, 4362B, 4363C, 4364D, 4365E, 4366F, and 4367H, of the $100,000 denomination, which coupons were payable on December 15, 1929, and were lost or destroyed in the office of the State treasurer of California: *Provided*, That none of said coupons shall have been presented to the Treasury for payment and that Charles G. Johnson shall first file in the Treasury Department a bond in the penal sum of double the amount of the sum payable pursuant to the provisions of this act, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of such lost or destroyed coupons.

Title III—(H. R. 3943. For the relief of D. E. Wooldridge.) By Mr. SPENCE

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to D. E. Wooldridge the sum of $5,900 for injuries received by the said D. E. Wooldridge through the negligence and carelessness of Charles Campbell, employed by, and acting at that time as an investigator for the Bureau of Industrial Alcohol and in the discharge of his duties, the said injuries being caused by the said Campbell throwing a keg filled with moonshine whisky from the upstairs window of a building and striking the said Wooldridge on the head and face.

With the following committee amendment:

Page 3, line 17, after the word "of" strike out the remainder of the line and down to and including line 24, and insert in lieu thereof: "$1,000 in full settlement of all claims against the United States for injuries received by him when struck on the head and face by a keg filled with moonshine whisky and dropped by Charles Campbell, an investigator of the Alcohol Beverage Unit, during a raid at La Grange, Oldham County, Ky., on January 28, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Beginning on page 3, line 12, strike out all of title III.

Mr. COSTELLO. Mr. Speaker, this amendment would strike out this particular title of the bill. The title provides for the payment of $1,000 to D. E. Wooldridge, for injuries which he received when a keg of moonshine liquor was thrown from an upstairs window and struck the claimant.

The claimant was not in the employ of the Government, but was a civilian who, with two others, went out to assist Federal agents in destroying this liquor. The Federal agents had warned these civilians to keep away from the building because of the manner in which they were handling these kegs of liquor, namely, throwing them out of the second-floor window to the ground below. They would then roll the kegs down the hill. The claimant states he did not hear these warnings, although the Federal agents very definitely state the warnings were given frequently. The work was being carried on in the night so it was dark, yet it is my contention that the injury was due entirely to the carelessness and negligence of the claimant under this title that he sustained these injuries, and therefore the Government should not be held liable even in the sum of $1,000.

I recommend the adoption of the amendment.

Mr. HOUSTON. Mr. Speaker, I rise in opposition to the amendment.

I reported on this bill some weeks ago, and, as I recall, this accident happened at about 2:30 o'clock in the morning. The agents of the Department of Justice allowed, if they did not encourage, the county attorney to go with them to raid the house containing the liquor. They went out there at this hour of the morning and turned their automobile lights on the house, and the Federal agents went upstairs and began to throw the liquor, which was in kegs, out of the window. They claim that they cautioned this man to keep out the way, but he states he did not hear them, and I do not think he would deliberately have run up there and let one of these kegs hit him and permanently injure one of his eyes.

The bill originally was for $5,900 and the committee has reduced the amount to $1,000. He had $658 of doctors' bills and his anticipated doctors' bills amount to $350. Therefore we made the amount $1,000 to cover all expenses, and we think the claimant is entitled to this amount of money, and I hope the amendment is voted down.

The amendment was rejected.

The Clerk read as follows:

Title IV—(H. R. 4256. For the relief of Anna Caporaso.) By Mr. BOYLAN

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Anna Caporaso for injuries sustained as a result of being struck by a Government-owned truck of the Post Office Department, New York City, N. Y., on October 29, 1928.

With the following committee amendment:

Page 4, line 22, strike out "$5,000" and insert "$1,000", and after the word "Caporaso" insert "in full settlement of all claims against the United States."

Page 5, line 2, after "1928", 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."

The committee amendments were agreed to.

The Clerk read as follows:

Title V—(H. R. 4364. For the relief of Andrew Johnson.) By Mr. BUCK

The the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Andrew Johnson, of Sacramento, Calif., in full settlement of all claims against the Government of the United States for damage and injuries sustained when his car was struck by a Civilian Conservation Corps truck on October 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 5, line 19, strike out "$2,500" and insert "$1,500."

The committee amendment was agreed to.

The Clerk read as follows:

Title VI—(H. R. 4373. For the relief of Albert Gonzales.) By Mr. DEMPSEY

That the United States Employees' Compensation Commission be, and it is hereby, directed to apply and extend the provisions, benefits, and privileges of the act entitled "An act to provide compensation for employees of the United States suffering injuries in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, to the case of Albert Gonzales on account of injuries suffered by him on July 28, 1929, while a student at the citizens' military training camp at Fort Bliss, Tex., effective from said July 28, 1929: *Provided*, That, for the purposes of this act, the pay and allowances of said Albert Gonzales at the time of his said injuries shall be considered as having been $150 per month.

With the following committee amendment:

Strike out all of title 6 and insert the following: "That the United States Employees' Compensation Commission is authorized and directed to receive the claim of Albert Gonzales for disability suffered by him on July 28, 1929, while a student at the citizens' military training camp, Fort Bliss, Tex., and to extend to him the provisions, benefits, and privileges of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties and for other purposes', approved September 7, 1916, as amended: *Provided*, That for the purposes of this act, the pay and allowances of said Albert Gonzales at the time of his said disability shall be considered as having been $150 per month: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 6, line 12, strike out all of title 6.

Mr. HANCOCK of New York. Mr. Speaker, when the law creating citizens' military training camps was passed, provision was made to give hospitalization to all young men at camp: for any injuries received there or while going to and returning from camp. There was nothing put in the law which authorized compensation for any injury in camp.

Cases of this kind frequently arise where young men are injured. So far as I know no bill granting the benefits of Federal Employees' Compensation Act to a C. M. T. C. boy has been passed, although it may have escaped my attention.

The circumstances of this case were as follows: The boy was in swimming and when diving from a high stand struck on his face and severely injured his eyes. It is a pitiful case, but the question involved here is whether we shall invite a flood of legislation of this kind if the bill is passed. There probably have been hundreds of injuries at camps and why should we pick out one for compensation and not take them all? I think the Committee on Military Affairs should consider the question of passing a general law on the subject. I see the gentleman from Georgia [Mr. TARVER] on his feet; he has had several bills for parties injuried at citizens' military training camps and he can bear me out.

Mr. TARVER. Mr. Speaker, I will say that one of my bills has been passed, and there are other bills to which the gentleman objected under the old rule requiring unanimous consent. They have not been passed. But let me say that I can conceive of no more reasonable thing than extending the benefits of the compensation law under certain circumstances. I think we should extend the benefits of the compensation law to young men injured in these citizens' military training camps in cases deserving such consideration.

Mr. HANCOCK of New York. I think the matter should be taken up by the proper committee and general legislation enacted. This particular bill provides that this young man shall be considered as having earned $150 a month in computing compensation. Some gentlemen may think that it should be $300 and others that it should be $100 when drafting similar bills. It seems to me that it is quite liberal to pay $150 a month to a young man 17 years old.

Mr. TARVER. Let me say that I have no interest in the matter. I do not know who introduced the bill, but it seems to me that the gentleman's objection is not well founded and the bill should be given the consideration that it deserves. There is no general law on the subject, but this should not keep Congress from doing justice in individual cases called to its attention.

Mr. HANCOCK of New York. What I object to is the method of doing business. I do not see why we should single out one unfortunate young man and not take care of them all. I do not think this is the proper way of doing business.

Mr. KENNEDY of Maryland. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. Yes.

Mr. KENNEDY of Maryland. The gentleman understands, of course, that the War Department favors this bill?

Mr. HANCOCK of New York. Yes; but it is our responsibility.

Mr. KENNEDY of Maryland. They state in their report they favor it because of the unusual circumstances surrounding this particular accident, and, further, because of the absence of any general legislation which they say should be passed, and that this particular claimant should not be harmed because of the delay in passing general legislation. As to the $150, we must arrive at some amount, and it seems to me that $150 is a small amount to pay for one who is totally blind. As to precedent, there are plenty of precedents set forth in the report of the War Department. This bill is a bill introduced by the gentleman from New Mexico [Mr. DEMPSEY], and I am not thoroughly familiar with all of the details.

Mr. COLDEN. Mr. Speaker, I rise in opposition to the amendment. Although Mr. DEMPSEY, of New Mexico, introduced the bill, I am informed that this young man lives in Los Angeles, in my district in southern California. Here is a young man who has lost both eyes. He is permanently blind. This bill proposes to pay him $150 per month. I cannot agree with the gentleman from New York in the suggestion that $150 a month is too much to pay for this injury. I think it is a small amount. Who would surrender his eyesight for such a pittance?

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. COLDEN. Yes.

Mr. RAMSPECK. The beneficiary will get only $100 a month. He gets two-thirds of the amount of his salary.

Mr. COLDEN. I thank the gentleman for the correction. The War Department has recommended this bill for the reason the gentleman from New York suggested, namely, that there is no law or provision to cover a case of this kind. This young man was in the citizens' military training camp at Fort Bliss, Tex. While in the service he lost both of his eyes. He was not only treated at the hospital at Fort Bliss but was brought to Walter Reed Hospital in Washington. Under the circumstances, since there is no general law—and I wholly agree with the suggestion of the gentleman from New York that there should be such a law—there is only one way to relieve this young man. Because there are exceptions, Congress considers private claims. Must he wait around stumbling in his blindness for years, perhaps, before Congress really passes a bill to cover such an emergency as this? I ask the Members of the House, in view of the recommendation of the committee and the recommendation of the War Department, to vote down the amendment offered by the gentleman from New York.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Title VII—(H. R. 4829. For the relief of Weymouth Kirkland and Robert N. Golding.) By Mr. KENNEDY of Maryland

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Weymouth Kirkland and Robert N. Golding the sum of $5,155.70, for legal services rendered to the Railroad Labor Board under the direction and approval of the Department of Justice: *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.

With the following committee amendment:

Page 7, line 23, after the word "Kirkland", strike out the comma and "Robert N. Golding, the sum of $5,155.70" and insert "the sum of $2,000, and to Robert N. Golding, the sum of $3,155.70; in all, $5,155.70, in full settlement of all claims against the United States."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Title VIII—(H. R. 5078. For the relief of Mrs. Charles F. Eikenberg.) By Mr. DOCKWEILER

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Charles F. Eikenberg, the sum of $4,186. Such sum shall be in full settlement of all claims against the United States on account of injuries sustained by the said Mrs. Charles F. Eikenberg on or about the 1st day of October 1933 as result of collision with a Government truck no. C. C. C. 65.

With the following committee amendment:

Page 9, at the end of the bill, strike out the period, insert a colon, and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 8, line 22, after the words "sum of ", strike out "$4,186" and insert in lieu thereof "$3,186".

The SPEAKER. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

Title IX—(H. R. 5150. For the relief of Alexander E. Kovner.) By Mr. ZIONCHECK

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexander E. Kovner, of Seattle, Wash., the sum of $10,000, being full compensation for cost of hospital and medical care, pain and suffering, and permanent disability, resulting from the said Alexander E. Kovner being struck by a truck belonging to the Third Brigade of the United States Marines, in the city of Tientsin, China, of May 14, 1928, such accident being primarily due to the negligence of the driver of the said truck.

With the following committee amendments:

Page 9, line 19, strike out "$10,000, being full compensation" and insert in lieu thereof "$5,000, in full settlement of all claims against the United States."

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

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 9, line 14, strike out all of title IX.

The SPEAKER. The question is on agreeing to the amendment.

Mr. HANCOCK of New York. Mr. Speaker, the House seems to be in quite a generous mood today, and I have no doubt that it will vote down my amendment. Briefly, these are the facts: A young Russian was riding a bicycle in Tientsin, China. He collided with a truck operated by one of our marines. The young Russian was badly injured. He comes here now and asks for $5,000. I quote briefly from the report made by the Secretary of the Navy in connection with this bill:

It will be noted therefrom that the board found that the claimant "was not keeping a sharp lookout, but was riding with his head down" and that he "rode his bicycle into the left side of the said gas tanker, his bicycle striking the heavier vehicle at about a point above the left rear wheel." As the result of its investigation the board expressed the opinion "that the responsibility for the accident rests solely with the said Alexander Kovner, in that he did not exercise due care and caution while riding his bicycle in heavy traffic."

I maintain that to make an award of $5,000 under such circumstances is unjustified.

Mr. KENNEDY of Maryland. Mr. Speaker, I rise in opposition to the amendment. There is not any question about liability in this case. As a matter of fact, the driver admitted it. Because of some unusual traffic regulations in China, it seems that you drive on a different side of the road than in this country. This man has already expended some $6,000 in medical treatment for his son, and the committee feels that $5,000 is the minimum amount that should be allowed in this particular case. For that reason we reduced it from $10,000 to $5,000.

I hope the amendment will be voted down.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and there were on a division (demanded by Mr. RICH)—ayes 24, noes 53.

Mr. RICH. Mr. Speaker, I object to the vote on the ground there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 68, nays 198, answered "present" 1, not voting 159, as follows:

[Roll No. 102]

YEAS—68

Allen	Farley	Larrabee	Rich
Arends	Fletcher	Ludlow	Robertson
Ashbrook	Ford, Miss.	McFarlane	Secrest
Bacon	Gillette	Mahon	Short
Blackney	Gray, Ind.	Main	Snell
Blanton	Gray, Pa.	Mapes	Tarver
Carter	Halleck	Marshall	Taylor, S. C.
Castellow	Hancock, N. Y.	Martin, Mass.	Thomason
Church	Harlan	Merritt, Conn.	Thurston
Cochran	Imhoff	Millard	Tinkham
Costello	Jenckes, Ind.	O'Connell	Welch
Crawford	Johnson, Okla.	Patterson	Whittington
Cross, Tex.	Johnson, Tex.	Pettengill	Wilson, Pa.
Darrow	Kinzer	Pierce	Wolcott
Doxey	Kloeb	Polk	Wolfenden
Engel	Kniffin	Rankin	Woodruff
Faddis	Knutson	Reed, Ill.	Young

NAYS—198

Amlie	Boykin	Celler	Cooper, Ohio
Ayers	Boylan	Chandler	Cooper, Tenn.
Barry	Brewster	Christianson	Corning
Beiter	Brown, Ga.	Citron	Cox
Bell	Brown, Mich.	Clark, N. C.	Cravens
Bland	Buchanan	Coffee	Crosser, Ohio
Bloom	Buck	Colden	Crowe
Boehne	Burch	Cole, Md.	Cullen
Boileau	Cannon, Mo.	Cole, N. Y.	Curley
Boland	Cartwright	Cooley	Daly
Darden	Guyer	McSwain	Sauthoff
Deen	Haines	Maas	Schneider, Wis.
Delaney	Hart	Martin, Colo.	Schuetz
Dickstein	Hennings	Massingale	Scott
Dies	Higgins, Conn.	Maverick	Shanley
Disney	Higgins, Mass.	May	Sirovich
Dobbins	Hildebrandt	Mead	Smith, Conn.
Dockweiler	Hill, Knute	Merritt, N. Y.	Smith, Va.
Dondero	Hobbs	Michener	Snyder, Pa.
Dorsey	Holmes	Miller	Somers, N. Y.
Doughton	Houston	Mitchell, Ill.	South
Drewry	Huddleston	Monaghan	Spence
Driver	Hull	O'Brien	Stack
Duffy, N. Y.	Jacobsen	O'Connor	Stefan
Duncan	Jenkins, Ohio	O'Leary	Stubbs
Dunn, Pa.	Johnson, W. Va.	Owen	Sullivan
Eckert	Jones	Parsons	Sutphin
Edmiston	Kahn	Patman	Taylor, Tenn.
Eicher	Kennedy, Md.	Pearson	Terry
Ekwall	Kennedy, N. Y.	Peterson, Ga.	Thom
Ellenbogen	Kenney	Peyser	Thompson
Englebright	Kocialkowski	Pfeifer	Tonry
Evans	Kramer	Pittenger	Treadway
Fernandez	Kvale	Plumley	Turner
Fiesinger	Lambertson	Ramsay	Turpin
Flannagan	Lambeth	Ramspeck	Umstead
Focht	Lamneck	Randolph	Vinson, Ga.
Frey	Lanham	Ransley	Vinson, Ky.
Fuller	Lemke	Rayburn	Wallgren
Gasque	Lewis, Colo.	Reece	Walter
Gavagan	Lucas	Reed, N. Y.	Warren
Gearhart	Luckey	Reilly	Whelchel
Gehrmann	McAndrews	Richards	White
Gilchrist	McClellan	Robinson, Utah	Williams
Gildea	McCormack	Robsion, Ky.	Wilson, La.
Goodwin	McGehee	Rogers, Mass.	Wood
Granfield	McGrath	Rogers, N. H.	Woodrum
Greenwood	McLaughlin	Romjue	Zimmerman
Gregory	McMillan	Sanders, Tex.	
Griswold	McReynolds	Sandlin	

ANSWERED "PRESENT"—1

Biermann

NOT VOTING—159

Adair	Dietrich	Kelly	Quinn
Andresen	Dingell	Kerr	Rabaut
Andrew, Mass.	Dirksen	Kleberg	Richardson
Andrews, N. Y.	Ditter	Kopplemann	Risk
Bacharach	Doutrich	Lea, Calif.	Rogers, Okla.
Bankhead	Driscoll	Lee, Okla.	Russell
Barden	Duffey, Ohio	Lehlbach	Ryan
Beam	Dunn, Miss.	Lesinski	Sabath
Berlin	Eagle	Lewis, Md.	Sadowski
Binderup	Eaton	Lord	Sanders, La.
Bolton	Fenerty	Lundeen	Schaefer
Brennan	Ferguson	McGroarty	Schulte
Brooks	Fish	McKeough	Scrugham
Buckler, Minn.	Fitzpatrick	McLean	Sears
Buckley, N. Y.	Ford, Calif.	McLeod	Seger
Bulwinkle	Fulmer	Maloney	Shannon
Burdick	Gambrill	Mansfield	Sisson
Burnham	Gassaway	Marcantonio	Smith, Wash.
Caldwell	Gifford	Mason	Smith, W. Va.
Cannon, Wis.	Gingery	Meeks	Starnes
Carlson	Goldsborough	Mitchell, Tenn.	Steagall
Carmichael	Green	Montague	Stewart
Carpenter	Greenway	Montet	Sumners, Tex.
Cary	Greever	Moran	Sweeney
Casey	Gwynne	Moritz	Taber
Cavicchia	Hamlin	Mott	Taylor, Colo.
Chapman	Hancock, N. C.	Murdock	Tobey
Claiborne	Harter	Nelson	Tolan
Clark, Idaho	Hartley	Nichols	Utterback
Collins	Healey	Norton	Wadsworth
Colmer	Hess	O'Day	Wearin
Connery	Hill, Ala.	Oliver	Weaver
Creal	Hill, Samuel B.	O'Malley	Werner
Crosby	Hoeppel	O'Neal	West
Crowther	Hoffman	Palmisano	Wigglesworth
Culkin	Hollister	Parks	Wilcox
Cummings	Hook	Patton	Withrow
Dear	Hope	Perkins	Wolverton
Dempsey	Kee	Peterson, Fla.	Zioncheck
DeRouen	Keller	Powers	

So the amendment was rejected.

The Clerk announced the following additional pairs:

Mr. Bankhead with Mr. Taber.
Mr. Sumners of Texas with Mr. Bacharach.
Mr. Fulmer with Mr. Culkin.
Mr. Rabaut with Mr. Hope.
Mr. Mitchell of Tennessee with Mr. Tobey.
Mr. Nelson with Mr. Andresen.
Mr. Gambrill with Mr. Ditter.
Mr. Warner with Mr. Gifford.
Mr. Goldsborough with Mr. Mott.
Mr. Rogers of Oklahoma with Mr. Carlson.
Mr. Palmisano with Mr. Fish.
Mr. Sweeney with Mr. Hartley.
Mr. West with Mr. Lord.
Mr. Cannon of Wisconsin with Mr. Withrow.
Mr. Claiborne with Mr. Burdick.
Mr. Ford of California with Mr. Buckler.

Mr. Richardson with Mr. Tolan
Mr. Keller with Mr. Kopplemann.
Mr. Moritz with Mr. O'Neal.
Mr. Binderup with Mr. Mason.
Mr. Scrugham with Mr. Smith of Washington.
Mr. Dempsey with Mr. O'Malley.
Mr. Casey with Mr. Quinn.
Mr. Russell with Mr. Colmer.
Mr. Greever with Mr. Gassaway.
Mr. Crosby with Mr. Carpenter.
Mr. Gingery with Mr. Duffey of Ohio.
Mr. Oliver with Mr. Brooks.

Mr. CRAWFORD changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The doors were opened.

The Clerk read as follows:

Title X—(H. R. 5635. For the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation.) By Mr. HART

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and there is hereby appropriated for such payment, to the mayor and aldermen of Jersey City, the sum of $62,340.65 for water actually used by the Erie Railroad Co., of Jersey City, during the period when said railroad was under the jurisdiction and control of the United States Railroad Administration: *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.

With the following committee amendment:

Page 10, strike out, beginning with line 18, all of the balance of page 10 and all of page 11 down to and including line 14 and insert the following:

"That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment on the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation, for water actually used by the Erie Railroad Co., of Jersey City, during the period when said railroad was under the jurisdiction and control of the United States Railroad Administration. Suit hereunder may be instituted at any time within 1 year after the approval of this act, and proceedings in such suit and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction by virtue of section 145 of the Judicial Code, as amended."

Amend the title so as to read: "A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation."

The committee amendments were agreed to.

The Clerk read as follows:

Title XI—(S. 925. To carry into effect the findings of the Court of Claims in the case of William W. Danenhower)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William W. Danenhower, out of any money in the Treasury not otherwise appropriated, the sum of $34,260 for damages caused by the depreciation in value of his property situate in square 737 in the city of Washington, D. C., which said damages were caused by the elimination of the grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat. L. 774), and acts supplemental thereto, as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session: *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.

With the following committee amendments:

Page 12, after the word "to" in line 8, insert "Sallie M. Danenhower, executrix of the estate of"; page 12, line 11, after the figures, insert "in full settlement of all claims against the United States"; page 12, line 12, strike out the word "his" and insert "said William W. Danenhower's."

The committee amendments were agreed to.

The Clerk read as follows:

Title XII—(S. 952. For the relief of Zelma Halverson)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $50 per month in an amount not to exceed $5,000 to Zelma Halverson to compensate her for the death of her husband, Harry Halverson, who lost his life August 21, 1933, while fighting a forest fire in Montana: *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. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 13, line 12, strike out title XII.

Mr. COSTELLO. Mr. Speaker, this bill provides that monthly payments shall be made to the widow of Harry Halverson, who was killed fighting a forest fire. The fire took place in the State of Montana. Halverson was employed by a private company to fight this forest fire. At no time during the fighting of this fire was he actually engaged by the Federal Government. After he had been fighting the fire and directing a crew of some C. C. C. men for 2 days, the foreman of this private company and the man in charge of the C. C. C. camp entered into a discussion and suggested that Halverson should be put upon the Government pay roll. A memorandum to that effect was forwarded to the officer in charge of the C. C. C. camp, Mr. McKnight. This memorandum to that effect did not reach Mr. McKnight, in charge of the camp, until August 25. Halverson died on August 21. So that even though it was the intention, possibly, to put Halverson upon the Federal pay roll in the fighting of this fire, the fact is that he was never a Federal employee. Therefore there is absolutely no justification for the Federal Government being called upon to make this monthly payment to his widow.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. WOODRUFF. The gentleman referred to was in the Federal service when he lost his life, was he not?

Mr. COSTELLO. He was at no time in the Federal service.

Mr. WOODRUFF. Was he working for the Federal Government?

Mr. COSTELLO. No. The fire was not actually upon any Government property. He was in the employ of a private company, and he was simply directing, as a private employee of this company, the work of these C. C. C. enrollees.

Mr. WOODRUFF. In other words, he was directing employees of the Federal Government, was he not?

Mr. COSTELLO. In fighting the fire; yes.

Mr. WOODRUFF. Then he was in the service of the United States Government, and I see no reason in the world why this man should not be paid.

Mr. COSTELLO. On the contrary, he was not in the service of the Federal Government. He was actually in the employ of a private concern. He was being paid by them. In order to carry on effectively the fighting of the fire, some of the C. C. C. enrollees were put under his supervision to carry on this work of fighting the fire, but he was in no sense a Government employee on the pay roll of the Government. The recommendation, which is the only basis on which this claim is given any semblance of validity, had not been forwarded to the officer in charge of the C. C. C. camp, and hence could not be acted upon, prior to the death of Halverson.

I recommend that the amendment to strike out this title be acted on favorably.

Mr. AYERS. Mr. Speaker, I rise in opposition to the amendment which would kill this bill in its entirety.

Mr. Speaker, this is a meritorious case. The real facts are that Halverson was employed by the Sieben Livestock Co. and early in August of 1933, had been assigned to fighting forest fire which threatened the Sieben and other private property. Later on, about August 16, proper Government authority was given to a C. C. C. camp, under Superintendent McKnight, to assist in fighting this fire. Then the fire went on to endanger national forest property, and the forest supervisor, Mr. Templer, got on the ground and he and C. C. C. Superintendent McKnight realized the necessity of having experienced men at the head of the fire-fighting crews, and consulted with Mr. Sheriff of the Sieben Livestock Co., who suggested to them that they put Halverson on as a straw boss to direct the C. C. C. boys and civilian fire fighters. At this time the Forestry Department and the C. C. C. Service had taken over control of operations against the fire which was continually becoming more serious. On August 19, Forest Supervisor Templer sent to C. C. C. Superintendent McKnight a written memorandum as follows:

Would suggest that you put Halverson on your pay roll beginning this morning (meaning Aug. 19), if his services are needed as straw boss or foreman classification.

This message was sent by Sheriff, but in fact was not delivered until August 25; however, it is a fact that on the morning of August 19, Sheriff met Templer in Helena, some 25 miles distant from the fire, and told him that he had arranged to take Halverson over to the fire camp, and wanted to know if that was satisfactory and that if he did so would Halverson's time commence with Forestry Department on that day regardless of the delivery of the letter. Templer assured him that it would be satisfactory, and that they needed Halverson, and that he was (indicating right now) employed as a straw boss. The instructions from Templer were in a Government, official sealed envelope of the Forestry Department, and had been left in the office on the 19th, but on account of the fact that it was not delivered in the post office until 2 or 3 days later, it was really not delivered until August 25.

Remember, Mr. Speaker, that this fire was raging in the mountains and these arrangements were made both out at the camp and in Helena, and each other's words were taken for what they were. According to the arrangements and the exigencies of the situation, Halverson was dispatched to the fire on the forenoon of August 20. He led the men and fought the fire all that day and all that night, and at about 6 o'clock in the morning of August 21, he suffered injuries in action which resulted in his death.

Now, the Forest Service comes along and puts up the claim that since Halverson did not answer formal questionnaires of the Forest Service and since he was not actually sworn in as a Government officer he was in fact not such, and his widow and children are not entitled to compensation for his death in service. They go on to tell us that it was their intention to hire him if they thought his services were needed, but that no hiring arrangements had been effected prior to the date of his death.

This is the height of a technicality. Halverson's services were sought by the Government. He actually entered upon the service and was actually directing Government men for a day and a night before his death occurred, and let it be remembered that his death occurred at his post of duty and that his duty was in discharging Government instructions.

Mr. Speaker, if this is not to be construed as an employment by the Government then a far different method of construction of actual facts is used than I have ever been acquainted with heretofore.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I yield to my friend from Minnesota.

Mr. KNUTSON. Was Halverson doing Government work?

Mr. AYERS. He was actually doing Government work on Government land, and was protecting Government property when he was killed.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Then, the objection is being raised on merely a technicality.

Mr. AYERS. The height of technicality.

Mr. McCORMACK. He was actually in the Government employ.

Mr. AYERS. He was actually employed by the Government, and was actually discharging his duties as such employee.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. AYERS. I gladly yield to the majority leader.

Mr. BANKHEAD. If this man, of course, was in the Government service, he was entitled to consideration; but, as a matter of fact, was he commissioned by the Government to fight this fire?

Mr. AYERS. He was commissioned verbally by the superintendent of the C. C. C. camp, Mr. McKnight, and by Mr. Templer of the Forest Service, both of whom had charge of the fire fighting and both of whom had charge of the operations and the assembling of men therefor; but, as stated before, he had not gone through the formality of taking an oath or having a formal commission.

Mr. BANKHEAD. Under the law, did this superintendent of the C. C. C. camp have authority to deputize men for purposes of this sort?

Mr. AYERS. He did, and he assumed command of the fighting operations. Halverson was directed to fight that fire as a boss and he died in line of duty. Now, I hope that his widow and children may be recompensed by this bill. They have no formal commission to frame and hang in the parlor, but they do have the satisfaction of knowing that the husband and father died in the discharge of his duty for his Government.

The SPEAKER. The question is on the amendment.

The amendment was rejected.

The Clerk read as follows:

Title XIII—(S. 1073. For the relief of Louis Finger)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis Finger, of Cleveland, Ohio, the sum of $1,347.48 in full settlement of all claims against the Government for expenses incurred in the treatment of his minor daughter, Elsie Finger, who was injured in an accident involving a United States mail truck August 13, 1930: *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.

With the following committee amendment:

Page 14, line 17, strike out "$1,347.48" and insert "$347.48."

The amendment was agreed to.

The Clerk read as follows:

Title XIV—(S. 1328. For the relief of the Snare & Triest Co., now Frederick Snare Corporation)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Snare & Triest Co., now Frederick Snare Corporation, the sum of $83,978.05, in full settlement of all claims against the Government of the United States for damages for delay in carrying out its contract with the Navy Department, no. 3762, and agreements supplemental thereto for waterfront improvements, piers, and breakwater at the submarine base, Key West, Fla., as reported January 13, 1925, by a board of which Rear Admiral H. H. Rousseau, Civil Engineer Corps, United States Navy, was senior member: *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.

With the following committee amendments:

Page 16, line 10, strike out the figure "10" and insert the figure "20."

Page 16, line 16, strike out the figure "10" and insert the figure "20."

Mr. RICH. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the long-established practice of the House has been to limit attorneys' fees to 10 percent, yet in this instance the committee would authorize an attorney's fee of 20 percent on a claim that has been twice tried before the Court of Claims and which is not recommended by the Secretary of the Navy.

The report shows that the claimant in this case was awarded $2,274.80 after an investigation was made. The claimant now comes in and asks for $83,928.05 in addition, and it is proposed to increase the attorney's fees from 10 percent to 20 percent, directly contrary to the long-established precedent of the House to limit attorneys' fees to 10 percent.

Mr. KENNEDY of Maryland. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. KENNEDY of Maryland. I may say that the motivating cause behind the amendment is the practice and custom in the Court of Claims to allow attorneys a fee of 20 percent.

Mr. RICH. Why, when the Court of Claims has denied this case twice should they ask the Congress to do something not recommended by the Secretary of the Navy, Mr. Swanson? I read an excerpt from a letter from the Secretary of the Navy addressed to the chairman of the Committee on Claims dated December 8, 1933:

The cost of the proposed legislation is indeterminate depending on the amount allowed, if any, by the Court of Claims should the legislation be enacted.

In view of the foregoing, the Navy Department will interpose no objections to the enactment of the bill S. 1760, should the Congress see fit to authorize the readjudication of the case as proposed, but invites attention to the fact that the claimant has already two trials before the Court of Claims, the tribunal named in the bill to consider the claim.

Why is this bill brought in here in an effort to get $83,978.05? I cannot understand it.

Mr. COCHRAN. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Missouri.

Mr. COCHRAN. This is not to send the case to the Court of Claims. It calls for the payment of the money out of the Treasury of the United States.

Mr. RICH. I understand that, and the Court of Claims has refused to pay it.

Mr. COCHRAN. Is the gentleman's amendment to strike the item entirely?

Mr. RICH. No; but I will offer an amendment to strike out the title. I thought I would have to get recognition now. Why the committee is now asking for 20 percent attorney's fees I cannot understand.

[Here the gavel fell.]

The SPEAKER. The question is on the committee amendment.

The committee amendment was rejected.

Mr. RICH. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 15, line 14, strike out title XIV.

Mr. RICH. Mr. Speaker, the statement I made a moment ago stands now. Why the membership of the House of Representatives is going over the Court of Claims, when that court has twice tried this case and rejected the claim, I cannot understand. I do not know why a proposition of this kind should be offered, and I hope my amendment will be agreed to.

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RICH].

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 40, noes 50.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present. We are not going to take $80,000 out of the Treasury.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 117, nays 128, not voting 181, as follows:

[Roll No. 103]

YEAS—117

Allen	Crawford	Jenckes, Ind.	Reed, Ill.
Andresen	Crosser, Ohio	Jenkins, Ohio	Reed, N. Y.
Andrews, N. Y.	Crowe	Johnson, Okla.	Reilly
Arends	Darrow	Johnson, Tex.	Rich
Ashbrook	Dies	Kinzer	Robertson
Bacon	Disney	Kloeb	Rogers, Mass.
Biermann	Dondero	Kniffin	Rogers, N. H.
Blackney	Doxey	Lambertson	Scrugham
Bland	Drewry	Lambeth	Short
Blanton	Eckert	Larrabee	Smith, Conn.
Boehne	Eicher	Ludlow	Snell
Brewster	Ellenbogen	McFarlane	Stubbs
Buckler, Minn.	Engel	McGrath	Taylor, S. C.
Cannon, Mo.	Englebright	McLeod	Taylor, Tenn.
Carpenter	Fletcher	McReynolds	Thurston
Carter	Ford, Calif.	Mahon	Tinkham
Cartwright	Ford, Miss.	Main	Tobey
Castellow	Gearhart	Mapes	Treadway
Christianson	Gilchrist	Martin, Mass.	Turner
Church	Goodwin	Massingale	Turpin
Citron	Gray, Ind.	Michener	Welch
Cochran	Guyer	Miller	Whittington
Colden	Halleck	Mott	Wilson, Pa.
Cole, N. Y.	Hancock, N. Y.	Patterson	Wolcott
Collins	Higgins, Conn.	Pearson	Wolfenden
Colmer	Hill, Knute	Pettengill	Woodruff
Cooper, Ohio	Holmes	Plumley	Young
Cooper, Tenn.	Huddleston	Polk	
Costello	Imhoff	Rankin	
Cravens	Jacobsen	Ransley	

NAYS—128

Amlie	Duncan	Lewis, Colo.	Ryan
Ayers	Dunn, Pa.	McAndrews	Sanders, Tex.
Bankhead	Edmiston	McClellan	Sandlin
Barry	Ekwall	McCormack	Sauthoff
Bell	Evans	McGehee	Schneider, Wis.
Bloom	Faddis	McLaughlin	Schulte
Boileau	Farley	McMillan	Scott
Boland	Fernandez	McSwain	Secrest
Boykin	Focht	Maas	Shanley
Boylan	Frey	Martin, Colo.	Sirovich
Brown, Ga.	Gavagan	Maverick	Smith, Va.
Carlson	Gehrmann	Merritt, N. Y.	Snyder, Pa.
Celler	Gildea	Mitchell, Ill.	Somers, N. Y.
Chandler	Gingery	Monaghan	South
Clark, N. C.	Granfield	O'Brien	Spence
Cooley	Gregory	O'Connell	Stack
Corning	Griswold	O'Connor	Stefan
Cox	Haines	O'Leary	Sutphin
Creal	Hart	Owen	Tarver
Crosby	Higgins, Mass.	Parsons	Terry
Cullen	Hildebrandt	Patman	Thompson
Curley	Hobbs	Peterson, Ga.	Tonry
Daly	Houston	Peyser	Umstead
Darden	Hull	Pfeifer	Vinson, Ga.
Deen	Jones	Pittenger	Vinson, Ky.
Delaney	Kahn	Ramsay	Wallgren
Dickstein	Kennedy, Md.	Ramspeck	Walter
Dockweiler	Knutson	Rayburn	Warren
Dorsey	Kocialkowski	Reece	Whelchel
Doughton	Kvale	Richards	White
Driver	Lamneck	Richardson	Williams
Duffy, N. Y.	Lanham	Romjue	Zimmerman

NOT VOTING—181

Adair	Cary	Driscoll	Greenwood
Andrew, Mass.	Casey	Duffey, Ohio	Greever
Bacharach	Cavicchia	Dunn, Miss.	Gwynne
Barden	Chapman	Eagle	Hamlin
Beam	Claiborne	Eaton	Hancock, N. C.
Beiter	Clark, Idaho	Fenerty	Harlan
Berlin	Coffee	Ferguson	Harter
Binderup	Cole, Md.	Fiesinger	Hartley
Bolton	Connery	Fish	Healey
Brennan	Cross, Tex.	Fitzpatrick	Hennings
Brooks	Crowther	Flannagan	Hess
Brown, Mich.	Culkin	Fuller	Hill, Ala.
Buchanan	Cummings	Fulmer	Hill, Samuel B.
Buck	Dear	Gambrill	Hoeppel
Buckley, N. Y.	Dempsey	Gasque	Hoffman
Bulwinkle	DeRouen	Gassaway	Hollister
Burch	Dietrich	Gifford	Hook
Burdick	Dingell	Gillette	Hope
Burnham	Dirksen	Goldsborough	Johnson, W. Va.
Caldwell	Ditter	Gray, Pa.	Kee
Cannon, Wis.	Dobbins	Green	Keller
Carmichael	Doutrich	Greenway	Kelly

Kennedy, N. Y.	May	Powers	Sumners, Tex.
Kenney	Mead	Quinn	Sweeney
Kerr	Meeks	Rabaut	Taber
Kleberg	Merritt, Conn.	Randolph	Taylor, Colo.
Kopplemann	Millard	Risk	Thom
Kramer	Mitchell, Tenn.	Robinson, Utah	Thomason
Lea, Calif.	Montague	Robsion, Ky.	Tolan
Lee, Okla.	Montet	Rogers, Okla.	Utterback
Lehlbach	Moran	Russell	Wadsworth
Lemke	Moritz	Sabath	Wearin
Lesinski	Murdock	Sadowski	Weaver
Lewis, Md.	Nelson	Sanders, La.	Werner
Lord	Nichols	Schaefer	West
Lucas	Norton	Schuetz	Wigglesworth
Luckey	O'Day	Sears	Wilcox
Lundeen	Oliver	Seger	Wilson, La.
McGroarty	O'Malley	Shannon	Withrow
McKeough	O'Neal	Sisson	Wolverton
McLean	Palmisano	Smith, Wash.	Wood
Maloney	Parks	Smith, W. Va.	Woodrum
Mansfield	Patton	Starnes	Zioncheck
Marcantonio	Perkins	Steagall	
Marshall	Peterson, Fla.	Stewart	
Mason	Pierce	Sullivan	

So the amendment was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Woodrum with Mr. Bolton.
Mr. Mitchell of Tennessee with Mr. Merritt of Connecticut.
Mr. Buchanan with Mr. Taber.
Mr. Thomason with Mr. Marshall.
Mr. Mead with Mr. Robsion of Kentucky.
Mr. Burch with Mr. Millard.
Mr. Sullivan with Mr. Lemke.
Mr. Goldsborough with Mr. Luckey.
Mr. Dingell with Mr. Russell.
Mr. Wearin with Mr. Beiter.
Mr. Fuller with Mr. Pierce.
Mr. Kramer with Mr. Gillette.
Mr. Greenwood with Mrs. O'Day.
Mr. Lucas with Mr. Tolan.
Mr. Fiesinger with Mr. Buck.
Mr. May with Mr. Randolph.
Mr. Gray of Pennsylvania with Mr. Wood.
Mr. Sadowski with Mr. Harlan.
Mr. Coffee with Mr. Nelson.
Mr. Schuetz with Mr. Kennedy of New York.
Mr. Connery with Mr. Smith of Washington.
Mr. Thom with Mr. Hennings.
Mr. Brown of Michigan with Mr. Cole of Maryland.
Mr. Robinson of Utah with Mr. Kenney.
Mr. Gasque with Mr. Gingery.
Mr. Wilson of Louisiana with Mr. Cross of Texas.
Mr. Flannagan with Mr. Brennan.
Mr. Dobbins with Mr. Sanders of Louisiana.

Mr. KNUTSON, Mr. FARLEY, Mr. MCCORMACK, Mr. FADDIS, Mr. DOCKWEILER and Mrs. KAHN changed their vote from "yea" to "nay."

Mr. COOPER of Ohio and Mr. BUCKLER of Minnesota changed the vote from "nay" to "yea."

The doors were opened.

The result of the vote was announced as above recorded.

The Clerk read as follows:

Title XV—(S. 1431. For the relief of the Collier Manufacturing Co., of Barnesville, Ga.)

That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Collier Manufacturing Co., of Barnesville, Ga., the sum of $48,719.70 in full settlement of all claims against the Government for losses sustained by said Collier Manufacturing Co. on account of the manufacture of undershirts for the United States Army in the year 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY W. BIBUS ET AL.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2734) to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania, a similar House bill having been passed by the House today.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania, and severally to award judgments covering compensation for losses and/or damages arising through the seizure, condemnation, and sale of those certain lands, theretofore belonging to them, more specifically described in the decree of the District Court of the United States for the Eastern District of Pennsylvania, on June 9, 1921, in a proceeding entitled "United States of America against Certain Tract of Land in Falls Township and borough of Tullytown, Bucks County, Pa.", December term, 1918, no. 5860, notwithstanding the fact that said claimants executed and delivered deeds pursuant to the said decree of the court in the above-entitled matter, and, notwithstanding that said claimants were paid the respective amounts set forth in said decree, the said losses and/or damages to be awarded to be the difference between the entire amount paid for the purchase by the Government of the whole tract and the amount for which the Government subsequently sold the tract, said total difference to be distributed to the respective claimants herein, prorated in accordance with the number of acres taken by the Government.

SEC. 2. Suit hereunder may be instituted at any time within 4 months after the approval of this act, notwithstanding lapse of time or any statute of limitations, and proceedings herein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings by which a similar House bill was passed will be vacated.

There was no objection.

R. O. T. C. AT THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA

Mr. MCSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the R. O. T. C. as an educational factor and to include therein brief extracts from a prize-winning essay, written by Cadet Thorpe, of the Military Academy of South Carolina.

Mr. RICH. Mr. Speaker, reserving the right to object, I dislike very much to object to anything that a Member wants to put in the RECORD, but the RECORD is supposed to portray the proceedings of Congress, and whenever we go into the field of including articles by students in educational institutions, who have probably written good articles, I think we subject ourselves to criticism. I do not think the CONGRESSIONAL RECORD is the place to print such articles, and, therefore, I shall have to object.

Mr. MCSWAIN. If the gentleman will permit an explanation, these are my own remarks with some brief extracts from the prize-winning essay referred to.

Mr. RICH. I beg the gentleman's pardon. I thought the gentleman was asking to include the essay.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MCSWAIN. Mr. Speaker, we South Carolina people are naturally and properly proud of The Citadel, situated at Charleston, S. C., officially known as the "Military College of South Carolina", over which Gen. Charles P. Summerall presides. We know him to be a gentleman whom young men would do well to imitate and to emulate his example of upright, honorable living. His career as a soldier, and especially as a field commander of a division and next of an Army corps, in the thick of the worst fighting during the World War, is a source of pride to all Americans.

Last year, in order to stimulate thinking along the lines of sound and sane national defense, I offered, through General Summerall and The Citadel authorities, to present a set

of books dealing with national-defense questions to that student of The Citadel who would prepare and submit the best essay on the subject, "The Place of the R. O. T. C. in a Proper Program of National Defense." I am advised that a number of students submitted essays in this contest, and that, in addition to the winner, several young men received honorable mention. I am advised that the winner in this contest was Cadet James E. Thorpe, Jr., and that the following cadets are worthy of honorable mention by reason of the high quality of their essays: R. N. Walden, E. D. McCrackin, R. N. Hobbs, L. W. Smith, and G. C. Jones.

Mr. Speaker, it gives me very great pleasure to submit for printing as a part of my remarks on this subject the essay prepared by Cadet Thorpe. I congratulate him and I congratulate his family and friends upon his success. I also congratulate the cadets who received honorable mention. In like manner, I congratulate all who entered the contest, because effort always brings its own reward of development and improvement, whether or not the immediate prize be won.

I am at a loss to understand why there is opposition to R. O. T. C. in some quarters. In my humble judgment, it is the most economical, the most sane and the most practical way of keeping a sufficient number of our citizens adequately trained to be leaders in a national emergency. These young men are not jingoists; they are not professional militarists; they are not agitating to bring on war. But they are prepared if any sort of emergency should arise needing armed forces, to lead the raw, untrained civilians in order to protect and defend our Nation against invasion and to defend our constitutional Government against the forcible and violent assaults of any lawless groups that may arise within our own population. These are contingencies that history warns us to be prepared to meet. The mere fact that we are prepared may avert their coming.

Mr. Speaker, here are extracts from the essay above referred to:

THE PLACE OF THE R. O. T. C. IN A PROPER PROGRAM OF NATIONAL DEFENSE

War is declared! The dire news is emblazoned in every newspaper in the country, published by every mouth, pondered by every mind. Anxiety, patriotism, fear, courage, love, and hatred are so commingled that the country is beset by near hysteria. What shall we do? Frantically begins the preparation for a struggle which the people have been assured will never occur and which is now rudely thrust on a nation long lulled into a feeling of false security. Thus has it always been in our short history of military endeavors; thus have we always spent $5 in immediate war preparation where $1 should have sufficed; thus have we ever placed ourselves at the mercy of an armed enemy.

* * * * * * *

In spite of the magnificent gestures of many treaties and the noble attempts of peace pacts to outlaw war, stark reality insists that the civilizations of the world have not yet attained a culture sufficiently high to obviate the recurrence of international strife. Open conflict is possible and imminent throughout the world today. We owe it to ourselves to maintain a program of national defense which will at all times assure us security. Any defense less will be an invitation to conquest by hostile arms; any defense more will amount to burdensome militarism. A proper program of national defense must include instantly available armed forces strong enough to repel an invader in case of a national emergency. But can we be assured that such a program will not infringe on our liberty?

* * * * * * *

In an army, as in all institutions, leadership is probably the most important element. Ordinary soldiers can be trained well in a short period of time to fulfill their duties, but officers should undergo a more extensive preparation in order that they may have a broader comprehension and more sympathetic understanding of the general scope of their work. It is foolish to expect that men can be taken from civilian life and metamorphosed into officers within 90 days. At the outbreak of the World War, we had 9,000 active officers, but 200,000 officers were actually in our Army during the war. Where did the other 95 percent come from? The majority were products of training camps designed to turn out officers as rapidly as possible. They had little more than a superficial knowledge of the duties which they might be called upon to fulfill. Now the situation is different—in case of war, 90 percent of the officers of the Army would come from the Reserves, and the flowing spring which feeds this most valuable and active component of our wartime Army is the R. O. T. C.

Although military training in colleges had its inception in the Morrill Act of July 2, 1862, the R. O. T. C. was first authorized by the National Defense Act of 1916. Its present form is the one designed by the National Defense Act of 1920. The officers which it produces will command the platoons, companies, battalions, and often regiments and larger units which actively engage in war. The few Regular Army officers will be detailed largely for staff duty and the training of raw recruits. Thus the men who today constitute the R. O. T. C. may one day be called upon to bear the brunt of leading our Army—on them will rest to a large extent the actual success or failure of a nation at war. These are intelligent men who must graduate from one of the 115 selected colleges giving an intensive course in military subjects (which includes attendance at a 6 weeks' summer camp) under the direction of the War Department in order to be considered for commissions. Its little brother, the Junior R. O. T. C., operates in the same manner in 139 secondary schools of similar qualifications. These embryonic reserve officers realize that every citizen is obligated to defend his Nation when it is attacked and that it is the duty of the educated to be prepared as leaders in time of national emergency. And this realization is so strong that it impels them to create an attitude of suitable patriotism throughout the country for a proper national defense against foreign aggression. And by the same token it arms us against subversive internal elements which may struggle for supremacy. Just as no knight armed with a broomstick would attack another his equal who had a sword that he could unsheathe on provocation, no nation will attack another of comparable size and resources when the latter has a potential army such as one made possible by the graduates of the R. O. T. C.

Many people object to the R. O. T. C. on the ground that it will bring about a militaristic attitude in our youth. On the contrary, cadets are made aware that war is futile. They constitute a large percentage of the rising generation; their constant efforts to prevent useless strife will go far in bringing about a saner attitude toward the entire political and economic organization. It is they who have pledged their services (and made these services valuable) in the effort to maintain peace and national integrity, yet it is they who have the most to lose in war. In preparing themselves for the worst, they prepare themselves at the same time for the best. Military training changes youths into men by giving responsibilities which will mold characters for civil life—characters long imbued with the ideals of truth, justice, and love of native land.

Others claim that the R. O. T. C. is economically burdensome. Since its inception less than $55,000,000—the price of two good-sized battleships—has been expended on it. In that time, 528,140 students have been enrolled in the senior R. O. T. C. and 76,201 have graduated. And 53,202 are at present enrolled in the junior R. O. T. C. This expenditure on the youth of the Nation is a sounder investment and bears greater interest returns than any other which could be made with the money.

Thus we see that the R. O. T. C. is a stabilizing influence in the ever-changing panorama of American life. The devising of this agency has opened a broad new boulevard whereby our country can reach the necessary and worthy goal of a proper national defense without traveling the bumpy roads of militarism. This is the potential place of our R. O. T. C. in a proper program of national defense. Unfortunately, the student training corps has not yet been allowed to assume its true proportions, but we can work to gain it recognition fortified by the knowledge that this R. O. T. C.—our national safeguard—will ever uphold the finest of democracies.

ORDER OF BUSINESS

Mr. KVALE. Mr. Speaker, I rise at this time to propound a parliamentary inquiry. May I ask whether the Speaker or the majority floor leader or the chairman of the Claims Committee is able at this time to tell the House whether or not there will be another day upon which omnibus private bills, as yet uncalled, may be considered?

The SPEAKER. Speaking for himself, the Chair is unable to inform the gentleman from Minnesota.

A LEGISLATIVE REPORT TO MY CONSTITUENTS

Mr. SCOTT. Mr. Speaker, I have been asked by my colleague the gentleman from California [Mr. HOEPPEL] to ask unanimous consent that he may extend his remarks in the RECORD and include therein three short quotations—one from the late Senator La Follette, one from the Democratic platform, and one from the Secretary of Labor, Mme. Perkins. I understand the whole thing will be about 15 lines in length.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, as it will be physically impossible for me to meet all of my constituents during the ensuing campaign, and as I consider that they should have a complete record of my service as their representative, I submit the following résumé of my activities as Representative of the Twelfth Congressional District of California since 1932.

On August 25 my constituents will have the opportunity of registering, by their vote in the primaries on that date, their

approval or disapproval of my record as their Representative in the Congress of the United States, and on November 3 they will be called upon to choose their Representative in the Congress for the next 2 years. It is only on a basis of actual facts, which I am pleased to present, that they can decide whether or not I have "kept the faith" and am entitled to a continuance of their support.

It is impossible, of course, to condense a report of my 4 years' activities into a few pages, but this I have endeavored to do as well as possible, in the accompanying résumé of my record, which I have indexed both alphabetically, according to subjects considered, and by subheads, so that anyone may readily ascertain how I stood on any certain question. The facts which I present may be confirmed by the CONGRESSIONAL RECORD, bound copies of which I have placed in the leading libraries of my district.

It is necessary that I fortify my remarks by the official RECORD, since I found in my last campaign that so many individuals, seeking office, are prone to contort the public record of an individual and to use tactics commonly termed "mud slinging" in an effort to further their own interests. I have always endeavored to conduct a clean campaign, and I reaffirm my pledge that I shall not resort to unfair tactics of any kind against any opponent. I am more than willing to rest my case with the people on a basis of my actual record in the Congress in their interests.

MY SERVICE REWARDED WITH CHAIRMANSHIP

During my 4 years as Representative of the Twelfth Congressional District I have taken an active, aggressive part in support of legislation to bring about the reemployment of our unfortunate unemployed at living wages, and to restore to them the opportunities which they have a right to expect in a democracy. I have been guided at all times by my earnest desire to advance the interests of the people whom I have the honor to represent, and of the Nation generally, and I have steadfastly refused to be intimidated or coerced into voting against my honest convictions.

In recognition of my service, when I was reelected in 1934 my colleagues honored me with the chairmanship of an important committee of the Congress, the only major chairmanship held by a California Member of Congress, in fact, by any Congressman west of the Rockies. This position, naturally, has increased my sphere of influence and opportunity for service to my constituents.

A REPRESENTATIVE SHOULD BE FREE TO REPRESENT HIS CONSTITUENTS

My conception of a Representative is an individual who will conduct a clean campaign, free from alliances with selfish interests or special groups, and who will hold himself subservient only to the people whom he represents, not to polished and astute politicians who work behind closed doors to attain their objectives. Unless I can win reelection on the basis of my past endeavors, with my entire record open for public inspection, for criticism and praise where merited, I do not wish reelection.

ELECTED AND REELECTED WITHOUT HELP OF POLITICAL MACHINE

I was elected in 1932 and reelected in 1934 as Representative of the Twelfth Congressional District of California without the assistance of any political machine or political faction, and have thus been in a position to act independently at all times in the interest of the people who sent me here.

Under no circumstances will I aline myself with so-called political machines which, not only in California but elsewhere, have been the very agencies which have brought about corruption in politics to such an extent that the Congress of the United States itself is commonly termed a "rubber stamp" Congress.

"FOLLOW THE PRESIDENT" IS NO PROPER DEMAND IN A DEMOCRATIC GOVERNMENT

I have been criticized by some few individuals because I failed to follow the President on every proposal which he submitted to the Congress, even though such proposals were not incorporated in or even remotely a part of the Democratic platform of 1932, and, in some instances, were diametrically opposed to it. My public record will show that I have followed the Democratic platform throughout, and as a candidate for reelection this year on the Democratic ticket I will again support the platform, but I will not promise or pledge myself in advance to support any proposals from a new Democratic administration unless such proposals are incorporated in the Democratic platform or are in accordance with the wishes of the majority of the voters of my district. I will not pledge myself in advance to follow any individual or group of individuals, since it is self-evident that we may as well dissolve our legislative body if representatives of the people are to be without an independent voice. I, for one, refuse to be herded and coerced into voting for measures submitted as so-called "must" legislation. If the free and independent voice of the people's representatives is thus silenced, our liberties as a people are correspondingly threatened. After my own conscientious study of measures proposed, I will always vote for what I consider to be the best interest of the entire people and in accordance with the wishes of my constituents. I, for one, have more confidence in the judgment, based on due deliberation, of the 435 Representatives in Congress than I have in the suggestions of any one individual, regardless of whom he may be.

That great liberal and progressive, Senator Robert La Follette, Sr., voiced my convictions in this connection in his speech in the Senate on April 4, 1917, in which he opposed the entrance of the United States into the World War and answered his critics who berated him because he refused to follow the President on that important issue. At that time he stated:

> Mr. President, I had supposed until recently that it was the duty of Senators and Representatives in Congress to vote and act according to their convictions on all public matters that came before them for consideration and decision.
>
> Quite another doctrine has recently been promulgated by certain newspapers, which unfortunately seems to have found considerable support elsewhere, and that is the doctrine of standing back of the President, without inquiring whether the President is right or wrong. For myself, I have never subscribed to that doctrine and never shall. I shall support the President in the measures he proposes when I believe them to be right. I shall oppose measures proposed by the President when I believe them to be wrong.

For his steadfast refusal to be intimidated or swerved from his convictions he was insulted by his colleagues and branded by his enemies as disloyal to his country, but he is today acclaimed as one of our great Americans, and liberal and conservative alike pay him homage for his sincerity of purpose and the dauntless courage with which he defended principle above party.

THE INTEREST OF THE PEOPLE CONTROLS MY VOTE

In order to protect the savings of depositors, I did "follow the President" when he submitted his first recommendation to the Congress authorizing the printing of $2,000,000,000 of fiat money to turn over to the banks, even though the financial interests we were thus salvaging were responsible, in large measure, for our depression.

OPPOSED LEGISLATION AGAINST VETERANS AND FEDERAL EMPLOYEES

I did not "follow the President" when he proposed the Economy Act, which struck so unfairly at our disabled veterans and all Federal employees. This act, which brought such an aftermath of suffering among our disabled veterans and their dependents, was passed by the House of Representatives after only 20 minutes of discussion, without the right of amendment or even an opportunity for individuals, like myself, who were interested in a square deal, to discuss the measure, and was enacted into law within 15 days after the President assumed office. I would not be stampeded into becoming a "rubber stamp" to vote discriminations against the veterans of our wars and all Federal employees under the administration whip, and I am proud to state that I voted against the President on this question on every occasion. That I was justified in my stand was clearly shown by the subsequent action of Congress and the President himself whereby the unfair and discriminatory provisions of the Economy Act were repealed. Even before the first session of the New Deal Congress was concluded the Congress and the President back-tracked and corrected some of the injustices of the Economy Act, but not all of them.

In the second session many further corrections were made by the Congress and the President, and the Veterans' Administrator advises me that since the economy bill became a law there have been 11 different enactments of the Congress itself to correct discriminations resulting from this measure. In addition, the President has issued 12 Executive orders, with 29 amendments to these Executive orders, making a total of 41 Executive orders issued by the President as a result of the Economy Act. In addition, the Veterans' Administration has rendered 261 Administrator's decisions in reference to the act, and there have been revised wholly or in part 815 paragraphs of regulatory material used by the Veterans' Administration in carrying on its activities.

For my opposition to the Economy Act and my loyalty to principle above party I was severely censured at the time, but I have been clearly vindicated in my stand, as I have explained above.

PENALIZING DISABLED VETERANS WHILE WE WASTE PUBLIC FUNDS BOONDOGGLING

Notwithstanding that the administration was so insistent on economy at the expense of our disabled veterans and Federal employees under the Economy Act, millions were wasted under the C. W. A. on boondoggling projects, all of which must be repaid twofold under our present system of paying for such expenditures through the issuance of tax-exempt bonds.

Later the President requested that he be given a check for $4,800,000,000 for work-relief purposes, without any restrictions whatever by the Congress as to its expenditure. Think of it—appropriating $4,800,000,000 of your money, without your Representatives knowing what was to be done with the money! This bill, after its disposition in 20 minutes in the House, was held up in the Senate for almost 3 months. Finally, after the merest semblance of earmarking the huge appropriation, it was enacted into law. I voted for this bill, not because I approved of the method proposed but there was no other alternative, inasmuch as the administration leadership would not permit amendment, and I could not be a party to any procedure which would deny our millions of unemployed and heads of families any opportunity to earn a subsistence—even as obnoxious to me as was the manner of handling this appropriation.

THE PAUPER WAGE SCALE IS UN-AMERICAN

I mention "pauper wage scale" because of the fact that the relief bill, as enacted, provided for a "security wage" of from $19 to $95 per month, which I consider to be an unfair wage standard for the American worker. I opposed this "security" or so-called "pauper wage", and urged that prevailing wages be paid to the unemployed. Those of my critics who denounce me for not following the President throughout by their very criticism make themselves sponsors of this "starvation wage", which millions of our unfortunate unemployed have been forced to accept or have nothing.

Although theoretically the friends of labor lost in their efforts to embody the "prevailing wage" provision in the law, in actual administration of the relief funds the prevailing wage was paid in many places where the pressure of labor groups was strong enough to secure this consideration. Moreover, the $1,500,000,000 relief appropriation measure enacted in this session specifically provided for the payment of prevailing wages to relief workers, and W. P. A. Administrator Hopkins himself appeared before the Senate committee in support of such a provision. Thus have the administration, and particularly Administrator Hopkins, by their reversal of attitude on this question, vindicated and upheld me in my opposition to the "pauper wage scale."

FOLLOW THE PRESIDENT OR FIGHT FOR A LIVING WAGE FOR OUR UNEMPLOYED—WHICH?

Those who are "with the President 100 percent" must approve of the President's "security wage scale", which approximated $55 per month for the worthy unemployed in California. As I mentioned before, I opposed the President on this point, and if reelected will oppose him again, as I believe in a living wage and not a pauper's wage for our American workers.

In this same connection I opposed the $30 per month which is paid to the men and boys in the C. C. C. camps and cooperated with the Honorable WILLIAM P. CONNERY, chairman of the Committee on Labor, who proposed a wage scale of $80 per month. The record will show that I offered an amendment to provide $50 per month for the men and boys in the C. C. C. camps.

WHY LET ALIENS TAKE OUR JOBS?

I introduced and advocated legislation providing for the deportation of aliens who decline to become citizens, thus making available more jobs to American citizens. At the same time I favor closing the doors for the present to all foreign immigration, or at least restricting immigration to relatives of American citizens where family welfare would be more humanely considered by permitting their entry, and I would favor even this restricted immigration in limited numbers only.

WHY GRANT ADDITIONAL BENEFITS TO A PRIVILEGED CLASS WHILE MILLIONS STARVE?

I opposed the officers' promotion bill, sponsored by the administration, which increased the rank and pay of 9,000 well-paid and well-fed Army officers, while millions of our citizens were unemployed and in want. Over 9,000 officers are receiving from $379 to $500 per month, plus free housing, subsistence, medical, and other substantial allowances, while at the same time, as I have indicated, the administration provides as low as $19 per month for our unemployed citizens on W. P. A. projects. Fighting alone on the floor throughout the entire day, although I was unable to defeat this measure, I did succeed in securing an amendment to the bill deferring its effective date for a period of 30 days, thus saving the taxpayers approximately $100,000. This bill also provided retirement at $149 per month for able-bodied 37-year-old Army officers, many of whom immediately after retirement take Government jobs, thus entering into competition with civilians and drawing two pay checks from the Government.

The President was apparently so much in favor of granting this increase to these already overpaid officers that the bill, when passed by the Congress, was rushed to the White House within half an hour and signed immediately, which is contrary to all precedent. The reason for this haste was that if the bill had gone to the President in regular course of procedure the benefits provided would have been delayed for another month, thus saving the taxpayers an additional $100,000.

THE OLD PEOPLE HAVE EARNED THE RIGHT TO REAL SECURITY

I also voted against the President's so-called security bill, which authorized a pauper's pension of $30 per month to our aged citizens. I am not in favor of requiring a pauper's oath from any aged citizen who is so unfortunate as to be without adequate means of support in his old age. I was the first Member of Congress ever to speak on the floor of the Congress in behalf of the Townsend old-age pension, and I am surprised indeed to find my Democratic opponents opposing me on an "all the way with Roosevelt" platform and at the same time promising to work for the Townsend pension plan, knowing, as they must, that the President is unalterably opposed to the Townsend old-age pension. This is inconsistency personified! How can anyone be for Roosevelt "all the way" and at the same time work for the enactment of the Townsend pension, to which he is absolutely opposed? I believe my constitutents are too sensible to swallow the political bait of those who thus attempt to carry water on both shoulders.

THE TOWNSEND PENSION IS A PRINCIPLE WITH ME, NOT MERELY A POLITICAL PROMISE

I fought for the Townsend plan when to advocate such pension meant ridicule on the floor of Congress. Notwithstanding this, I fought incessantly for this measure, and now many are rallying around the standard of Dr. Townsend, hoping to garner votes for themselves. It is easy for a candidate to promise support when the ground has been broken and the foundation laid. I feel confident that those who are in favor of the Townsend plan will realize that one who has made good and who has demonstrated his sincerity by ac-

tually fighting for the plan is more to be considered for support than an individual who is offering a mere promise in order to obtain votes. We know the record of a man who has fought a valiant fight in office, whereas we can never be sure of the mere promises of politicians, so easily made and so much more easily forgotten, once election has been attained. My record in behalf of the Townsend plan speaks for itself. Why trade horses when the steed you are riding has proven faithful and able to carry the load?

THE GOVERNMENT SHOULD CONTROL THE LIQUOR INDUSTRY IN THE PEOPLE'S INTERESTS

The present system of the manufacture and sale of intoxicating liquors has proven a travesty on regulation or control in the people's interests. In my speech advocating substantial pensions for our aged citizens I urged that the Government take over the manufacture and distribution of intoxicating liquors and that the profit from this industry be applied wholly to guarantee economic security to all citizens beyond the age of 60 years and the disabled under this age. As long as we permit the profits to remain in the hands of the private manufacturer and distributor the seeds of political corruption will remain in the liquor industry, it will be more difficult to combat crime and lawlessness, and the honest endeavor of the Government to inculcate sobriety and temperance in the citizenry will be increasingly difficult. Other nations of the world have been taking over monopolies, even in such commodities as salt, tobacco, and so forth, but the huge profits accruing to these governments through such monopolies are as nothing compared to the moral values to be derived for the people from Government control of the liquor industry.

I HAVE ALWAYS SUPPORTED AND WORKED FOR EDUCATIONAL PROGRESS

I deplored the procedure under the C. W. A., and later under the W. P. A., whereby our educated men and women, out of a job, were compelled to engage in manual labor, in some instances ditch digging, in order to obtain a subsistence wage.

I introduced legislation to provide substantial but not exorbitant research fellowships to individuals holding degrees in the sciences, medicine, dentistry, and so forth. It is my contention that if we had given a reasonable rate of pay to the unemployed scientist, physicist, chemist, and others in the fields of higher learning, the benefits which would have accrued to our Nation as a result of their researches would have more than compensated for the small additional outlay which the Government would have had to make to place these highly trained and outstanding citizens at work on useful projects in their own fields rather than at manual labor.

I also advocated a distinct increase in appropriations for the Bureau of Standards so that this valuable department of Government could expand its activities and research in the interest of adding to our industrial and economic welfare.

I supported legislation in the interest of rural education and have consistently worked and voted in the interests of our public schools and institutions of higher learning.

I also favor an adequate compensation to those in the teaching fraternity and strenuously insist upon their right to retirement at a substantial annuity, upon their own application, on attaining the age of 60 years or, if disabled, prior to attaining that age. The teaching profession is sadly underpaid. Salaries should be greatly increased in order that we may maintain the highest possible standard for the personnel in this profession.

The Nation progresses in more or less direct proportion to its advancement in education and its attainments in the various sciences, and I am convinced, therefore, that funds intelligently expended in these fields will bring to our people a substantial return on such investments.

MY STAND IN OPPOSITION TO THE PRESIDENT WAS FOR PRACTICAL MORTGAGE RELIEF

I voted against the first bill providing mortgage relief for home owners and our distressed farmers, recognizing at the time that these measures were unfair to the mortgagees because the principal of the bonds was not guaranteed, and as a result thereof little relief, if any, could be expected through this means for our distressed home owners. The records will prove that practically no mortgage relief was given to any of our distressed home owners or farmers until, in the next session, these acts were amended to guarantee the principal of the bonds. I then suported these measures and they have been helpful to a great degree, although not wholly satisfactory.

I FOUGHT FOR LOWER INTEREST RATES TO THE FARMER AND HOME OWNER

In a subsequent session I endeavored to secure a reduction in the interest rate which the distressed home owner is compelled to pay, but was unsuccessful. Later, however, my ideas were incorporated in a provision for lower interest rates for the farmers, but as yet the interest rate which the city home owner is compelled to pay has not been reduced. I am hopeful that in the next session of Congress the interest rate under the H. O. L. C. will be radically reduced, since the $50,000,000 which the H. O. L. C. is contemplating as profit is nothing other than tribute which the distressed mortgagee is being called upon to pay through the exaction of 5-percent interest on moneys which the Government itself borrows from the bankers at 2¾ percent or less.

I am not in favor of this type of chiseling at the expense of the distressed American home owner or farmer. Those of my opponents who criticize me for not following the President blindly are thus approving of these high interest rates which I sought to have reduced in the interest of a square deal to the distressed citizen. Would my constituents have me go along with the President all the way and vote to continue the high interest rates provided in the administration measures, or would they have me continue my fight for lower interest rates in the interest of the people?

I WORKED PARTICULARLY TO RELIEVE THE DISTRESS OF CALIFORNIA HOME OWNERS

I cooperated with the late Montaville Flowers, who visited Washington in the interest of protecting the California home owner from property and other losses due to assessments under the Mattoon Act. I regret to state that thus far, however, our objectives have not been attained, although legislation is now pending designed to relieve home owners from exorbitant interest rates and at the same time give them a breathing spell from the assessment burden.

WHO CAN DEFEND THE A. A. A. CROP-DESTRUCTION POLICIES WHILE MILLIONS OF OUR PEOPLE STARVE?

I voted against the A. A. A. and every amendment thereto, as I considered this bill to be not only unconstitutional but an indirect sales tax on foodstuffs which bore most heavily upon the unemployed, thus adding to their distress by an increase in living costs. We all recall the high prices we were forced to pay for pork and other meats following the enactment of the A. A. A. I am not an apostle of increased prices to the consumer through a program of scarcity. I am opposed to the destruction of God's products through the plowing under of cotton, the burning of wheat and other foodstuffs in the field, and the slaughter of pigs and other livestock under the fallacious theory that the less you have the more prosperous you will become. In Gillette, Wyo., in 1934, I met Government agents who had instructions to wantonly slaughter 200,000 head of sheep in that State alone! The A. A. A. Act was declared unconstitutional by the Supreme Court and its principles discredited, thus vindicating my opposition to its enactment.

PROTECTION AND ENCOURAGEMENT BUT NOT SUBSIDIES TO THE FARMERS

I favor legislation which will protect the American agriculturalist against the exploitation of the stock market and the middleman, and I also favor such tariff legislation as will adequately protect American agriculture from the competition of cheap foreign labor. I believe in every measure of governmental support and encouragement to the various agricultural groups, through marketing agreements and other assistance, which will assure to them the cost of production plus a reasonable profit.

THE FRAZIER-LEMKE BILL WOULD BRING REAL MORTGAGE RELIEF TO DISTRESSED FARMERS

I was one of the earliest signers of the petition to bring the Frazier-Lemke farm refinancing bill before the Congress for consideration. I was pleased to lend my support throughout to this measure, which represented the people's interest versus the bankers, and I was one of the 142 Congressmen who voted for its passage. Unfortunately, due to administration pressure, this bill was defeated, and as a result our distressed farmers will continue to pay high interest rates on credit extended to them by the bankers, which credit is virtually the credit of the people themselves, and all the bankers do is to extend this credit through the medium of a fountain pen.

If the Frazier-Lemke farm refinancing bill had been enacted, it would have brought real mortgage relief to the distressed farmers without one cent of cost to the taxpayer, and, at the same time, it would have returned a net profit to the Government of several billion dollars through the interest payments which would accrue to the Government.

THE RECIPROCAL TARIFF ACT MUST BE AMENDED TO PROVIDE PROTECTION TO OUR HOME PRODUCERS

I voted for the reciprocal tariff, which was included in our Democratic platform and which was advocated by the President. Our experience has already demonstrated, however, the necessity of amending the law to more adequately protect American agriculturalists and at the same time retain the benefits which it has brought to some of our American manufacturers. This necessity arises from the fact that it has been found that in important instances the favored-nation clause in existing tariff treaties permits the importation of foreign products from certain nations which buy very little, if any, of our products in return. In these instances it is a one-sided agreement to the advantage of the foreign producer and detrimental to American agriculturalists and manufacturers.

I believe we should follow the slogan "America first", since it is self-evident that it is unfair to the American taxpayer to pay the American farmer to reduce his crops and remain idle while, at the same time, we permit increased importations of competitive foreign agricultural products.

I PROTECTED THE INTERESTS OF CALIFORNIA CITRUS GROWERS

The official record of committees and the Congress will show that I protected the interests of the avocado and orange growers of my district. The Florida delegation in Congress appeared before the Committee on Interstate Commerce protesting against the present law, which requires that oranges, colored artificially, have an imprint on each orange, "Color added", and urging that such requirement be abolished. I was the only Member of Congress from California to appear before the committee to insist upon the continuance of this requirement in the interest of our California growers, whose product is of such a high quality that they do not resort to artificial coloring to increase its attractiveness. Working in collaboration with officials of the Department of Agriculture, I showed conclusively to the committee that the natural color of California oranges makes artificial coloring unnecessary, and that unless the imprint "Color added" is required where such coloring is used the California growers will suffer unfair competition from Florida growers.

I am pleased to report that my efforts have been successful thus far in the interest of the California growers, although the Congressmen from Florida, candidates for reelection, are pledging that they will have this restriction on Florida growers removed, which would be detrimental, of course, to the interests of our California growers.

I also worked with the Secretary of State and a delegation from California and Florida to protect the interest of the avocado growers in the reciprocal tariff arrangement which our Government concluded with Cuba.

I mention these facts as an evidence of my activities in behalf of our California fruit industry, and as a Member of Congress with 4 years' experience, and also as chairman of a committee in Congress—of which there are only 31 in the entire Congress—I feel that I have more influence in the Congress than would any newcomer without my background of experience and prestige as chairman of a committee.

THE POULTRY INDUSTRY SHOULD BE PROTECTED

I urged and fought for the enactment of the Knutson and Lea bills, which would protect the poultry and egg business of California from the competition of the cheap products of oriental poultrymen. I believe in protecting not only the poultry industry but any other American industry able to produce our entire domestic requirements as long as the prices of American products are kept within a reasonable price limit. I have always supported, and will continue to support, any legislation which will protect American industry, agricultural or industrial, from cutthroat competition from foreign nations whose labor standards are so palpably inferior to our own.

THE HEALTH AS WELL AS THE POCKETBOOK OF THE CITIZEN MUST BE PROTECTED

I favor the enactment of a pure food and drug bill which would protect the health as well as the pocketbook of the American citizen. In the Department of Agriculture Building in Washington is a room appropriately termed the "Chamber of Horrors", which exhibits hundreds of fake medicines and devices sold to the unsuspecting public by scheming quacks and fakers, only to take a staggering toll of human lives, not to mention the needless suffering occasioned thereby. Many of these poisons and instruments of torture are still on the market, and the Government is powerless to control them. I want to see our foods pure and unadulterated and up to definite standards of quantity and quality. I want to see our drugs and cosmetics effective and not injurious to health. I want to see truthful advertising, truthful labeling of foods and drugs, and speedy justice and firm penalties to offenders of our food and drug laws.

THE FARCE OF THE TOBACCO AND POTATO CONTROL ACTS

I voted against the administration-sponsored tobacco and potato control bills, which latter was so ridiculous that the Secretary of Agriculture himself failed to follow the law on this subject. Both of these bills were later recognized as unconstitutional and the President recommended their repeal, vindicating my stand in opposition to their enactment.

I VOTED FOR EMPLOYMENT RELIEF, BUT OPPOSED THE PRINCIPLE OF N. R. A.

I voted for the N. R. A., not because I believed the bill to be a sound recovery measure—in fact, an examination of the CONGRESSIONAL RECORD will show where I stated in voting for this bill that I did so with my fingers crossed—but I voted for it because it contained a section authorizing $3,300,000,000 to provide work for the unemployed. I had no other alternative than to vote for the measure if I wanted to assist the unemployed, even though I recognized that the N. R. A. itself was a form of regimentation alien to our principles of liberty and democracy, and I doubted its constitutionality. I further feared that such regimentation would squeeze out and eliminate the small businessman, and the results of the administration of this act justified my apprehensions. This act was declared unconstitutional, thus confirming my judgment and justifying my expressions of disapproval of the measure when I voted for it in order to give employment to our unfortunate unemployed.

THE INDEPENDENT MERCHANT MUST BE PROTECTED AGAINST CHAIN-STORE MONOPOLIES

I favor the enactment of the Robinson-Patman bill, which is aimed at monopolies and price discriminations, all of which operate against the small merchant, and I am hopeful that this bill will be enacted into law.

COERCION IN LEGISLATION IS A THREAT TO DEMOCRACY

I have observed that many Representatives receive instructions from machine politicians at home as to how to vote on pending legislation. An attempt was made in the last session to exert such influence on me through my vote on the utility bill, but I am not that type of Representative and never will

be. I was even indirectly approached by a high ranking official of the Relief Administration and told that California relief funds might be reduced unless I voted for the death clause in the utility bill.

I AM OPPOSED TO THE UTILITY HOLDING COMPANIES

I am opposed to the utility holding companies, as any other honest citizen must be, where it is shown that corruption or illegal practices exist. Our platform, however, calls for regulation of utility holding companies, but not for their extermination without due process of law. I voted in accordance with our Democratic platform, which, to be specific, enunciates our Democratic policy on this question as follows:

Regulation to the full extent of Federal power of—
(a) Holding companies which sell securities in interstate commerce.

I am not an opponent of wealth in any category, but I oppose wealth where it is used to the disadvantage of the worker and the citizen. Regulation of utility companies through the sensible system of taxation of the interlocking and pyramided companies would have protected the investments of the stockholders and controlled the utility companies through orderly constitutional means, while arbitrary dissolution would have caused chaos to the investors and thus further unbalanced our economic order. The issue was not the guilt or innocence of the offender but of the method of correction of the acknowledged evil, and the fact that I supported the constitutional means cannot, under any circumstances, be interpreted as approval of or even acquiescence in the policies and practices of the big utility companies. Such an assumption would be as unreasonable as to accuse a judge of condoning crime because he does not mete out the exact punishment requested by the prosecuting attorney.

Those of us who sincerely wish to curb and control the utility holding companies render a greater service to the public by advocating and supporting legislation which will pass constitutional tests than do those who propose radical legislation which cannot be administered because of constitutional limitations. Our experience with the N. R. A. and the A. A. A. has demonstrated that we can attain our objectives and bring relief more expeditiously by enacting sensible legislation within constitutional limitations than by radical experimentation which not only upsets business but which reacts against itself when submitted to the Supreme Court.

It is problematical whether or not the modified utility act will survive the Supreme Court. It has already been declared unconstitutional by a court of appeals and is now pending before the Supreme Court for a decision.

I am convinced that the regulation of the utility holding companies, as provided in our Democratic platform, through the medium of taxation, would pass the test of constitutionality and would bring about the desired result—that is, lower utility rates to the consumer through a constitutional and orderly process.

ELECTRICITY AND WATER RATES SHOULD BE LOWERED

I voted for the T. V. A. and am in favor of Government ownership or control of every natural resource in the interest of the citizen and ultimate consumer. The Tennessee Valley Authority has already brought about, through comparison, a reduction in electric rates, and if the Government would continue such projects as Boulder Dam, the Grand Coulee Dam, the Columbia River project, and so forth, along the lines of conservation and flood control, we would not only conserve our resources but at the same time, through the building of required dams and check dams in the smaller tributaries, we would save the enormous losses recurring from time to time due to floodwaters.

As I have so often indicated, wherever the Government, through the development of any natural resource, enters into competition with private business, such as private power plants, and so forth, I consider that it is the duty of the Government to properly recompense the investors of such companies where they suffer loss due to Government competition.

PATRONAGE IS UNECONOMICAL, INEFFICIENT, AND TENDS TO CORRUPTION

In the establishment of the various alphabetical agencies of the New Deal I opposed the employment of such personnel through the patronage system. I voted every time to provide that such employees be taken from civil-service lists, because I knew such employees would be generally more competent, less subject to political corruption and intimidation from the bosses, and, in the aggregate, more economical, as the civil service pay classification standards do not provide the abnormally high salaries which so many incompetent political appointees are receiving in many of these alphabetical agencies.

I am opposed to the patronage system and introduced a constitutional amendment to provide that all Government employment be under civil service. Early in 1935 I also appeared before the Committee on Military Affairs urging that West Point and Annapolis appointments be strictly civil service. I have always advocated that postmasterships be taken entirely out of politics and that post-office employees be promoted to such positions, and have introduced legislation to that effect.

Patronage is rarely efficient in its disposition of employment; it is highly uneconomical and permits political bosses to dominate elections, directly or indirectly, thus frustrating good government based on the election of worthy Representatives.

A REPRESENTATIVE SHOULD HOLD PRINCIPLE ABOVE PARTY AND POSSIBLE PATRONAGE

As a Representative in Congress I feel that I owe every obligation to the people of my district, and even though I was told that I would receive patronage jobs if I voted for certain measures, I held the welfare of my constituents of more importance than the possible opportunity to recommend a few individuals for patronage jobs, and I refused to sacrifice my principles for such consideration.

I am only sorry that my limited time prevents going into detail on this subject. God help our country unless we elect to the next Congress men who will vote for the interest of their constituents, and who are not concerned with the will-o'-the-wisp of patronage, rather than Representatives who will vote for their own selfish interests, and who feel that they are successful as legislators if they are enabled to load their political friends, in lucrative Government positions, on the backs of the taxpayers.

THE UPTURN WE ARE WITNESSING IN BUSINESS IS NOT MATERIALLY AFFECTING OUR UNEMPLOYMENT PROBLEM

On my return to California in 1935 I predicted an upturn in business, which prediction is now an actuality. I feel satisfied that the payment of the bonus not later than July, plus continued Government expenditures, will result in further business improvements but if past experience is any criterion of what the future holds in store, I doubt whether any substantial reduction in unemployment will result.

WHO WILL PAY THE PIPER?

I was elected in 1932 on the platform of "lower taxes and jobs", and I regret to say that thus far the New Deal legislation has not brought about any substantial decrease in unemployment, except through the medium of approximately $12,000,000,000 of Government expenditures, obtained through the issuance of tax-exempt securities. It should be borne in mind that no effort has been made to pay the principal of this increase in our national debt. We have increased Federal taxes to almost the breaking point, and I fear the result when an honest effort is eventually made to pay both principal and interest on our present inordinate debt burden. We enjoyed the music of public expenditures through the W. P. A., the P. W. A., the C. W. A., and other alphabetical agencies, but have made no effort whatever to pay the piper.

WORK RELIEF SHOULD BE IN THE HANDS OF THE PEOPLE THEMSELVES

I visualized the graft, the inefficiency, and the political chicanery which inevitably follow the expenditure of billions of dollars through a centralized control at Washington. I am in favor of the fullest measure of assistance to the unemployed, and proposed a measure which would have taken

relief out of the hands of the incompetent political bureaucrats and placed such relief more directly in the hands of the citizens themselves.

To date we have spent almost $12,000,000,000 on relief, direct or indirect, which will be repaid by our children and our children's children to the tune of approximately $24,000,000,000 or more through the issuance of high-interest-bearing, tax-exempt bonds.

A PROPOSAL WHICH I MADE FOR RELIEF

I proposed a measure to lend $10,000,000,000 to the municipalities, counties, States, churches, schools, established businesses, home owners, and other definite entities at an interest rate of not to exceed 1 percent. Had this been done the responsibility for the expenditure of such loans would have been entirely in the hands of the borrowers, and the problem of unemployment would have been directly a State, county, municipal, or private affair, thus guaranteeing a more efficient expenditure of the funds and the absolute elimination of control on the part of politicians. Even though many of the States, political subdivisions, and other borrowers defaulted in such borrowings, nevertheless the expenditures would have been made at less overhead, there would have been a broader distribution of purchasing power for the unemployed, and the loss to the Nation, even though such defalcations were numerous, would not have been as great as that incurred under our P. W. A. "gift" system. Under the P. W. A., 45 percent of the cost of projects was an out-and-out gift from the Government. On this basis 45 percent of loans such as I proposed could have gone in default, and even at that the Government would not have suffered any greater loss than the taxpayers are now suffering through the grant of 45 percent of the cost of projects.

Under the method I proposed the more impoverished school districts, municipalities, and other subdivisions would have had equality in borrowing advantages, whereas under the P. W. A. loans were extended primarily to the more prosperous communities which, through bond issues or otherwise, could produce the necessary 55 percent of the cost of their projects. It may be well to note here that under the P. W. A. policy, where 45 percent was a governmental grant, the total interest paid by the borrower averages 2.2 percent. By comparison consider the 5 percent which the distressed home owner, who should be the first to be favored, must pay to the H. O. L. C. on his mortgage indebtedness.

I CANNOT CONDONE PROFITEERING ON DISTRESS

I am also opposed to the provisions of title 1 of the F. H. A., through which the citizen is forced to pay 9.72-percent interest on loans, which the Government guarantees, for the purpose of repair or modernization of his home. This high interest rate has proved prohibitive in many cases where advantage would otherwise have been taken of the opportunity afforded to make needed repairs, and thus it has operated to withhold employment from carpenters, plumbers, painters, and others in the building trades. The Government is lending funds at 2-percent interest for the development of electrical power on the farm, through which the utilities are profiting in the sale of power and light. I feel that the distressed home owner and farmer should be accorded equal consideration at least with large corporations and political subdivisions when it comes to the question of borrowing from the Government.

LET US FACE THE FACTS

I believe the people are entitled to facts, and that criticism in generalities is not only unfair to the person "under fire" but an affront to the intelligence of thinking people. Such criticism has been the ammunition of my political enemies, who have broadcast their accusation that I did not "follow the President throughout." Far from being fair criticism of my services as a representative of the people, however, I believe that this criticism, in the light of the actual facts, will be recognized as an unwitting acknowledgment of my conscientious representation and loyalty to those who sent me here. In reply to accusations in generalities I am proud to submit the following analysis or résumé of the major issues on which I did not "follow the President", and I ask all who are sincerely interested to examine it and honestly answer the question:

HOW WOULD YOU HAVE STOOD ON THESE MAJOR ISSUES?

THE ECONOMY ACT

One of the first acts of the present administration was to present to the Congress for enactment the so-called economy measure. It was an administration "must" bill and the utmost pressure was used to break down any opposition to its enactment. I fought this measure throughout. In the name of economy it took pensions from our disabled veterans, threw them out of hospitals, and denied to them and to their dependents the protection which they had a right to expect from a just and appreciative Government. I foresaw that it would result in indescribable suffering and that, at the same time, it would greatly add to the burden of the taxpayers, who would be required to provide for our disabled veterans and their dependents ruthlessly thrown on "relief." I was severely censured for not "following the President" in support of this infamous measure. It was enacted by the "yes men" of the Congress by an overwhelming vote after only 20 minutes of debate, and was a law within 15 days after the President assumed office.

WHERE ARE MY ACCUSERS?

The tragic suffering which followed the enactment of the Economy Act, the discriminations and injustices with which it was honeycombed, brought forth a storm of protest from all over the Nation. Disabled veterans and their dependents were thrown on relief in such numbers that local agencies were unable to provide for them. Suicides followed in alarming numbers among our disabled veterans, and the ingratitude of a nation to its defenders, exemplified in the so-called Economy Act, became a national disgrace. Almost immediately after its enactment, administration efforts at correction began. Since the economy bill became a law the President has issued 12 Executive orders, with 29 amendments to these Executive orders, making a total of 41 Executive orders issued by the President as a result of the Economy Act. The Veterans' Administration has rendered 261 Administrator's decisions in reference to the act, and there have been revised, wholly or in part, 815 paragraphs of regulatory material used by the Veterans' Administration in carrying on its activities. In addition, a contrite Congress enacted 11 public acts in an effort to correct discriminations resulting from the Economy Act.

Thus, those who had most severely criticized me for my opposition to the President in this instance in effect acknowledged the justice of my position and absolutely vindicated me.

THE PAUPER WAGE SCALE

I opposed the President's pauper wage scale for our unemployed, ranging from $19 to $95 per month, and approximating $55 monthly for our worthy unemployed in California. Such a wage scale, as low as $19 monthly, in my opinion, was absolutely un-American and an injustice to our unfortunate unemployed. I supported a move in the Congress to provide for the payment of prevailing wages to the unemployed, but under administration pressure the pauper wage scale was enacted into law.

DO THE FACTS SUPPORT MY CRITICS?

Although the move to provide prevailing wages for our unfortunate unemployed was defeated, Mr. Hopkins, Works Relief Administrator, did give discretionary power in the matter to certain of his administrators, with the result that prevailing wages were actually paid to W. P. A. workers in certain sections. The bill providing $1,500,000,000 additional work-relief funds, enacted in the present session, carried a provision for paying prevailing wages to all workers under W. P. A., and Mr. Hopkins himself appeared before the Senate committee, advocating the prevailing-wage scale in W. P. A. employment, thus reversing himself and expressing my point of view on this important issue.

MORTGAGE RELIEF

I voted against the first bill sponsored by the administration to provide mortgage relief to home owners, because I

recognized that until the principal of the bonds was guaranteed the measure provided for little more than a relief mirage.

WAS I RIGHT IN MY JUDGMENT?

In the next session of the Congress this act was amended to guarantee the principal of the bonds, as it had been demonstrated that it was practically valueless in its original form. I then supported it.

THE A. A. A.

I opposed the A. A. A. and its destruction of foodstuffs while our suffering millions faced starvation. I considered this measure unconstitutional and an indirect sales tax on foodstuffs which would bear most heavily on the unemployed.

THE FACTS SPEAK FOR THEMSELVES

Prices of certain foodstuffs skyrocketed under the artificial stimulus of the A. A. A. scarcity program. Belated reports from the A. A. A. revealed the fact that huge payments, amounting to $1,000,000 or more, were paid to individuals or corporations for their mere failure to plant certain crops—an extravagant procedure paid for out of the taxpayers' funds. The Supreme Court declared the A. A. A. unconstitutional.

THE TOBACCO AND POTATO CONTROL ACTS

I opposed the Tobacco and Potato Control Acts in the face of administration pressure for their enactment. I recognized that they were unconstitutional and an indefensible attempt at regimentation of our individual farmers.

WERE THE "YES MEN" WHO ENACTED THESE BILLS RIGHT?

The potato-control bill was so ridiculous that even the Secretary of Agriculture declined to carry out its provisions, and both these bills were so flagrantly unconstitutional that the President himself recommended their repeal.

THE DEATH CLAUSE OF THE UTILITY BILL

I opposed the death clause of the utility bill, urged by the administration, because it was not only contrary to our Democratic platform declaration but I believed it to be unconstitutional, and in its enactment I foresaw the defeat of practical, constitutional, orderly methods of accomplishing the desired result—that is, the elimination of the nefarious practices of the big holding companies and the reduction of utility rates to the consumer.

THE PUBLIC IS THE GOAT

The Utility Act has already been declared unconstitutional by a court of appeals and action is pending in the Supreme Court. In the meantime orderly, constitutional, practical, regulatory legislation having been defeated by the enactment of legislation of dubious constitutionality, the big utility companies are still free to gouge the consumers and continue their monopolistic control.

THE GUFFEY COAL BILL

I opposed the Guffey coal bill, although the President himself urged its passage, regardless of doubts as to its constitutionality. I voted against it, even though it had some provisions in respect to labor of which I approved, because I believed it to be unconstitutional and a betrayal of labor's hope for sound legislation.

WHO IS BENEFITED BY THE ENACTMENT OF UNCONSTITUTIONAL LEGISLATION?

The Supreme Court of the United States declared the Guffey Coal Act unconstitutional and thus relegated this measure to the scrap heap.

MY PROPOSALS FOR RECOVERY INCLUDE MONETARY REFORM, NATIONALIZATION OR SOCIALIZATION OF BANKING, CONTROL OF MASS-PRODUCTION MACHINERY, AND SO FORTH

No one can deny that we have made some progress in the New Deal, but thus far we have acted somewhat like a cat toying with a mouse. We have kept the depression more or less under control by the issuance of billions of tax-exempt bonds—through which the money changers, who are still established in the temple, are the principal profiteers—but as yet we have failed to apply the knock-out which has been wholly within the power of the Democratic administration for the past 4 years. Like the cat playing with the mouse, we have struck at the depression with one paw, then another, but it still persists, and, in my opinion, it will continue to persist as long as we permit the international bankers, through the medium of the Federal Reserve System, to coin money and extend credit with a fountain pen.

The first act of our administration was to rehabilitate the banking structure through the issuance of $2,000,000,000 of fiat money, whereas if the President had applied the knock-out by taking over the ownership or the control of banks at that time, we would have long ago been on the road to permanent prosperity.

CONGRESS SHOULD ASSERT ITS RIGHTS UNDER THE CONSTITUTION

The Constitution provides that the Congress has the right to coin money and regulate the value thereof, but after 4 years we Democrats have failed to follow the precepts of the Constitution in this respect. We continue to pay high interest rates to the banker for Federal Reserve notes which the Bureau of Printing and Engraving grinds out voluminously and distributes to the banker at a cost of 30 cents per $1,000.

THE GOLD REVALUATION ACT HAS PROVED TO BE A GIFT TO THE BRITISH

I supported the President in the matter of gold revaluation, not so much for the benefits that may accrue from this act but on a basis of the principle that gold and silver are not necessary in the conduct of business. I have repeatedly stated that the world could get along without either gold or silver and that a commodity dollar would insure a more stable purchasing power than the fluctuating value in gold and silver.

What have we accomplished under the Gold Revaluation Act? We made it possible for England, which produces at least 70 percent of the gold of the world, to buy from American manufacturers and agriculturalists at 60 cents on the dollar. In other words, we are giving the British 100 percent of American labor for every 60 cents worth of gold at the price of gold prior to its revaluation.

Aside from the standpoint of economics, from the standpoint of common sense, it seems, indeed, quite stupid that we as a nation should place a 40-percent premium on British gold which is produced by virtually coolie labor from virgin ore in the Transvaal, then import this gold to our country, giving in value $1 worth of labor for each 60 cents worth of gold, and as soon as it is received here immediately transport it to Kentucky or Colorado, where we bury it in huge pits dug into the ground!

Assuming that we eventually get the entire gold of the world, of what utility will it be if it is buried deep in the ground from whence it came and if the nations with whom we wish to carry on business repudiate gold as a medium of exchange? This is hypothetical, but nevertheless is cited as a situation which could eventuate in our stupid quest for gold, gold, gold!

WHY NOT REVALUE SILVER ALSO IN OUR OWN INTEREST?

If we are to have revaluation of metals which we use as money, why revalue gold only, the most of which is in the hands of the international bankers and produced by the British? Why not revalue silver, of which the United States and the Americas produce 75 percent or more of the world's production, thus adding to our own basic virgin wealth, rather than to the value of the gold possessed by the international bankers and the British producers? Inasmuch as 80 percent of the people of the world have always used silver as their monetary standard, if we revalued silver as we did gold, the value of the silver produced by our own people would be increased, and at the same time the purchasing power of 80 percent of the world's population would be increased in like proportion. They would then be in a position to buy our products and our foreign trade would be reestablished.

The bankers, however, and the Congress of the United States seem to worship at the altar of gold, and until this fetish of gold worship is abolished there can be no assured economic recovery with any degree of permanency. Of what utility is gold that, as soon as it is received from the miner, passes quickly through international exchange to the deep pits of Kentucky or Colorado, unless we print circulating gold

certificates for each dollar in value so buried? This we have failed to do. We did, however, print gold certificates in value as high as $100,000 each, which safely recline in the vaults of the private Federal Reserve System and circulate only among the money changers. In other words, we have taken the so-called wealth of the nations and, like the man whose story we read in the Bible, we have buried these talents. Here again I must point out that the bankers apparently control Congress, which will not approve of printing a gold certificate for every dollar of gold that is buried. The bankers and their representatives in Congress will not permit a sufficient amount of money to circulate to do the business of the United States.

The crux of the entire problem is this—the bankers control the volume of money in circulation. This should be directly under the control of Congress and not in the hands of the privately owned Federal Reserve System.

THE AMERICAN PEOPLE ARE BEING BLED BY A FALSE MONETARY SYSTEM

In my speech of January 30, 1935, in favor of the Townsend old-age pension I cited figures to prove that the American people pay to the monied crowd each year on public and private debts at least $12,000,000,000. Think of it—this huge amount in interest paid annually by American citizens to entrenched private wealth.

THE NATIONALIZATION AND EVENTUAL SOCIALIZATION OF BANKING IS THE FOUNDATION FOR REAL RECOVERY

In the nationalization, or Government control, of banking and the subsequent socialization, or Government ownership, of banking, interest profits would accrue to our Government, and if the interest rate were maintained at the present figure, the national revenue would be so great that taxes could be abolished.

Interest, regardless to whom paid, is a handicap to future progress. The rich man's son who inherits $1,000,000 in tax-exempt bonds pays absolutely no tax and is assured of an income for the balance of his life without the exertion of an ounce of energy. On the other hand, other American young people who do not inherit unearned wealth are taxed for the balance of their lives to maintain the idle bondholder, who, in many instances, migrates to a foreign country and lives the "life of Riley", clipping coupons paid by the fruit of the labor of honest, hard-working American citizens.

MONEY SHOULD BE AVAILABLE TO THE CITIZEN AT COST

In the socialization of banking I would propose the gradual elimination of all interest so that the citizen, on a basis of proper collateral, could obtain money from the Government at cost. This can be more readily understood by a comparison with our present interest-payment plan. If the American citizens could be freed from paying the $12,000,000,000 to $13,000,000,000 which is exacted from them annually in interest, this huge amount of money would remain in their pockets, thus adding to their purchasing power.

It is self-evident to any economist that interest and taxes, brought to the oppressive stage as they are today, are bound to choke out the lifeblood of commerce until we arrive at ultimate stagnation. While under the Constitution all citizens are recognized as equal and as having certain inalienable rights, nevertheless the exaction of interest from one citizen by another is a form of bondage or slavery which should be removed entirely or, as I have just suggested, reduced to the mere cost entailed in making loans.

TAX-EXEMPT BONDS ARE AN UNWARRANTED BURDEN ON THE PEOPLE

The Democratic administration is wholly responsible for the continued issuance of tax-exempt bonds. No citizen of honesty and intelligence would have the temerity to assert that, if the question of tax-exempt bonds were submitted to the people, they would not be forever abolished. Therefore it will be necessary, in my opinion, for those who believe in truly representative government and the freedom of the American people from bondage, especially the youth of our land, to elect to Congress only individuals who are pledged to support a constitutional amendment forever outlawing tax-exempt securities and breaking, once and for all, the chains with which the money lenders have bound us.

At present 17 cents out of every dollar which the taxpayer pays for direct Federal tax goes to the banker and the other bondholders who own the Government debt. In addition we are called upon to pay an equal, if not a larger, amount to the bankers and bondholders for municipal, county, and State indebtedness. Just think of this huge loss to the American people, which is nothing other than a direct subsidy to entrenched wealth. I do not include in these figures the actual cost of the maintenance of government. The figures I submit show the degree of bondage to which we have descended. If we continue in this way it will not be long before the banker and bondholder will be taking the entire Federal taxes as interest. There is absolutely no reason, in my opinion, why the Government or any political subdivision should be forced to pay interest on its legitimate expenditures, guaranteed as these expenditures are by the wealth of the entire Nation.

THE PROFITS OF BANKING RIGHTFULLY BELONG TO THE PEOPLE

I am sorry my limited time prevents going into detail on monetary and banking reform. I may say here that it is my contention that no Representative can truly represent the people's interest if he acquiesces in our present banking system, and I believe that it is the duty of the electorate to remove from the halls of Congress those who believe in the divine right of the private banker to issue money and extend credit with a fountain pen.

THE COMMODITY DOLLAR IS OPPOSED BY THE SELFISH INTERESTS

The most of the farm groups of America are in favor of the commodity dollar which would give a stabilized purchasing power to the American citizen and prevent the losses which we have suffered and will continue to suffer as long as our monetary system is anchored to the golden ark of the international banker. Gold and silver have a fluctuating value and will continue to have a fluctuating value as long as the determination of such value remains in the hands of private bankers. This responsibility should rest entirely in the hands of the Congress, the body directly charged with the obligation of representing the interests of the people.

AN APPEAL TO AMERICAN YOUTH

Mr. Taussig, advisory chairman of the National Youth Administration, recently warned that 5,000,000 idle youth spells trouble. He is a "new dealer" with the intelligence to recognize that we owe a duty to the young men and women of our Nation. I am especially interested in our young men and women and have consistently fought in Congress for legislation in their behalf. Because in some instances I opposed the administration in the interest of our young people, the downtrodden, and the unemployed, my patronage was taken from me and I was given no consideration by the administration, but was told to "march in line." I will "march in line" for the youth of our country, for the unemployed, and the downtrodden, but I will not "march in line", sheeplike, behind any so-called leader. I consider that it is my responsibility as a representative of the people to know where I am going and to know that such destination will be in the people's interest.

I refer further to a statement credited to Harry L. Hopkins, Relief Administrator, to the effect that, even after we attain recovery, we will have 5,000,000 or more unemployed. I refer also to a statement made by Mme. Perkins, Secretary of Labor, who was recently quoted in the weekly labor paper, Labor, to the effect that if the country recovers to the 1926 level, the heyday of our prosperity, we will still have more than 6,500,000 able-bodied American unemployed. This is indeed a dismal picture to be painted for the American people by those to whom they have looked hopefully for national recovery.

I do not believe anyone, especially anyone in public life, elected or appointed, should criticize unless they have something to offer to correct what they criticize. Mr. Taussig, Mr. Hopkins, and Mme. Perkins apparently have no suggestion to offer to correct this distressing condition of unemployment which, they aver, will continue, even though we attain recovery. In my opinion, the thought of 6,500,000

able-bodied unemployed Americans is absolutely irreconcilable with any sane idea of national recovery.

Any of us may be included in the large numbers doomed to permanent unemployment under the Hopkins-Perkins theory. I am asking you, candidly, Are you satisfied with such an attitude of resignation and acceptance of widespread unemployment, with its accompanying suffering and unrest, as inevitable? I, for one, am not satisfied with such an attitude, and I will not accept the assertions of administration leaders that our unemployment distress is permanent and inevitable.

Mme. Perkins is quoted as saying:

> The fly in the ointment, however, is the desire and the ability of industry to produce more with fewer workers and smaller pay rolls.

She offers no remedy but points the finger to what she believes to be the cause of the millions that will be unemployed, even after so-called recovery.

THE 30-HOUR-WEEK BILL AFFORDS A PRACTICAL MEANS OF CARRYING OUT THE PRESIDENT'S PROPOSAL

We have had before the Congress a bill known as the 30-hour-week bill, which could have been passed in the House of Representatives in 5 minutes if the President had approved it. I was on the floor on several occasions when the chairman of the Committee on Labor endeavored to obtain action on the 30-hour-week bill, but he was frustrated in his endeavors each time by parliamentary maneuvers of administration leaders in the House. The President is quoted recently as stating that the hours of labor should be reduced. The Black 30-hour-week bill offers a practical means to that end.

THE MACHINE WAS MADE FOR MAN—NOT MAN FOR THE MACHINE

I proposed to the Congress on numerous occasions a plan which would absolutely abolish unemployment if adopted in connection with Government control of money and credit. I refer to the control of mass-production machinery. Under the present system of government and economics the average citizen is a slave to the money power and a potential victim of the rapid inroads of the labor-saving machine.

No sensible individual would abolish modern labor-saving machinery; but, on the other hand, no sensible citizen should approve of the monopoly of mass-production machinery in the hands of the financiers or big business to the utter enslavement of the worker. The machine should serve man and not enslave him by throwing him out of employment and causing him and his family to become impoverished objects of charity, and, what is even more dangerous, making it necessary for the Government to vote billions of dollars (which they secure through the pernicious practice of issuing tax-exempt bonds) to provide for him a pauper wage of from $19 to $95 per month!

I repeat: The machine should be the servant of man and not his master. My limited time prevents going into detail on this subject, but as an example of the menace of the uncontrolled machine, consider the fact that statistics show that 13,000 individuals are employed today in the manufacture of business machines which, in the offices of our country, have displaced 1,000,000 white-collar workers whom the taxpayers are today subsisting. The cotton-picking machine, with which 2 men can do the work of 100 cotton pickers, is another striking example of human-labor displacement by the mass-production machine. Tugwell is quoted as proposing that the Government acquire control of this recently patented machine. It would be the height of folly for the Government to obtain the control of mass-production machinery and at the same time to permit the control of money to rest in the hands of the private banker.

THE ADMINISTRATION RECOGNIZES MY PROPOSAL FOR THE CONTROL OF MASS-PRODUCTION MACHINERY

According to the records, I was the first Member of Congress to speak on the displacement of human labor by the machine, and I advocated and introduced legislation to provide for a small appropriation to study this question with a view to determining the best means of procedure to restore employment to those thus unemployed.

I also submitted this question to the W. P. A. and am pleased to report to my constituents that $12,000,000 was set aside by Mr. Hopkins, the W. P. A. Administrator, for a national survey of the displacement of human labor by mass-production machinery. This survey is now being conducted, and I feel confident that the results will be such as to confirm my views that much of our unemployment is due to the labor displacement of the machine and that a means of correction can be found whereby the machine can be made the servant, instead of the master, of our workers.

THE MACHINE HAS BECOME A FRANKENSTEIN THREATENING THE WELFARE OF OUR WORKERS

Not only has the mass-production machine created havoc among the American workers directly, but the greedy manufacturers of these machines have exported them to other nations, and as a result these foreign nations no longer buy the materials from us which they were compelled to purchase heretofore. We have given the foreigner our mass-production machinery, and, with low-paid labor and low standards of living, he is able to use it to manufacture materials for his own consumption and, in addition, a surplus, which he imports to our country and sells in cutthroat competition with our own domestic materials, thus reducing the market for American-made goods and adding to our unemployment in a dual manner.

I propose that the mass-production machine be made the servant of the entire people of our country through a system of taxation of the products of the machine or a limitation of the hours which such machine may be manipulated by one man, thus shortening the workday of the worker and providing more jobs. Moreover, I believe that wherever the foreigner is in a position to use our mass-production machinery to undersell the American producer in our own markets, our American producer should be protected by an adequate tariff to guarantee at least a job at a living wage to the American worker, plus a reasonable profit to the manufacturer and thus prevent the flooding of our markets with foreign goods produced by low-paid labor—in many instances child labor—whose standard of living does not approach our own.

I AM OPPOSED TO CHILD LABOR

I favor legislation which will prevent child labor in our country, but I am not in favor of turning the control of the child over to any Federal bureaucrats, except under strict and definite limitations as to employment.

MY VOTE HAS BEEN CONSISTENTLY IN LABOR'S INTERESTS

I supported the Labor Relations Act and have consistently voted in the interest of labor. I believe in the fullest measure of cooperation between labor and capital, as both are necessary in our present capitalistic set-up.

RAILROAD RETIREMENT ACT

It was a pleasure to me to support the Railroad Retirement Act, which I believe to be constitutional, inasmuch as it pertains to individuals employed in interstate business. An amended bill on this subject is now pending in the courts to determine its constitutionality.

A SQUARE DEAL TO CAPITAL AND LABOR

I am not in favor of destroying wealth but advocate the creation of wealth within limitations. Inasmuch as capital would not exist and could not be maintained except through labor, I feel that labor is entitled to a saving wage and the fullest measure of protection against arbitrary action on the part of the employer. At the same time I feel that the employer is entitled to protection, within the law, from acts of lawlessness and intimidation on the part of any groups.

WE SHOULD HAVE A SENSIBLE REDISTRIBUTION OF WEALTH

I am in favor of reducing or entirely eliminating the consumption taxes which fall most heavily upon the poor man, and I would substitute therefor a graduated and progressive increase within the income-tax brackets, beginning with incomes of $5,000 or more. It seems stupid, indeed, to permit incomes of $1,000,000 or more per annum to one individual while millions of our citizens are unemployed through no

fault of their own—in fact, the most of them are unemployed because of the monopoly in banking, credit, and in mass-production machinery which individuals in the larger income brackets control.

CONGRESS IS RESPONSIBLE FOR NATIONAL PEACE AND SHOULD ACCEPT ITS RESPONSIBILITY

It was a pleasure indeed to me to support neutrality legislation, but I believe that the legislation enacted could and should have been strengthened. I believe in neutrality laws which will be fair to all nations and which will be predicated upon direct, specific instructions of the Congress, and I do not approve of vesting the authority for administering neutrality legislation in the hands of any individual. Congress, which under the Constitution is authorized to declare war and make peace, should likewise retain to itself the right to legislate specifically on the issue of neutrality.

WAR PROFITS ARE DISTRESS PROFITS AND SHOULD BE OUTLAWED

I supported legislation in the interest of eliminating the profits of war, and I am in accord with the recommendations of the Munitions Committee that those engaged in the munition or other industries which derive their principal profits from war should be taxed to the utmost. If the soldier can be forced to give his life in time of war at $30 per month compensation, I feel that the warmongers should at least make material sacrifices during such emergencies.

THE PEOPLE HAVE A RIGHT TO DECIDE WHETHER THEY WILL ENGAGE IN COMBAT ON FOREIGN SOIL

I supported the constitutional amendment proposing a referendum before our Nation would engage in war on foreign soil, and I am heartily in accord with any proposal which will give the American people the right to determine for themselves whether they desire to engage in conflict outside of the confines of our own country. Certainly no one can legitimately object to the American people arising en masse to protect themselves from threatened invasion.

WE MUST HAVE OUR DOMESTIC HOUSE IN ORDER

I favor a policy of peace. I am, however, more concerned at the present time in economic and social peace in America, the fullest measure of security to the aged, and every encouragement and assistance to youth than I am in the threatening aspects of foreign horizons, for I believe that economic and social harmony at home is a prerequisite to amicable international relations and a safeguard against entangling alliances, which are costly, indeed, if one may judge from the tax burdens we now carry due to the World War.

As I have said, I am in favor of world peace, and in the furtherance of this objective I advocate the fullest measure of disarmament and Government ownership or control of munition plants through the taxing process.

THE SECURITY-CONTROL BILL SHOULD BE AMENDED TO PROTECT THE PUBLIC ALSO FROM THOSE WHO GAMBLE IN THE NECESSITIES OF LIFE

I voted for the President's security-control bill, which is an honest endeavor to protect the American investor from wildcat promotors and stock manipulators. This act, however, should be amended to provide a tax adequate to protect the American public from those who gamble in the necessities of life and thus increase the cost of living to the consumer. As it is today, the stock-market manipulator and the middleman make a much greater profit on agricultural supplies than does the original producer.

POSTAL SAVINGS BANKS

In each session I have introduced and advocated legislation to expand the facilities of the United States postal savings in the interest of the people, to free them from the dictation of the international bankers. H. R. 3030, which I introduced in the last session, and on which I was granted a hearing by the committee, failed of enactment because there are too many servants of the bankers in the halls of Congress.

PRODUCTION FOR USE

My opponents who criticize me for not following the President and who are advocating production for use must know that, thus far, the President has opposed this proposal. Even the W. P. A. would not grant funds which were requested by California for this experimental purpose. I cannot understand the logic of my opponents who publicly announce they will "follow the President" 100 percent and who, at the same time, advocate production for use, which the President opposes. Would they, if elected, "follow the President" and continue the wasteful spending under the C. W. A. or the W. P. A., or would they actually insist upon production for use which they advocate now so vociferously?

I have proposed that the Congress assert its constitutional prerogative to coin money and regulate the value thereof, and to extend credit to the citizen, on the basis of proper collateral, at the lowest possible rate of interest—or at cost. If the Congress would permit a sufficient amount of money to remain in circulation, the problems of production and distribution could be more adequately controlled by the expansion or contraction of the volume of purchasing power in circulation, and the necessary revenues for government could be obtained by a progressive income tax which would have for its objective the reduction of the incomes of those in the higher brackets (beyond a certain predetermined maximum) in order to keep the Budget in balance. At the same time, progressive income-tax rates would provide funds for the employment of employable citizens at a good living wage, which should equal the prevailing wage rate in similar occupations in private industry. Until we go to the root of the problem and establish our monetary system on a sound basis of justice to the people themselves, we are merely compromising with injustice in our attempts at reform, perpetuating, through "relief" measures, a system which is in itself a denial of the inherent rights of the people whom we seek to save.

CIVIL LIBERTIES

The CONGRESSIONAL RECORD will show that I opposed legislation of a repressive character, including the so-called peacetime sedition and military disaffection bills, which are directed at free speech, a free press, and free assembly. I am opposed to the monopoly of the radio, and will oppose any monopolies which are in violation of the constitutional guaranties of free speech, a free press, and free assembly, vouchsafed to us in the Constitution. Unless the people are free to express themselves on any issue, such issues cannot be properly met, and the result will be the type of dictatorship which we see in European countries where parliaments have been abolished, where the press is subservient to the ruler, and where elections are a mockery. If I am to err, I would rather err on the side of a bit too unbridled freedom of speech than on the side of repression and restriction.

We should all feel proud of the progress our country has made from its birth, and we can maintain this advantage and make further progress as we honestly and sincerely discuss our problems and work for their solution through the exercise of the ballot rather than through any form of lawlessness or violence.

EQUAL RIGHTS TO ALL

I favor the enactment of the Ludlow amendment to the Constitution providing equal rights to all citizens, regardless of sex. To this amendment I would like to add specific provision for equality to all citizens, regardless of color or creed.

THE PEOPLE ALONE HAVE THE RIGHT TO AMEND THE CONSTITUTION

In taking the oath of office I swore to uphold the Constitution of the United States, and I am inclined to believe that if the Congress lived up to that provision of the Constitution regarding the issuance of money and the determination of the value thereof, there would be no reason for constitutional meddling. I am, however, not averse to amendment of the Constitution, as the Constitution is not greater than the people; but I do say without equivocation that the Constitution is greater than the President or the Congress. If the President or the Congress objects to the limitations of the Constitution and the decisions of the Supreme Court based thereon, it seems only honorable that they should propose liberalizing amendments to the Constitution and let the people decide the issue. I am not in favor of chiseling or whittling at our Constitution through the means of legislation of dubious constitutionality—or admitted unconstitutionality. We should have every faith and

confidence in the people, and if, in the opinion of Congress, there are constitutional limitations which prevent national recovery, the question of constitutional amendment to remove the alleged obstruction to progress should be submitted to the people in order that we may have what Lincoln stressed in his Gettysburg address—"government of the people, by the people, and for the people"—instead of a government by a subservient Congress which sells its birthright for a mess of patronage.

EVERY AMERICAN CITIZEN HAS A RIGHT TO A JOB AND TO SECURITY IN HIS OLD AGE

The principles which I have enunciated here, in my opinion, would bring our country from the present slough of depression in which it has become engulfed and would end our unemployment problem. In a country as vast as ours and as rich in natural resources there is no reason why any worthy citizen who desires employment should not have the opportunity to earn an honest living. He should be protected in this right during his working days, and when he is no longer able to work the wealth which he has created in the years of his productivity should be the basis of guaranteeing to him ample security in his old age, free from the specter of want, and the old-age pension granted to him should carry with it no implication that the annuitant is a pauper.

These proposals of mine are not impractical dreams. They are easy of attainment, provided the citizens of our country will elect independent individuals to Congress who pledge themselves to vote in the interest of the people rather than in the furtherance of any selfish interest. The issue is up to the people themselves; and I have every confidence in their ability to discern their own interest and to act accordingly. We must move forward to a better day when taxes will be reduced to a minimum and there will be jobs and security for all!

MY DECLARATION OF ALLEGIANCE

Critical as my remarks may seem of many aspects of our Democratic administration, they are prompted by my loyalty to our Jeffersonian party principles and my earnest hope that our party will prove itself, in actual demonstration, the real friend of the countless millions who look hopefully to it for relief from their distress. Democracy, as I understand it—and as I try to live it—means the people's voice in their own government through their duly elected representatives, and I believe that the chosen representatives of the people have a distinct obligation to them to reflect their views and to work for their welfare through legislation. These principles I have faithfully followed in the past and shall continue to follow as long as I am in public office.

I appeal to the voters of my district to judge me on my record of performance as their Congressman and compare my record with the vague promises of my rubber-stamp opponents.

STATEMENT OF PRINCIPLES

I pledge myself to support the President 100 percent on the provisions of our Democratic platform. Proposals which he submits which are not incorporated in our platform will receive my honest, sincere analysis, and if I consider them constitutional, for the best interests of the people, and predicated upon a square deal to labor and capital, I will gladly support them.

I fought with the liberals and progressives in Congress for substantial recovery legislation and have been persecuted because of my activities in behalf of the common people. If reelected I will continue my efforts to bring about, as expeditiously as possible, the fullest measure of relief to our people, and I will support such legislation as will insure jobs at good wages to our citizens and a square deal to all.

NATIONAL SAFETY AND ACCIDENT PREVENTION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 11108 and to include therein a short letter from Mr. Sullivan, of Boston, regarding national safety. The letter is very short.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted that the bill bearing my name, H. R. 11108, calling for an appropriation of $50,000 to advance a program of national safety and accident prevention passed the House of Representatives today.

For many, many months I have been deeply interested in the accident situation in this country, particularly from the standpoint of highway safety. In this Congress I introduced another measure authorizing the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation. I hope that this bill will pass also.

The general public in the United States is becoming more and more accident conscious. Accidents, their causes, and possible remedies, have become a topic of general and serious conversation on every hand. The newspapers, radio systems, motion-picture groups, local and national organizations, all have come to show great interest in the movement.

The bill which passed today provides an appropriation of $50,000 to meet current expenses, mostly of a clerical nature, of the Accident Prevention Conference, a group of patriotic citizens who are volunteering their time in behalf of accident prevention. This group was formed as a result of the conference called together by the President to consider ways and means of making life safer on land and sea and in the air. The conference was headed by the Honorable Daniel C. Roper, the Secretary of Commerce.

It was not the sense of the conference to attempt to set up another large Government department to combat the accident problem. Committees of patriotic men and women were formed as a clearing house for accident-prevention ideas. Their time was given without remuneration, and committees were formed to study each phase of accident. These committees and subcommittees are even now carrying on the work, but they have been handicapped because of lack of funds for clerical help, printing, and so forth.

The conference agreed that it should not seek to displace any of the activities of existing safety bodies but rather augment and encourage their activities. Among the national groups which have pledged their help are included the Automobile Manufacturers' Association, the American Automobile Association, the United States Junior Chamber of Commerce, the American Red Cross, the National Association of Credit Men, the American Legion, the National Highway Users' Conference, the National Safety Council, the National Education Association, the Boy Scouts of America, the Girl Scouts, Inc., the National Association of Mutual Insurance Companies, and other organizations of national prominence.

The committees are seeking to meet immediate problems with educational material. Accident-prevention methods which have been used successfully are being emphasized, rather than to resort to prolonged research and thus delay much-needed results.

Safety studies are being introduced in the schools of the country on a broad scale, and the importance of safety as a part of the curriculum of all schools is being emphasized. In some parts of the country wonderful progress has been made in schools teaching safety. The young mind has proved to be more receptive to safety teaching than the the adult, and I hope that the efforts of the conference to have safety education, dealing with all types of accidents on land and sea and in the air, included in all schools will meet with success.

The high point in the conference program which appeals to me is that of attempting to obtain uniform vehicle regulations throughout the United States. During the past year or more I have spoken many times, both on the floor of the House and over the radio, of the serious importance of such uniformity. While the official figures of traffic fatalities for the year 1935 are not yet available, it is estimated that

36,400 persons lost their lives last year as a direct result of traffic accidents. That terrible loss of life must be reduced. The work of the conference special committee on uniform traffic regulations will help to do so. It is headed by my able colleague, the Honorable EMMET O'NEAL, of Kentucky. He is intensely interested in the subject, and his choice as chairman of the committee is most fortunate.

To show the widespread interest in the movement, I am inserting just one of the many letters which I have received from all over the country. It is written by the supervisor of health education in the Boston public schools:

BOSTON PUBLIC SCHOOLS,
CHAIRMAN OF SCHOOL COMMITTEE,
Boston, May 18, 1936.

The Honorable EDITH NOURSE ROGERS,
The House of Representatives, Washington, D. C.

MY DEAR MRS. ROGERS: I am greatly interested in your sponsorship of the $50,000 antiaccident project to be conducted by the Secretary of Commerce.

You are to be complimented in assuming the leadership in promoting the modern safety movement. As a firm advocate of such a meritorious national movement I am writing you to volunteer my services, which are based on 10 years of safety supervisory experience in the Boston public schools, the first large school system to incorporate safety into its regular school program.

We have seen the Boston program grow in importance and effectiveness through the years. Attention is drawn to the fact that fatal motor-vehicle accidents among Boston children decreased from 59 in 1924 to 22 in 1935. For the past 4 years Boston has continued to have the best record among cities of its size in number of motor-vehicle fatalities for school children.

As a leader of safety education in Massachusetts, I would feel it a real honor to serve on a committee designed to coordinate the safety movement on a national scale. For your information I am enclosing my recent leaflet on safety education.

Very truly yours,

JOHN P. SULLIVAN,
Supervisor of Health Education.

THE MACE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article written about the mace. I may say I had this inserted in the RECORD about 8 years ago and had copies printed and given to the Sergeant at Arms to send out in answer to the many requests he received. The supply has been exhausted and I am asking to have the article reprinted.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article which was written about the mace of the House a number of years ago by Mr. Will P. Kennedy:

The mace has been the symbol of authority in the House for nearly a century and a half (since 1789). The mace now in use, a beautiful silver-and-ebony weapon, which has an official position at the right of the Speaker's desk whenever the House is in session, has been in office 95 years—having first been installed in 1841. It is the duty of the Sergeant at Arms to preserve order on the floor, and the mace is his official symbol of authority and weapon of enforcement.

When the House is called to order each day an Assistant Sergeant at Arms places the mace on a cylindrical pedestal of polished green marble at the right of the Speaker's desk. When the House adjourns he removes it to the office of the Sergeant at Arms for safekeeping until the House meets again.

Never once in the history of the Republic has the mace failed. Usually when a Member becomes unruly contentious, he can be calmed simply by the Sergeant at Arms touching him on the shoulder or standing beside his chair—without the mace. In the memory of veterans at the Capitol, dating back 50 to 60 years, the mace has been called out not more than a dozen times.

REPRESENTS AUTHORITY

The mace is of very ancient and honorable origin. In the old Roman Republic the magistrates, proceeding on foot from one place to another, set up their little court where they administered justice, tried public offenders, and imposed penalties and punishments. Each of these magistrates was attended by a small body of men, known as lictors, whose duty it was to make way for the officers of the law, preserve order, make arrests, and inflict punishment on condemned citizens. Each of these lictors carried with him a bunch of rods fastened together with thongs and having an ax bound to the outside. These rods were used for scourging, and the ax for beheading.

The mace in the House of Representatives is made in facsimile of the bundle of rods carried by the lictors. These bundles of rods were known as fasces and came to be recognized as symbols of authority which every citizen had to respect. As the magistrates proceeded along the thoroughfares, the lictors, bearing the fasces, preceded them while the citizens made way. When there was any disorder the fasces were brought forward, and quiet and peace were restored. So it is today in the House where the mace as a symbol of authority demands and is accorded instant recognition by the most belligerent Members.

The Romans when they conquered Britain brought with them the fasces as an emblem of authority, which, like many other Roman customs, remained with the British people and subsequently introduced into American institutions. While no longer used for inflicting punishment, the fasces continued as a symbol of the early English magistrates.

The great councils of the early Saxons developed into one general body, which in the fourteenth century became known as the House of Commons, and the fasces, which preserved order in the earlier councils, then became known as the mace, which has since remained as the emblem of legislative authority.

Some 300 years ago Oliver Cromwell perpetrated the most flagrant and audacious affront to legislative authority when in the House of Commons he pointed to the golden mace, shouting: "Take away that bauble." Cromwell has gone, but that beautiful solid silver-gilt mace still preserves authority in the House of Commons, although there was another brazen challenge on July 18, 1930, when one John Beckett, a frenzied Labor member, during bitter debate over India, seized the mace from the Speaker's table, hoisted it over his shoulder and started to march out of the chamber, yelling, "It's a damned disgrace."

This mace of the House of Commons is 4 feet 10½ inches long. The shaft is carved with roses, thistles, fleurs-de-lis, laurel, and harps. A royal crown, the globe, a cross, the royal arms, and, of course, the lion and unicorn are all included in the design of the head. The shaft was made by Thomas Maundy in 1649. The original head was replaced 11 years later with the regal symbols of the Restoration.

PRESENT MACE MADE IN 1842

As the House of Representatives of the United States was modeled closely after the House of Commons by the framers of our Constitution, the use of the mace was borrowed from this English custom, which harked back to the ancient Roman Republic.

The first mace adopted by the House was destroyed by fire when the British burned the Capitol in 1814. From that date until 1842 a mace of painted wood did service, but in 1842 the present mace was made in reproduction of the original mace. It is a little over 3 feet in height and consists of a bundle of ebony rods, representing the States of the Union, bound together with a band of silver in imitation of the thongs which bound the fasces. From the center of this bundle of rods protrudes a silver stem on which is a silver globe nearly 5 inches in diameter. This globe is surmounted by an eagle of solid silver with outspread wings.

Whenever, as seldom happens, the House or an individual Member becomes turbulent and seems beyond the Speaker's control, the Sergeant at Arms lifts the mace from its pedestal and walks up and down the aisles of the hall. Order is promptly restored and absolute silence prevails, so great is the respect for the mace as a symbol of legislative authority. Thus the Members of the House, who are themselves lawmakers, very properly set an example for the whole country of respect for law and authority.

In 1880 the Speaker undertook to quell an incipient fight between two Representatives, William A. J. Sparks, of Illinois, and J. B. Weaver, of Iowa, when they used such menacing words and threatening actions toward each other that many Members arose to separate them. Whereupon the Sergeant at Arms moved about the House with his mace of office and order was restored. Never in its existence has the House of Representatives allowed abusive and nipping words or belligerent actions to go unrebuked.

Another blustery scene was on February 17, 1885, when John D. White, of Kentucky, while speaking from the floor of the House, was called to order by the Speaker and told to sit down. Mr. White disregarded the order and kept on talking. The Speaker then directed the Sergeant to see that the order was obeyed. The officer first approached Mr. White without the mace. He took hold of the indignant Member's arm, but he still refused to take his seat. The Sergeant then brought out the mace. Mr. White immediately took his seat. Mr. White claimed that he had been arrested without due cause, but the Speaker said he had disregarded the Chair and brought this extreme penalty upon himself.

Section 2 of rule IV provides that the mace is the symbol of the office of Sergeant at Arms, and is borne by that officer while enforcing order on the floor. This rule dates from 1789. It was originally proposed, following the parliamentary usage, that the mace should be placed on the Clerk's table during the sitting of the House and under it when the House should be in committee, but the House recommitted the proposition, and it was not carried. The mace, during the sessions of the House, is kept in an upright position on a marble pedestal at the right of the Speaker's chair. It is not taken down during a recess, but it is taken down, however, when the House resolves into Committee of the Whole, and is replaced in position when the Speaker resumes the chair.

Among historic solid-silver maces of the eighteenth century are some fragments of the mace of 1753 of the Virginia House of Burgesses, which are now preserved at Norfolk as relics, and the mace of the House of Representatives of South Carolina which was

made in London in 1756 for 90 guineas. This solid-silver gold-burnished antique is said to be the only mace now in use in the United States which antedates the Revolution. On it are engraved the royal arms of Great Britain, the arms of the House of Hanover, and other ancient insignia, along with the arms of the Province of South Carolina.

The South Carolina mace was stolen during the Revolution by British sympathizers and offered for sale to the House of Assembly of the Bahama Islands. The proposed transaction is shrouded in mystery, and legends have grown up about both the Nassau and the South Carolina maces. Some people still believe that the Nassau mace is really the old South Carolina mace, but this is not true, for it has been ascertained that the former was made in 1799—43 years after the Carolina mace was made—and the latter was found and brought back to the South Carolina Legislature. Historians now claim that this mace has not been outside the United States since it was brought to this country from London.

The South Carolina mace has also inherited some of the "Cromwell bauble" legends, and for a long time some people have claimed that it was the original "Cromwell bauble", but the present golden mace of the House of Commons, so recently desecrated by Mr. Beckett, is really the mace to which Cromwell referred.

ORIGINALLY WEAPON OF OFFENSE

The mace was originally a weapon of offense made of iron or steel capable of breaking through very strong armor. The mace was carried in battle by medieval bishops (Odo of Bayeaux is represented on the Bayeaux tapestry as wielding one) instead of the sword, so as to conform to the canonical rule which forbade priests to shed blood.

As a weapon of war the mace was used in Europe, chiefly among the cavalry, as late as the sixteenth century, and is still used among savage tribes. It consists merely as a staff about 5 feet long, with a knob at the end made of iron or some other heavy substance. The knob was sometimes covered with spikes.

The earliest ceremonial maces, as they afterward became, though at first intended to protect the king's person, were those borne by the sergeants at arms, a royal bodyguard established in France by Philip II and in England probably by Richard I. By the fourteenth century a tendency toward a more decorative sergeant's mace, encased with precious metals, is noticeable. The history of the civic mace (carried by the sergeants at mace) begins about the middle of the thirteenth century, though no examples of that period are in existence today.

There are two maces in the House of Lords, the earliest dating from the reign of William III. There are eight large and massive silver-gilt maces of the sergeant at arms kept in the jewel house at the tower of London.

The remarkable mace or scepter of the lord mayor of London is of crystal and gold set with pearls. The head dates from the fifteenth century, while the mounts of the shaft are early medieval. A mace of an unusual form is that of the Tower ward of London which has a head resembling the White Tower in the Tower of London and which was made in the reign of Charles II. The beautiful mace of the Cork Gilds, made by Robert Goble, of Cork, in 1696 for the associated gilds, of which he had been master, is in the Victoria and Albert Museum, where there is also a large silver mace of the middle of the eighteenth century, with the arms of Pope Benedict XIV, which is said to have been used at the coronation of Napoleon as King of Italy at Milan in 1805.

GREAT HOUSING CAMPAIGN WOULD PUT CRIMP IN DEPRESSION—WAGNER-ELLENBOGEN BILL IS O. K.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

DEPRESSION PARTLY TRACED TO LAG IN BUILDING

Mr. MAVERICK. Mr. Speaker, one of the most important bills in Congress is the Wagner-Ellenbogen housing bill, and in its general form I favor it. We should do everything that might assist in reviving the building trades and industry, which is 85 percent off. This applies to slum clearance, small houses in cities, farm homes—in fact, building of all kinds. Much of the lag of business and employment today can be traced directly to the lack of building, as it concerns every other trade or occupation.

Hence, I have been interested in housing ever since I have been in Congress and have favored the H. O. L. C. and the F. H. A. and similar measures, but they are by no means enough. There is no use in talking about how many millions are living in houses below a decent standard—the probabilities are that one-third of the dwellings in America are of such class.

CONGRESS SHOULD ADOPT HOUSING BILL

On January 15, 1936, I introduced House Resolution 395, which provides for a thorough investigation of the question of housing and conservation in the United States. This resolution would authorize this investigation to be done by Congressmen themselves, and would include the power of Congressmen going to Europe to make a studious investigation of the problem. Many of us fear criticism for taking "junketing trips."

As far as I am concerned, I make no bones about the fact I would like to be on the Housing Committee and go to England and see their really successful campaign, and also to the Scandinavian countries. This might be a "trip to Europe", but if valuable information is obtained it would be of incalculable worth to the American people.

I consider it perfectly disgraceful that of the civilized countries the United States appears to lag behind all the rest of them in building. England has done much to break her depression with a building campaign and we should do the same. I believe that a revival of the building trades would increase employment by two or three million men.

REVIVE BUSINESS—PUT PEOPLE TO WORK

Mr. Speaker, we should pass the Wagner-Ellenbogen housing bill this session of Congress, as well as other housing bills. This will provide the necessary decent standard of housing, revive business, and put people to work.

LYNCHING, THE BLACKEST CRIME IN AMERICA TODAY

Mr. MITCHELL of Illinois. Mr. Speaker, I ask unanimous consent to place in the RECORD a speech I made in Ohio a few days ago on the subject of lynching and to include therein a telegram I sent to the Governor of Georgia.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MITCHELL of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech made by me in Ohio a few days ago on the subject of lynching and also a telegram sent by me to the Governor of Georgia:

[Telegram]

MAY 5, 1936.

GOV. EUGENE TALMADGE,
Executive Mansion, Atlanta, Ga.

DEAR GOVERNOR: Because of the prevalence of the mob spirit in the State of Georgia at least three Negroes in your State have been the victims of these mobs and have had their lives snuffed out during the past 60 days. So far as I have been able to learn you have uttered no word of condemnation of these mobs. Do you not think that these colored people are entitled to the protection of the law and that as Governor of the State you should at least condemn the atrocities of the bloody mobs that are spreading so much fear and havoc in the minds and souls of law-abiding colored people? Law-abiding citizens throughout our country are wondering what part the Georgia Woman's World has played in fanning the flames of race hatred into such a conflagration. Do you condone that?

ARTHUR W. MITCHELL,
Congressman, First Illinois District.

My friends, I was delighted when I received the invitation from the Grover Cleveland Democratic Club, through Mr. Benjamin Fisher, to deliver an address in Toledo on the subject of lynching. Although this is without doubt the blackest crime in American history today, it is the one crime for which the perpetrators have gone practically unpunished. Authentic records show that during the past 45 years more than 5,000 human lives have been snuffed out by bloodthirsty mobs in this country. I have no statistics before me which will show the number of lynchers who have been taken before the bar of justice and punished, but I venture to say that not one out of a thousand has been called upon to answer to the law of the country for this atrocious crime.

While more than 5,000 victims of the mob have cried out for justice, it is reasonable to surmise that at least 200,000 (murderers) lynchers have been permitted to go unpunished because there has not been sufficient sentiment in the States to bring lynchers into court. Thousands of them are free members of society today.

Negroes have been the greatest sufferers from the commission of this crime; I think fully nine-tenths of the victims of the mobs have been colored men and women. Because of the failure of the States to punish lynchers, well-meaning colored men and women, together with a large group of white citizens, began an agitation a quarter of a century ago for the passage of a Federal anti-lynching law.

Fourteen years ago Congressman Dyer, the Representative of the Eleventh District of the State of Missouri, introduced an anti-lynching bill, which was sponsored by many of the leading citizens of the country, and was passed by the House of Representatives, but defeated in the United States Senate. Since 1930 about

two score antilynching bills have been introduced either in the House or in the Senate. There is today before the Judiciary Committee of the House, 30 antilynching bills. One of these bills is known as the Mitchell antilynching bill (H. R. 4457) introduced by me within 3 weeks after I took oath of office. While there is considerable sentiment among the Members of the House in favor of passing an antilynching bill, there is very stiff opposition from certain sources, men who say they are not in favor of lynching and would like very much to see the crime blotted out. They object to the passage of the law on two grounds: One, its alleged unconstitutionality, and two, its infringement upon the rights of States. For my part I am unqualifiedly in favor of the passage of a Federal antilynching bill. I have discussed the matter with the President of the United States, and while I am not authorized to speak for him, he expressed strong approval of the passage of an antilynching bill. You will recall that in 1933, immediately after the horrible lynching in California, when Governor Rolph of that State gave his endorsement to lynching, the President of the United States spoke out against this crime, and characterized it as collective murder.

I should like to say here what I have said on many occasions: I am not one of those who believes that the crime can wholly be solved by the passage of an antilynching bill, and I do not wish to be misunderstood in this matter. I have introduced a Federal antilynching bill, and I shall work for its passage, and shall do all in my power to secure sufficient votes to pass the bill in the House, and shall use whatever influence I have with Members of the United States Senate to pass the bill in the Senate; but I am not unconscious of the fact that there is work to be done aside from the passage of the bill. I believe, as I have expressed many times before, that the real solution of this crime will be found in education, Christian training, and the promotion of civic righteousness throughout the various States and communities.

I should like to remind you that the supporters of temperance in this country thought that the enactment of the eighteenth amendment into our basic law would solve the aggravating question of intemperance; you know how miserably this failed. The mistake, as I see it in that connection, was this, the temperance workers of the country worked night and day to pass the eighteenth amendment, believing that once it passed temperance would be a reality. The result is that immediately after the passage of the eighteenth amendment temperance societies ceased to operate and intemperance in the face of, and in violation of, the eighteenth amendment swept the country and invaded homes by the thousands that before the passage of the eighteenth amendment were regarded as being citadels of temperance.

It is my hope that after we pass the antilynching bill, as I believe we shall surely do, that the inter-racial commission, the churches, the schools, and the societies and organizations, which have played such a large part in making sentiment against lynching, should not cease in their activities. There must be sentiment back of the law in order to get the results for which we are hoping and praying.

I have received many inquiries from people recently who ask me this question: "Why do certain officials of the National Association for the Advancement of Colored People try to impress the country that you are not strong for the passage of this legislation?" I think there is no better place to answer this inquiry that has come to me from many sources than here in Toledo. To begin with, I wish to say that my record in Congress and out of Congress, covering a period of 30 years, much of which time was spent in the South, shows that I have always spoken out in strong terms against the mob and against lynching. To be honest, I think the difference between these men, who have sought to impress the country otherwise, and myself, is due to the fact that when I came to Congress I introduced my own antilynching bill, which I regarded, and still regard, as being the best bill before the Judiciary Committee in the House. Other than this, I know no reason why these wild and false rumors should be spread by anyone.

Since I have been in Congress, I have made many speeches in the South, and I have made speeches on the floor of the House, and on every occasion I have spoken in strong terms in denunciation of lynching and the mob. No one has been more outspoken on the floor of the House or elsewhere against this crime, but there has been a difference between myself and others as to the best method to proceed in order to pass an antilynching bill. There is nothing strange or unnatural about this. In this connection I should like to read you a letter which Mr. Walter White wrote me March 14, and my answer to this letter:

"MY DEAR CONGRESSMAN MITCHELL: I am glad to have had that long talk with you in your office yesterday, even though we obviously do not agree on certain matters.

"After leaving you I talked with a good many people in position to know the attitude of Senator JAMES F. BYRNES, of South Carolina. I sought this information in the light of your statement to me that the N. A. A. C. P., and other supporters of Federal antilynching legislation, should not proceed with securing of the signatures to the petition to the leaders of the Democratic caucus asking for a special rule to bring the 15 identical Democratic bills in the House of Representatives directly to the floor of the House of Representatives for a vote, but instead, should try to bring pressure from white women in South Carolina upon Senator BYRNES to persuade him to change his attitude on the Van Nuys resolution.

"The persons with whom I have talked who are close to Senator BYRNES are unanimous in feeling that while pressure upon Senator BYRNES, who not only is opposed to the Van Nuys resolution, but refuses even to call a meeting of the Audit and Control Committee to consider it, may be helpful, it is not likely to be sufficiently helpful to get him to change his attitude at any time soon. These individuals also feel that the time it would take to bring such pressure on Mr. BYRNES would be precious time lost, in view of the announced intention of the leaders of Congress to adjourn by May 1. This would mean, they fear, that if any action is taken on the Van Nuys resolution at all, it would be so late in the session that Senators would be dispersing to their homes and would, therefore, not give very serious consideration to the Van Nuys resolution.

"In the meantime, with the approach of warm weather, and with the general belief in certain sections of the country and among certain types of people that Federal antilynching legislation is dead, we shall have a resumption of lynching which may exceed even last year's terrible record of 25 authenticated lynchings and 102 cases of narrowly averted lynchings, which, according to The Mob Still Rides, just published by the Commission on Interracial Cooperation in Atlanta, are fundamentally as serious as consummated lynchings, since they show the presence of the potential lynching spirit.

"Will you permit me to add, in all frankness, that I am most disappointed that the one Negro Member of Congress was the sole Representative who declined or deferred signing the petition to the leader of the Democratic caucus? Several others with whom I talked told me that they would have been very much disappointed had I not asked them to sign the petition because of their deep interest in stopping lynchings.

"I would appreciate your advising me if after thinking over our conversation yesterday you are still of the opinion that you do not care to sign the petition. So desperate is the situation and so implacable is the hostility to any action against lynching among certain Senators and Congressmen, there is strong feeling that no step should be left not taken to secure definite action by the present Congress on the subject of lynching. Certain southern Congressmen and Senators and their undercover and vicious efforts against both the Costigan-Wagner bill and the Van Nuys resolution in the Senate and against the antilynching bills in the House are trying to give the run-around to Negro and white Americans that the Negro vote helped to put the President and the administration in power and will be a potent factor in the 1936 election. Nor do they seem to appreciate that they as Members of Congress will have their present power and prestige only so long as the Democratic administration is in power.

"Forthright and uncompromising action is absolutely essential, and therefore I hope you will see fit not only to join with other Members of the House of Representatives in signing the petition but in working vigorously and uncompromisingly in the caucus and on the floor of the House for passage by this Congress of an unemasculated antilynching bill.

"Very sincerely,

"WALTER WHITE, *Secretary*."

MARCH 16, 1936.

MY DEAR MR. WHITE: I have received your letter of March 14, and have read the same with a great deal of interest. To begin with, I wish to repeat what I said to you in our conversation, namely, that I take second place to no person in the United States in expressing my uncompromising opposition to lynching and shall forever do so in the most effective manner possible. I think, in our opposition to this terrible crime, we are one and the same. It might be that we differ as to the best approach in bringing about the passage of a Federal antilynching bill, but if I understand you correctly, there can be no difference in our desire to accomplish this. I was a little surprised, however, when reading the petition you presented the other day, to find that you failed to include my own antilynching bill, introduced a year ago, and which I think is by far the best bill now pending before the House. I think, if you mean to be fair, you must agree that from our conversation you gathered the fact that I have done considerable in the House in an effort to make sentiment favorable to the passage of an antilynching bill. I remember how greatly surprised you were when I explained to you that I had talked with many of the southern Members and named some of them, including Mr. MAVERICK, of Texas, who have already pledged me their support of an antilynching bill whenever it can be brought before the House.

If I am to believe your statement that the only thing that keeps the Van Nuys resolution from being passed in the Senate is the opposition of Senator BYRNES, I can't help but conclude that the quickest way to get effective Federal action against lynching is to push that resolution, putting the proper pressure upon Senator BYRNES, not only through white women voters from the State of South Carolina, but through the President of the United States and others who have influence with him. You will recall that this was my suggestion in our conversation. I have thought over this most seriously since I talked with you and I can see no occasion to change my viewpoint on this. Nothing that you say in this letter does more than confirm this as being, in my estimation, the best approach at this time.

I am at a loss to understand why, in the fifth paragraph of your letter, you make the statement that I am the only Representative who did not sign your petition to call a caucus of the House at the time when the petition was presented to us last week. I am sure you do not mean to make a false statement, and yet it is difficult for me to reach any other conclusion in view of the fact that immediately after leaving you and going upon the floor of the House last Friday, a distinguished Congress-

man from the State of Indiana, whose name is familiar to you, called me before I took my seat and told me that on the previous day you had brought the petition to him and that he refused to sign, and that he had a long conversation with you in which he expressed the same view that I express—that it was not the proper procedure in the House at this time. This gentleman has introduced an antilynching bill in the House which is now before the Judiciary Committee of the House. Not only was I approached by him, but by others who told me that you had talked with them and had presented your petition to them and that they doubted the wisdom of such procedure, and because of that doubt they refused to sign at that time. What can be the purpose of such a statement as you make in this letter?

I wish to suggest that at your earliest convenience you make another trip to Washington. I shall be glad to call a conference of the leaders of the House for the purpose of having you present the petition to them and to me. In this conference I should like to have the Speaker; Hon. JOHN O'CONNOR; Hon. EDWARD T. TAYLOR of Colorado; Hon. PATRICK BOLAND, Democratic Whip of the House; yourself; and any other Congressmen you wish to suggest. I feel that the passage of a Federal anti-lynching bill is of such extreme importance that it should not be toyed with or handled in such way as to make its ultimate passage impossible. This is what seems to have happened in the Senate a year ago.

I am in position to say that with the work that I have done in the House in the way of making sentiment favorable to such a bill, it is entirely too valuable and means too much to my race for me to permit myself to be used in any way that to my mind would jeopardize the ultimate passage of this legislation. I came to Congress pledged not only to introduce an antilynching bill but to work unceasingly and uncompromisingly for its passage until such a time as this bill passes the House. This I propose to do, but I do not promise to adopt the tactics of some other person who has made a miserable failure covering a period of practically 15 years. This within itself should put us on guard that to pass the legislation we are so deeply interested in and which is so necessary to the safety and welfare of the Negro in the South that we must approach the subject with great care, thought, and deliberation. This is why I propose the conference mentioned. Please let me know what your reaction is toward this conference, and name the date that you plan to be in Washington, so that you and I might discuss it more fully before making the call for such conference.

Hoping that you are well and looking to hear from you by return mail and assuring you not only of my deep interest but of my heartiest cooperation in pushing this legislation through the House at the earliest possible moment, I am,

Very cordially and sincerely yours,

(Signed) ARTHUR W. MITCHELL.

Please note that in my answer to Mr. White I sought to cooperate with him in what I regard as being the best method in passing this legislation. I should like to call attention to the fact that not a single one of the suggestions I made in this connection was looked upon favorably by Mr. White nor were any of these suggestions acted upon. Notwithstanding this I wish to make it plain that I am in favor of passing an antilynching bill, I care not who is the author of the bill. I think the passage of important legislation like this is not to be quibbled over, and I wish to assure you and to assure this country that whatever antilynching bill is brought on the floor of the House I shall vote for its passage. Not only shall I vote for the passage but I shall work for its passage.

There is a method by which bills of this kind can be taken from the consideration of recalcitrant committees by complying with section 4 of rule 27 of the House Manual. This rule provides that a petition to lift legislation from the consideration of a committee and to bring it immediately before the House may be filed on the Speaker's desk, and when such petition shall have been signed by 218 Members of the House the bill will then be brought before the House. This is the procedure that has been resorted to in the Frazier-Lemke bill.

You will be interested to know that the Honorable JOSEPH A. GAVAGAN, of the Twenty-first District of New York, introduced an antilynching bill January 3, 1935, which bill is known as H. R. 5, and is about to be brought before the House. On the 8th day of April of 1936 Mr. GAVAGAN placed a petition on the Speaker's desk asking that this particular bill be taken from the consideration of the House Judiciary Committee and be brought before the House for immediate action. I was in Chicago engaged in the primary campaign when this petition was placed on the Speaker's desk. I returned to Washington April 17, 9 days later, and the first thing I did was to go to the Speaker's desk and to sign this petition.

I am number 36 among the signers of the petition. This petition now has almost 100 signers. I have personally used my influence to have practically every Democrat from my State to sign this petition. I expect to continue to use whatever influence I have until the required number is secured, and may I say to you that regardless of the wild rumors that come to you as to the method of bringing legislation before the House, which committee is requested to report, this is the only method by which it can be done. No caucus or group of individuals can take legislation from the consideration of committee in any manner except as I have already explained. I think what I have said is sufficient to acquaint you with the actual work that is going on in the House today.

Now, my job has been that of making favorable sentiment to the passage of this legislation. You will understand that in the House, the full membership is 435; to pass any bill, a majority of those present is required. To pass a bill so highly controversial as is this bill, much serious work must be done in order to make favorable sentiment. I regard this work as being of far more importance than the mere introduction of a bill, and I am frank to say to you, my friends, and I say it without the slightest purpose of being egotistic, I think I have, through my conduct and manipulation among the Members of the House, made at least 100 converts for the passage of this legislation.

I should like to say here that when I was seeking to be elected to Congress, I made certain very definite promises to the people in Chicago, as to what I would do if elected to Congress. I have taken the pains to bring along the very statement that I made, which is as follows:

"The most dangerous element in our country today is that of enforced idleness, brought about largely by the cessation of work. I shall be in favor of any program which tends to furnish work for the people, even though such program incurs governmental expense, thus increasing taxation. I believe that idleness is a breeder of crime, which threatens the destruction not only of our institutions, but of the Government itself. And no monetary price to wipe out idleness and bring back prosperity, is too great.

"2. I am in favor of wiping out racial discriminations, which serve only one purpose—to breed hatred, prejudice, and injustice, thus making it impossible to prosper in the largest sense.

"3. I believe that the colored American citizens should continue to enjoy the same wholesome benefits to be derived from the higher standards of living, increased wages, and better housing conditions in the national program that are enjoyed by other racial groups.

"4. I believe that discriminations in governmental departments and in civil-service departments in Washington, should be eliminated. I shall work to eliminate the practice of our Civil Service Commission requiring applicants to submit their photographs with their applications and shall advocate the fingerprint system instead.

"5. I believe that the colored people should have their just proportion of the jobs and positions created under the emergency acts through which our New Deal is being put forth.

"6. I shall work incessantly to have the Congress pass an antilynching bill such as was introduced in last Congress.

"7. I shall work to reenfranchise the colored people of the South and to wipe out all racial discriminations in voting privileges of the citizens of the South.

"8. I believe in making America first. This seems to be a national slogan, but it means nothing in our national life if we refuse or fail to make American citizens first. I contend that in the matter of employment whether in public or private enterprises and businesses, those born under our flag and those who have sworn allegiance to our flag should have preference. No American citizen who wishes to work should be forced to remain idle while a citizen of some foreign country is given work which an American could do and wishes to do. Any other course on the part of our citizens in business shows the basest kind of hypocrisy."

From this statement you will see that I pledged my constituents when I sought their vote that I would work for certain specific things in addition to working for the general program of the Democratic Party. I stand here to tell you, my friends, that I have kept that promise; my record bears me out in this statement. I should like also to call your attention to the fact that immediately after my election I gave a statement to the press as to what I expected to do in Congress, and with your permission I wish to read this statement, which should go some distance in clearing up other false rumors that have been spread by designing persons and agencies:

"I interpret my election to Congress as being a desire on the part of my constituents to have intelligent, courageous, honest, and capable representation in the Halls of Congress, which I contend the first district has not had during the past 6 years. I think the people are tired of bombast, ballyhoo, and noise, where we should have constructive thought, honest action, and real statesmanship.

"I accept the mandate of the people and look upon the same as a desire fully expressed, by white as well as by colored people, for new leadership under the New Deal. I am 100 percent in agreement with the President's program. I realize that in many instances the execution of the program is not handled as it should be, and because of this mishandling of the program different groups are made to suffer, but these are errors which can, and will be, corrected.

"I shall address myself first to looking after the interests of the people of the First Congressional District of Illinois who elected me to office. I shall always endeavor to be on the alert and use all the power that resides in me to protect the interests of my group. I shall welcome constructive criticisms from the people of the country, both colored and white, and shall endeavor to do my full duty without fear or favor of man, but trusting in God as my leader to whom I shall be responsible for my acts."

In closing this speech I wish to bring to your attention the progress that has been made through the spread of education, Christianity, civic training, and the agencies for racial good will during the past 40 years in wiping out the crime of lynching. I know you must be disturbed and alarmed as most of us are because of the frequent lynchings in the South during the last 4 months. I am exhibiting here a copy of a newspaper known as the Georgia Woman's World. This paper is published by a group of women in Atlanta, Ga. I have read many of the issues and

regard it as being the most dangerous and inflammatory journal it has ever been my privilege to read. The purpose of it seems to be to create and stir up race hatred. I firmly believe that the large number of lynchings that we have recently had in the South has been in a measure due to the circulation of this paper, and the influence it is having upon the ignorant white people who read it and believe it is their duty to engage in violence against any Negro who can be conveniently seized.

The high peak in lynching was reached in 1892, when the population of the country was 65,665,810. There were 226 lynchings, or 1 person was lynched out of every 290,000 citizens of the country, or 3.4 persons were lynched out of every million of our population. Over against this I wish to call attention to the number of persons lynched in 1932, 40 years later, at which time the population had increased to 124,822,000. There were 8 lynchings, as compared with 226 in 1892. Instead of there being 1 person lynched out of every 290,000 citizens, there was 1 person lynched out of every 15,603,000. The ratio per million had been reduced from 3.4 to 0.07 of a person.

Although mob violence in certain sections of the South seems to be on the increase, I am not discouraged; I believe that we are making progress. If in 40 years the number of lynchings could be reduced from 226 to 8, I believe that we can eventually reduce this crime to a minimum, if we are not able to wipe it out wholly, and I believe the passage of an antilynching law will do much good in making sentiment and in helping stamp out the crime.

I account it a pleasure to make these observations for your benefit and to thank you and the people of this section of the country for the support you have given and are giving, which will result in the passage of this legislation eventually and, we trust, in wiping out the crime completely. My final word: May God bless these brave justice-loving people in every part of this land who are coming forward and demanding equal protection of life, liberty, and the pursuit of happiness of all our citizens, be they rich or poor, white or black, and whether they live in the North or South.

LIBRARY OF CONGRESS TRUST FUND BOARD

Mr. SECREST. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill (H. R. 12353) to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

UNITED STATES HARVARD UNIVERSITY TERCENTENARY COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution No. 88, Seventy-fourth Congress, the Chair appoints as members of the United States Harvard University Tercentenary Commission to serve with himself the following Members of the House of Representatives:

Mr. O'CONNOR, of New York; Mr. RUSSELL, of Massachusetts; Mr. BACON, of New York; Mr. WIGGLESWORTH, of Massachusetts.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted as follows:

To Mr. CHANDLER, for 3 days, on account of official business.

To Mr. SHANNON, for 2 days, on account of death in family.

To Mr. ZIMMERMAN, for 1 week, on account of illness 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. 3486. An act to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States"; to the Committee on Insular Affairs.

S. 3841. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

S. 4457. An act authorizing the appointment of an additional circuit judge for the third circuit; to the Committee on the Judiciary.

S. 4609. An act to correct the description of certain land granted to the University of Utah; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2982. An act for the relief of Sarah Shelton;

H. R. 7110. An act to authorize the President to bestow the Navy Cross upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased;

H. R. 8262. An act for the relief of Tom Rogers and the heirs of W. A. Bell, Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson;

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

H. R. 8372. An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

H. R. 8431. An act to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes;

H. R. 8784. An act to authorize withholding compensation due Government personnel;

H. R. 9995. An act to grant a renewal of patent no. 59560, relating to the emblem of the Disabled American Veterans of the World War;

H. R. 10194. An act granting a renewal of patent no. 40029, relating to the badge of the Holy Name Society;

H. R. 10267. An act to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car contruction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service to correspond to the rates established by the Classification Act of 1923, as amended; and

H. R. 10934. An act to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3483. An act to provide for rural electrification, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 20, 1936, at 12 o'clock meridian.

EXECUTIVE COMMUNICATIONS, ETC.

838. Under clause 2 of rule XXIV, a letter from the Comptroller of the Near East Relief, transmitting the annual report of the Near East Relief, 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. WHITE: Committee on Irrigation and Reclamation. H. R. 12663. A bill to provide for studies and plans for the development of a hydroelectric power project at Cabinet Gorge, on the Clark Fork of the Columbia River, and a reclamation project for the Rathdrum Prairie area, and for other purposes; without amendment (Rept. No. 2675). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 12325. A bill to protect for American actors, vocal musicians, operatic singers, and orchestral conductors the artistic and earning opportunities in the United States, and for other purposes; with amendment (Rept. No. 2677). Referred to the Committee of the Whole House on the state of the Union.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 10356. A bill authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano

County, Calif., to the State of California for State highway purposes; with amendment (Rept. No. 2678). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Special Committee Investigating American Retail Federation. House Report 2679. Report of the Special Congressional Committee Investigating the American Retail Federation on that part of the resolution in regard to big-scale buying and selling, pursuant to House Resolution 239 (74th Cong.). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. House Report 2680. Report on the War Department investigation, pursuant to House Resolution 59 (74th Cong.). Referred to the Committee of the Whole House on the state of the Union.

Mr. FIESINGER: Committee on Rivers and Harbors. H. R. 11916. A bill to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky; without amendment (Rept. No. 2681). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. House Resolution 49. Resolution requesting the Secretary of Labor to compile a list of the labor-saving devices, and for other purposes; with amendment (Rept. No. 2685). Referred to the Committee of the Whole House on the state of the Union.

Mr. FREY: Committee on Foreign Affairs. S. 1896. An act to provide for interest payments on American Embassy drafts; without amendment (Rept. No. 2686). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 226. Joint resolution authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1939 at San Francisco, Calif.; with amendment (Rept. No. 2687). Referred to the House Calendar.

Mr. MILLER: Committee on the Judiciary. S. 3907. An act for the relief of the State of Nevada; without amendment (Rept. No. 2688). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. S. 4432. An act authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon; without amendment (Rept. No. 2691). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Connecticut: Committee on Military Affairs. House Joint Resolution 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards; without amendment (Rept. No. 2682). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affiairs. S. 3369. An act providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy; without amendment (Rept. No. 2683). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. Senate Joint Resolution 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition; without amendment (Rept. No. 2684). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H. R. 11984. A bill for the relief of Oda Herbert Plowman; without amendment (Rept. No. 2689). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 12772. A bill for the relief of sundry claimants, and for other purposes; without amendment (Rept. No. 2690). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12358) granting an increase of pension to Melissa F. Proctor; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12382) granting a pension to Jesse L. Fisher; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12571) granting a pension to Caleb J. Ledford; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLER of Minnesota: A bill (H. R. 12743) to establish a Red Lake Chippewa fund from the present fund of Chippewa Indians of Minnesota; to the Committee on Indian Affairs;

Also, a bill (H. R. 12744) to amend section 101 (12) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. CARMICHAEL: A bill (H. R. 12745) to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes; to the Committee on Roads.

By Mr. CELLER: A bill (H. R. 12746) granting the consent of Congress to agreements of compacts between any two or more States, with respect to the duplication and evasion of State and local tax laws; to the Committee on the Judiciary.

By Mr. COLDEN: A bill (H. R. 12747) to provide for the production for use for the unemployed of the United States under the direction of the Department of Agriculture by the establishment of a Civilian Cooperative Production Agency in order that all citizens of the United States may enjoy economic independence, life, liberty, and the pursuit of happiness; to the Committee on Agriculture.

By Mr. LORD: A bill (H. R. 12748) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the West Branch of the Delaware River between a point in the vicinity of the village of Hancock, Delaware County, N. Y., and a point in the town of Buckingham, Wayne County, Pa., and a highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN: A bill (H. R. 12749) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 12750) to provide for the administration of the United States Soldiers' Home; to the Committee on Military Affairs.

By Mr. BOEHNE: A bill (H. R. 12751) to make movement in interstate or foreign commerce with intent to avoid obligations to support certain persons an offense against the United States; to the Committee on the Judiciary.

Also, a bill (H. R. 12752) making it a Federal offense for any person to move in interstate or foreign commerce with intent to avoid his obligation to support his children; to the Committee on the Judiciary.

By Mr. DARDEN: A bill (H. R. 12753) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the original Norfolk (Va.) land grant and the two hundredth anniversary of the establishment of the city of Norfolk, Va., as a borough; to the Committee on Coinage, Weights, and Measures.

By Mr. McFARLANE: A bill (H. R. 12754) to authorize the acquisition of lands in the vicinity of Galveston, Tex., as a site for a naval air station and to authorize the construction of a naval air station thereon; to the Committee on Naval Affairs.

By Mr. CRAWFORD: A bill (H. R. 12755) to further the development and maintenance of an adequate and well-balanced American merchant marine, to promote the commerce of the United States, to aid in the national defense, to repeal certain former legislation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CROWTHER: A bill (H. R. 12756) to authorize the coinage of 50-cent pieces in commemoration of the memory of the late Dr. Charles P. Steinmetz; to the Committee on Coinage, Weights, and Measures.

By Mr. KNUTSON (by request): A bill (H. R. 12757) to amend the Social Security Act with respect to old-age benefits, and in other respects; to the Committee on Ways and Means.

By Mr. GASQUE: A bill (H. R. 12758) to increase the pension to certain veterans of the Regular Establishment on the rolls March 19, 1933; to the Committee on Pensions.

By Mr. McCORMACK: A bill (H. R. 12759) to expedite the despatch of vessels from certain ports of call; to the Committee on Merchant Marine and Fisheries.

By Mr. TERRY: A bill (H. R. 12760) authorizing a preliminary examination and survey of the Fourche La Fave River, in Perry, Yell, and Scott Counties, Ark., with a view to the construction of a flood-control reservoir dam in the vicinity of what is commonly known as The Narrows on said stream in Scott County; to the Committee on Flood Control.

By Mrs. O'DAY: A bill (H. R. 12761) to extend the definition of an alien veteran for naturalization purposes only, so as to include certain alien enemies and nationals of Turkey and Bulgaria who rendered active service in United States armed forces with personal record of loyalty to the United States, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 12762) to extend the definition of an alien veteran for naturalization purposes only, so as to include certain alien enemies and nationals of Turkey and Bulgaria who rendered active service in the United States armed forces with personal record of loyalty to the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SAUTHOFF: A bill (H. R. 12763) to provide for the general welfare by enabling the several States to make more adequate provision for the operation of open-air health camps for children of indigent families; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON of Kentucky: A bill (H. R. 12764) to create a Division of Stream Pollution Control in the Bureau of Public Health Service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 12765) to provide for the transportation and distribution of mails on motor-vehicle routes; to the Committee on the Post Office and Post Roads.

By Mr. PATTERSON: A bill (H. R. 12766) to amend section 207 of the act approved February 28, 1925, as amended, to promote Parcel Post Service; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE: A bill (H. R. 12767) to authorize completion, maintenance, and operation of certain facilities for navigation on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. GASQUE: A bill (H. R. 12768) granting double pensions for disability from aviation, submarine, or diving duty; to the Committee on Pensions.

Also, a bill (H. R. 12769) to liberalize the provisions of Public Law No. 484, Seventy-third Congress, providing pensions to widows and other dependents of deceased service-connected disabled World War veterans; to the Committee on World War Veterans' Legislation.

By Mr. MITCHELL of Illinois: A bill (H. R. 12770) to provide for the organization and maintenance of two battalions of combat infantry of colored troops as a part of the National Guard of the State of Pennsylvania and appropriating $100,000 for its equipment by the War Department; to the Committee on Military Affairs.

By Mr. O'LEARY: A bill (H. R. 12771) to afford protection against unauthorized use of the ensign, emblems, badges, designating marks, and certificates of the United States Power Squadrons, Inc.; to the Committee on the Judiciary.

By Mr. BEITER: A bill (H. R. 12772) for the relief of sundry claimants, and for other purposes; to the Committee on Claims.

By Mr. COCHRAN: Resolution (H. Res. 518) to provide for clerk to stenographers to committees; to the Committee on Accounts.

By Mr. BEITER: Joint resolution (H. J. Res. 591) to enable the Reconstruction Finance Corporation to finance additional projects of the Federal Emergency Administration of Public Works; to the Committee on Banking and Currency.

By Mr. SIROVICH: Concurrent resolution (H. Con. Res. 49) creating a joint committee of the Senate and House to determine the practicability of a union between the United States and Canada, and for other purposes; to the Committee on Rules.

By Mr. VINSON of Georgia: Concurrent resolution (H. Con. Res. 50) expressing the appreciation of Congress for a bequest of a collection of naval and other medals from the late Dr. Malcolm Storer, of Boston, Mass.; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BROWN of Michigan: A bill (H. R. 12773) for the relief of Mary Way; to the Committee on Claims.

By Mr. DOUGHTON: A bill (H. R. 12774) granting an increase of pension to Alfred L. Gross; to the Committee on Pensions.

By Mr. FLETCHER: A bill (H. R. 12775) granting an increase of pension to Keturah O. Donnels; to the Committee on Invalid Pensions.

By Mr. KRAMER: A bill (H. R. 12776) granting a pension to Clara E. Huffman; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 12777) for the relief of Ralph W. Sears; to the Committee on Military Affairs.

By Mr. MONAGHAN: A bill (H. R. 12778) granting compensation to Joseph C. Eastland; to the Committee on Claims.

Also, a bill (H. R. 12779) to settle certain claims against the United States in connection with fire-fighting work of the Forest Service in Montana; to the Committee on Claims.

Also, a bill (H. R. 12780) for the relief of Benjamin Stewart; to the Committee on Claims.

Also, a bill (H. R. 12781) for the relief of Wade R. Parks; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 12782) to provide compensation for Walter L. Helbig for injuries received at the Navy Yard in Washington, D. C.; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 12783) for the relief of Harry W. Dubiske; to the Committee on Claims.

By Mr. SANDERS of Texas: A bill (H. R. 12784) for the relief of C. A. Jones; to the Committee on Claims.

Also, a bill (H. R. 12785) for the relief of Elbert Gentry; to the Committee on Claims.

By Mr. WHITE: A bill (H. R. 12786) granting a pension to Marion M. Luther; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12787) granting a pension to Leona J. Strickland; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

10902. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, memorializing the President and Congress of the United States in favor of the permanency of the Civilian Conservation Corps; to the Committee on Appropriations.

10903. Also, petition memorializing Congress relative to affording the privilege of entry into this country to those persons who are being discriminated against and persecuted in Germany; to the Committee on Immigration and Naturalization.

10904. By Mr. CONNERY: Petition of the Cambridge Housing Authority, of Cambridge, Mass., protesting against poor housing and slum conditions, and urging passage of Wagner-Ellenbogen housing bill; to the Committee on Banking and Currency.

10905. Also, petition of the Workers' Education Council of Greater Boston, Mass., endorsing and urging the enactment of the Ellenbogen national textile bill (H. R. 12285); to the Committee on Banking and Currency.

10906. Also, petition of the Artists Union of Massachusetts, urging the enactment of the Frazier-Lundeen workers' social insurance bill, introduced in the Senate as Senate bill 3475 and in the House of Representatives as House bill 9608; to the Committee on Labor.

10907. By Mr. CULLEN: Petition of the New York Clothing Cutters Union, A. C. W. of A., New York City, urging the enactment of legislation for the creation of a court of appeals for civil-service employees; to the Committee on the Civil Service.

10908. By Mr. HIGGINS of Massachusetts: Resolutions of the Massachusetts Legislature; to the Committee on Appropriations.

10909. Also, resolution of the Massachusetts Legislature, memorializing Congress relative to affording the privilege of entry into this country to those persons who are being persecuted and discriminated against in Germany; to the Committee on Immigration and Naturalization.

10910. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, memorializing Congress relative to affording the privilege of entry into this country of those persons who are being persecuted and discriminated against in Germany; to the Committee on Immigration and Naturalization.

10911. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring making the Civilian Conservation Corps a permanent institution; to the Committee on Appropriations.

10912. Also, memorial of the General Court of Massachusetts, advocating the privilege of entry into the United States of persons persecuted or discriminated against in Germany; to the Committee on Immigration and Naturalization.

10913. By Mr. PFEIFER: Petition of the New York Clothing Cutters' Union, New York City, endorsing the Pearson bill (H. R. 9258) establishing a Civil Service Court of Appeals; to the Committee on the Civil Service.

10914. By Mr. RICH: Petition of citizens of Wellsboro, Pa.; to the Committee on Agriculture.

10915. Also, petition of the Enterprise Council, No. 136, Sons and Daughters of Liberty, of Muncy, Pa., favoring the passage of Senate bill 4011 and House bill 11172; to the Committee on Immigration and Naturalization.

10916. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, relative to affording the privilege of entry into this country to those persons who are being persecuted and discriminated against in Germany; to the Committee on Foreign Affairs.

10917. Also, petition of the General Court of the Commonwealth of Massachusetts, favoring the permanency of the Civilian Conservation Corps; to the Committee on Appropriations.

10918. By Mr. KRAMER: Resolution of the Los Angeles District Council of Carpenters, relative to endorsing the Townsend old-age-pension plan and the McGroarty bill, no. 7154; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MAY 20, 1936

(Legislative day of Tuesday, May 12, 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, May 19, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

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	Connally	Keyes	Pittman
Ashurst	Copeland	King	Pope
Bachman	Couzens	La Follette	Robinson
Bailey	Davis	Lewis	Russell
Barbour	Dieterich	Logan	Schwellenbach
Barkley	Donahey	Lonergan	Sheppard
Benson	Fletcher	Long	Shipstead
Bilbo	Frazier	McAdoo	Smith
Black	George	McGill	Steiwer
Bone	Gerry	McNary	Thomas, Okla.
Borah	Gibson	Maloney	Townsend
Brown	Glass	Metcalf	Truman
Bulkley	Guffey	Moore	Vandenberg
Bulow	Hale	Murphy	Van Nuys
Burke	Harrison	Murray	Wagner
Byrd	Hastings	Neely	Walsh
Capper	Hatch	Norris	Wheeler
Caraway	Hayden	Nye	White
Chavez	Holt	O'Mahoney	
Clark	Johnson	Overton	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Nevada [Mr. McCARRAN] are absent because of illness; that the Senator from South Carolina [Mr. BYRNES], the Senator from Oklahoma [Mr. GORE], the Senator from Tennessee [Mr. McKELLAR], the junior Senator from Maryland [Mr. RADCLIFFE], and the senior Senator from Maryland [Mr. TYDINGS] are unavoidably detained; and that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Indiana [Mr. MINTON], and the Senator from Utah [Mr. THOMAS] are absent in connection with their duties as members of the Board of Visitors to the Military Academy at West Point.

I further announce that the Senator from North Carolina [Mr. REYNOLDS] is absent because of a death in his family.

Mr. McNARY. I announce that the Senator from Vermont [Mr. AUSTIN] and the Senator from Iowa [Mr. DICKINSON] are necessarily absent, and that the Senator from Wyoming [Mr. CAREY] is absent in the performance of his duty as a member of the Board of Visitors to the United States Military Academy.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

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

S. 560. An act for the relief of the Western Electric Co., Inc.;

S. 760. An act for the relief of Harry P. Hollidge;

S. 920. An act for the relief of Ruth J. Barnes;

S. 952. An act for the relief of Zelma Halverson;

S. 1186. An act for the relief of Frank P. Ross;

S. 1328. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation;

S. 1431. An act for the relief of the Collier Manufacturing Co. of Barnesville, Ga.;

S. 1490. An act for the relief of Earl A. Ross;

S. 2520. An act for the relief of T. D. Randall & Co.; and

S. 2734. An act to confer jurisdiction upon the United States Court of Claims to hear and determine the claims of Henry W. Bibus, Annie Ulrick, Samuel Henry, Charles W. Hensor, Headley Woolston, John Henry, estate of Harry B. C. Margerum, and George H. Custer, of Falls Township and borough of Tullytown, Bucks County, Commonwealth of Pennsylvania.

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

S. 537. An act for the relief of C. O. Meyer; and

S. 1073. An act for the relief of Louis Finger.

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

S. 925. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; and

S. 1360. An act for the relief of Teresa de Prevost.

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

H. R. 237. An act for the relief of the Rowesville Oil Co.;

H. R. 254. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1105. An act for the relief of Lucy Jane Ayer;

H. R. 1618. An act for the relief of Anna McDonald;

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California;

H. R. 3559. An act for the relief of John L. Alcock;

H. R. 3575. An act for the relief of Mrs. Lawrence Chlebeck;

H. R. 3907. An act for the relief of James L. Park;

H. R. 3943. An act for the relief of D. E. Wooldridge;

H. R. 4059. An act for the relief of Ella B. Kimball, daughter and only heir of Jeremiah Simonson;

H. R. 4256. An act for the relief of Anna Caporaso;

H. R. 4364. An act for the relief of Andrew Johnson;

H. R. 4373. An act for the relief of Albert Gonzales;

H. R. 4829. An act for the relief of Weymouth Kirkland and Robert N. Golding;

H. R. 5078. An act for the relief of Mrs. Charles F. Eikenberg;

H. R. 5150. An act for the relief of Alexander E. Kovner;

H. R. 5635. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation;

H. R. 6356. An act to carry out the findings of the Court of Claims in the case of Joseph G. Grissom;

H. R. 7727. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc.;

H. R. 11108. An act to advance a program of national safety and accident prevention;

H. R. 12056. An act authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr.;

H. R. 12168. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam; and

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF STATE (S. DOC. NO. 239)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, supplemental estimates of appropriations for the Department of State, fiscal years 1936 and 1937, amounting to $22,100, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 240)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by certain executive departments to pay claims for damages to privately owned property, amounting to $1,461.50, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, SMITHSONIAN INSTITUTION (S. DOC. NO. 238)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Smithsonian Institution (Astrophysical Observatory) for the fiscal year 1937, amounting to $200,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate 11 letters from the Archivist of the United States, reporting, pursuant to law, that there are accumulations of documents and papers on the files of certain departments and independent offices of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and transmitting lists of such papers, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. NORBECK members of the committee on the part of the Senate.

PETITION

Mr. WALSH presented resolutions adopted by the General Court of Massachusetts, favoring the enactment of legislation to make the Civilian Conservation Corps a permanent corps, which were referred to the Committee on Agriculture and Forestry.

(See resolutions printed in full when laid before the Senate by the Vice President on the 19th instant, p. 7453, CONGRESSIONAL RECORD.)

FRAZIER-LEMKE FARM REFINANCING BILL

Mr. FRAZIER. I ask unanimous consent to have printed in the RECORD and to lie on the table a resolution which I have received from Stamford, Conn., regarding the so-called Frazier-Lemke bill.

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

We, citizens of Stamford, Conn., in mass meeting assembled at the Town Hall Plaza, resent the un-American and undemocratic methods which have recently been revealed in efforts to block and defeat proposed national legislation designated as the Frazier-Lemke bill. We are not here endorsing or opposing the economic features of the Frazier-Lemke bill, but we are publicly protesting against the political treacheries and conspiracies practiced in the Congress by congressional representatives who are the political puppets of racketeers of high finance.

We condemn William S. Green, president of the American Federation of Labor, for injecting the name of organized labor into the fight against the Frazier-Lemke bill, as we contend that there is no justification for Mr. Green's claiming that the great mass of organized labor was behind him and those actions of his which resulted in his placing before the Congress a letter signed by himself condemning the Frazier-Lemke bil and expressing the alleged feelings of organized labor.

We realize that Senator LYNN J. FRAZIER and Representative WILLIAM LEMKE have for many years in public office been the consistent champions of the working people of America, and we here commend them for the splendid records that they have made.

We condemn the Representatives to Congress from the State of Connecticut who voted against the Frazier-Lemke bill and who supported the un-American tactics applied by political and financial gangdom for the defeat of the Frazier-Lemke bill. We believe that all of the Connecticut Representatives to Congress should be defeated for reelection this year.

We approve of the proposal to convene a convention for the purpose of affording open expression of all independent voters in the Fourth Congressional District of the State of Connecticut. It is the wish of us citizens here assembled that the proposed independent voters' convention select candidates for Congress whose principles and practices will warrant the support of loyal Americans. We propose that two candidates for Congress from the Fourth Congressional District be selected, one to be entered in the Republican primaries and one to be entered in the Democratic primaries in order to insure the election to Congress of a Representative who is truly the choice of the citizens and who will represent them properly in the Congress.

We request the chairman of this meeting to offer a copy of this resolution to the press and to send a copy to the Honorable LYNN J. FRAZIER, United States Senator, with the request that he present it for publication in the CONGRESSIONAL RECORD.

REPORTS OF COMMITTEES

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, reported it without amendment and submitted a report (No. 2053) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 4667. A bill to prohibit the commercial use of the coat of arms of the Swiss Confederation pursuant to the obligation of the Government of the United States under article 28 of the Red Cross Convention signed at Geneva July 27, 1929 (Rept. No. 2054); and

H. J. Res. 499. Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes (Rept. No. 2055).

Mr. WHITE, from the Committee on Commerce, to which was referred the bill (S. 4619) to amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life and property through the use of wire and radio communications, and for other purposes, reported it without amendment and submitted a report (No. 2060) thereon.

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

S. 4648. A bill to promote safety at sea in the neighborhood of ice and derelicts, and for other purposes (Rept. No. 2058);

S. 4654. A bill to amend an act entitled "An act to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes", approved January 12, 1923 (Rept. No. 2056); and

S. 4655. A bill relative to limitation of shipowners' liability (Rept. No. 2061).

Mr. COPELAND also, from the Committee on Commerce, to which was referred the bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea", to maintain discipline on shipboard, and for other purposes, reported it with an amendment and submitted a report (No. 2059) thereon.

He also, from the same committee, to which was referred the bill (H. R. 11915) to amend the Coastwise Load Line Act, 1935, reported it with amendments and submitted a report (No. 2057) thereon.

ADDITIONAL REPORT ON "MORRO CASTLE" AND "MOHAWK" DISASTERS (PT. 3, S. REPT. NO. 776)

Mr. COPELAND. Mr. President, I ask consent to submit from the Committee on Commerce an additional preliminary report of the Safety at Sea Subcommittee of the Commerce Committee, pursuant to Senate Resolution 7 (74th Cong., 1st sess.), relating to the investigations of the steamships *Morro Castle* and *Mohawk* disasters and the adequacy of methods and practices for the safety of life at sea, with particular reference to that portion of the resolution requiring "recommendations for necessary legislation." I ask that the report be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed.

BILLS AND JOINT RESOLUTION INTRODUCED

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

(Mr. GUFFEY introduced Senate bill 4668, which was referred to the Committee on Interstate Commerce and appears under a separate heading.)

By Mr. LOGAN:

A bill (S. 4669) authorizing the Veterans' Administration of the United States to accept 500 acres of land in Campbell County, Ky., for the purpose of establishing a home for dependent widows and orphans of World War veterans; to the Committee on Military Affairs.

By Mr. GLASS:

A bill (S. 4670) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the original Norfolk (Va.) land grant and the two hundredth anniversary of the establishment of the city of Norfolk, Va., as a borough; to the Committee on Banking and Currency.

By Mr. WALSH:

A joint resolution (S. J. Res. 269) to authorize the Secretary of War to lend to Charles Scoville Wishard for use of the national assembly of the Oxford Group, to be held at and near Stockbridge, Mass., May 29, 1936, to June 8, 1936, both inclusive, certain camp equipment of the United States Army hereinafter designated; to the Committee on Military Affairs.

REGULATION OF INTERSTATE COMMERCE IN BITUMINOUS COAL

Mr. GUFFEY. Mr. President, I ask consent to introduce a bill to regulate interstate commerce in bituminous coal, and for other purposes. This bill is a substitute for the Bituminous Coal Conservation Act of 1935, certain provisions of which were recently declared unconstitutional by the Supreme Court of the United States, and makes such changes in the Bituminous Coal Conservation Act of 1935 as are necessary to meet the views of the majority of the Court.

It will be recalled that four members of the Court held that the price-fixing provisions of the act of 1935 were valid. The majority of the Court held that the price-fixing provisions of the act could not be considered apart from the labor regulations, and that since the labor provisions of the act of 1935 were beyond the power of Congress the act would have to fall.

In the bill I am now introducing, the labor provisions of the act of 1935 have been wholly eliminated, and the power of Congress to be exercised under this bill is its undisputed power under the Constitution to regulate interstate commerce.

I further ask that the bill be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Without objection, the bill will be received and referred as requested by the Senator from Pennsylvania.

The bill (S. 4668) to regulate interstate commerce in bituminous coal, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

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

H. R. 237. An act for the relief of the Rowesville Oil Co.;

H. R. 254. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1105. An act for the relief of Lucy Jane Ayer;

H. R. 1618. An act for the relief of Anna McDonald;

H. R. 3559. An act for the relief of John L. Alcock;

H. R. 3575. An act for the relief of Mrs. Lawrence Chlebeck;

H. R. 3907. An act for the relief of James L. Park;

H. R. 3943. An act for the relief of D. E. Wooldridge;

H. R. 4059. An act for the relief of Ella B. Kimball, daughter and only heir of Jeremiah Simonson;

H. R. 4256. An act for the relief of Anna Caporaso;

H. R. 4364. An act for the relief of Andrew Johnson;

H. R. 4373. An act for the relief of Albert Gonzales;

H. R. 4829. An act for the relief of Weymouth Kirkland and Robert N. Golding;

H. R. 5078. An act for the relief of Mrs. Charles F. Eikenberg;

H. R. 5150. An act for the relief of Alexander E. Kovner;

H. R. 5635. An act conferring jurisdiction upon the Court of Claims, to hear, determine, and render judgment upon the claim of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation;

H. R. 6356. An act to carry out the findings of the Court of Claims in the case of Joseph G. Grissom; and

H. R. 7727. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc.; to the Committee on Claims.

H. R. 2479. An act for the relief of Charles G. Johnson, State treasurer of the State of California; to the calendar.

H. R. 11108. An act to advance a program of national safety and accident prevention; to the Committee on Interstate Commerce.

H. R. 12056. An act authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr.; to the Committee on Commerce.

H. R. 12168. An act to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on Banking and Currency.

H. J. Res. 377. Joint resolution to enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States; to the Committee on the Judiciary.

NATIONAL FLOOD CONTROL—AMENDMENTS

Mr. GUFFEY, Mr. LOGAN, and Mr. SHEPPARD each submitted an amendment intended to be proposed by them, respectively, 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 were severally referred to the Committee on Commerce and ordered to be printed.

OFFICES UNDER THE W. P. A.—AMENDMENT TO FIRST DEFICIENCY BILL

Mr. BILBO. Mr. President, I submit an amendment intended to be proposed by me to House bill 12624, the first deficiency bill. I ask that the amendment be printed and referred to the Committee on Appropriations.

I also present for publication in the RECORD General Letter No. 2, sent to the State administrators of the W. P. A. by Harry L. Hopkins. I am asking to have this letter printed in the RECORD at this juncture in connection with the amendment, which I also ask to have printed in the RECORD, because it is in confirmation of the general order issued by Mr. Hopkins. I am offering the amendment in response to the many observations made by our friends on the other side of the Chamber and to save them any anticipated trouble in the future.

The VICE PRESIDENT. Without objection, the amendment will be received, referred to the Committee on Appropriations, and printed, and the amendment and letter will be printed in the RECORD as requested.

The proposed amendment and letter are as follows:

Amendment intended to be proposed by Mr. BILBO to House bill 12624, the first deficiency appropriation bill, 1936: On page 26, after line 7, to insert the following paragraph:

"No person who is a candidate for any State, district, county, or municipal office in any primary, general, or special election, or is serving as a campaign manager or assistant thereto for any such candidate, or is a member of any campaign committee organized to promote the political interest of any candidate for such office, or holds, either by appointment or election, any such office, shall be employed or continued in employment on administration staffs of the Works Progress Administration: *Provided further*, That this prohibition or ineligibility shall apply to any person employed or seeking employment on nonrelief supervisory personnel on works projects as well as on State, district, and field representative staffs."

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., February 21, 1936.

General Letter No. 2.

To: All State Works Progress administrators.

Subject: Supervisory personnel holding elective offices.

The question has arisen as to the policy of this Administration with respect to individuals holding elective offices and having W. P. A. employment simultaneously.

For your information, persons who are candidates for or hold elective offices shall not be employed on administrative staffs of the Works Progress Administration. This ruling applies to nonrelief supervisory personnel on work projects as well as to State, district, and field administrative staffs.

HARRY L. HOPKINS, *Administrator.*

TEXTBOOKS ON HISTORY OF THE FEDERAL GOVERNMENT

Mr. LOGAN submitted the following resolution (S. Res. 301), which was referred to the Committee on Education and Labor:

Resolved, That a special committee composed of five Senators be appointed by the President of the Senate to consider the feasibility, necessity, and practicability of the printing and distribution, at the expense of the Federal Government, of a textbook, or textbooks, for use in all public, parochial, and private schools in the United States and its Territories and possessions, on the history of our Government, the administration thereof, its essential principles, and the rights and duties of the citizens under the Constitution of the United States; such publication, if undertaken, to be for use in grammar and high schools, and the distribution to be made to the States, Territories, District of Columbia, and possessions of the United States; the distribution among the schools to be made by the States, Territories, District of Columbia, or possessions of the United States, and only upon the request of such State, Territory, district, or possession.

PRINTING OF COURT OPINION ON CONSTITUTIONALITY OF EMERGENCY RELIEF APPROPRIATION ACT, 1935

Mr. STEIWER submitted the following resolution (S. Res. 302), which was referred to the Committee on Printing:

Resolved, That the Opinion of the United States Court of Appeals for the District of Columbia, No. 6619, in the case of the township of Franklin, etc., et al., appellants, against Rexford G. Tugwell, Administrator, Resettlement Administration, et al., appellees, involving the constitutionality of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, as abridging the reserved rights of the States, be printed as a document, and that 1,000 additional copies be printed for the use of the Senate document room.

COLLECTION OF REVENUE FROM INTOXICATING LIQUORS

Mr. HARRISON. Yesterday the Senate passed, with amendments, the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes.

I now move that the Senate insist on its amendments to the bill, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. KING, Mr. BARKLEY, and Mr. CAPPER conferees on the part of the Senate.

OPINION OF SUPREME COURT IN THE CUTTEN CASE

Mr. POPE. Mr. President, some weeks ago I addressed the Senate on the commodities-exchange bill and referred to the case of Arthur W. Cutten, which had been heard before the circuit court of appeals and was then on appeal to the Supreme Court of the United States. A few days ago the Supreme Court affirmed the decision of the circuit court of appeals, in effect holding that past offenses under the Grain Futures Act were not a basis for an order by the Secretary of Agriculture, depriving a member of his rights on the board of trade. I ask that the opinion of the Supreme Court be printed in the RECORD as a part of my remarks.

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

[From the United States Law Week of May 19, 1936]

Henry A. Wallace, Secretary, etc., et al. v. *Arthur W. Cutten.* Supreme Court of the United States. No. 747. On writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit

Wendellberge (Stanley Reed, Solicitor General, John Dickinson, Assistant Attorney General, Hugh B. Cox, Leo F. Tierney, and Kenneth L. Kimble with him on the brief) for petitioners; Francis X. Busch, Orville J. Taylor, and James J. Magner submitted brief for respondent.

SYLLABUS BY EDITORIAL STAFF

Grain Futures Act—Trading privileges on contract markets—Power of Commission to suspend trader for past violations of reporting requirements: Findings of the Commission created under the Grain Futures Act that a member of the Chicago Board of Trade had in 1930 and 1931 violated a reporting regulation made pursuant to the act cannot support an order of the Commission directing that all contract markets refuse trading privileges thereon to such trader for a period of 2 years from March 1, 1935, where the complaint against the trader for the violations in 1930 and 1931 was filed in 1934, in view of section 6 (b) of the Grain Futures Act, which authorizes the Commission to make such order only if a trader "is violating" any of its provisions or "is attempting" to manipulate the market price of grain.

OPINION OF THE COURT

Mr. Justice Brandeis delivered the opinion of the Court:

Section 6 (b) of the Grain Futures Act, September 21, 1922 (ch. 369, 42 Stat. 998, 1001), provides that if the Secretary of Agriculture has reason to believe that any person "is violating" any provision of the act, or any rules and regulations made pursuant thereto, or "is attempting" to manipulate the market price of grain in violation of the provisions of the act, the Secretary may serve upon the person a complaint stating his charge in that respect and requiring him "to show cause why an order should not be made directing that all contract markets until further notice of the said Commission refuse all trading privileges thereon to such person." The Commission referred to is a board "composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General", before whom the hearing on the complaint is had.

The case is here to review a decree of the United States Circuit Court of Appeals for the Seventh Circuit which set aside an order entered by the Commission under that section. Certiorari was granted (297 U. S. —) on account of the novelty and importance of the question presented.

April 11, 1934, the Secretary of Agriculture caused such a complaint to be served upon Arthur W. Cutten. It recited that during the years 1930 and 1931 he was, and since had been, continuously a member of the Chicago Board of Trade, and that by its regulations made pursuant to the Grain Futures Act he was required "to report to the Grain Futures Administration his net position in futures owned or controlled by him, long or short, by grain and by future, when he had net open commitments in any one future equal to or in excess of 500,000 bushels * * *." And also "daily trades made by him on the board of trade in futures in which he owned or controlled open commitments equal to or in excess of 500,000 bushels."

The complaint alleged further that "during the years 1930 and 1931 (he) conspired and colluded with various persons and grain firms of the board of trade to conceal his trading and position in the market from the Grain Futures Administration. In furtherance of said conspiracy respondent made inaccurate, incorrect, and false reports of his position in the market to the Grain Futures Administration and refused to report accurately and correctly his position in the market and trades made by him", etc.

Then followed, in 44 numbered paragraphs, specifications of Cutten's alleged violations of the regulations and the act on dates between March 6, 1930, and December 31, 1931.

A referee was appointed to take the evidence. The hearings before him began on May 14, 1934. Upon the opening of those proceedings Cutten moved to quash the complaint on the ground that section 6 (b) empowered the Commission to act only against persons who are presently committing offenses; and that, consequently, it had no authority to deny to him trading privileges for violations committed more than 2 years prior to the institution of the proceedings against him.

The referee, without passing upon the motion to quash, proceeded to take the evidence; the hearings before him were concluded May 24, 1934; then the Commission heard the complaint on briefs and oral argument; and before it the motion to quash was renewed.

On February 12, 1935, the Commission overruled the motion, made findings of fact on the evidence, concluded that Cutten's conduct constitutes a violation of the Grain Futures Act and the rules and regulations made pursuant thereto, and ordered that "all contract markets refuse all trading privileges thereon to Arthur W. Cutten for a period of 2 years from March 1, 1935."

This suit was brought to set aside that order. The circuit court of appeals held that the power conferred by section 6 (b) is remedial, not punitive; that it is limited to suspending a trader who "is violating any of the provisions of this act or is attempting to manipulate the market price of any grain"; in other words, one who is presently committing an offense; that at the time of the filing of the complaint there was no wrong existing to be remedied, the latest wrongdoing complained of having occurred more than 2 years before the filing of the complaint by the Secretary of Agriculture; that, therefore, the Commission was without authority to entertain the complaint and should have granted the motion to quash (F. (2d.)).

The Government argues that since violations of the reporting requirements by their very nature cannot be detected during the course of commission, the literal construction thus given to section 6 (b) renders it impractical and ineffective as a means of dealing with those persons who violate any of the provisions of the act or attempt to manipulate the market price of grain. Incidents in the history of the legislation are cited to support the Government's contention.

In reply it is argued that ample remedy is afforded by other provisions of the act; that these confer broad power over boards of trade; and that the boards of trade may control their own members. It is urged that for the construction given to section 6 (b) by the lower court support may be found in the different language employed in section 6 (a).

For it authorizes the Commission to suspend "or to revoke the designation of a board of trade as a 'contract market' upon a showing that such board of trade has failed or is failing to comply" with the requirements prescribed. Attention is also called to the penalty provisions of section 9.

It would be inappropriate for us to discuss these and other arguments presented. The language of section 6 (b) is clear; and, on the face of the statute, there can be no doubt concerning the intention of Congress. As was said in *Iselin* v. *United States* (270 U. S. 245, 250–251), "the statute was evidently drawn with care. Its language is plain and unambiguous. What the Government asks is not a construction of a statute but, in effect, an enlargement of it by the court, so that what was omitted, presumably (possibly) by inadvertence, may be included within its scope. To supply omissions transcends the judicial function." A fortiori, it may not be done for the purpose of making punishable action which, on the face of the statute, is merely to be prevented. Compare *United States* v. *Weitzel* (246 U. S. 533, 542–543.)

Affirmed.

THE FARM CREDIT PROGRAM—ADDRESS BY SENATOR BURKE

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the RECORD an illuminating address delivered by the junior Senator from Nebraska [Mr BURKE] over a Nation-wide hook-up on the 19th instant.

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

We have a farm problem. Without a satisfactory solution of that problem there can be no real nor permanent foundation upon which prosperity can rest. For it is recognized by all parties and by those holding all manner of opinions that agriculture is a basic industry. Unless the farmer be reasonably prosperous, there cannot long be prosperity anywhere in the land.

There are many phases of the farm problem. The alarming increase of farm tenantry is one. The plight of the share-cropper demands attention. Protection of the land itself from erosion, depletion, and waste looms large. All of these matters are interrelated. In broad outline they may be grouped under two heads. First, an adequate return to the farmer for his toil. Here we have the perplexing question of surplus crops, the direct bearing of the tariff, the preservation and development of the home market, and kindred subjects. The second major phase of the farm problem has to do with farm credits. It touches mortgage indebtedness, interest rates, short-term production credits, and long-term financing. It is to this branch of the subject, so vital to the farmers' welfare, and in turn to the entire country, that I invite your attention tonight.

The Democratic Party has long been committed to the doctrine that the farmer should be placed upon a footing of equality with those engaged in manufacture, commerce, and trade in securing the necessary capital to carry on his vitally important enterprise. It has consistently favored a program that would accomplish this purpose in the largest possible measure through cooperative borrowing managed and controlled by the farmers themselves.

The progress that has been made along this line reads like a romance. It should be familiar to every citizen. The accomplished fact of a soundly conceived and smoothly functioning system of farmer-controlled credits is an achievement second to none.

Since the Farm Credit Administration was organized in 1933 more than 800,000 farm-mortgage loans have been made. In addition, approximately 300,000 short-term loans have been financed through production-credit associations. Beyond that, more than 1,000,000 farmers with the help of this Federal agency have organized themselves into some 1,200 farmer buying and selling cooperatives and secured loans from the banks for cooperatives set up 3 years ago. More than $3,000,000,000 is now outstanding and in use as a result of this farmers' cooperative-credit system.

May we take a moment to recall the pledges of the Democratic Party in the matter of farm credits, the fulfillment of which has brought about these immeasurable benefits. In its national platform adopted in 1912, the Democratic Party said:

"Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore, we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real-estate security."

Four years later, in 1916, the Democratic Party was able to point with pride to certain definite accomplishments in the matter of farm credits, and to renew its pledge to further efforts. I quote:

"We favor the vigorous prosecution of investigations and plans to render agriculture more profitable and country life more healthful, comfortable, and attractive, and we believe that this should be a dominant aim of the Nation as well as of the States. With all its recent improvement, farming still lags behind other occupations in development as a business, and the advantages of an advancing civilization have not accrued to rural communities in a fair proportion. Much has been accomplished in this field under the present administration. * * * In the Federal Reserve Act of the last Congress and the Rural Credits Act of the present Congress the machinery has been created which will make credit available to the farmer constantly and readily, placing him at last upon a footing of equality with the merchant and the manufacturer in securing the capital necessary to carry on his enterprises. * * * We approve the Democratic administration for having emphatically directed attention for the first time to the essential interests of agriculture involved in farm marketing and finance, for creating the Office of Markets and Rural Organization in connection with the Department of Agriculture, and for extending the cooperative machinery necessary for conveying information to farmers by means of demonstrations. We favor continued liberal provision not only for the benefit of productions but also for the study and solution of problems of farm marketing and finance and for the extension of existing agencies for improving country life."

It will be worth our while to note what the Democratic Party had to say when it met in 1920, at the close of 8 years of Democratic rule:

"To the great agricultural interests of the country the Democratic Party does not find it necessary to make promises. It already is rich in its record of things actually accomplished. * * * In the first term of this Democratic administration the National Bank Act was so altered as to authorize loans of 5 years' maturity on improved farm lands. Later was established a system of farm-loan banks, from which the borrowings already exceed $300,000,000 and under which the interest rate to farmers has been so materially reduced as to drive out of business the farm-loan sharks who formerly subsisted by extortion upon the great agricultural interests of the country. Thus it was a Democratic Congress in the administration of a Democratic President which enabled the farmers of America for the first time to obtain credit upon reasonable terms and insured their opportunity for the future development of the Nation's agricultural resources. * * * We pledge prompt and consistent support of sound and effective measures to sustain, amplify, and perfect the rural credits statutes and thus to check and reduce the growth and course of farm tenancy."

In 1924 and again in 1928 the Democratic Party pledged itself "to stimulate by every proper governmental activity the progress of the cooperative marketing movement" and to build upon the foundation already laid by a Democratic administration an adequate rural credits structure.

In its last platform in 1932 the Democratic Party pledged itself to an "extension and development of the farm cooperative movement" and "to better financing of farm mortgages through recognized farm-bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure."

When the Democratic Party returned to power in 1933, the plight of the American farmer was distressing beyond the power of description. It is estimated that a million farmers were in danger of losing their homes through foreclosure. Prices of farm commodities were at the lowest level of all time. Farm income was less than half of what it had been in 1929. In relation to income, interest charges were twice as high as before the World War. Mortgage loans made for short periods fell due and there was practically no opportunity for renewal. Approximately 40 percent of all the banks in the country had failed. In every group of 1,000 farms over the land 38.8 were under foreclosure. Farmers were approaching open revolt over the threatened loss of their homes through conditions over which they had no control. It was in this crisis that the Farm Credit Administration was established. It deliberately set itself to the task of staying every farm foreclosure where the farmer had any equity and was willing to do his part to try to work out the problem.

The officers and employees of the Farm Credit Administration worked night and day to handle the situation. From a mere 200 appraisers there was built up a well-trained corps of more than 5,000. In 1932 the Federal land banks were loaning $2,000,000 a month. By 1934 under the Farm Credit Administration this had been increased so that for every month in that year more than a hundred million dollars went forth to save the farms of the country; yes, to save the Nation itself. As an example of the tremendous task imposed upon the Farm Credit Administration, let me say that in my home district at Omaha, Nebr., which is one of the 12 districts established in the country, in a period of 32 months there were received twice as many applications for loans as in the entire 17 years that preceded.

A word as to what has been accomplished. Whereas in 1932 there had been 38.8 foreclosures for every 1,000 farms in the country, by 1935 this had been reduced to 19. Two billion dollars in land bank and land-bank commissioner loans have been made since May 1, 1933. In making these loans there was a scale-down of the mortgage debts of approximately $200,000,000, a saving to the farmers of that amount. As a result of debt reduction and lowered interest charges for the year ending June 30, 1936, the farmers of the country will have saved in interest charges during this 1 year almost $75,000,000. In 1932 it required nearly 10 percent of the gross farm income to pay interest on the farm-mortgage debt. In 1935 the corresponding figure was 4.5 percent. Whereas on December 31, 1933, approximately 47 percent of all Federal land-bank borrowers were delinquent, 2 years later the percentage was reduced to 27.

One great benefit that has followed the establishment of the Farm Credit Administration is that it has concentrated the whole problem of rural credits in one integrated organization. Prior to 1933 the Federal Farm Board was engaged in a limited way in loaning funds to cooperatives for various purposes. Another agency, the Federal farm loan board, had general supervision over the Federal land banks and the joint-stock land banks. Emergency crop, seed, and fertilizer loans were being handled by the Department of Agriculture. Regional agricultural credit corporations were under the Reconstruction Finance Corporation. When a farmer found it necessary to seek credit, he was subjected to great delay, inconvenience, and expense in the effort to find the particular agency to which he should make application.

The first step in remedying this situation was to centralize in the Farm Credit Administration the supervision of all the Federal agencies concerned with farm credit. In order to obtain centralized administration and coordination of activities in each of the 12 Federal land-bank districts, the law was broadened so that the board of directors of each Federal land bank should serve also as directors for the Federal intermediate credit bank, the production credit corporation, and the bank for cooperatives, all located in the same city. It has been the constant aim of the Farm Credit Administration so to readjust the local county units where farmers apply for loans that at one place the entire transaction could be handled, whether it was an application for long-term farm-mortgage credit, short-term production credit, or credit for a cooperative organization.

It is now recognized that the emergency job of refinancing farm mortgages has been completed. With what a full measure of satisfaction that particular emergency problem has been met, I have already sketchily indicated. There remains the normal problem that will continue as long as the present organization of society lasts; that is to say, the furnishing of credit to farmers on satisfactory terms, both as to repayment and interest rate. The Farm Credit Administration is prepared to render that service in a complete and satisfactory manner. Its four coordinate branches cover the entire field of normal rural credits. The Federal land banks are adequately financed and properly officered to meet all the ordinary long-term credit requirements of the farmers of the country on terms at least as favorable as the credit offered to other enterprises.

The production credit corporation makes possible the establishment of a permanent cooperative short-term credit system to function in its field in like manner as the land banks in their long-term loaning field. More than 500 local associations have been set up with officers elected by the borrowers and the initial stock bought by the Government. Nearly 300,000 farmers have now purchased stock in these associations and borrowed from them. The Government does not furnish the money that is loaned. The associations discount farmers' notes with the intermediate-credit banks, which is the third of these four coordinate agencies. In a sense these banks constitute the farmer's Federal reserve system. They accept from the local associations the endorsed farmers' notes and other security given for short-term loans and on the strength of these securities sell short-term bonds to the investing public.

The farmer is now getting production credit at 5 percent per annum, which is by far the lowest rate at which farmers as a class have ever been able to secure credit of this kind. The farmer is not charged for a day's interest beyond the time that he actually has the money. The association agrees to loan a farmer a certain total sum to be advanced as needed. The farmer then withdraws from the association such portion of the total from time to time as he needs, and pays interest only for the time he holds the money.

The fourth agency, the bank of cooperatives, as the name implies, makes loans on proper security to the various farmer cooperatives which are rendering such a great service to producers in marketing their products to the best advantage.

In addition to these various forms of cooperative credit, the Farm Credit Administration has charge of the emergency short-term crop and feed loans to farmers who are unable to obtain credit elsewhere. More than 600,000 of these loans were made in 1933, and more than 400,000 during 1934, and a like number in 1935. After some unfortunate delay, loans of this nature are again being made for the current season.

The pledges which the Democratic Party has made to the farmers of the country to provide an adequate system of rural credits have been kept. The farmer now stands in a position at least of equality with other producers in the matter of his access to credit. A new day has dawned for the farmer. Other phases of the farm problem remain to be settled. In the matter of credit the farmer needs only to hold to what he has, to support those who believe in maintaining the Farm Credit Administration in its present effective form, to meet new credit problems as they arise in the same spirit that the Farm Credit Administration arose to the great emergency that confronted the country in the years that have just passed.

ADDRESS BY SENATOR STEIWER BEFORE THE QUEENS COUNTY (N. Y.) REPUBLICAN CLUB

Mr. HALE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from Oregon [Mr. STEIWER] before the Queens County Republican Club at Jamaica, Long Island, N. Y., on May 2, 1936.

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

If you can imagine intricacies made wholly inscrutable and contradiction confounded with confusion, that is the New Deal. In its many ramifications it has been ingrafted upon the Democratic Party, but it is a thing separate and apart from that party. The New Deal truly is made up from the discards of all the old deals. In the space of one political rally I shall not attempt further to define it. We know that its administration presents problems of greatest complexity and involved issues almost beyond human comprehension. Monetary questions, war debts, foreign trade, tariff, and numerous other important subjects confront us. I will not attempt tonight to discuss these great questions but will speak of matters which are currently before the Congress for attention; questions which you will find are close to you and generally vital to the citizens of the American Republic.

Depression causes unemployment. In January 1935 the number of unemployed was 13,000,000. Today the number is in excess of 12,000,000. In January 1935 the President stated that there were 5,000,000 families and unattached persons on relief. Recently his estimate was 5,300,000. The Federal program for employment for these unfortunate fellow citizens and for relief for those who are destitute costs in excess of $3,000,000,000 per year. It unbalances the Federal Budget. It insures a continuous deficit. It adds in serious amounts to the public debt. Last year the President asked for and received $4,880,000,000 for relief and work relief. This year he has asked for $1,500,000,00 in addition, and everyone who knows the situation assumes the Congress must appropriate this amount and probably an equal amount more next January. It is supposed that in normal times approximately 50,000,000 people are gainfully employed in this country. At this time about 40,000,000 who are gainfully employed, through the payment of direct taxes and the payment of indirect taxes concealed in the cost of living, are supporting the 10,000,000 unemployed. I ask a serious question: "What are we going to do to solve this problem and to relieve ourselves of this burden?"

The New Deal attempted to meet it with the N. R. A. Against N. R. A. maladministration the people were almost in open rebellion. Finally it was stricken down by the Supreme Court, and since that time there has been some improvement in employment and increases in wages. Since the N. R. A. has been inoperative the New Deal has been without a program save its program of relief and work relief. Moreover, the New Deal seems incapable of formulating a program. It has degenerated from bad administration of the N. R. A. to bad thinking with respect to present economic objectives. This is illustrated by the President's recent speech in New York in which he said:

"Wages ought to and must go up with prices."

He also said:

"Higher wages for workers, more income for farmers means more goods produced, more and better food eaten, fewer unemployed and lower taxes."

And then he added:

"That is my economic and social philosophy, and, incidentally, my political philosophy as well."

Let us examine these statements of the President's economic, social, and political philosophy. Have wages gone up with prices? It is reliably estimated that while wages were increasing 8 percent the cost of living has increased approximately 20 percent. The President asserted that we are "on our way" to attainment of his objective; but if his objective is to increase real wages, the further we go "on our way", the greater will be the disparity between wages and living costs.

In the second statement quoted the President coupled higher wages for workers with more income for farmers. Both are desirable; but the increased income for farmers, if accomplished by a program of scarcity or by a processing tax, means higher living costs for the consumer and a decrease in real wages for those who work in the cities. He stands for eating more and better food, but more and better food will not be eaten unless more and better food is produced, and the wishful hope that the unemployed will be fewer in number is entirely quixotic if production in agriculture and industry is curtailed by governmental action.

The crowning glory of the President's philosophy as quoted is his declaration for lower taxes. How can there be a hope for lower taxes when we confront a steadily mounting cost of government? How can taxes be lowered when the number of Federal employees is increasing and when the administration actually boasts that it plans a deficit. Lower taxes result from thrift and economy and not from recklessness and spending. You need not expect lower taxes when the White House calls upon Congress at each session to enact a new tax bill rapidly broadening the tax base and inserting the arm of the Federal Treasury deeper and deeper into the pocket of the citizen. Let no one be deceived. These additional taxes will not come from the rich. The volume of Federal spending has already passed beyond the power of the rich to pay. If the Government should confiscate the entire income of the rich, the amount obtained would be insufficient. This burden will be placed upon the people. It fastens itself upon producer and consumer alike. The burden of supporting Federal extravagance is added to the cost of living and becomes a charge upon every man, every woman, and every child, including the "under privileged", the "average man", and even the "forgotten man."

If one would seek the underlying reason for the inefficiency and improvidence of the Federal Government, he need not look beyond the abstruse confusion reflected in this quoted philosophy of the leader of the New Deal.

I have pointed out that our cost of living is up 20 percent. This is not accident. He "planned it that way." Living costs are governed in part by natural economic laws like supply and demand. They are governed in other respects by governmental interference. One factor is the monetary standard. The President reduced the gold content of the dollar. It buys less. Necessities of life cost more. Another factor is governmental interference with production. Curtailment is a full partner with the hurricane and the drought. The consumers of America cannot blame the Republican Party for the new taxes which lie concealed in the cost of living. The responsibility rests on one doorstep and that is the doorstep of the White House.

We go back to the President's philosophy. I quote again his statement regarding wages:

"Wages ought to and must go up with prices."

But wages will not go up with prices when prices are elevated by governmental interference and when profits of industry are insufficient to pay higher wages. The President's asserted philosophy, in the light of the facts, is no philosophy at all. It is an unsupported campaign utterance employed for political purposes.

I now invite your attention to the subject of relief. Work relief, of course, provides temporary employment on made jobs. It is subject to the objection that it is costly, and to the further objection that the administration, in most instances, refuses to pay the prevailing rate of wages in the communities where public-works projects are carried on. This tends to undermine the entire wage structure and is difficult to defend.

The system which is employed lends itself to political abuses which I will not undertake to discuss. A most serious objection to the present program is that whenever the Works Relief Administration does attempt a useful undertaking in contradistinction to its useless, boondoggling projects it finds itself squarely in competition with private industry. To that extent it deprives private industry of an opportunity which it would otherwise enjoy, and in such cases it operates to increase and not to decrease permanent unemployment.

One significant fact stands out, and that is the expenditure of billions of the taxpayers' money under the direction of the President and his aides has failed to reduce in a substantial way the number of unemployed, and the relief load has actually been increased.

Republicans in Congress would like to correct this situation. Some of us fought strenuously against the writing of the $5,000,000,000 blank check to the President in the last session of Congress. We sought to retain control over the public purse by prescribing the purposes for which the money should be spent and defining definitely the methods of making the expenditure. On most points we were defeated by administration influence. We now renew this fight in connection with the billion-and-a-half appropriation bill now pending before the House of Representatives. The Republican Party does not propose to repudiate the obligation to feed the hungry; but we do propose, as far as it lies in our power, to take politics out of relief. We propose, moreover, to liquidate the Works Progress Administration and to turn over the responsibility for distribution of relief to the States and local agencies. We stand for this principle on the theory that the administration of relief can best be superintended by those who know the local situations. Local interest will police the distribution of the money.

We are standing for State supervision through nonpolitical boards, and I hope we will unite on a proposition that each State must contribute a certain amount to match the contribution of the Federal Government, thus giving the local agencies a real

share in relief and insuring that they accept their responsibility and see to it that the money provided for relief is equitably distributed.

We hope to put an end to the unjust disparity now existing. We especially denounce a system which permits relief in one State to be administered on a basis of less than $200 per family per year and in other States in amounts which vary from a minimum of $200 to a maximum of more than $1,300 per family per year.

Last year I believed—and it is still my belief—that a blank check of $5,000,000,000 or any other like sum in favor of the Executive is bad legislation. Discretionary authority to expend this money, almost without restraint, is subject to most serious abuses and should never have been delegated to any President, New Deal or Old Deal. We hear of political corruption in the administration of relief in Pennsylvania, of scandals throughout almost the entire area of West Virginia, of indictments in Maine, of unlawful collection of campaign funds in Washington, and of the use of relief money for political purposes almost everywhere throughout the United States. I have seen the comments of your own Victor Ridder in the city of New York. I have read some of the stories published in the New York Sun. These all indicate to me that the situation in your own State is not what it ought to be.

The Republican Party has a right to ask the American people whether they approve the evils of the existing program. We have a right to denounce the wickedness of playing politics with human misery. Let us make our purpose perfectly clear. We will not repudiate the destitute nor starve those who are in need, but we must courageously take our position that public money voted for relief of the destitute shall be employed to feed hungry mouths and not to feed hungry political manipulators working under the direction of Mr. Farley.

This administration was pledged by the 1932 platform to reduce the expenditures of the Federal Government by 25 percent. If you want to calculate the extent to which this pledge remains unfulfilled, look up the recent statement of the Secretary of the Treasury that the deficit for the fiscal year ending June 30, 1936, will be approximately $6,000,000,000.

Instead of keeping the pledge to reduce expenditures, the expenses of government have been steadily increased and are still being increased by the Federal administration. A feature of this situation which affects you is that the administration has demanded new and additional taxes during each year of its existence. There is pending before the Senate at this time a tax bill containing more than 250 pages made up of technical and complicated provisions. I will not describe this bill except to say its chief effect, if not its purpose, is to place a severe penalty on the retention by corporations of any substantial part of their future earnings. The administration has picked up a stray idea that business institutions no longer should create new reserves.

Somebody evidently thinks thrift is not a virtue and the public interest will be served by compelling corporations to pay out their net earnings year by year. The apparent object is to require that profits should be turned into circulation through the payment of dividends to stockholders and that finally all such profits when so paid should be subject to increased taxation, either through the penalty tax on earnings not paid out or through the income taxes of individual stockholders from whom the exemption of the normal tax has been lifted.

Time does not permit discussion in detail of this strange program. It is very clear that a big corporation which already has established a great surplus will not be definitely injured by the requirement to convert its net profits into dividends. An infant industry or a new corporation which has not had time to build reserves will find it can build reserves only by meeting the severe penalties of the law. In this administration the New Deal advocates have talked much of its friendliness to the little fellow. And yet they sponsor legislation which favors the established corporations at the expense of those not yet established. It is useless to argue that it is prudent to build up a reasonable reserve to provide for the necessities which may arise in times of depression.

The average man would regard a reasonable reserve as a necessary part of sound business administration. President Roosevelt's administration is unrestrained by any consideration of this kind. Moreover, the administration seems to have forgotten some pertinent figures. It has been estimated that during the present depression the corporations of this country paid out in the form of wages, salaries, interest, and dividends from their accumulated surpluses a sum in the neighborhood of $28,000,000,000 in excess of their receipts. This is approximately equal to the staggering cost of the New Deal up to this date. It is industry's contribution to the welfare of its stockholders and its employees. The possession of these great accumulations contributed to the strength of our system. It aided our people in meeting the strain of hard times. A like surplus would serve us again in another emergency, but the New Deal theorists, under a false guise of social justice and a mistaken belief that they are advancing a humanitarian program, will place obstacles in the road of further accumulations.

As I contemplate these facts, there is only one conclusion, and that is that the untrained and immature manipulators of the New Deal administration are not competent to administer the governmental affairs of the American people.

In the President's speech made in New York a week ago he defends what he calls "the current costs of rebuilding America." There is a serious question whether the New Deal is rebuilding America or ruthlessly tearing it to pieces, but I pass this question. In his attempt to explain away the staggering burden of cost, the President states that the deficit of the Government this year is—I quote—"about $3,000,000,000." The Secretary of the Treasury says it is $6,000,000,000. I have not noticed that anyone has regarded a difference of $3,000,000,000 between the President and his Secretary of the Treasury as being a matter worthy of any comment. If the President's estimate is correct, the Secretary of the Treasury is 50 percent wrong; and if the estimate of the Secretary of the Treasury is correct, the President is 100 percent wrong. These differences need not be resolved. The Federal deficits each year are not caused by deficiencies in Federal revenues. The revenues are substantially greater than they were prior to the New Deal. The deficits come from a spirit of free and happy spending. The President in his New York speech said:

"I can come here to the city of New York and talk about the cotton problem of Georgia, the corn and hog problem of Iowa, and the wheat problem of the Dakotas, etc."

Permit me also to talk to you about the farms of America. The New Deal appropriations are nearly equivalent to the value of all the farms of the United States. The 4-year cost, direct and indirect, of the Roosevelt administration is reliably estimated as being in excess of $30,000,000,000. The 1935 value of all the farm land and farm buildings in the United States was between $32,000,000,000 and $33,000,000,000. If the American farmers had sold all their farms in 1935 and handed over to the Federal Treasury the proceeds of the sale, less a reasonable commission, the amount paid the Treasury would have been approximately equal to the Federal appropriations under the New Deal. It has been calculated that after the farmers, by this means, had paid the 4-year cost of Government, every farmer would have left on the average about $27 for his own use; $27 but no farm.

Now, let us consider that the farmers, to which the President has made reference, had kept their farms and had turned over their gross income in payment of Federal expenses. In that case the entire gross income of all the farms during a 4-year period would not have furnished enough funds to finance the expenditures of the Federal Treasury. The gross income of all farms for 1933, 1934, 1935, and 1936 is estimated between $29,000,000,000 and $30,000,000,000. It seems they would have lacked about $1,000,000,000, which is only one-third of the amount in disagreement between the President and his Secretary of Treasury.

The facts which I have recited merely illustrate the general situation. The complete story of extravagance and inefficiency will never be related in full. America, standing aghast at the revelations already made, must determine upon its course of action. Most numerous remedies will be suggested. A Budget balance is imperatively needed, but equally important is restoration of sanity in Government. The American people have a right to expect a sense of responsibility in all Government officials. We must insist upon efficiency in governmental administration. We must go back to the civil service. We will go forward to a new understanding of our practical problems; and if I estimate correctly the temper of the American people, we will reestablish in this Nation government by law in lieu of the present system of personal government, based on executive discretion. We will unfetter the American economic system. We will employ again the matchless capabilities of the American people, and we will set our hands and minds to the task of reconstruction in a way which will bring a real social security to the men, women, and children who make up our great Republic.

ADDRESS BY HON. JAMES A. FARLEY AT THE HARTFORD (CONN.) CLUB

Mr. MALONEY. 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 a meeting held under the auspices of the Democratic State Central Committee of Connecticut at the Hartford Club, in the city of Hartford, Conn., on May 6, 1936.

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

As my purpose tonight is to make a common-sense talk, it is particularly gratifying that I address a Connecticut audience. There are fewer isms, I believe, in this State than in any of our sisterhood of Commonwealths. You are fundamentalists in your political views. By that I mean that however the political tide runs you remain true to your conceptions of the basic principles of democratic government—that is, government founded on the thought that the welfare of the whole people must be the ruling impulse of our system. It was so in the infancy of your great State and it remains so.

I know it is customary on such occasions as this for a speaker to congratulate the people on their good fortune in having fine men to direct the affairs of the State. Let me depart a little from that procedure and congratulate Governor Cross, Senators LONERGAN and MALONEY, Congressmen CITRON, KOPPLEMANN, SMITH, and SHANLEY, and the rest of the officials you have chosen as your high officers and representatives on having such a level-headed constituency to work for and to work with.

Under our form of government you have a dual allegiance—to your country and to your State—and my hat is off to you for your

loyalty to both. The fine part of it is that there is no conflict in your twin allegiance. You have too much wisdom, experience, and wit to believe either that the National Government has any thought to give Connecticut the worst of it, or that Connecticut is entitled to any advantage that would be to the detriment of national well-being and prosperity. You are jealous of your rights and your natural advantages and those that have come through the skill and industry of your citizens—and properly so. You are equally concerned that the National Government, which has to look out for the well-being of all the States, should do its job.

Oh, I know that in this period of political excitement and activity you are being bombarded with hectic oratory from the spokesmen of the minority party, telling you that the administration in Washington is bent on encroaching on State rights; that it is the fiendish purpose of the President to reduce the United States to a dictatorship; to junk the Constitution and to have all business, and, in fact, all individuals goose-step to the music of a regimental band.

Well, you know the President of the United States. He was your next-door neighbor and was always stepping across the border to your hospitable territory. Do you remember anything during his two terms as Governor of New York that suggested a bent toward dictatorship, or toward socialism or communism; for he has been accused by those who seek to regain control of the Government of all of these things? A large number of the people who live here are New Yorkers in business. Every morning and every evening the suburban trains are crowded with folks from my State going to and coming from their shops and offices. The roads are jammed with automobiles carrying people bent on the same mission. In fact, many of the friends I have in New York City have their homes over here, and the way they boast of the beauties of your hills and valleys and beaches tells why they live in Connecticut.

Have you heard any one of these complain that Franklin D. Roosevelt as Governor hurt business in any way? Indeed, I doubt if the whole history of my State shows more successful administrations than the two when Roosevelt was in Albany.

Do you think that your neighbor is a different person, with a different personality and a revolutionized character, because he was moved from Albany to Washington? Isn't it a fact that it was because he had shown himself a great Governor the people of the United States translated him from the house on the Hudson to the house on the Potomac with the idea that he was peculiarly fitted for the bigger post? And hasn't he lived up to specifications and done a job in Washington that the whole world admires—at least, the whole world except those people who want to get another Herbert Hoover into the White House and to undo what he has done? By that I mean that our political adversaries would have us return to the same system that brought us into the gravest economic trouble we ever had, not that they wish to give up the profits they are making now for the losses they were experiencing 3 years ago.

The figures of our trade, commerce, and industry are cold, definite indexes of the existing condition of business. Nobody can dispute them. They present the picture of a headlong dive to the depths of distress, despair, and disaster contrasted with an upward swing. Our progress toward complete recovery is not so abrupt as was the descent, but it has been steady, substantial, and sound. The only thing that could interrupt it would be the rejection of the methods that have brought it about. This is as good a place as any to assure you that there is going to be no such interruption. The President is going to be endorsed in the election next November more decisively than he was voted into office in 1932, and the verdict of the people is going to be confirmed as thoroughly as it was in the congressional elections of 1934. And it is with a full heart that I name Connecticut as one of the States that will contribute to the reelection of Franklin D. Roosevelt.

The criticisms of the tories of 1936 are mere abstractions. They charge him with seeking dictatorial powers. What Presidential functions has he strained? They charge him with making Congress a rubber stamp to register his orders. There is not an enactment which he has recommended that Congress has accepted unless it conformed with the views of a majority. And the most important of the laws passed under the present administration were put on the statute books with the help of Congressmen of opposite political faith from the President. Even those two measures which failed to come within the limitations declared by the Supreme Court were voted for by many Republican Members of the House and Senate—some of them from this State. It is my recollection that practically half the Republican membership voted for one or the other of those bills.

They say this is an administration of dreamers. Well, the men and women who founded this great city 300 years ago were dreamers, too. They dreamed of release from the burdensome laws of another colony and made their own government. Their dream came true, which is why Hartford is today the beautiful, rich community we see around us.

They say he wants to wreck the Constitution. He has been in office for 3 years and the Constitution seems to be standing up fairly well. Incidentally the Hartford founding fathers adopted a constitution suitable doubtless to things as they were then, and conditions as they foresaw them. What sort of a State would Connecticut be today if that constitution was still in force? They say he wants to destroy the Supreme Court! I have yet to hear it suggested that President Roosevelt should appoint enough new members of the Court to give a majority that would validate what the present Court has declared invalid. Yet that has been done in the past. It was a Republican President who did it. Moreover, there has been hardly a President under whose administration laws have not been passed that the Supreme Court declared unconstitutional. When those things happen there is nothing for the President to do but to propose new measures that will meet the high tribunal's objections. It might be of service to observe that whatever laws President Roosevelt recommended were laws intended to help the people; none of them were for his own advantage or enhancement. Incidentally, it must be recorded that even those enactments which turned out to be unconstitutional helped get things started, and did their part in pulling us out of a dreary hole.

Our adversaries are prone to forget what they said and what they felt a few years ago in regard to the very policies they so emphatically denounce now. Perhaps I might remind you, "lest we forget."

You are fortunate in having in your community a great newspaper. I am sorry that journal does not like this administration, but its news columns, at least, are to be relied on for accurate information. I might, in passing, remark that the Hartford Courant printed a 58-page paper on Sunday, March 5, 1933—when Franklin Roosevelt had just come into the White House. This year its Sunday issue newspaper of March 8 had jumped to 82 pages to accommodate a lot more advertising than it had in the depression time. I congratulate that newspaper, for a prosperous newspaper means a prosperous community. Its progress should give us a fair yardstick with which to estimate the difference the New Deal has made between then and now.

I only cite this particular newspaper because you are naturally familiar with it. The same sort of comparison could be made in almost any city.

For the same reason I wish to call your attention to certain headlines that illustrate the progress business of every kind has made. For example:

In the early months of 1932 your newspaper told you "New construction in State declines sharply in year. Off 65 percent", etc.

"Business at lowest ebb as depression year ends."

"Southern New England Telephone Co. reports decrease of 30,000 telephones over previous year."

"One hundred thirty-one million five hundred thousand dollars loss felt in steel trade."

I could read similar bulletins on the prostrated state of business for an hour, but you undoubtedly remember without further headlines how things were in Connecticut as well as throughout the country when the present administration came into power.

Your newspaper phrased it this way, editorially:

"The hope when 1931 ended that the new year would see recovery well advanced has not been realized, and still another new year opens with the clouds of anxiety undispersed."

But within 3 months after the openings of the next year your newspaper saw signs and hope and hailed the New Deal in this fashion:

"No proposed reform, whether temporary or permanent, but is likely to bring protests from some individuals and from some classes whose personal interests may be affected. Their complaints should not be permitted to impede, much less to halt, the measures designed for the benefit of the great majority. The present is not a time for quibbling over petty details or for disputing over fine points. The President has assumed command of a nation ready to follow him. Willful objectors in the ranks, whether in Congress or out, should be firmly ordered to the rear for the duration of the coming siege."

Now, let us jump to this year. I find during last month such headlines as "A million dollars' worth of tobacco sold here"; "Mutual Life assets gain $78,529,913"; "U. S. Rubber net best since 1927"; "General Motors February is 7 years' peak."

Still your newspaper refuses to be happy over the administration that has brought about the changes that it so dramatically records in its business headlines and that is reflected in its own prosperity. It is sarcastic in its references to the President's efforts and jeers at the idea that he has sought economy and that the delay in approaching a balanced Budget is due in any part to huge increases in Government obligations involved in enactments due to unforeseen commitments made in spite of him. It is enthusiastic over President Hoover's generalities voiced in speeches in which he is bidding for another nomination, and it concluded a recent editorial in this language:

"The New Deal does not take kindly to any suggestions emanating from Mr. Hoover, but it could immensely profit itself by the things he said in his Colorado speech. A Republican platform built on the solid foundations of that speech ought to appeal to the country."

That is quite all right—if your newspaper believes that Mr. Hoover was a competent and successful President, and that his policies were better and are better—for he has not changed—than the policies which have changed red entries to black on the ledgers of industry.

Let me repeat that I cite one of your home newspapers only because you are familiar with it. I could quote practically every antiadministration newspaper in every large city in the same way. Those headlines, or headlines of the same import, were published in Boston, New York, Chicago, San Francisco, and other big communities, and the conflict between them and the editorial pages was perhaps even greater in these other centers of population.

It is not my job, of course, to edit the newspapers of the country, but I may, I hope, point out that the cold facts of business are of vastly greater significance than the views of some publishers.

Now, the Manufacturers Association of Connecticut can hardly be accused of undue partiality toward the Roosevelt administration, but in its survey of Connecticut industry last month it had to record that factory employment declined by less than the usual seasonal amount; that "freight carloadings showed a further increase on top of the substantial gain made in December"; that "bank debits due individual accounts were 19 percent over the corresponding month last year"; that "the number of new corporations formed and the total capital stock involved showed increases of 29 and 33 percent"; and that "real-estate sales numbered 50 percent more than last year." Over the entire New Haven Railroad this business report shows an advance of more than 50 percent in the loading of building material.

Let us glance for a moment at the business situation right here in Connecticut as reflected in the comparative values of your life- and fire-insurance securities as of today and 1932. The Hartford Courant of January 2, 1933, listed the value of life-insurance stocks at $124,750,000 and fire-insurance stocks at $119,300,000, with a total valuation for both stocks at $244,000,000. On January 6, 1936, the value of these same insurance securities was published again in the Hartford Courant. These figures show the value of the life-insurance stocks at $247,000,000 and the fire-insurance stocks at $266,160,000, giving a total valuation of the securities as of that date of $513,160,000, as against the $244,000,000 listed on January 2, 1933. In other words, during the past 3 years and under the Roosevelt administration the value of your life- and fire-insurance securities has shown an increase in excess of 100 percent.

I guess that these figures will suffice to emphasize the point I am making. I am no fonder of statistics than I suppose you are, but I do notice in the publication called Business Week that the machine-tool business of New England has been breaking records and that the shoe industry closed one of the best years in its history.

I observe that a great many of the attacks on the administration made in this section of the country refer to the farm legislation, with the implication that the West has been favored over the East. You will perhaps be interested to learn that the shipments of manufactured products from the industrial East to the agricultural States have increased enormously under the present administration. The waybills of all the great railroads record huge figures for this business. Two years after the Roosevelt administration had come in they showed that Connecticut was shipping out manufactured products to the West and South half as big again as they had shipped in 1933. I am not going to bore you with more figures; but you, with your wise Yankee perception, will realize that this increase in your manufacturing business would have been impossible except that the purchasing power of the farmer had been restored to a considerable extent.

It may seem scandalous to those who have not analyzed the situation that a farmer in Nebraska should have been paid something for abstaining from planting his whole acreage to wheat or corn, but when you figure that what he got came to you for the things your factories supply it may not seem so monstrous after all. When the restored purchasing power of the farmer increased the output of your factories 50 percent or more, you must realize that there is really nothing regional in the emergency measures that have taken the whole country out of the red.

Incidentally, your own State of Connecticut received last year nearly a million and a half of the rental and benefit payments under the agricultural bill and nine and a half million dollars was spent on emergency conservation work in the 18 Civilian Conservation camps here, which went largely toward fire protection, forest improvement, soil-erosion control, game and fish conservation, and things of that sort. Your farmers, through the Farm Credit Administration, were enabled to borrow $9,000,000, and your home owners, through their loan corporation, something over $44,000,000, and your banks were aided to the extent of nearly $24,000,000.

These were loans, not gifts. They are secured by the properties involved, just like any other loans and are being paid back in the most satisfactory fashion. As a matter of fact, the Reconstruction Finance Corporation is taking in repayments a whole lot more than it is sending out. I don't know what the exact figures are just now, but the last report I saw on the subject showed that this chief lending agency of the Government had an operating profit of $126,000,000, which would be a pretty good showing for any corporation.

You have recently been subjected to a flood disaster. It is to prevent or at least minimize the horrors of floods such as this that much of the public-works program is planned to accomplish. Incidentally, many of the small dikes in the headwaters of the rivers are among the projects that our adversaries have classed as among the useless, money-and-time-consuming enterprises that the Works Progress people have undertaken. When the projects against soil erosion and for river control are complete, you will find that these little dams are a vital element in making you safe from a repetition of your recent affliction.

The part played by the C. C. C. boys and other Government agencies in rescues and repairs you know better than I.

We cannot expect anybody to be very enthusiastic over paying more taxes, but in the case of Connecticut the $6,000,000 increase in the income taxes paid means, to calculate roughly, that some people in Connecticut had an aggregate of perhaps $125,000,000 more income in 1935 than they had in 1933.

Proportionately, the figures run about the same in all sections of the country, and very naturally the people of the whole Nation are as happy over these conditions as you are here in Hartford. Obviously this cheerful change from what we were going through when Franklin D. Roosevelt came to the White House is not the result of luck or chance or magic. It was the result of deliberate planning by the administration, which inherited a terrific state of national distress and which felt it to be its job to cure that condition.

President Roosevelt began his term with what was perhaps the most courageous act of any administration since the beginning of our history. If you remember, he shut up all the banks. Perhaps the country gasped a bit, but it had faith in him and took the temporary inconvenience with a smile and a cheer. Such was its great relief that somebody had come along with a plan and sufficient backbone to put that plan into effect. In the few years previous to the advent of Roosevelt to the White House there had been 5,000 bank failures. Since he straightened out the banking situation, as I read in a recent speech delivered in Congress, there have been just five Federal bank failures; and, thanks to the Bank Insurance Act, which was part of the program, practically all of these failures were unaccompanied by loss to the depositors.

Our history is full of examples of Yankee courage. The way you New Englanders met the hardships of the recent flood and the cheerfulness with which you remedied the damage is an incident of that proverbial courage. Brave people love brave men. I think that the trait in our President that most appeals to my audience of today is the calm fortitude with which he has met every situation that has arisen since he tackled as tough a problem as ever confronted a President of the United States. He was not flustered when the whole Nation acclaimed him. Nobody has ever seen him rattled because a certain element of our population, greedy for special favors, denounced him as an anarchist and Socialist, and a dictator, and prophesied that not welfare but disaster must result from what he has been doing. He has taken the hurdles as he came to them. Perhaps he has not been successful in every detail of his program. Nobody, not even a great President, can score a hundred percent in performance, but if he scores a hundred percent in intention and turns out to be right 90 percent of the time, he has made his mark in history and in the gratitude of the people.

Sift the criticisms that are being made by the so-called Liberty League and its collateral branches that are seeking to break down the Roosevelt policies and what do they amount to? Absurd generalities, such as that he is seeking to Bolshevize the Government, to destroy business, and other tommyrot of that sort. Undoubtedly, it is very probable that in the distribution of emergency relief to the extent of billions of dollars some small soul got $4 worth of groceries for nothing when he could have paid for them. Undoubtedly an occasional idler has not performed a full day's work for his relief pay. What of it? Work had to be provided for men and women incapable of digging ditches or driving trucks, but just as subject to hunger and other suffering as the sturdiest among us. Work within their capacity had to be provided, and hence the stories of boondoggling that make up so large a part of the literature and oratory of the administration's enemies. What, I ask you, could be done with a manicure girl out of work, a music teacher without pay and without pupils, an artist with no market for his pictures, an actor or actress unemployed, and thousands of other individuals quite capable of supporting themselves in normal times but destitute of a market for their services in such times as we have been going through? They were given such work as they were accustomed to, and other unfortunates were served by them.

But, as I say, what do these fly specks on the fair canvas on which a statesman has inscribed a wonderful recovery for a shaken people amount to anyway?

The Nation itself knows what has been done. The Nation appreciates that the unceasing effort of its President has brought about these results, and next November you will find that the States of our Union will vote the reelection of Franklin D. Roosevelt, and that among these States will be your own Connecticut.

WORK OF HOME OWNERS' LOAN CORPORATION

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Mr. John H. Fahey, Chairman of the Federal Home Loan Bank Board, addressed to Mr. Henry P. Fletcher, chairman of the Republican National Committee. The letter written by Mr. Fahey is a very complete, persuasive, and convincing reply to a statement made yesterday by Mr. Fletcher.

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

It is evident that the statements in your press release relative to the work of the Home Owners' Loan Corporation are based upon information conveyed to you which is both incomplete and inaccurate. The result is a series of unfortunate implications which, in the interest of millions of our citizens, as well as thousands of financial institutions, call for correction.

In criticizing the Federal Government for coming to the relief of urban home owners and saving more than a million families from the loss of their homes and eviction, your informant is apparently unaware that the first attempt to do this important work was

undertaken by the Seventy-second Congress with the approval of former President Hoover. The Federal home-loan bank bill, signed July 22, 1932, provided, with the President's approval, for making direct loans to home owners to save their homes. The Federal home-loan banks authorized by this act were not organized, however, until October 15, 1932, and proved wholly inadequate to meet the chaotic conditions which had developed in the urban mortgage field.

The regulations made by the Bank Board to provide for these direct loans to home owners were so onerous they could not be taken advantage of. They allowed advances of but 30 percent of the then depression value of the property in most cases and but 40 percent of that value if the loan could be paid in full in 8 years. Forty-one thousand five hundred and eighty applications were filed for loans under the act. In the entire country but three loans, amounting to a total of but $9,000, were made, while the cost of handling the applications was $136,591, or over 15 times the amount of the loans actually made. Two of the three loans made were subsequently taken over by the Home Owners' Loan Corporation and but one is still outstanding.

In the face of this failure foreclosures of mortgages against urban homes meanwhile reached record-breaking heights. They were mounting at the rate of 1,000 a day when President Roosevelt recommended the organization of the Home Owners' Loan Corporation to meet the emergency. The Corporation, under the terms of the Home Owners' Loan Act, signed by the President on June 13, 1933, is administered by the Federal Home Loan Bank Board, a bipartisan board consisting of three Democrats and two Republicans; and in the granting of, as well as the servicing of, loans there has been no discrimination between applicants on the basis of politics, race, or creed. The act was passed by the overwhelming votes of both the Senate and the House, including Republicans and Democrats. In the Senate the act was approved without record of a single dissenting vote. In the House the vote was 383 yeas and but 4 nays. But one dissenting Republican vote was recorded.

Your statement says that "not even Comptroller General McCarl, who supervises the expenditures of all regularly constituted agencies of the Federal Government, has access to these books. He cannot audit a single account." This is not the fact. The work of the Corporation has been carried on within the letter and the spirit of the law. The Comptroller General has full access to all records and accounts of the Corporation. On its own initiative the Corporation enlisted the cooperation and advice of the Comptroller General's office in setting up its forms and machinery for accounting, thus obtaining invaluable aid in providing for easier auditing of the books of account. The Office of the Comptroller General receives our regular statistical reports, is empowered to audit regularly the accounts of the Corporation, and is entirely familiar with our accounting records and procedure. The Corporation submits monthly financial reports and frequent special reports to the Treasury Department and the Bureau of the Budget. It makes regular financial and statistical reports to the Emergency Council for the information of the President. An Executive order of August 5, 1935, provided for a review of all the Corporation's operations and control by the Bureau of the Budget.

Your statement raises the question as to whether our loans have been made to deserving persons—to those clearly in danger of losing their homes. May I say, as to this, that the regular procedure of the Corporation provided that the application of a mortgagor should be supported by a statement of the mortgagee that he was unwilling to renew the loan and felt obliged to foreclose. Under the requirements of the Corporation, the loan file also had to contain evidence that the loan could not be refinanced elsewhere. The truth is that the thousands of savings banks, life-insurance companies, building and loan associations, commercial banks, and other institutions whose mortgages this Corporation took over felt that as trustee institutions they could not under the conditions which existed continue to carry these loans. The fact that more than 800,000 of the applications filed have been rejected by the Corporation, while hundreds of thousands of additional applications obviously ineligible were not even accepted, is conclusive evidence that the Corporation exercised every reasonable precaution to eliminate loans which were not eligible under the law. Not only were competent loan committees set up in every State to pass upon these applications, but in every important center special representatives of the Board from Washington participated in checking of the work of these committees.

As your own statement indicates, it is obvious that private lending institutions would not surrender to this Corporation mortgages which they consider prime loans and which they desired to carry. More than 1,000,000 home owners who have been benefited by the operations of this Corporation are today meeting their obligations on a basis fairly comparable to that of borrowers from private institutions because of the extraordinary improvement in the economic condition of the country and increased employment. Their ability to meet these payments is also influenced by the fact that under the terms of the Home Owners' Loan Act their payments are spread out over a period of 15 years and at an interest rate of 5 percent. This is the most liberal loan on urban homes ever made by any institution in the history of the country.

Your press release further says that you view "the mortgage on the national wealth of the Nation as a 'ball and chain' on every family of the land" and that "these tax-exempt bonds attach to each American household a contingent debt that is variously estimated at figures from $180 to $400." The fact is, first, that in refinancing these loans the Corporation obtained reductions on the claims as filed amounting to over $200,000,000 and that while when the act was passed it was anticipated that the Government might suffer some loss through the enactment of this relief measure, the prospect is that no losses will ensue.

Might I also point out that if these loans had not been made real-estate values would have continued to decline and the remaining mortgages in the portfolios of our lending institutions, representing the savings of millions of our people, would have declined further in value with most serious consequences. May I also remind you that the Corporation took hundreds of millions of defaulted mortgages out of the closed banks of the country and aided in the distribution of cash to some millions of depositors who were in grave financial difficulties?

You suggest that the Corporation misrepresents the facts in reporting collections on its mortgages. You state that it reports payments of principal and interest "for the month of January 1936 as 90.1 percent of the total amount due" and later admits that as "of February 29 that the total payments of principal and interest received by the Corporation from its borrowers amounted to $246,735,297, or approximately 73.4 percent of the $335,669,010 total due." The report to which you refer for the month of January 1936 was issued on February 26, 1936; it stated: "Total receipts of the Corporation from its borrowers amount to $18,082,000, which is 90.1 percent of the total sum maturing in January on principal and interest accounts and exceeds by nearly $900,000 the largest amount collected by the Corporation on its loans in any previous month."

You will observe that this statement refers only to the amount of cash received within that particular month compared with the amount which matured for the month. The same statement made it quite clear that the above quotation did not refer to all collections, for it was further explained that "total principal and interest payments due the H. O. L. C. from the time it was created in June 1933 to January 31, 1936, aggregate $315,244,011, on which approximately 73 percent has been paid, indicating marked improvement over total cumulative receipts from borrowers as of December 31, 1935, when 68 percent of all principal and interest due, since the Corporation's establishment, had been paid." Certainly these are clear statements, referring first to a single month and then to the entire period of operations, which should not have been misunderstood by your informant. We report regularly each month the receipts for the preceding month as turned over to the United States Treasury in cash and also the cumulative receipts from the beginning of collections to the date reported. These figures are made public immediately.

The Home Owners' Loan Corporation was created at a time of great financial distress under the leadership of a Democratic President, but with the overwhelming approval of both Republicans and Democrats. It has dealt with a problem absolutely new to any Federal institution, but it is gratifying to report that with the hearty cooperation and support of the majority of our citizens the Federal Government has turned into order and security what threatened to be disastrous confusion and insecurity not only for individual home owners in distress but for a host of other citizens the safety of whose savings was bound up in mortgage investments through many thousands of our financial institutions.

NATIONAL FLOOD CONTROL

The Senate resumed consideration of the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

Mr. COPELAND. Mr. President, in preparing the omnibus flood-control bill for presentation to the Senate, the committee undertook to define a policy and formulate a declaration of policy with regard to the control of destructive floods upon the rivers of the United States. I shall refer to this again in a moment, but before doing so I invite attention to the fact that in the projects which are recommended for consideration by the Senate not one is included which has not received the full endorsement of the Board of Army Engineers. Every project enumerated in the bill has been surveyed and given full approval.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield.

Mr. LOGAN. Does it include all the projects which have been approved by the Board of Engineers of the War Department?

Mr. COPELAND. It does not include all projects which have been surveyed by the Board of Engineers, and excludes a good many projects where power and other benefits are involved, but which for flood control alone have not been considered meritorious.

Mr. LOGAN. The city of Catlettsburg, in my State, has been very seriously affected by the banks of the river falling in. The district board of Army Engineers have just completed their report which has been sent to headquarters and is probably now in the office of the Board of Engineers. It

recommends, I am informed, $78,000 to do the necessary work on the banks of the river there to prevent further falling in.

May I ask the Senator if it is possible to have included in the bill a project in the situation in which this one now is, so that it may go to conference? Of course, if it were not approved by the Budget Director and the Board of Engineers it would have to go out. This project has been recommended and the necessity for it is very pressing.

Mr. COPELAND. I said the other day in the Senate that when I got through with this bill I would not have a friend left on the floor, and if I have to lose some friends I do not want to lose the friendship of the Senator from Kentucky [Mr. LOGAN]. However, the fact is we have stood against inclusion in the bill of any project which has not received the full approval of the Board of Army Engineers.

There are many projects which have received the approval of district boards, which are on the way to complete approval, but which have not as yet been passed upon by the board. I am sorry to say to the Senator from Kentucky, and I know he will realize I am sincere in saying I am sorry, that as chairman of the committee I could not consent to the inclusion of the project to which he refers, even though it may be meritorious, unless it has received the favorable consideration and approval of the Board of Army Engineers.

I may say to the Senator that if at some time before the session ends the project is passed upon favorably by the Board of Army Engineers I shall be glad to join the Senator in an effort to have legislation enacted to cover it. If perchance it does not receive such approval before the end of the session, then as soon as it is ready I shall be glad to help him, but I must say for the committee that we cannot accept it at this time.

Mr. LOGAN. Catlettsburg is a city of 5,000 or 6,000 people. In the recent flood about 75 acres of land, and perhaps some houses, fell into the river. One more flood would perhaps take a good part of the city. I know the humanitarian philosophy of the Senator from New York. I had been hopeful that we could get some provision in this particular bill. Then if the Board of Engineers do not approve the project it can go out in conference. That is the only thing I have in mind. I am sure it will be approved by the Board of Army Engineers, as it has been recommended for immediate consideration.

Mr. BARKLEY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. I wish to say to the Senator from New York in confirmation of what my colleague has said that the situation at Catlettsburg is peculiar. Due to a very sharp bend in the river, the flood waters coming down and beating against one bank have washed away the land, and the situation is such that about one more flood will cut through and destroy an enormous amount of property. That might happen between now and the next session of Congress.

As my colleague has said, the project has been approved by all except the Board of Army Engineers in Washington, and it may now be before them. If the Board of Army Engineers should give its approval to the project before the bill shall have been completed, would the Senator from New York then oppose including the project in the bill?

Mr. COPELAND. I may say to my friends the Senators from Kentucky that it has been my disagreeable duty to object to the inclusion of a project urged upon us by our leader, the senior Senator from Arkansas [Mr. ROBINSON], for Faulkner County, Ark. I have no doubt at all that it would be desirable to give protection to that particular territory, but the project does not receive the support of the Board of Engineers, and they give good reasons for their conclusion.

In the same way the project covering the Big Sandy River in Kentucky has not as yet been passed upon, and I beg Senators not to urge us to ruin the bill by the inclusion in it of projects which are not fully approved. Let us for once have just one bill where we can stand on the platform next fall, if we stand on a platform, and say, "There is no pork in this bill. There is nothing in this bill which has not gone through the regular procedure. There is nothing in this measure which has not been passed upon by the experts who have been working since the foundation of our Government to protect our country—the Board of Army Engineers."

Mr. BARKLEY. I appreciate the Senator's attitude and am certainly not one who would ruin the bill in the manner suggested. I favor the bill and desire to see it enacted into law. The question I propounded was, If the Board of Army Engineers' report can be obtained before consideration of the bill shall have been concluded, so the report would be official, would there then be any reason for objecting to the inclusion of the project?

Mr. COPELAND. What does the Senator mean by "concluded"? Does he mean if the report comes in tomorrow or next day?

Mr. BARKLEY. I do not know how long consideration of the bill may take, but if the report should come in before the bill is finally voted on, would the Senator then object to the inclusion of the project?

Mr. COPELAND. Before this bill is finally voted on?

Mr. BARKLEY. Yes.

Mr. COPELAND. Certainly if the report should come in with full approval of the project before the bill is finally voted on, I should be glad to have the project included.

Mr. BARKLEY. I thank the Senator. I do not know whether that is probable, but I think it is entirely possible.

Mr. NEELY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from West Virginia?

Mr. COPELAND. I yield.

Mr. NEELY. One might infer from a statement made by the Senator from New York a moment ago that he thinks the proposal to protect West Virginia and Kentucky against the flood tides of the Big Sandy River deserves to be dishonorably designated as "pork." Let me assure the able Senator that the project to which the amendment of the Senator from Kentucky refers is worthy in every respect, and that the people of West Virginia and Kentucky who live near the mouth of the Big Sandy are unquestionably entitled to the protection which the amendment, if adopted, will require the Government to provide them.

Mr. COPELAND. I was giving the category of the charges which might be made, but I certainly did not apply the term "pork" to this particular item.

Mr. President, each Senator will find on his desk a number of committee amendments. In beginning the study of the bill I ask Senators to take committee amendment numbered 1, which they will find on their desks, instead of the bill itself.

The declaration of policy is found on page 54 of the bill. Since the bill was prepared and reported to the Senate there have been conferences between the White House and Senators. The fact has been brought home to those of us who were working on the bill that it is very desirable that not alone should surveys be made of the rivers but also of the watersheds, with a view to the ultimate control and prevention of soil erosion and for the preservation of the forests.

I should like to perfect the declaration of policy as set forth on page 54 of the bill by including, in line 12, after the word "waterways", by inserting the words "including watersheds thereof", and in line 15, after the word "tributaries", by inserting the words "including watersheds thereof."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 54, in the committee amendment, in line 12, after the word "waterways", it is proposed to insert the words "including watersheds thereof", and in line 15, after the word "tributaries", to insert the words "including watersheds thereof", so as to make the section read:

SECTION 1. It is hereby recognized that destructive floods upon the rivers of the United States, upsetting orderly processes and causing loss of life and property, including the erosion of lands, and impairing and obstructing navigation, highways, railroads, and other channels of commerce between the States, constitute a menace to national welfare; that it is the sense of Congress

that flood control on navigable waters or their tributaries is a proper activity of the Federal Government in cooperation with States, their political subdivisions, and localities thereof; that investigations and improvements of rivers and other waterways, including watersheds thereof, for flood-control purposes are in the interest of the general welfare; that the Federal Government should improve or participate in the improvement of navigable waters or their tributaries, including watersheds thereof, for flood-control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of people are otherwise adversely affected.

The amendment to the amendment was agreed to.

Mr. COPELAND. On page 54, section 2, line 24, after the word "Engineers", I move to insert "and Federal investigations of watersheds and measures for run-off and water-flow retardation and soil erosion prevention on watersheds shall be under the jurisdiction of and shall be prosecuted by the Department of Agriculture under the direction of the Secretary of Agriculture and supervision of the Chief of the Soil Conservation Service; in line 25, after the word "in", I move to strike out "his" and insert "their"; and on page 55, line 1, after the words "Chief of Engineers", I move to insert "and the Secretary of Agriculture", so as to make the section read:

SEC. 2. That hereafter Federal investigations and improvements of rivers and other waterways for flood control and other purposes shall be under the jurisdiction of and shall be prosecuted by the War Department under the direction of the Secretary of War and supervision of the Chief of Engineers, and Federal investigations of watersheds and measures for run-off and water flow retardation and soil-erosion prevention on watersheds shall be under the jurisdiction of and shall be prosecuted by the Department of Agriculture under the direction of the Secretary of Agriculture and supervision of the Chief of the Soil Conservation Service, except as otherwise specifically provided by act of Congress; and that in their reports upon examinations and surveys the Chief of Engineers and the Secretary of Agriculture shall be guided as to flood-control measures by the principles set forth in section 1 in the determination of the Federal interests involved.

The amendment was agreed to.

Mr. COPELAND. Mr. President, section 3 is a controversial section, and I ask that we pass that over for the moment, until those who are interested in the changes may have time to appear.

The PRESIDENT pro tempore. Without objection, section 3 will be passed over temporarily.

Mr. COPELAND. Mr. President, if the Senate will now consider committee amendment no. 2, it relates to page 57 of the bill, the Flood Control Act of 1936. The new language is underlined in the committee amendment as Senators will find it on their desks. Committee amendment no. 2 will read, when perfected, if it is perfected:

On page 57, beginning with line 17, strike out all down to and including line 3 on page 58 and insert in lieu thereof the following:

"SEC. 5. That pursuant to the policy outlined in sections 1 and 3, the following works of improvement, for the benefit of navigation and the control of destructive flood waters and other purposes, are hereby adopted and authorized to be prosecuted, in order of their emergency"—

And this is the new material—

as may be designated by the President—

In short, that the priority of the works to be undertaken in the next fiscal year shall be as may be designated by the President. The remainder of the section is—

under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports and records hereinafter designated: *Provided*, That penstocks or other similar facilities adapted to possible future use in the development of adequate electric power may be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers.

Mr. VANDENBERG. Mr. President——

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

Mr. VANDENBERG. Why is the authority to establish priorities taken away from the Board of Rivers and Harbors Engineers, where it has always been, traditionally and historically, and placed in the hands of the President? What can be said by way of justification for the substitution in respect to this purely technical, engineering expert problem?

Mr. COPELAND. Mr. President, the Senator from Kentucky referred to the fact that I am soft-hearted. Somebody has to be soft-hearted enough to determine which ones of these projects are most meritorious, which are most pressing, which have the greatest human interest. Somebody has to make the decision. I do not think this provision is different from that of the present law, because, according to the practice in the past, the Army Engineers have proceeded, under the direction of the Secretary of War, to establish priorities. The Secretary of War is a member of the President's Cabinet, and I assume that if the President had in his mind any priority he would feel free to say so to the Secretary of War; so I do not think there will be any practical difference whether this language is or is not adopted.

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

Mr. COPELAND. I yield.

Mr. CLARK. The policy of the Government in its whole development of rivers and harbors, which is very closely analogous to the subject of flood control, has been to put the determination of the technical details and the technical priorities in the hands of the Corps of Engineers of the United States Army, subject, of course, to the action of Congress in enacting legislation, and to the action of the President in signing it.

This amendment, as I see it, is designed to change that salutary process. There are today in existence a number of different agencies, some of them technical and some of them nontechnical, some of them responsible to Congress and some of them not responsible to Congress, which are making recommendations on various schemes and various plans for handling the natural resources of the United States, and protecting the citizens of the United States against such plagues as floods.

The theory on which the Committee on Commerce started to draft this bill, as I think the chairman of the committee will agree, was to put the technical questions of priority in the hands of the body constituted by law with adequate technical knowledge and experience to advise Congress about these matters. It seems to me this provision is a complete change of that policy.

So far as the Corps of Engineers of the Army are concerned, I do not think anyone has ever questioned their technical competence, their honesty, or their general efficiency. I myself have very violently disagreed at times with the recommendations of the Army Engineers, notably their recommendations as to the St. Lawrence waterway; but so far as supplying technical knowledge is concerned and so far as opinions on emergency matters are concerned I think there is no one in the United States comparable to the Army Engineers.

As I see the amendment, it simply amounts to divorcing the Army Engineers from their present legal responsibility to make to Congress recommendations on priorities and emergency matters and on the feasibility of various projects, and putting it in the hands of some commission or several commissions which may be now in existence under general provisions of law, or under general authority granted to the President in emergency acts making appropriations, or otherwise. Some of these organizations are voluntary ones. The amendment divorces the Army Engineers from a function which they now perform for Congress and the President, and which I believe to be a very important function.

From my own standpoint, I have no hesitation in saying that if this amendment should be adopted, instead of the bill accomplishing the purposes which we hope it will accomplish, I have no doubt that the $50,000,000 which is the subject of a limitation in a later section of the so-called Hayden amendment will be almost exclusively devoted to the States of New York and Pennsylvania, and that the other portions of the country, some of which are visited with two or three floods a year, will, in the order of urgency and emergency, be subordinated to the sections which recently suffered an unprecedented flood, and in which, as one witness testified before the Commerce Committee, it was possible to dramatize the flood situation.

Therefore, so far as I am concerned, I am opposed to the amendment.

Mr. OVERTON. Mr. President, I entertain for the Army Engineers the same admiration expressed by the Senator from Missouri. I think they have a magnificent, an unexcelled, and perhaps an unparalleled record of service to the Federal Government. When, however, we come to consider this bill, it is to be borne in mind that the Chief of Army Engineers has been consulted with reference to every project. As stated by the chairman of the committee, not a single project is incorporated in the bill that has not received the approval of the Army engineers. Therefore the bill undertakes to authorize the projects which have been expressly recommended by the Army Engineers; but the bill is something more than that.

After we have had the benefit of the advice and recommendations of the Army Engineers, the bill also undertakes to provide for emergency projects. Someone should have authority to determine the order of priority in the selection of projects which have already been recommended by the Army Engineers and to determine which ones of those projects shall first go forward.

It seems to me that it would be proper to leave to the President of the United States the question of the determination of emergencies; and when we do so we do not divorce the Army Engineers from their historic relation toward navigable waters. On the contrary, the bill follows the recommendations of the Army Engineers; but it is more than a flood-control-project bill. It is an emergency bill, considered in a period of emergency; and the determination of emergency is a power that is properly lodged with the President, perhaps more so than with the Army Engineers.

Mr. CLARK. Mr. President, will the Senator from New York yield to me for the purpose of offering an amendment to the committee amendment?

Mr. COPELAND. I yield.

Mr. CLARK. I move that the committee amendment be amended by striking out in lines 8 and 9 of the committee print the words "as may be designated by the President", which will leave the amendment to read:

> That pursuant to the policy outlined in sections 1 and 3, the following works of improvement, for the benefit of navigation and the control of destructive flood waters and other purposes, are hereby adopted and authorized to be prosecuted, in order of their emergency, under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports and records hereinafter designated—

And so forth. Mr. President, the effect of the amendment would simply be to leave the primary authority in the body, which, as I said a moment ago, is now constituted by law for the purpose of advising Congress about these matters, namely, the Corps of Engineers of the United States Army.

I do not delude myself, and never have deluded myself, on the proposition that the President of the United States, if he so desires, may always be able to obtain from the War Department or from any other Department of the Government any report which he may wish. That was the reason that I was never willing to accept fully the figures of the engineers on the St. Lawrence proposition. The only effect of my amendment would be to leave the primary responsibility where it now rests, in the Corps of Engineers of the United States Army, to create a presumption, so to speak, in favor of their recommendation. This is the technical arm of the United States Government so far as these matters are concerned.

It should be remembered that the bill before us is in the form of an organic act, for the first time in our history defining the policy as to flood control on anything else except the Mississippi River, the Sacramento River, and a lake down in Florida. It is proposed to put into this organic measure machinery exactly comparable to that which for many years has been very happily and very successfully reposed in the Corps of Army Engineers under the River and Harbor Act.

I cannot for the life of me understand any argument which has been advanced in behalf of the principle of transferring this authority as a primary proposition from the Corps of Army Engineers. No one can question that the placing of this authority in the Corps of Army Engineers has worked most successfully and most economically for the Government in the case of rivers and harbors. Nobody has yet stood on this floor or anywhere else publicly and questioned the efficiency of the Corps of Army Engineers. Yet this proposal is brought in for the purpose of sidetracking the recommendations of the Corps of Army Engineers and putting the authority into the hands of some sort of a commission or board, nobody knows how constituted or of whom composed. I cannot see any argument for any such measure.

Mr. VANDENBERG. Mr. President, I completely concur in the statement made by the Senator from Missouri [Mr. CLARK]. When we got away from the old "pork barrel" method of making river and harbor appropriations, the very essence of the lump-sum appropriation was the commitment to the Board of Rivers and Harbors Engineers of the determination of priorities and allocations, because under the new procedure the necessity for an independent, nonpolitical, unprejudiced decision as to priorities is the primary essential of the entire system. That system has demonstrated its vitality and its virtue year after year after year, and no one ever heard a suspicion or a remote challenge against the type of decision made by the Board of Army Engineers in respect to priorities.

It is now proposed to transfer the power to determine priorities from an expert arm of the Government to a political arm of the Government, which would be a direct step back in the direction of "pork barrel" legislation in connection with appropriations of this character.

I most emphatically support the amendment submitted by the Senator from Missouri.

Mr. GUFFEY. Mr. President, I am for the amendment as originally reported by the committee, and I am sorry I cannot agree with the position taken by the senior Senator from Missouri [Mr. CLARK]. I am for the committee amendment on account of the historic record of the Corps of Army Engineers, and at the outset I want to bear witness to the honesty and integrity of the Engineer Corps. Two hundred and eighteen years ago the construction of levees to take care of flood waters after the waters reached the streams was inaugurated. Never from that time until last year did the Corps of Army Engineers ever try to provide a means of taking care of the flood waters before they got into the streams, and during that time 50,000,000 acres of our best soil have been washed into the Gulf of Mexico, and 50,000,000 acres of soil are well on the way out. Therefore I think it is time that we have someone else to sit in and help the Engineer Corps in this work.

Mr. CLARK. Mr. President, the Senator undoubtedly knows that for years the Army Engineers have been advocating a system of reservoirs on the headwaters of the various streams tributary to the main stream of the Mississippi for the purpose of preventing floods. The Senator undoubtedly is familiar with the fact that in the recent disastrous and unprecedented flood, particularly with regard to the Connecticut River, the reservoirs which had been constructed in the last few years up toward the heads of the tributary streams flowing into the Connecticut River, according to all accounts, tremendously minimized and cut down to a small percentage the damages which would have occurred without the works recommended by the Army Engineers.

Mr. GUFFEY. I am sorry I cannot agree with the Senator from Missouri in his statement of the historic facts.

Mr. CLARK. The works are in existence, are they not?

Mr. GUFFEY. Where are they? What public works, what dams relating to flood control, built by the Army Engineers, are in existence?

Mr. CLARK. There are a good many works toward the headwaters of the rivers.

Mr. GUFFEY. Will the Senator name some?

Mr. CLARK. I am not familiar with the names or the locations. Universally the testimony before the Committee

on Commerce, as far as I can recall—and if I am in error I should be glad to have the Senator point out my mistake—has been to the effect that the reservoirs built under the supervision of the Army Engineers, particularly in the Connecticut Valley, tremendously minimized the damages due to the last disastrous flood.

Mr. GUFFEY. I agree that they minimize the floods, but all the surveys which have been made, all the surveys in western Pennsylvania and of the waters of the Ohio River, have been made on the request of Congress, and not at the instance of anybody else. We spent over $100,000 in having the surveys made. My point is that the Army Engineers never yet have advocated a policy or done anything to formulate a policy of flood control or of taking care of the flood waters before they reach the rivers, and I think it is time that soil erosion and reforestation should be taken into consideration in connection with formulating a policy of flood control.

Mr. CLARK. Mr. President, no sane man, I assume, minimizes the importance of the subject of soil erosion and deforestation, and the other intimately connected problems, and their effect on the flood-control problem. It is only fair to say that, so far as the last disastrous flood, an unprecedented flood, which is relied on to dramatize the pending bill as an emergency measure, is concerned, the testimony before the Committee on Commerce was to the effect that no amount of soil-erosion protection or of protection against deforestation would have served to prevent that particular flood, because the condition of the ground was such—the ground had been frozen to such an unprecedented depth—that there was no chance for the water to permeate the ground, and therefore it necessarily had to run off.

In response to what the Senator from Pennsylvania has said, I desire to emphasize the fact that the Corps of Army Engineers has for many years urged a comprehensive scheme of a combination of reservoirs and levees as a protection against floods. To be sure, when it comes to the question of the lower Mississippi River, the main stem of that river and the main stems of certain other rivers in the United States, when a flood starts it is too late to do anything by reservoir control, and it is absolutely necessary to establish either levees or floodways, such as were provided for in the last Flood Control Act. But in defense of the Corps of Army Engineers, let me say that their responsible heads for years have advocated reservoirs adjacent to the headwaters of the tributary streams and of the main streams for the purpose of diminishing as far as possible the volume of water which at any particular time comes into the channel of the main stream. They have also recognized, and properly recognized, that when the water had actually come into the channel of the main stream, it would be necessary to have levees or floodways or other protection.

I believe it is not fair to say simply because the question of soil erosion, the question of deforestation, and other questions may properly enter into the general consideration of the subject of flood control, that in an emergency matter of this sort—and the only justification for the passage of the bill at this time is that it deals with an emergency matter—the determination of priorities and the determination of degrees of emergency should be removed from the technical arm of the Government constituted particularly for the purpose of passing on those matters and be put into the hands of some unknown agency, of whose composition no one in this body at this moment has any knowledge.

Mr. McNARY. Mr. President, I share the view of the distinguished Senator from Michigan [Mr. VANDENBERG] and the senior Senator from Missouri [Mr. CLARK] in opposition to the committee amendment. I desire to ask the Senator from Pennsylvania [Mr. GUFFEY] where he would at present go to obtain information if he did not go to the Board of Army Engineers? What is the avenue of access upon which he can predicate an opinion, unless it be the data from the Board of Army Engineers, obtained after a careful survey? If that be the case, why transfer the power to the President?

The truth of the matter is that one of the great mistakes, which, in my judgment, history will record in matters of government, is the transfer of too many powers to the President. It is not humanly possible for him or anyone who may follow him to exercise the responsibilities which have been imposed upon him. It is not fair to the President, and I doubt, if he were consulted, that he would agree with this committee amendment.

There is only one agency of government which has the ability, the experience, and the facilities to determine emergency in matters of this kind, and that is the Board of Army Engineers. I ask the Senator from Pennsylvania, who is responsible for the amendment, if he will answer the simple question, What is the purpose of transferring this responsibility to the President, when he does not know a thing in the world about a flood-control situation, or of the rivers which probably ought to be harnessed so that they will not destroy life and property? I pose that question to the Senator from Pennsylvania.

Mr. GUFFEY. As a result of the work done by the Soil Conservation Service and the Reforestation Service, they have available records and data which apparently the Board of Army Engineers does not use. I shall consult those two Services. I find their report on the Mississippi Valley reforestation and conservation is the best report I have ever seen published by any branch of the Federal Government.

Mr. McNARY. Mr. President, that is a new agency recently created by an Executive order, based probably upon a statute of Congress, and that agency does not have anything of a substantial nature in its possession. In any event, whatever views it may have, it must obtain the information on which to base them from the Army Engineers.

I wish to say to the distinguished Senator from Pennsylvania that, in my judgment, he is doing his party and the leader of his party an injustice by imposing upon him a responsibility which he cannot carry, which he should not share, and which, in my opinion, he does not want. I think it would be a great error in a matter of this kind, after the careful consideration that has been given to flood control by the Army Engineers, to attempt through the President or any board to say what are the streams which should be first controlled and harnessed. That is a matter which must be determined after the most careful consideration of facts, inspection, and study; and there is only one agency prepared to do that.

Consider the great work, Mr. President, which the Board of Army Engineers has done with respect to the improvement of our rivers and harbors. Has the President ever desired that responsibility? Has the Congress ever decided that it should thrust on the Executive the responsibility to determine how the money should be expended, and what harbors and what rivers should first be improved? It is not even a delightful thought or pleasant dream. I say to the Senator proposing this amendment that if it shall be agreed to it will, in my judgment, result in a maladministration of the purpose of the act; it will be unjust to the President, and therefore it should not be considered favorably by this body.

Mr. HAYDEN. Mr. President, I am perhaps in a measure responsible for the suggestion contained in the amendment, and it was made in consideration of the fact that flood-control projects from now on are to be examined by two departments of the Government. The watersheds above the dams to be built are to be examined and reported upon by the Department of Agriculture. Everyone knows that the Department of Agriculture is best equipped with bureaus which can furnish the Congress with proper and adequate information in respect to the prevention by various methods and means of floods upon the watersheds.

There is in the Department of Agriculture the Soil Conservation Service that can go anywhere, to any part of a watershed, and make an examination. Its activities are not confined merely to Federal lands or other reserves. The preliminary studies undoubtedly should be made by the Soil Conservation Service, but if it shall be determined that upon a given watershed reforestation is the proper method to prevent floods, the Forest Service would naturally be called upon to give advice and actually to attend to the planting of trees or other vegetative cover.

In connection with any structures where lake levels are disturbed or where reservoirs are to be built the wildlife in the area must be considered. There is in the Department of Agriculture the Biological Survey which can be consulted with respect to the effect upon wildlife by reason of the changes that are to be made in the watershed. The same thing is true of other bureaus of that great Department in respect to different matters in the drainage area above any dam to be built in any stream.

Every Senator, I am sure, will agree that if it is found impossible to retain the rainfall on the watersheds by reforestation, by the planting of grasses, or by any other method which the Soil Conservation Service or the Forest Service can devise, and that in order to protect life and property lower down it is ultimately necessary to build dams, then the proper authority to build such structures for flood control is the Corps of Engineers in the War Department.

So this bill, if it shall pass in the form in which I think it ought to be enacted, will properly divide those two functions. The Secretary of Agriculture will report to Congress upon what shall be done upon the watersheds of streams to retain the rainfall, and the Secretary of War, using the Board of Army Engineers as the source of his information, will report to Congress as to what should be done with respect to the construction of dams or levees or floodways or whatever is necessary to remove the menace of destructive floods.

I now desire to lay down the premise which I think makes it sound for the pending legislation to require the President finally to pass upon the question of what work shall be done and in what order. Two departments of the Government make their reports. The reports come in separately and may not give to Congress a proper, coordinated view of the problem. The Chief Executive is head of all the departments. He is the Commander in Chief of the Army. He appoints the Secretary of Agriculture, and the Secretary of Agriculture is responsible to him. If a great project is to be undertaken to control the floods in an extensive watershed, is it anything but reasonable to say that these two departments, having studied the problem and having arrived at their independent conclusions, should not both of them submit the entire matter to the President and let him transmit the information to Congress with such further suggestions as he may deem it proper to make?

Title II of the bill provides for the creation of a National Resources Board, which is to be a general staff for the study of all the problems relating to the wisest and best use of our national resources. That board would act as advisers to the President in cases of this kind.

The provisions of title II have been very carefully drawn. The National Resources Board will not actually undertake any work and should not, any more than would the General Staff of the Army, send out one of its officers to take command of a regiment in an action. If the bill shall become law, the President will have advisers to whom he may refer recommendations relating to flood control that come up from the Departments of War and Agriculture to see how they fit into a broad policy of developing and conserving our natural resources.

That being the case, and flood control being no longer something to be cared for by just one department, and in just one way, it seems to me perfectly proper for the bill to provide that the President shall have something to say about the recommendations to Congress as to what shall be done and when it shall be done.

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

Mr. HAYDEN. I yield.

Mr. VANDENBERG. May I call the Senator's attention to the fact that it seems to me his observations are not pertinent to the immediate amendment pending? I cordially agree with him that it has been wise to add this enlarged consideration in connection with the determination of what the technical answer ought to be for the flood challenge when it is once identified. I agree also that if recommendations are to be transmitted to Congress, and that is what the Senator is constantly referring to, necessarily they must head up somewhere before they come to Congress when they are coming from two separate sources. However, I call the Senator's attention to the fact that the amendment relates solely to the question of who is to determine the priority of the emergency. It has not anything to do with the determination of what the answer is to be. It has solely to do with the question of who is to say that $50,000,000 shall be spent this year in actual work upon $300,000,000 or $400,000,000 worth of authorizations. The Senator from Missouri and myself are asserting that that has nothing whatever to do with the argument which the Senator has been presenting, and relates solely to an independent, unprejudiced expert decision as to relative emergency in respect to the flood situation itself.

Mr. HAYDEN. Let us see if there is any greater difference than that between tweedledum and tweedledee.

Mr. VANDENBERG. I think there is a tremendous difference.

Mr. HAYDEN. Very well. This bill carries authorizations, if I remember correctly, for some $315,000,000 worth of work to be done; projects totaling that sum are authorized to be constructed by this bill. Nobody proposes that the entire $315,000,000 shall be appropriated by the Congress at this session or any other one session. So the total must be broken down; and the proposal is to appropriate money for $50,000,000 of the authorizations in 1 year. How in any normal situation does Congress operate where a broad authorization has been provided and we intend to appropriate only a part of it? The President exercises his discretion by sending up Budget estimates for the part of the work he thinks should be done out of the total authorization.

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

Mr. HAYDEN. I yield.

Mr. VANDENBERG. Does the Senator mean to say that under the existing procedure in the designation of river and harbor projects the Board of Rivers and Harbors Engineers do not determine the priority?

Mr. HAYDEN. I say that there will be no money appropriated by Congress under the authorizations contained in this bill except for projects that come to the Congress in the form of a Budget estimate. That is certain.

Mr. VANDENBERG. Well, the Budget estimate is not conclusive as to projects included within it.

Mr. HAYDEN. That may be true.

Mr. VANDENBERG. Who makes the determination? Is it not the Board of Rivers and Harbors Engineers?

Mr. HAYDEN. The Corps of Engineers will submit to the Budget certain estimates as they will submit recommendations to the President, in the event that this bill becomes a law. It is just as broad as it is long, and it does not make a particle of difference which way the Army Engineers go about it.

Mr. VANDENBERG. If the Senator is indifferent, why change the procedure?

Mr. HAYDEN. I say that, after all, the President of the United States, being responsible for his Budget, will transmit to Congress estimates for $50,000,000 out of the authorization of some $315,000,000, and Congress will have to pass upon the Budget estimates which the President submits. If Congress is to establish the principle that hereafter the President shall be consulted about flood-control projects, why object to putting that same principle into effect now? Why take away from the President the power to make any decision whatsoever as to what ought to be done under an act of Congress of this character which he helps to make a law by his final approval?

It seems to me that there is no material difference as to method of approach, whether the Congress shall say that the President shall designate the projects formally in one kind of report or whether he shall make his designations through his Budget estimate. The whole question is, Is it right and proper for the President of the United States, being responsible for his Budget, to have anything to say about a flood-control project?

It is provided in the bill elsewhere that more than one department is to pass upon these projects, and the Senator agrees with me that, in that situation, the recommendation should be headed up by the President. I do not believe that we are putting any burden upon the President of the United States that he does not want, nor do I think that Congress is conferring upon him any authority that he should not have. It is his responsibility, as the guardian of the finances of the United States, to see that proper estimates are submitted to Congress which will accomplish adequate and substantial results. How can the President carry out that responsibility if it is provided by law that somebody may come around by the back door and select projects that the President knows nothing about, and that if he sends up a Budget estimate the Congress shall not pay any attention to it? That would not be a consistent policy. If we are going to adopt in this bill the proposal that the President of the United States shall obtain information from two departments and from any other source he deems desirable with respect to flood control, in order that the problem may be considered in its relation to all of our natural resources, why hesitate now to give that discretion to the President?

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

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. HAYDEN. I yield.

Mr. OVERTON. The Senator from Michigan states that this amendment will convert this bill from a regular flood-control bill into a "pork barrel" bill because the President will have authority to select the order of precedence in which the projects shall be executed. The Senator contends that this order of precedence should be determined by the Board of Rivers and Harbors Engineers.

Let me call the attention of the Senator from Arizona to a provision in the bill. In the first place, there is not a single project that has not already received the sanction of the Army Engineers. How, then, under the theory of the Senator from Michigan, can it be said to be a "pork barrel" bill, or how can it be converted into a "pork barrel" bill when every single project in the bill has already received the sanction of the Army Engineers?

Mr. HAYDEN. Mr. President, if the Senator will yield, I will say that is what I thought was the great strength of the report made by the Senator from New York. As chairman of the Committee on Commerce, the Senator from New York insisted and the Committee on Commerce insisted that no project be included in this bill that had not been thoroughly investigated and approved by the Corps of Engineers.

Mr. OVERTON. I think that was a wise conclusion. Then, the execution of the projects is still left to the Secretary of War and the Army engineers. They are not divorced from this flood-control work in any sense.

Mr. HAYDEN. And should not be.

Mr. OVERTON. They have come before the committee and, in effect, perfected the bill; and when it shall become enacted into law, they are going to execute the projects. The only question to be determined by this amendment is in this period of emergency, when we can devote only a certain portion of the contemplated appropriation to carry out all these projects, is it not wise and proper that someone in authority should be selected—to do what? Not to select the projects that go into the bill, not to execute them, but to determine the order in which they shall be constructed. That is all this amendment means.

Mr. HAYDEN. It seems to me that it is but the part of common sense that what the Senator from Louisiana has suggested should be carried out.

Mr. FLETCHER. Mr. President, may I suggest that the bill includes something more than river and harbor improvements? It involves another question, namely, flood control, which has relation to erosion, conservation, and other matters which the Senator has not mentioned.

Mr. HAYDEN. Those are important factors which the Senate should consider.

This is the first time in the history of any Congress that legislation has been proposed to control floods on nonnavigable streams; this is the first time that there has been a distinct legislative recognition that the Federal Government has an obligation to perform in saving lives and property where commerce is not the essential element. In other words, Congress takes into consideration not only great streams which near their mouths are navigable but also consider their tributaries, because of a sound realization that the watersheds above are actually the source of the floods that do the damage farther down.

Having recognized a new principle, why not start out on that basis and proceed in the right way by getting all the properly considered and coordinated information that can be acquired and have it sent to Congress to be properly evaluated? I think it was wise to designate two executive departments—the Department of Agriculture and the Department of War—because those departments are the best-qualified agencies of the Government to make a fair and comprehensive study of a problem of this kind. But if in the circumstances of any case it is necessary to go outside either one of the two departments and get further information as to what should be done, should the Congress be denied access to all of the facts by not permitting the President to seek further information where he may see fit and to transmit his findings to the Senate and the House of Representatives? There must be unity of command in order to win the great battle against floods which menace the lives and the property of hundreds of thousands of the American people.

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

Mr. HAYDEN. I yield.

Mr. CLARK. Would the Senator desire an amendment adopted to the present permanent Rivers and Harbors Act which would transfer that activity also from the Corps of Army Engineers and put it in the discretion of some board that the President may appoint, with or without authority of law?

Mr. HAYDEN. No.

Mr. CLARK. Certainly, the subject of flood control is much more vital and comes much nearer the daily lives of our citizens than does the matter of river and harbors, important as that is.

Mr. HAYDEN. That is just the reason why it is not necessary to adopt any new system with respect to rivers and harbors, because, after all, that work is a minor matter as compared to the broad problem of flood control.

Mr. CLARK. Of course, the whole proposal of the Senator from Arizona is entirely novel. It was not thought of by my distinguished friend from New York [Mr. COPELAND], the chairman of the committee, or by my distinguished friend from Louisiana [Mr. OVERTON], who has just spoken in favor of it, during the lengthy and extended consideration of this measure before the Senate Committee on Commerce. It was apparently never thought of until last Saturday morning at 11 o'clock, when the Senator from Arizona, my good friend, appeared and pulled out of his pocket a printed amendment which nobody on the committee had ever before seen.

Mr. HAYDEN. I beg the Senator's pardon. The amendment was not printed until after the chairman of the Committee on Commerce had had ample opportunity to examine it.

Mr. CLARK. I have no disposition to criticize the printing of the amendment. The point I desire to emphasize was that the bill had been reported out of the committee some 2 weeks before, and nobody had ever seen this new model scheme until the Senator from Arizona appeared with it last Saturday morning at 11 o'clock, and then and there it was suggested as a new panacea for all ills.

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

Mr. CLARK. The Senator from Arizona has the floor. The amendment was reported out of the committee that morning on the statement of the Senator from Arizona.

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

Mr. HAYDEN. I yield the floor.

Mr. ROBINSON. I will take the floor myself unless the Senator from Missouri wants it.

Mr. CLARK. I have no desire to occupy the floor. I shall be glad to have the Senator from Arkansas take it.

Mr. NORRIS. When other Senators are through with it, I will take it.

Mr. ROBINSON. Mr. President, I should like to reply to something the Senator from Missouri [Mr. CLARK] has just said. He will recall, I am sure, that early in the consideration of the bill I appeared before the committee and discussed certain features of the bill and certain amendments, and also in a general way the substance of the amendment which the Senator from Arizona [Mr. HAYDEN] has submitted.

I think it is fair to say that at my request the Senator from Arizona actively interested himself in the subject matter of an amendment which included not only the pending provision but a number of other amendments having relationship to the conservation of soil and of forests and the development of power. The subject was mentioned in a radiogram I received from the President and to which I made reference during the course of my remarks before the committee. Therefore, it is not a new proposition at all in the sense the Senator from Missouri inferred. It is a subject which has required some little time for collaboration and consideration.

On the point of the amendment immediately under consideration, the President after all is the Chief Executive of the Nation. As the Senator from Arizona [Mr. HAYDEN] and the Senator from Louisiana [Mr. OVERTON] have clearly pointed out, he has a large measure of responsibility. The officers constituting the Board of Engineers and the Chief of Engineers himself are subordinate. It has been our custom, where discretion is imposed in legislation, to vest that discretion in the President, in order that we might have the advantage of the services of all the subordinate departments, bureaus, and agencies which might be concerned in the carrying out of the legislation. We have not vested the Board of Engineers with discretion, as a rule, to determine the priority of projects. They have made surveys of all the projects in the bill and of a large number of projects which are not in the bill. There is no reason, in my judgment, that can be urged for vesting in a subordinate discretion as to priority.

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

Mr. ROBINSON. I yield.

Mr. CLARK. On the same principle just enunciated by the Senator, there is no justification for entrusting $1,500,000,000 in the hands of the W. P. A. rather than in the hands of the President of the United States, is there? The head of the W. P. A. is a subordinate.

Mr. ROBINSON. What we actually do is to make the appropriation allotable at the discretion of the President. When we passed the $4,800,000,000 bill——

Mr. CLARK. But I am not speaking of that measure. I am speaking of the pending measure.

Mr. ROBINSON. We have not passed the relief measure as yet. As a matter of fact, it has not been reported by the Appropriations Committee.

When we passed the $4,800,000,000 appropriation, we did vest authority in the President. We did not vest it in the head of the Relief Administration or in the head of the Public Works Administration. I respectfully submit that it is sound policy, where discretion on large national matters is involved, to vest it in the Chief Executive rather than in a subordinate.

Mr. CLARK. Will the Senator adhere to that policy when the relief appropriation bill comes before the Senate?

Mr. ROBINSON. The Senator from Arkansas will not preclude himself as to future legislation.

Mr. CLARK. Will the Senator be kind enough to answer my question directly? Will the Senator from Arkansas be willing, assuming the Senate committee should adopt the policy of the House of Representatives as set forth in the measure, to follow that policy and vest the authority in the hands of the President of the United States rather than in the hands of the director of the W. P. A.?

Mr. ROBINSON. I have stated the general principle. I do not preclude myself from taking any action respecting future legislation that I believe to be helpful and just to the country. I see no reason for departing from the rule which we established last year when we passed the very large appropriation bill and gave the President the power to make allotments out of the appropriations thus made.

The Senator from Missouri, I assume, would not wish to bind me to vote in a particular way touching a bill which has not as yet been reported to the Senate, merely in an effort to embarrass me with respect to an argument he is otherwise unable to answer. When the bill comes before the Senate, I shall do what I think is right. My preference is to vest discretion as to the allotment of appropriations in the Chief Executive rather than in a subordinate.

Mr. CLARK. Mr. President, my distinguished and particular friend from Arkansas, the majority leader in this body, is trying today to pursue a policy in which he is very adept, that of holding with the hare and running with the hounds. In other words, he declines to state whether he believes the policy which he just enunciated with regard to flood control should be followed with regard to relief.

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

Mr. CLARK. I shall be very glad to yield to the Senator. I shall accord him a courtesy which he did not accord to me. I shall not interrupt him while he is answering my question or asking his own.

Mr. ROBINSON. The Senator may interrupt me, of course.

Does the Senator think that statement is borne out by the facts? The Senator endeavored to commit me as to how I would vote on a certain proposition when it came before the Senate. I stated as frankly and clearly as I am capable of doing that my purpose is to vest discretion in the Chief Executive rather than in a subordinate. I must ask the Senator not to undertake to have me swear that I am going to vote a particular way when a bill comes before the Senate.

Mr. CLARK. I have no desire on earth to embarrass my friend from Arkansas. He stated with great particularity and great force a general principle. Then, when I asked whether he would apply that general principle to the most important bill which will probably come before the Senate at this session of Congress, he began to quibble and say the bill had not been reported from the committee, intimated that he did not know what was in the House bill, and declined to be committed and said I was trying to embarrass him.

Mr. ROBINSON. Mr. President, will the Senator let me ask another question at that point?

Mr. CLARK. I am glad to yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from Missouri does recognize then, as to the bill to which he last referred, the relief-appropriation bill, the principle which I announced in connection with the flood-control bill, namely, that the discretion ought to be vested, if vested at all, not in an inferior officer, but in the Chief Executive; so the Senator is blowing hot and cold on the proposition. I announced the general principle and my readiness to adhere to it, and now he announces a general principle as to one bill and seeks to repudiate it as to the bill now pending before the Senate.

Mr. CLARK. I recognize no such things. As a matter of fact——

Mr. ROBINSON. Mr. President, will the Senator yield to a further question?

Mr. CLARK. I shall be glad to answer the Senator's questions one at a time. I should like to answer the question already propounded before he asks another one. However, I yield.

Mr. ROBINSON. The Senator can answer both questions at the same time. Does not the Senator think he has disclosed a considerable talent for "adeptness" touching the proposition pertaining to legislation?

Mr. CLARK. The proposition is very simple. The question of whether Congress in granting lump-sum appropriations of a purely emergency character, ostensibly for relief,

is one proposition. The question of granting appropriations for public works for the purpose of preventing such recurrent scourges as the destructive floods which have taken place in this country is an entirely different one. A lump-sum appropriation this year is a proposition which I very much deplore, because I had hoped that after 3 years of lump-sum emergency appropriations the time might have come when appropriations such as are necessary for relief and other public works might be handled on an ordinary budgetary basis; but if there is to be a lump-sum appropriation made this year, as I am certain there is to be, then I assert that discretion should be in the hands of the President and not of any subordinate temporary official. The officials either by statutory appointment or designation who handle these matters have been temporary officials. On the other hand, I assert that such matters as flood control or the improvement of rivers and harbors, whether of an immediate character or an ultimate character, are of such permanent importance to the United States that they should be handled on a permanently established system and not left to the discretion of the President or anybody else.

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

Mr. CLARK. I shall be glad to yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator, as I understand him, justifies his support of vesting discretion in the President as to relief on the ground that it involves questions of emergency.

Mr. CLARK. As the Senator well knows, the relief situation is an extraordinary one. The appropriation for it is not carried in the ordinary Budget, to which the President is about to confine us in the matter of flood control but is carried outside the ordinary Budget on the old principle of the fellow who said, "Well, we will take another little drink and not count it." [Laughter.]

Mr. ROBINSON. Does not the Senator recognize the fact that this amendment relates exclusively to the subject matter of emergency? The Senator would vest discretion in the Executive because an emergency is involved with respect to relief, and deny it to the Chief Executive because an emergency is involved with respect to certain projects relating to flood control.

Mr. CLARK. Of course, I decline to let the Senator from Arkansas put in my mouth words which I did not use. The test of the situation is whether we are going to sign blank checks, to grant lump-sum appropriations, as is being done in the case of the $1,500,000,000, as was done in the case of the $4,800,000,000, and before that with the $3,300,000,000, or whether Congress is going to specify the objects for which the money shall be spent, and set up definite rules for preference and priority in its expenditure. That is the whole question.

As I say, I very deeply deplore the fact that we are again called on to make a lump-sum appropriation of $1,500,000,000. I had hoped that after 3 years of that sort of expenditure the time might have passed when it would be necessary; that the time might have arrived when the President and his various agencies, especially the Bureau of the Budget, would be able to estimate for what the expenditures should be made. But that is a very different and essentially divergent proposition from that of saying that Congress will authorize the appropriation of three hundred and so many million dollars for vitally needed flood-control projects, that we will pledge ourselves in advance not to appropriate more than $50,000,000, and that we will leave in the hands of the President the determination of the expenditure of the $50,000,000.

Before taking my seat I desire to say further than I am totally opposed to the limitation of $50,000,000 for flood control contained in the subsequent part of this amendment. I say that at a time when the United States Government has spent more than a million dollars for building a village up in Maine for housing the employees of a chimerical power project, when the cost of the residences built at Government expense for the executives of that project averages more than $18,000 per house, I am totally unwilling to limit to $50,000,000 the expenditure in behalf of measures which would save more in 1 year than the total expenditures authorized under the act.

Mr. President, I represent a constituency in which a very large section in my State has floods every year, not only every year but two or three times every year, in which the annual loss is more than the whole expenditure authorized in this bill for its protection. I have great sympathy with the Senator from Pennsylvania [Mr. GUFFEY] in the unprecedented flood that happened in his State this year. I know that there was greater losses in the Ohio Valley, particularly around Pittsburgh, this year of our Lord 1936, than the entire cost of the improvements necessary to prevent such floods in the future would have been. I know that there are many other situations in this country in which the expenditure of a certain amount now would save, not in perpetuity, not in accumulation, but every year, or every year in which there is a flood, the total amount of the expenditure necessary to prevent such floods. I am not willing to vote to put a limitation of $50,000,000 on a needed and meritorious measure in order to have more money to spend on such projects as the Passamaquoddy power development, the Florida canal, or any other such boondoggling project. We could not possibly justify such a proposition to our constituents.

Mr. SHIPSTEAD. Mr. President, I think there is merit in the contention of both sides regarding this amendment. When the question of flood control is coupled up with the question of conservation of soil and the prevention of erosion, we have other factors entering into the problem in addition to the matters which the engineers have heretofore handled, namely, rivers and harbors and navigation.

The question of flood control as it affects the question of soil conservation, I think, is as important as the question of flood control as it affects damage to property. It is a question in my mind whether more damage to property has not been done by lack of control of erosion than has been done by floods. I am convinced that the lack of the kind of flood control that would have protected the soil from erosion has been the cause of as many floods and of as much damage to property as has been recorded in the history of the country.

I think there is something radically wrong with our policy of flood control, because it has been a policy which has attempted, not to prevent floods but to take care of the flood waters after the flood had started. So far as I know, nothing has been done in the policy of this Government to prevent floods.

If this authority is retained in the hands of the Army Engineers, there arises in my mind the question whether or not the Army Engineers should have anything to do with the matter of soil erosion, with the protection or conservation of the soil as it is tied in with flood control as heretofore handled by the Army Engineers. A question of agricultural lands is involved here. A question of forestry is involved. Questions are involved of the control of erosion, with which I cannot see that the Army Engineers have anything to do.

I wish to pay my respects to the Army Engineers as constructors of river and harbor projects. I should not wish to see the control of navigation taken out of their hands under any circumstances. I should not wish to see anyone else have anything to do with that, because the Army Engineers have done it efficiently.

Early in the session I made a remark on the floor of the Senate—at least, the RECORD so shows—which, if I made it, I desire to retract. The RECORD shows that I had expressed disappointment in the accuracy of the estimates of cost by the Army Engineers. If I made that statement, it was made inadvertently. I think the subject came up as I appeared on the floor of the Senate and made a short statement, and there came to my mind the fact that in the past 3 years the cost of public works had so greatly increased over the estimates made in 1928 and 1929. The estimates made under

the high prices of 1928 and 1929 had been very much increased in the past 3 years, and I rose to protest about that; but I do not blame the Army Engineers for that, because they could not control the cost of material, and under the monopolistic price fixing of steel and cement in the basic industries they could not control the price of material.

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

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

Mr. SHIPSTEAD. Yes; I yield.

Mr. CLARK. As a matter of fact, in connection with the consideration of the estimates of the Army Engineers, the Senator, of course, takes into consideration the fact that Congress itself, by its affirmative act in agreeing to certain N. R. A. codes, had unreasonably boosted the price of some of those commodities.

Mr. SHIPSTEAD. I am aware of that.

It seems to me that so far as soil erosion is concerned and the control of flood waters on the tributaries, which is so intimately connected with the work of conservation of the soil, the Department of Agriculture should have something to do with it.

The Senator from Missouri pointed out that the President is at the head of all the departments and is Commander in Chief of the Army. He appoints the Secretary of Agriculture; he appoints all the heads of the various executive departments of the Government; and it seems to me that he should and he can call upon all of them for information.

A policy is now enunciated by the Congress for the first time, and when it comes to determining a policy I am of the opinion that Congress should always enunciate it, promulgate it, and enact laws to carry it out.

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

Mr. SHIPSTEAD. I yield.

Mr. KING. Does the Senator think he is quite accurate in that statement? I refer the Senator to the action of Congress in 1917 and 1918, when a bill was drawn and fathered by Senator Newlands, a great statesman, who had devoted perhaps more attention to the consideration of flood control and protection of the country against floods than any other man in public life. He offered a measure, which was passed, as I recall, creating a commission for the purpose of taking control of rivers and harbors and the building of reservoirs, the development of reclamation projects, and so forth, and put the whole matter in the hands of the commission.

We did not function under that—I have forgotten why—but, as I recall, the law was passed. I talked with President Wilson with regard to it, and he was very much in favor of a policy which would make for the conservation of our natural resources, and particularly a policy which would prevent floods.

As I recall, when that bill was being discussed in the House of Representatives, and likewise in the Senate, a great deal of attention was devoted to the discussion of the headwaters of the Missouri and the Mississippi and the other important streams of the United States, and the importance of reforestation in the prevention of soil erosion. So that the whole scheme was developed in that bill, and envisioned in the policy of President Wilson.

Mr. SHIPSTEAD. Mr. President, that policy may have been the correct one, but it was approved by Congress. I wanted to point out to the Senate in as short a statement as possible the importance of the new policy which is now tied up with the question of flood control.

I do not know how many Members of the Senate have seen these charts on the wall. I merely desire to show the enormity of the losses which have been due to erosion, and what is going on now in the destruction of the foundation of every asset we have in the United States.

On the first chart is indicated the soil of the United States as it was found in 1492, when Columbus came to our shores. Each one of the blocks on this chart represents 135,000,000 acres. The soil was created through untold centuries by nature and was protected by the normal growth of grasses and timber, and there was not any erosion. Out of that soil has come all the wealth that has sustained the population and the industries of the United States, with the exception of what was produced in the mines and the sea.

Out of that soil have come the crops which have resulted in our billions of dollars of balance of trade, out of which we have made payments to the banking houses in foreign countries and also in this country, but particularly in foreign countries, in settlement of the debts we owed for the development of the country, the development of railroads and buildings, and all kinds of investments that were made here.

Our only new crop of wealth each year comes out of this soil. When that soil is gone this country will go. When this soil is gone and cannot produce the food to sustain the population of the country and maintain the population working in industry the country will be gone. Out of this soil comes the original wealth each year to pay the gradually increasing indebtedness of this country; and when this soil is gone, this country is going, too, and this soil is going, and a great deal of it has already gone.

This chart is based upon an investigation by the National Resources Board, and it shows the extent in 1935 to which the soil was eroded and destroyed and was passing away, what is threatened, and how much is left. Senators will see that less than half of the soil is left unimpaired.

A hundred million acres have already been destroyed beyond the possibility of rehabilitation, and that hundred million acres would cover a territory as large as Illinois, Ohio, Maryland, and North Carolina together. That is beyond rehabilitation.

Another 125,000,000 acres are going, and another 100,000,000 acres of the best farm lands in the United States are very seriously threatened.

It is estimated that on account of lack of proper flood control, such as that proposed in the pending bill, 400,000,000 tons of soil a year are washed from the various tributaries of the Mississippi and the banks of the Mississippi into the Gulf of Mexico. During one dust storm one day of 1934 those who were here will remember the clouds of dust were so great that we had to light the lights in the daytime, and it was estimated that 300,000,000 tons of soil from the grain fields of the Middle West moved at that time.

This soil has been destroyed in several ways and by several agencies. Some of it is washed out by water, some of it is moved back and forth by wind, and that only happens when the soil is so dry that the wind can carry it away. Whenever there is plenty of moisture, or enough to keep the soil surcharged with moisture, dust storms do not occur.

There is another way in which the soil is destroyed, and I have here a very crude illustration to demonstrate it. We have here a chart showing the state of nature where there are grasses and forests to protect and hold the topsoil. The roots of the grass and the trees help to hold the soil in place, and the debris of leaves and twigs, which finally decay and create the humus that is so important, holds the water so that it gradually seeps down slowly into the runway. When that humus is destroyed there is a condition such as that portrayed here. When there is cultivation the topsoil gradually washes away and fills the channel, and here we have the other picture.

This is not the ultimate, the conclusion, because after that comes another stage, when land is destroyed by other methods than those already described.

If there had been no river, if this chart showed a valley here without a river, the topsoil would have been washed down into the valley. Some people think that valley lands are valuable because the topsoil comes from the hillsides down into the valley and makes the soil heavy.

Let us see what happens when that process continues. Suppose there were all this soil, as shown on this chart, and it had not been carried away by the water, but was in a line about like that shown here. The volume of erosion would

continue and the subsoil of yellow clay or blue clay would continue to wash down and bury the good soil; there would be subsoil on top of everything, and it would be impossible to raise anything, and nothing would rehabilitate that piece of ground. Much of the good soil in this country is buried by the erosion of the soil, and unless an efficient and comprehensive policy is carried out the chances are, if we permit the present conditions to continue and the present program to continue, that this soil will be entirely carried away in time, and then as a nation we will be through. When the topsoil is gone there is only one thing that remains, and that is the subsoil, and then there is a desert.

The Valley of the Euphrates in Mesopotamia was at one time the most fertile valley in the world. Now it is a desert. The same is true, as has been stated by those who have examined into the archeological history, of the Gobi Desert and the Sahara Desert. Instead of those being deserts in bygone days they were very fertile, and if we are to conserve the foundation upon which all the assets of this country are based, it is necessary to carry out the kind of a program proposed.

I now exhibit a chart to illustrate the comparative productivity of the soil as erosion continues. Where no erosion occurs the productivity is shown. Where partial erosion has taken place, productivity decreases to the point shown. Where there is very little topsoil left, productivity is very small.

This illustration is based upon reports from 10 agricultural experimental colleges in various parts of the country.

On the chart each ear of corn represents 5 bushels of corn. Where there is no erosion the production is 35 bushels to the acre, as indicated by the seven ears of corn. Where the soil is half gone the production is 15 bushels to the acre. So Senators can see what great capacity for production of wealth is being gradually washed away by the waters as the result of lack of a program to conserve the greatest asset we have. We can spend untold millions upon fertilizing the soil of this country in order to make three blades of grass grow where only one grew before, but it does not make any difference how much fertilizer is put on soil of the character shown in the second and third sections of the chart, or how much money is spent upon it. When the topsoil is gone, the soil which it has taken centuries to produce, and when the humus is gone, then there are lacking those conditions which will make crops.

I read a scientific article a short time ago. I do not pretend to be an expert and able to discuss the article. The Senator from New York [Mr. COPELAND] is here and may have read the article or heard of it. The article said that many diseases are due to the absence of minerals in food. After investigation by responsible scientists who have examined into the subject the statement was made that the soil has been so deprived, by constant cropping, of the minerals which nature has put into the soil for the food of the people that the soil no longer contains the necessary minerals to sustain the human body and, therefore, we now have many diseases which were not known in pioneer days, when the soil was virgin and produced the elements in the food necessary for the sustenance of human life, those vitamins and minerals which are necessary to human sustenance. Those elements are no longer produced and there is danger to our people in that respect also.

History in every country shows that wherever the topsoil is lost the vegetation is lost, and there are lost the elements necessary for sustenance of human life; that rainfall is lost, and as a result the land becomes desert.

I now desire to show Senators a chart prepared at my request as a result of investigation made by the National Resources Board. The chart shows the comparative progress of loss and of soil destruction by different kinds of cultivation. The first illustration shows the normal condition of grass. Erosion in that case is negligible. The growing of wheat does not cause much erosion. Each cartload on the graph represents 10 tons of soil eroded per acre. This chart is also based upon investigation made by 10 agricultural stations in 10 different parts of the United States. I make that statement so Senators may estimate the accuracy of the chart.

The figures are not mine. Each cartload represents 10 tons of soil eroded per acre. The estimate is made that in the average State where there is cultivation of wheat there will be lost of the topsoil each year 10 tons per acre if nothing is done to prevent the continuation of the process of erosion. The production of corn wastes four times as much soil. When we come to fallow ground which is plowed, and upon which there is no crop at all, Senators will see that the amount of erosion increases.

Mr. COPELAND. The wind carries some soil away.

Mr. SHIPSTEAD. The wind carries some away as well as water.

I have other charts to show Senators, but before I show them I wish to exhibit a chart which was prepared 3 years ago. I requested the National Resources Board to make some investigation as to the cause of prolonged periods of drought in the interior of the country.

In combination with the Weather Bureau and some other departments of the Government—I do not remember how many departments joined in that survey—a study was made to determine if possible what effect soil erosion had upon rainfall and what effect deforestation of the land or the draining of land had upon rainfall.

In northern Minnesota, as in many places, we drained the swamps and the muskegs. We denuded the forests. Those swamps and muskegs were millions of acres in extent. In those swamps the moss would be very thick. The condition was such that one could hardly wallow through them. Snow would lie in the forests of Minnesota until the middle of May or the first of June, but when the forests were cut and the swamps and muskegs were drained the first showers in the spring would melt the snows and the water would run into the ditches instead of going into the muskegs and being absorbed in the moss as it did before we did that ditching and drainage. In those days there would not be the heavy floods we now have in the spring. There was then a natural storage of water which the white man in his greed to get more land to cultivate has destroyed. We have destroyed that natural storage by which to keep the water back and to keep the floods from doing great damage. We had a natural storage there which kept a year's supply of moisture, even though only light rainfalls occurred. The lakes and the creeks would have their supply from the trickling of the water through the swamps and from the snows which melted in the forests, and we always had an adequate supply of water.

Now the water is shot out into the Mississippi River, and as quickly as it can flow to the Gulf of Mexico it is shot out of the country and treated as a public enemy instead of as a great national asset.

As a result, we have had in the last 25 years a gradual reduction in the rainfall in the Mississippi Valley. For that reason I asked the commission in question to make a study to see if possible whether our system of flood control could have caused this lack of rain and lack of water supply. As a result, they made the chart I now show Senators, showing where our water supply comes from, and what becomes of that water supply.

On the chart it is shown here as coming from various sources. It comes from the rivers and the ocean and the lakes, as will be seen. Through evaporation it comes over the interior of the Mississippi Valley and falls in the form of rain. It is interesting to see where the commission has found how much goes to the ground and runs away in the run-off, carrying soil with it into the rivers and the lakes and the ocean, how much again evaporates and does not run away, how much can be restored to the soil, and how much goes into the ground storage which furnishes the supply to the lakes and the creeks, and partly joins in the final run-off. In the first illustration in the chart we have the supply in the clouds. We have it from the lakes, the rivers, and the ocean. That is the first source of supply. Then it goes out in the form of rain. Some of it goes on the grass

and in the trees. Again, instead of falling to the ground, it evaporates. A good deal of it, how much we do not know, evaporates in the process of falling and returns to the clouds. That does not touch the ground at all. Then another part of the rainfall soaks into the ground through the leaves.

If there are leaves and brush and roots of grass and trees, the flow-off will be checked, and the water is permitted to saturate the soil. Some goes back into the trees, and other parts of it goes to the roots of the trees and out through the tops and is again evaporated. That which is not saturated in the soil, which is not picked up and held by the soil in storage, is infiltrated into the subsoil and goes to the ground-water storage and into the discharge to be again run off, most of it, to the surface and in the rivers. It is estimated that if there be a normal storage under conditions of that kind, which preserves a state of nature, of natural storage—that is, the muskegs, the forests, the pot holes, swamps, the lakes, and the rivers—that under normal conditions in that part of the country the rain, coming in from the sea in the first place in the form of clouds, should drop and evaporate and drop again five times before finally it runs out. So if that is correct, it may to some extent be the explanation for the great areas of drought that we have in the interior part of the country.

Before this survey was taken the State of Minnesota decided, at public expense, to fill the ditches that had been dug in northern Minnesota in order to drain its swamps and its muskegs. It decided to fill them up and return the land to the fish, the muskrat, and the beaver. That, of course, will be incidental, but mainly for the purpose of storing the natural flow of water and holding it back until it can fulfill the function that nature intended it should.

Under our system of flood control it seems to me we have carried on a policy that is the same as though a man who found his kitchen floor flooded with water should make culverts and ditches to carry it away instead of going to the sink, shutting off the faucet, and holding it back until he needed it, until he could use it. So, as the result of that policy, we have found that our lakes have gone down, our rivers have dried up. Take, for instance, the Rum River in Minnesota, which used to carry log drives and on which steamboats used to run. Two years ago one could not paddle a birch-bark canoe or any other kind of a boat on the Rum River.

As an illustration of what the natural storage will do, let me say that on the farm on which I live there is a lake about 3 miles long and 2 miles across. It is the headwater of a long chain of lakes which finally supply water for the Chippewa River. With the coming of the drought the water level dropped until many of the lakes disappeared, but as for the lake in front of my house, one would not notice there had been a drought by looking at the water. Becoming curious about that, I had a geologist examine it in the effort to explain why that lake should remain filled when the water in all the other lakes had either half disappeared or was disappearing. He solved it very quickly. He found there was a tamarack swamp on the north shore of the lake that extended back in broken patches for a distance of 50 miles. I walked through a part of it myself; in many places the moss is that thick [indicating], and it does not make any difference how dry the summer is, one always will get his feet wet walking there, because there is no evaporation. There is a certain thickness on top that is dry, but underneath it is soggy with water. That swamp has fed that lake and kept it at practically the same level throughout the whole dry period we have experienced during the last 4 or 5 years. I think that, as an illustration, bears out the general thesis.

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

Mr. SHIPSTEAD. I yield.

Mr. WALSH. When I traveled through the Senator's State last summer I was very much impressed with the large number of lakes, the level of which had very substantially dropped. I should like to inquire whether that condition is of recent origin, or has the reduction in the level of these lakes gone on for a long period?

Mr. SHIPSTEAD. It has proceeded slowly but progressively faster. It has been going on for some years.

Mr. WALSH. But to a greater extent recently?

Mr. SHIPSTEAD. Yes; it has proceeded more rapidly during the last few years.

Mr. WALSH. Some lakes which were once used as pleasure resorts, and on the shores of which people built cottages and institutions were located, have practically passed out of sight.

Mr. SHIPSTEAD. That is true. That process has been going on for the past, I should say, 30 or 35 years, since drainage, deforestation, and cultivation became so intense.

Mr. WALSH. Has not the Senator's State given that problem a good deal of attention?

Mr. SHIPSTEAD. We have done so for several years. We are filling in the muskeg and the ditches and are trying to reverse the policy of drainage that was first sponsored and very energetically pursued in the effort to get rid of the water, to get the water out of the country so that the farmers could plow up the soil and raise crops. However, when they got rid of the water they found they did not raise such good crops.

Mr. WALSH. Is the Senator of the opinion that the cultivation of the soil is, in large part, responsible for the dropping of the water level in these lakes?

Mr. SHIPSTEAD. I think it is due to drainage, to deforestation, and to destruction of the natural reservoirs which Nature provided in lakes and sloughs and swamps and muskegs and forests. Take, for instance, the fact that the forests were denuded. The lumber companies would leave the slashings, which would become dry and constitute a fire hazard. They would burn, and in turn burn whatever topsoil there was, so that nothing would grow. Then there was nothing left to hold the water, and, as a consequence, erosion took place. The natural water storage has to a large extent been destroyed by the advancement of civilization. Every farmer who had a pot hole, every neighborhood that had what is called a slough, every community which might have a lake, thought that if they could drain that lake and get the water into the Mississippi—get rid of it, send it down to New Orleans—the farms would be improved. There was a period of several years when all a man who wanted to drain the swamps for 30 or 40 or 50 or 60 miles had to do was to go to a district judge and get an order, and the farmers would be helpless. On the farm which my brother occupied, a drainage ditch cost him some $2,000, and he told me many times since he would have been very much better off if he had given them $5,000 to let him alone, let him keep in their natural condition the land and meadows that he had before the ditch was dug. As a matter of fact, it practically ruined the farm. That is the history of drainage throughout Minnesota.

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

Mr. SHIPSTEAD. I yield.

Mr. CLARK. Just along that line, there is one situation with which I am very familiar which is possibly the most acute flood-control situation in the United States. I refer to the St. Francis River, which parallels the Mississippi about 50 miles away for nearly 300 miles of longitude. Because of the drainage of water from the swamps and catch basins for agricultural purposes, which turned out not to be worth anything for agricultural purposes after being drained——

Mr. SHIPSTEAD. That is the usual case.

Mr. CLARK. The Army Engineers figure, I think, and certainly the other engineers figure, that the floods now go down in twice as great volume and three times as often as they did before the drainage of those catch basins, affecting seriously the agricultural possibilities of the whole region, but creating an intolerable condition for the rich productive agricultural lands of the lower St. Francis Basin.

Mr. SHIPSTEAD. If we can inaugurate a system or policy under the program established by this bill to hold back the waters and prolong the run-off over the summer instead of shooting that water down in the month of April into the Ohio Valley, the Tennessee Valley, the Missouri Valley, and in fact the entire Mississippi Valley, conditions will be vastly

improved. As it is the water is shot down to the lower Mississippi and nature cannot take care of it. I do not care how much money may be spent by the Federal Government for levees, in my opinion not enough money can be spent to take care of the floodwater if the policy we have followed shall be continued.

Mr. FLETCHER. May I inquire of the Senator with reference to the region of which he has been speaking, were the floods experienced there before the drainage took place, before the deforestation and the forest fires? I think fires have had a great deal to do with the situation, but before they occurred did the State suffer from floods?

Mr. SHIPSTEAD. I have lived there for 55 years. I had a meadow that used to be flooded to some extent in the spring, but the flood did no damage. I remember very well, though, that from the hillsides the soil would come down into the valley which left the tops of the hills bare of topsoil and ruined the hillsides.

Mr. President, an inquiry was made a while ago as to how long the water level had continued to fall in the section of the country to which I am referring. I do not know whether it is typical of the entire country, but for that section it is typical. Here [indicating] is a survey made to determine the drop of the water level. That line [indicating on chart], representing the top of the ground storage, is called the "water level." This chart deals with the western half of Minnesota and the eastern half of North Dakota, known as the Red River Valley, which is the most fertile valley in the world, with the possible exception of the Nile Valley. In former times the valley of this river was a lake bed. The land was rich, as it naturally would be, having formerly been a lake bed, and the topsoil was very heavy, but the land was very low, and if there was a heavy rain during the summer, much of the crop would be destroyed. So a very extensive system of drainage was inaugurated about, I should say, 35 or 40 years ago. Everybody wanted to get rid of the water. It was considered an enemy. Get it out of the country! Here [indicating] is shown the division of the flow of the water. From the south there is the Minnesota River running south and the Red River of the North running north.

The National Resources Board, at my request, made a survey to determine if there was any comparison or connection between the drop of the water level and the diminution in rainfall over a period of years. They learned there has been a great reduction in the water level; it has gradually gone down to the point where people have to lower their wells from time to time, going deeper and deeper, in order to get water for the stock and to supply their houses. In some places that normal water level has dropped as much as 30 feet from the former level, showing a gradual drainage, a gradual loss of the normal water storage in the soil, the supply, whatever did not run off, coming from the soil. On account of the drainage and the destruction of normal conditions causing a retardation of the flow, enough water could not come through the soil, but it ran off because of drainage ditches, and it could not come down. There was nothing on the surface to hold it; there were ditches to drain it off, so it did not penetrate or infiltrate the soil and form the natural ground storage of water. So last summer and the summer before, people had in some places to transport water; it was even sold for drinking purposes at so much a glass. The study is still continuing, but I thought their findings were so fair and so satisfactory that they were worth being called to the attention of the Senate and those Senators who have not seen it.

Here is a question of policy to be pursued. As I said, how far should this policy continue?

On the wall I have placed a map of the United States. The red dots show where the W. P. A., the P. W. A., and the E. R. A. conducted certain works for control of water on tributaries with the idea and view of conserving the soil. However, I am informed these projects were undertaken not where they were the most necessary, but where there was the most unemployment, not where they would be most effective, but wherever labor could be furnished at the capital cost figure which had been fixed by Mr. Hopkins. I think we should bear in mind that it was done especially for the purpose of giving employment, and the direct aim was not at all a comprehensive program of soil conservation to prevent erosion and to control floods.

I cannot anticipate that this kind of program will continue. There should be a comprehensive program, with a well-directed force at the head of it, for the entire country. Of course, it might be handled by various organizations and by the various States. Whether it should be under the Department of Agriculture, the Bureau of Forestry, or the Board of Engineers, I find it very difficult for me to decide. So far as flood control in the lower valley and the rivers and harbors, and control of navigation are concerned, I do not think it should by any means be taken out of the hands of the Board of Army Engineers.

Mr. President, I do not know that I have anything further to submit to the Senate at this time, except to say that I think the policy is intended to be a permanent policy, no matter in whose charge we place the responsibility. There is danger in putting it in the hands of the President, and that does not mean any reflection on the man who now occupies that office. Presidents come and go, but if we are to save the topsoil of the country and control the floods, we must have a permanent policy. Certainly it is of enough importance to be worthy of the most careful consideration by Congress when we come to determine who shall carry out the policy inaugurated in the bill.

I hope the bill will pass. I voted against the flood-control bill last year because I considered it was a "pork barrel" measure. I am not enough of an expert to determine whether the works on the lower Mississippi and the various rivers which have been sponsored by the Board of Army Engineers are effective or not, but the soil-erosion policy which is inaugurated here and the control of flood waters on tributaries in the great basins of the rivers of the country, I think, contemplate a policy which should have been adopted a century ago.

Mr. COPELAND. Mr. President, I desire to thank the Senator from Minnesota [Mr. SHIPSTEAD]. I think he has made one of the most illuminating and useful contributions to the knowledge of the Senate that I have listened to since I have been here. I think a notable addition to the valuable resources of the country was made in his presentation of the matter today.

Mr. DAVIS. Mr. President, I have listened with a great deal of interest to the remarks of the distinguished senior Senator from Minnesota [Mr. SHIPSTEAD.] Much that he has stated has been our experience in Pennsylvania.

Mr. President, I believe flood-protection projects should be accepted as a Federal responsibility. Those who assert that half of the burden should be carried by local agencies do not specify how these agencies can meet the responsibility. Take Pittsburgh as an example. While we have a few rich corporations and some handsome business buildings there, a general tax on all of the property owners of the city would work a tremendous hardship on the many without assessing the proportionate share of responsibility on those best able to sustain it.

Plans for local cooperation will further delay this necessary program, which should be started at once. The years may move on again without anything tangible accomplished, and each year may witness additional flood loss. The Federal Government, through its power to tax, can best meet this need and distribute the responsibility with greater equity than could be achieved through dependence on local agencies. The local units of government should play their part in administrative responsibility, but the machinery of tax collection requires the authority of the Central Government.

For these reasons, I shall support the amendment offered by the distinguished junior Senator from Mississippi [Mr. BILBO], although I had intended to offer an amendment of similar import.

Mr. President, the appropriation for flood-control projects in Pennsylvania is much less than our need for aid had led us to expect, and is conditioned in such a way as

to delay work at the present time, when work projects of a substantial nature are so greatly needed. I must confess I am disappointed that a larger sum to be used for a flood-protection program has not been designated in the tri-State valley area where the need is apparently the greatest.

In view of the relief appropriation legislation now pending in Congress, I am convinced that an allocation of the necessary sums for permanent flood-relief projects should be made a part of this appropriation and earmarked so that they would be available for administration by the Army Engineers. If such action is not now taken, I am confident the voters will make this an issue in the coming election, and will be justified in doing so. An administration which continues to seek appropriations for the Passamaquoddy moon-harnessing project and the Florida ship canal, over which there is divided opinion, when flood-control projects which have the unanimous endorsement of voters and taxpayers go begging, will be held strictly accountable on election day. Millions of dollars have been spent upon activities whose value is highly questionable, while the plans of Army Engineers for effective flood-control projects have been steadfastly ignored.

Mr. President, when these things can be said, and can be substantiated by documentary proofs which are matters of Government record, the ghastly fact is revealed that what happened along the raging rivers and their turbulent tributaries throughout the watersheds of Pennsylvania in March 1936 was not an unavoidable accident. It was, in reality, one of the worst instances of governmental neglect in American history, wherein a death toll of more than 200 men, women, and children was taken, and losses sustained, tangible and intangible, which in the aggregate will far exceed $500,000,000—all, or nearly all, of which could have been averted by the expenditures of but a small fraction of the sums which have been boondoggled away.

The Army Engineers in their official findings estimate that for a maximum construction cost of $35,175,700 plus an outside figure of $35,350,100 for land and damages—or an entire outlay of $70,525,800—every important community along the Susquehanna River and its tributaries and along the Allegheny and Monongahela Rivers and their tributaries—the two sections of the State where all the losses of life and property occurred—could have been put under the protection of completely planned flood control. These completed plans of the Army Engineers, dating back to 1932, include 9 reservoirs upon the principal tributaries of the Allegheny and Monongahela, including the Conemaugh, which almost destroyed Johnstown; and a system of levees and retarding dams to protect life and property in 19 cities and towns along the Susquehanna River and its tributaries. More than 80 percent of the total construction costs will go for the employment of labor, and of the balance only 5 percent will be necessary for administration, the remainder going for materials.

Mr. President, the report of the Pennsylvania Protective Union shows that in Pennsylvania there has been expended for relief purposes from September 1932 to April 1, 1936, a total of $742,794,490. This is 10 times the amount required to give Pennsylvania and a large part of the Nation adequate flood control. The Works Progress Administration alone, according to this report, has spent as much as the $70,000,000 requisite for this vital need of our people.

Mr. President, I am not unaware of the fact that before W. P. A. had been operating a month in Pennsylvania more than $5,000,000 had been allotted for this type of work—much of it wholly unnecessary, and a great deal of it indefensible waste. After the floods had wrought their havoc of death and destruction, Administrator Hopkins announced that he could immediately put 250,000 men into the work of repairing the damage. When General Hagood protested the waste of Federal funds in this way, he was made to feel the displeasure of the administration.

So far as Pennsylvania is concerned, the issue now uppermost in the minds of the people is sharply defined. The question arises whether the administration believes that the people of the heavily populated area of the industrial East will be content with gestures of flood relief at a time when permanent flood-control projects are ignored. The people of this area are thoroughly flood-control conscious, and will not be satisfied with flood-relief measures when all evidence points indisputably to the urgent need for flood control.

There is pressing need of getting these flood-relief projects under way as soon as possible. The annual loss through floods in western Pennsylvania and the upper Ohio, due to the fact that there has not been adequate flood control, makes it unwise to delay this matter further. The loss suffered in Pittsburgh alone this spring would exceed many times over the amount which is now being appropriated for flood control for the entire Nation.

The conservation of river water for industrial purposes is equally as important as flood control in western Pennsylvania. Some people have too much water and some not enough, and yet we are rapidly getting together on the question of proper distribution for the welfare of all. The Pymatuning Dam at Greenville, Pa., proved this spring that its broad surfaces could serve the double purpose of holding back the water in floodtime and distributing it according to need in other seasons. This dam almost paid for itself in a single season through the protection it offered this spring. I deeply regret that an auxiliary dam has not been provided above Sharpsville. I trust that next year the recommendations of the Army Engineers will include this worthy project.

Mr. President, I wish to emphasize the benefit which will extend to far-reaching adjacent areas through flood-control reservoirs and levees on the upper Ohio and its tributaries. I believe it is the consensus of opinion that this is a strategic point of great need not only at which to combat local flood conditions but also to interpose flood protection for large areas to the south. Although we have now become flood-conscious as a nation, due to recent catastrophes, we should realize that the average loss year by year is greater than will be met by the appropriation this year for flood-control projects for the Nation as a whole. Moreover, the appropriations now made will not be entirely spent within a year, but will be made to extend over a considerable period of time. We cannot afford to continue to suffer this average annual flood loss.

I am confident that a study of the reports of the Army Engineers, together with studies prepared by the Mississippi Valley Committee of the Public Works Administration and the Water Planning Commission of the National Resources Board and the Flood Commission of Pittsburgh, will show that there is indisputable need for flood-control projects, reservoirs, and levees on the upper Ohio, the Monongahela, the Allegheny, and the Susquehanna Rivers. These are outstanding needs, and there is no longer sufficient reason for delaying protective measures for this densely populated section of the Nation.

Mr. President, I ask that the statement made by me before the Senate Commerce Committee on this subject on March 25 be inserted in the RECORD as a part of my remarks.

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

The statement is as follows:

In addition to these reservoirs I wish to join with my colleague in asking immediate consideration of Senate bill 4331, calling for appropriations for the construction of levees on the Susquehanna River at a number of places, including Harrisburg, York, Williamsport, Lock Haven, Plymouth, Wilkes-Barre, and other cities where levees are greatly needed. Their location and cost are specified in the bill.

The Pittsburgh Flood Commission has estimated that tangible benefits more than exceed dollar for dollar the cost of construction and that, if intangible benefits are included, the social and economic returns are double the cost of this construction. To this should be added the necessity of giving employment to thousands of workers living in this area. If the work is to be accomplished at a maximum of efficiency, standard rates of wages should be paid. This is a point which is very important in the face of our present need to build up purchasing power in the hands of the workers.

It is unthinkable that in the face of these conditions Congress should refuse to take adequate measures for the protection of the life and property of our citizens. Construction of reservoirs and levees have proven to be successful in coping with these problems. The only alternative to flood control as suggested would

be for the Government to buy up the land adjoining the uncontrolled rivers, move the present residents to higher land, and abandon the flood areas to the mercy of the angry waters. If this method is adopted, it will prove far more costly than to follow the dictates of science and common sense and build the needed reservoirs and levees.

I can think of no better use which the Government can make of taxpayers' money than to use it in the construction of permanent flood-control projects, which assure flood protection to the entire Nation and promise to provide work for thousands of the unemployed at standard rates of wages when they are so desperately in need of work.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Connally	Keyes	Pittman
Ashurst	Copeland	King	Pope
Bachman	Couzens	La Follette	Robinson
Bailey	Davis	Lewis	Russell
Barbour	Dieterich	Logan	Schwellenbach
Barkley	Donahey	Lonergan	Sheppard
Benson	Fletcher	Long	Shipstead
Bilbo	Frazier	McAdoo	Smith
Black	George	McGill	Steiwer
Bone	Gerry	McNary	Thomas, Okla.
Borah	Gibson	Maloney	Townsend
Brown	Glass	Metcalf	Truman
Bulkley	Guffey	Moore	Vandenberg
Bulow	Hale	Murphy	Van Nuys
Burke	Harrison	Murray	Wagner
Byrd	Hastings	Neely	Walsh
Capper	Hatch	Norris	Wheeler
Caraway	Hayden	Nye	White
Chavez	Holt	O'Mahoney	
Clark	Johnson	Overton	

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

Mr. COPELAND. Mr. President, it seems to me that if we had needed any argument in favor of this amendment, the speech made by the Senator from Minnesota [Mr. SHIPSTEAD] would be ample reason to leave the priority to the President.

There is not in this body any warmer friend of the Army Engineers than am I; but we have in this bill, if we include soil erosion and the examination of the various affairs related to flood control, a greater problem than flood control alone. It becomes a problem which ought to be dealt with comprehensively and in all its parts. Therefore, I hope the amendment suggested by the Senator from Missouri [Mr. CLARK] will fail.

Mr. CLARK. Mr. President, I do not desire to detain the Senate before a vote; but let me say that the proposal embodied in the comprehensive amendment offered by the Senator from Arizona [Mr. HAYDEN] to the flood-control bill amounts to the same thing as if a man should come along and see a house burning down, and say, "Well, I will retire and get up a comprehensive scheme for preventing fires in the future. Of course your house may have to burn down; but after I have taken the matter under consideration I shall be prepared, in a year or 5 years or 10 years, to bring in a scheme for preventing such fires in the future."

Mr. President, the object of a flood-control bill is to take care of a situation where floods constantly and persistently recur. To divert the authority for determining priority away from the Army Engineers, who have had years of experience with it, to a new and unknown and untried board for the purpose of setting up a coordination with soil erosion and reforestation, objectives with which I am very much in sympathy, is simply to postpone action on an emergency matter, a known flood situation, and relegate it to the limbo of an ultimate report from some unknown committee.

I believe if we are to have any justification for the bill at all that the determination of priority should be in the hands of the body which has always been familiar with that situation rather than with an unknown body. I particularly warn my friends on this floor from sections of the country where there is a permanent flood menace against the adoption of an amendment which, it is my prediction, will mean the expenditure of the $50,000,000 actually authorized in the bill only in the Susquehanna Valley in New York and in Pennsylvania.

Mr. NORRIS. Mr. President, I desire to make an inquiry about the parliamentary situation before I proceed. Has the Senator from Missouri offered an amendment to the amendment offered by the committee?

The PRESIDING OFFICER. The Senator from Missouri has offered an amendment to strike out certain words in lines 8 and 9 of page 1 of the committee amendment.

Mr. NORRIS. I desire to inquire whether that is not an amendment in the third degree. Is not the committee amendment already an amendment to an amendment?

The PRESIDING OFFICER. The Chair is advised by the parliamentarian that under rule XVIII the amendment of the Senator from Missouri is not an amendment in the third degree.

Mr. NORRIS. I would not care to enforce the rule, even if it were an amendment in the third degree, because I am perfectly willing to take it as it stands; but I was of the opinion that technically the amendment of the Senator from Missouri was not in order at this time.

Mr. President, I believe no Senator has a greater respect for the Army Engineers than have I, and the fact that I favor the amendment offered by the committee I do not want under any circumstances to be taken as an indication that I have any idea of casting any reflection upon the Army Engineers or their ability.

I am considerably disappointed in the pending bill. I was under the impression we were to have a bill before us that would be an emergency measure, that we would not try to legislate on the general subject of flood control until there was available more information, which we could not possibly get at this session of Congress, and that we would content ourselves at this session by taking care of only the emergency situation.

Before the bill passes I expect to have something further to say on that subject, but at the present time I mention it only because the Senate is conscious, as I think the country is conscious, of the fact that flood control is not only a national problem but that Congress should consider all of the various navigation and flood-control questions as part of one great problem affecting the entire country. This brings me to the pending amendment.

We have already agreed to an amendment providing that soil erosion and certain other activities shall be considered by the Department of Agriculture and shall be under the domain of the Department of Agriculture. The President now has all sorts of committees at work, which have been at work for a year or two, in a study of erosion, forest control, and all sorts of integrated questions which apply to all the streams of the United States, navigable and unnavigable.

That is a wonderful undertaking, which in its scope goes further than the imagination will carry one. Yet I believe that the country realizes, as we realize, that we must study the flood-control question with all those things in view, having in mind dams built on the small tributaries of the streams of the country, all sorts of methods and means to be used to hold back the water, whether they are immediately in the vicinity of a large stream or not, because eventually all the water gets into the larger streams, the main streams, and so far as flood damage is concerned the damage occurs not altogether but mostly along the larger streams.

But the damage, so far as erosion is concerned, so far as forest control is concerned, occurs away back from the main stream. The proper utilization of the soil in some places, particularly in the semiarid sections of the country, and also where there is too much rain, the proper planting of the right kind of crops, grasses, trees, shrubs—all these things have their integrated place in a study of the great question of flood control, which affects the entire United States. Committees appointed by the President, to which he has allocated certain funds which we appropriated to him, are proceeding now to study these problems all over the country.

The Army Engineers are experts in their line, and we have an efficient corp of Army Engineers. They know how to build a dam. To some extent the other questions have been

placed in their hands, though not all of them have been. The Army Engineers are doing a great work.

All the improvements cannot be made at once, and when the time comes for a decision as to whether a particular improvement should be made this year or this month, the Army Engineers would look at the conditions through their own eyes. If the other students of the question, studying erosion away back in the country, trying to find what kind of grasses or shrubs or trees should be planted, and what kind of miniature dams should be constructed to control a stream which may be a stream only immediately after a heavy rainfall, pass on the question as to where the money should be spent, what dams should be built, they might reach a different conclusion from that of the Army Engineers.

The Department of Agriculture, proceeding under the present law, and under the amendment we have already adopted to the bill, would have a different viewpoint possibly. I have listened with a great deal of interest to the two Senators from Kentucky today seeking the construction of a particular project. They described it. In my mind's eye I could see just what it was. I have personally investigated many such projects.

A flood might occur tomorrow, or this afternoon, which would wipe a city or a town or a beautiful, fertile valley out of existence, a condition which probably could be obviated by the application of some of the funds appropriated by the pending bill to preventive measures that would hold back flood waters and thus save the town or the city or the rural settlement. If the men engaged in the study of that problem had to pass on the question of priority between projects they might reach a different conclusion from that reached by the Department of Agriculture.

Somebody has to pass on the question of priority. It does not have to be an engineer, as I see it, but the one passing on it must have a broad mind. He must have in view the general scope of the United States. He must have knowledge of what we are trying to do—something which it will take a hundred years to complete, knowing that we have to go slowly on account of lack of funds; that we cannot do it all at once or in 1 year or in 10 years. It is not necessary for the one charged with responsibility to have technical knowledge, to know how to construct a dam on the Mississippi River. He may not have such technical knowledge. He must, however, have a broad mind. He must be able to see the picture of the future and the damage which is likely to come tomorrow or the next day.

Someone must decide which course shall be pursued tomorrow in order to use the appropriation that may be available this year. Although I do not question the honesty or the ability of those in the bureaus or investigating committees, I believe it would not be fair to let one of the bureaus or one of the large number of investigating committees decide between two conflicting projects, both of which might be meritorious. It seems to me the decision should rest with some one outside any of the bureaus. It should rest with some head. Therefore it seems to me the amendment which proposes to submit such questions of dispute to the President is the best solution of this problem.

The President is too busy to look over the projects personally. He will not be able to make a personal physical examination of them. He will, however, select men in whom he has confidence to give him the general picture and to give him specific information. Having in his mind the general scope and a picture of what can best be done with the $50,000,000 which is to be divided up among these projects, he will get all possible information concerning them. He will undoubtedly consult the Army Engineers. They probably will be the first men with whom he will discuss the matter.

The President will consult the experts in the Department of Agriculture. He will consult the local agencies which have lived with these conditions for 40 years, right in the places where damage has occurred, where there has been a washing away of soil for many years. I personally know of certain places on some of the rivers in the United States where another flood would wipe out a town which is 40 or 50 years old. A flood may not come soon. It may be another 50 years before another serious flood will come. Of course, it may never come. However, it may come tomorrow. God only knows if and when it will come. The only thing to do is to be ready when it shall come with as many completed projects as possible.

If a dam be constructed on one of the rivers in whose watershed is the best alluvial soil in the world, it will be only a few years, speaking in an historical sense—perhaps a hundred, perhaps 200, perhaps only 50 years—until that reservoir will be filled with silt. Many of our great dams are now filling up. The history of civilization tells us of many such dams, constructed years ago, which were eventually filled up with silt that came down from the fertile plains, that washed into the river, and was held there by the dam. I do not mean to say that the construction of such a dam was a mistake. I do not wish to say that by any means. The construction of the dam was necessary. But in connection with it, to preserve the reservoir, to continue its benefits for the saving of the soil, it was necessary to construct hundreds of other dams, to provide for the planting of trees and shrubs and grasses, and to see that they were protected when they were planted; to build miniature dams, as it were. So it all works out as one perfected whole when the work is completed.

I think the man to decide that problem, the man who is best equipped to obtain the essential information, is the President of the United States. Not often will any controversy arise. Probably not once in 50 times will there be a disagreement. There will not be sufficient interference to be noticed with the work of the Army Engineers or with that of the other experts. When they get together, they can reach their own conclusions. In most cases there will be no dispute to go to the President.

The problem will work itself out. However, in case there is a dispute, someone ought to be at the head to decide the question. There should be at the head some unprejudiced official, some official with a broad view as to just what we are trying to accomplish by flood control in America. It is necessary that it be so.

Mr. President, there are countries in the world which are now desert but which once were fertile. Although in many of those countries large dams were constructed, the construction of little dams was not considered. Attention was not given to erosion. The people continued to cut the trees, and they continued to cultivate soil which never should have been touched with a plow. In many cases they overpastured the grasses that grew according to nature's command, and left them in such shape that erosion occurred and the soil was carried away. All those questions are involved in this matter.

While I do not agree with some Senators as to the importance of the pending amendment as a practical proposition, yet I believe it will add to the general conception of the viewpoint which I think all of us should have when we come to legislate on this question, one of the greatest questions that confronts us now or which ever will confront us.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment of the committee.

Mr. COPELAND. If no other Senator cares to speak on the amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Burke	George	La Follette
Ashurst	Byrd	Gerry	Lewis
Bachman	Capper	Gibson	Logan
Bailey	Caraway	Glass	Lonergan
Barbour	Chavez	Guffey	Long
Barkley	Clark	Hale	McAdoo
Benson	Connally	Harrison	McGill
Bilbo	Copeland	Hastings	McNary
Black	Couzens	Hatch	Maloney
Bone	Davis	Hayden	Metcalf
Borah	Dieterich	Holt	Moore
Brown	Donahey	Johnson	Murphy
Bulkley	Fletcher	Keyes	Murray
Bulow	Frazier	King	Neely

Norris	Robinson	Steiwer	Wagner
Nye	Russell	Thomas, Okla.	Walsh
O'Mahoney	Schwellenbach	Townsend	Wheeler
Overton	Sheppard	Truman	White
Pittman	Shipstead	Vandenberg	
Pope	Smith	Van Nuys	

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. COPELAND. Mr. President, the question on which the Senate is about to vote is the proposal of the Senator from Missouri [Mr. CLARK] to strike from committee amendment no. 2 the words, on lines 8 and 9, "as may be designated by the President."

The purpose of the committee amendment is to permit the President to determine priority. The purpose of the Senator from Missouri in moving to strike out the words mentioned is to leave decision with the Board of Army Engineers as at present.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri [Mr. CLARK] to the amendment reported by the committee.

Mr. CLARK. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. BILBO. I have a pair with the Senator from Iowa [Mr. DICKINSON]. I am not advised as to how he would vote if present. I, therefore, transfer that pair to the Senator from Alabama [Mr. BANKHEAD] and vote "yea."

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city on official business. Not knowing how he would vote, I transfer my pair with him to the junior Senator from Utah [Mr. THOMAS] and vote "yea."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Nevada [Mr. MCCARRAN] are detained from the Senate on account of illness.

The Senator from North Carolina [Mr. REYNOLDS] is detained on account of a death in his family.

The Senator from Arizona [Mr. ASHURST], the Senator from Nebraska [Mr. BURKE], the Senator from California [Mr. MCADOO], and the Senator from South Carolina [Mr. SMITH] are attending committee meetings.

The Senator from South Carolina [Mr. BYRNES], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Tennessee [Mr. MCKELLAR], and the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS] are unavoidably detained.

The Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Indiana [Mr. MINTON], and the Senator from Utah [Mr. THOMAS] are absent on official duty as members of the Board of Visitors to the United States Military Academy at West Point.

Mr. MCNARY. I announce the following general pairs:

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Vermont [Mr. AUSTIN] with the Senator from South Carolina [Mr. BYRNES]; and

The Senator from Maine [Mr. WHITE] with the Senator from Maryland [Mr. RADCLIFFE].

The Senator from Delaware [Mr. TOWNSEND], the Senator from Maine [Mr. WHITE], the Senator from Vermont [Mr. AUSTIN], and the Senator from Wyoming [Mr. CAREY] are detained from the Senate on official business.

The result was announced—yeas 31, nays 40, as follows:

YEAS—31

Bachman	Couzens	Hastings	Nye
Barbour	Davis	Johnson	Shipstead
Bilbo	Donahey	Keyes	Steiwer
Borah	Frazier	King	Truman
Bulkley	Gerry	Lonergan	Vandenberg
Byrd	Gibson	McNary	Van Nuys
Capper	Glass	Metcalf	Walsh
Clark	Hale	Murphy	

NAYS—40

Adams	Bone	Connally	Guffey
Bailey	Brown	Copeland	Harrison
Barkley	Bulow	Dieterich	Hatch
Benson	Caraway	Fletcher	Hayden
Black	Chavez	George	Holt
La Follette	Moore	Overton	Schwellenbach
Logan	Murray	Pittman	Sheppard
Long	Neely	Pope	Thomas, Okla.
McGill	Norris	Robinson	Wagner
Maloney	O'Mahoney	Russell	Wheeler

NOT VOTING—24

Ashurst	Coolidge	McAdoo	Reynolds
Austin	Costigan	McCarran	Smith
Bankhead	Dickinson	McKellar	Thomas, Utah
Burke	Duffy	Minton	Townsend
Byrnes	Gore	Norbeck	Tydings
Carey	Lewis	Radcliffe	White

So Mr. CLARK's amendment to the amendment of the committee was rejected.

Mr. COPELAND obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from New York yield to me for a moment, as I am obliged to return to the Finance Committee?

Mr. COPELAND. I yield.

Mr. BARKLEY. On page 110, line 10, in the committee amendment the language of the bill is:

Salyersville River, Magoffin County, Ky.

It should read:

Licking River, near Salyersville, Magoffin County, Ky.

I ask that that amendment be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. CLARK. Mr. President, will the Senator from New York yield to me, because I have to go back to the Finance Committee?

Mr. COPELAND. I yield.

Mr. CLARK. I do not desire to detain the Senate by asking for another roll call on the principle of the amendment. I think the question has been determined by the last record vote. I do desire, however, to say for the RECORD that I hope that Members of the Senate from the States which are actively, year after year, concerned with the problem of floods, having cast the votes which they have cast on the last roll call and determined by their own act to put the matter absolutely in the hands and the discretion of the President, will not go back to their States and express surprise when their States do not get any money for flood control from the passage of this bill.

I predict again, Mr. President, as I did a while ago, that the great bulk of the $50,000,000, the limitation authorized by this bill, will be expended in New York and Pennsylvania, and that the States and localities that year after year and sometimes two or three times a year face a very vital and desperate flood-control problem, will get little or nothing as a result of the passage of this measure.

Mr. KING. Mr. President, I am compelled to return to the Committee on Finance which is considering the tax bill. I shall have no opportunity, as I had hoped, to discuss this bill. I rise only for the purpose of stating that I am opposed to the bill, and if I were present I should vote against it. I am opposed also to amendment numbered 6, creating a National Resources Board. I have not time to elaborate the reasons for my opposition to that amendment any more than I have time to elaborate my objections to the bill. As it is, I can only say——

Mr. COPELAND. Mr. President, will the Senator yield for a moment?

Mr. KING. Yes.

Mr. COPELAND. If the Senator wishes to speak on title II, I desire to suggest that there are a number of members of the Finance Committee who are interested, as is the Senator, in that title, and we have a good deal to do yet before we reach title II. I think it is safe to say, if it is agreeable to the leaders, that so far as title II is concerned, we might let it go over until tomorrow. Would that please the Senator?

Mr. KING. That will be entirely agreeable to me.

Mr. COPELAND. Mr. President, the Senator from Montana [Mr. WHEELER] is obliged to leave the Chamber. He desires to offer an amendment at this time; and because of

the necessity for him to leave, I am willing that his amendment may be now considered. I should not like to interfere with the orderly process of the passage of the bill, but the Senator has obligations about which he has told me, and I am willing to have his amendment presented at this time.

The VICE PRESIDENT. An amendment to the committee amendment is now pending which has not been disposed of.

Mr. COPELAND. Very well; let us first dispose of that.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York to the amendment of the committee on page 57.

The amendment to the amendment was agreed to.

Mr. WHEELER. I offer the amendment which I send to the desk and to which the Senator from New York referred a moment ago.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the bill the following:

Big Horn River, Mont.: For construction of works on the Big Horn River about 36 miles southwest of Hardin, in Big Horn County, Mont., for flood control, $15,000,000.

Mr. WHEELER. Mr. President, this project has been urged for many years in connection with flood control on the Missouri and Mississippi Rivers. The Army Engineers have made a study of its purpose, which is silt control. The Mississippi Valley Association, which is interested in flood control on the Mississippi River, and the Missouri River Valley Association, which is interested in flood control and navigation on the upper Missouri River, have both gone on record definitely for a long period of time in favor of the amendment.

According to the report of the Engineers, the dam would be 550 feet high and would impound 1,500,000 acre-feet of water. No valuable land would be flooded. The land which would be flooded by reason of the construction of the dam is all either Government owned or a part of the Indian lands in the State. The water could be used to irrigate 300,000 acres of land, but I am not asking for that. Of the land in question 138,000 acres would be on the Crow Reservation. There would be no delay in the construction of the dam because the Army Engineers have already investigated the project and know all that is to be known with reference to where the dam should be located and constructed.

Mr. McNARY. Mr. President——

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

Mr. WHEELER. I yield.

Mr. McNARY. Has the preliminary survey heretofore authorized by Congress been made by the engineers?

Mr. WHEELER. My understanding is that the preliminary survey has been made by the Army Engineers.

Mr. McNARY. Was the report favorable as made by the district and regional engineers, and does the project now have the sanction of the Board of Army Engineers?

Mr. WHEELER. In this particular bill?

Mr. McNARY. Yes.

Mr. WHEELER. No. I am frank to say they have not recommended that it be included in this bill.

Mr. McNARY. The report, then, can be construed as being adverse to the project?

Mr. WHEELER. I do not think it could be construed as being adverse to the project, because the Army Engineers have pointed out its value with reference to the control of silt and likewise its value in flood control on the upper Missouri and Mississippi Rivers.

Mr. McNARY. I do not want the Senator to assume that I am opposing the project. I am asking for information. The first step always is authorization by the Congress of a preliminary survey. That is made by the district engineers. The matter then goes to the regional engineers and from there to the Board of Army Engineers. Those projects which were acceptable to the Board of Army Engineers have been placed in the pending bill. What I should like to know is how far the project has gone with respect to surveys and reports of the engineers?

Mr. WHEELER. In the report which was made is a letter from the Secretary transmitting, pursuant to section 1 of the Rivers and Harbors Act of January 21, 1927, and section 10 of the Flood Control Act, approved May 15, 1928, a letter from the Chief of Engineers of the Army dated February 9, 1934, submitting a report. He speaks of the investigation which has been made with reference to this project and the control of silt and flood control.

Mr. McNARY. The Senator has the record before him. Did the district engineers who made the survey report favorably to the regional engineers?

Mr. WHEELER. I do not think they reported either favorably or unfavorably.

Mr. McNARY. Then, there has not been any report in any of the preliminary phases with respect to any survey that has been made, has there?

Mr. WHEELER. A report was submitted of the investigation which was made, but I find nothing in the report which either suggests that the dam be built or that it be not built. The engineers simply point out from an engineering standpoint exactly what its features would be.

Mr. McNARY. To whose report does the Senator refer?

Mr. WHEELER. I am referring to a report of the Army Engineers contained in House Document No. 256, containing a letter from the Secretary of War.

Mr. McNARY. What do the engineers say about the project?

Mr. WHEELER. I am going to call attention to that in just a moment.

Mr. O'MAHONEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Wyoming?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. May I ask whether the project involves any land in the State of Wyoming?

Mr. WHEELER. It involves some land in the State of Wyoming, back of the dam. As I understand from the report which I have read, it involves the flooding of no land except public lands and Indian lands. The late Senator Kendrick, of Wyoming, always endorsed this particular project and favored it in correspondence and other recommendations which have been made.

Mr. O'MAHONEY. A report was recently made to me that if the dam contemplated were constructed, it might result in flooding lands which are now occupied by a town. I have not had an opportunity to look into that matter. I should like to do so before the Senator calls for a vote on his amendment.

Mr. WHEELER. All the information I have is to the contrary. One of the engineers making report on the project states that it would not flood any lands, except public lands and some Indian lands.

Mr. O'MAHONEY. Doubtless the engineers' report would indicate what land would be covered by the lake, so it would be a simple matter to determine. I shall make an investigation immediately. In the meantime I hope the Senator will not ask for a vote until I get that information.

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

Mr. WHEELER. Certainly.

Mr. COPELAND. Perhaps when the Senator from Montana concludes I can give all the information the Senator from Wyoming needs to enable him to vote intelligently.

Mr. O'MAHONEY. I have no doubt the Senator can do so.

Mr. WHEELER. Mr. President, I desire to call attention to a letter which was addressed to the Secretary of the Interior, attention of Colonel Waite, by A. W. Koch, who was the chief engineer for the Big Horn Canyon organization. It is in part as follows:

DEAR SIR: I wish to call your attention to a few facts about the proposed Big Horn Canyon project of Montana.

It seems that two proposals have been studied, one for a dam 410 feet high and one 465 feet high, which were to develop 582,000 and 830,000 acre-feet storage, respectively. These correspond to water levels, reservoir full, of 3,570 and 3,710, and will require dams 440 and 480 feet high, respectively, instead of the heights indicated, to

allow 15-foot freeboard (i. e., the distance the dam will project above water level with reservoir full).

If the study had been continued to include a dam 550 feet high corresponding to water level of 3,680, reservoir full, the storage would be 1,700,000 acre-feet.

Mr. Koch speaks of the location; and I wish to call attention particularly to what he says with respect to silting. He says:

As previously stated, the reservoir created by a dam 550 feet high would hold the silt of the Big Horn River for a period of 40 years without impairing its efficiency in controlling the discharge of the river completely, based on the average for the years 1904 to 1915, inclusive. There is no good reason why this period of 100-percent flood control cannot be extended much longer if desired. It is quite possible to dredge the reservoir or sluice it out through the dam and onto the benchlands below. The cost of dredging would evidently be higher than the costs of dredging on the lower Mississippi; but the quantities to be dredged would likewise be perhaps less than one-third of what the floods of the Big Horn cause to be precipitated into the lower Mississippi if left uncontrolled. Besides, it would be worth while to consider the damage these periodic floods cause along the 3,000 miles of river channels between the canyon of the Big Horn and the lower Mississippi.

It has been recognized for many years that one of the chief causes of the floods, not only in the Yellowstone River below the Big Horn but likewise in the upper Missouri and Mississippi Rivers, was the silt coming down from the Big Horn River and lodging in these particular rivers. Only a few years ago a very serious flood occurred near Forsyth, Mont., and Miles City, Mont., and all through that section along the Yellowstone.

As a matter of fact, the only reason why there is flood-control agitation in the East is because a flood recently occurred here. I presume Congress will not again take cognizance of the situation which exists on this particular river and on the upper Missouri River and the upper Mississippi River until another flood takes place in that particular area; but it seems to me the time to correct the situation is before the flood takes place, and not afterward.

If we really seriously desire to prevent floods along the upper Missouri and along parts of the Mississippi River, the way to do it is to build dams back in the mountain areas to control the floodwaters in that particular section. Every engineer who has ever studied the situation in that section of the country has contended that the best way to control the floods in parts of the Missouri River and parts of the Mississippi River is by building dams in these areas.

I have been perfectly amazed to find that in this bill no attention whatever has been paid to flood control of the tributaries of the Missouri River. As most persons know, the Missouri River, which is the largest branch of the Mississippi River, is made up of the Gallatin and Jefferson and Madison Rivers, which originate in Yellowstone Park and in a section of Montana. Then there comes in the Big Horn River, which flows into the Yellowstone River and finally joints another tributary of the Missouri River, making what is known as the upper Missouri River.

In the spring of the year the melting snows come down from these mountains and cause floods. They not only cause floods in the upper Missouri but they likewise cause floods in the Yellowstone Valley area. There are irrigation projects along the Yellowstone River which have been repeatedly destroyed, and had to be rebuilt, by reason of the flood waters coming down from the Big Horn River. That is the reason why the Mississippi Valley Association and the Missouri Valley Association have repeatedly gone on record in favor of this particular project.

Looking at the question from the silt-control standpoint alone, every year the Mississippi River and the Missouri River have to be dredged, at large expense to the Government of the United States. Some of the engineers who have worked on this project have estimated that the cost of building this dam will be saved simply because it will obviate the necessity of dredging the silt that comes down from the Big Horn River.

In addition to that, while I have made no provision for it in the amendment, there are in the neighborhood of 138,000 acres of land in the Crow Indian Reservation. We are constantly appropriating money to help these Indians become self-supporting. If this dam should be built, the whole Crow Reservation could be irrigated at practically no expense, and then those particular Indians would become self-supporting. I mention that only as an incidental matter.

It has been shown that power can be developed at this particular project; and the statement has been made, which is true, that at the present time there is not any demand for the power. I am not urging the construction of this dam as a power project; however, I am urging it as a flood-control project, and solely as a flood-control project.

The engineer who worked upon this project said:

It will completely control the floodwaters and the silt of the Big Horn River, which furnishes at times 36 percent of the silt entering the Mississippi from the Missouri River.

The engineers estimate that 36 percent of the silt going from the Missouri River into the Mississippi River comes from the Big Horn Canyon. If we wish to pass a flood-control bill that is really going to be of benefit to the Missouri River, if we wish to pass legislation that is going to be of benefit to the Mississippi River, if we desire to refrain from having constantly to dredge out those rivers, if we wish to stop soil erosion along the Missouri River and help navigation along the Missouri River, here is an opportunity to do it at a cost of approximately $15,000,000.

I appreciate the fact that the Army Engineers have not recommended the project. Why they have not recommended it I do not know, because I do know that they found the figures with reference to silt to be substantially as I said. The only adverse statement which has been made by them, so far as I know, is that it is principally a power project, and that a power project should not be put in at this time because there is not a market for the power.

I am not asking for the construction of the dam as a power project. I am not at all interested in it from that standpoint. I am interested in it from the standpoint of saving the Government of the United States money with reference to flood control, and for the purpose of protecting the residents of Forsyth, Mont., and all down the Yellowstone River, from the floods which they now have every few years.

Nothing has been done to prevent floods in that area. As I say, the town of Forsyth was under water just a few years ago. Serious damage has been done to these irrigation projects, but not a single thing has been done by way of prevention. The only reason why we are doing anything with reference to flood control in the eastern part of the United States and elsewhere is because a big flood occurred here. Apparently we are going to wait until we have another great flood along the upper Missouri before we do anything substantial along the line of flood prevention in that area. If there had been a flood out there which had washed away a lot of property within recent times, I presume there would not have been any hesitation at all about including this project in the bill at the present time, but nothing has been done about it.

I read from a memorandum furnished me by a competent engineer:

On page 165 of House Document No. 256, above mentioned, there appears the information that the average silt content of the Big Horn River passing Hardin, Mont., has been found by careful analysis to be 21,200,000 tons per annum, or 19,400 acre-feet. This 21,200,000 tons of silt (19,400 acre-feet) would have sufficient bulk to form a bar 400 feet wide, 1 foot deep, and 400 miles long.

This silt follows the course of the Big Horn River to its junction with the Yellowstone, thence to the Missouri, and on to the Mississippi. En route it may form bars, banks, or drifts, and a portion of it may enter irrigation works or other improvements along the streams; a menace, an aggrevation, and a damage. It is always present once it has entered the stream until it has been disposed of or has passed into the Gulf of Mexico.

Another serious consequence of this silting is the building up of stream channels and particularly that of the (slower velocity) Mississippi River. This constant action materially decreases the available depth of flood channels and tends to minimize the effect of levee construction, materially increasing flood hazards. This action is continuous, and over a period of years the result is tremendous.

Direct removal of silt from the stream bed requires machinery, power, and a place for its disposal. A conservative estimate for this expense is at least 10 cents per ton. To remove the entire

21,200,000 tons would cost annually at least $2,120,000, a sum twice as great as that required to prevent its continuous movement downstream.

Not only is the direct removal of the silt more expensive, but it does not remove the cause of the evil. Each year new silt takes the place of that removed, and the damage, the annoyance, the contribution to flood hazard, and the menace are ever present.

Construction of the dam provides a means of eliminating the silt at or near its source. It removes the cause of the trouble, and at half the expense of mechanical removal.

So, if we take the figures furnished me by this competent engineer, merely from the standpoint of silt control, the Government would save money if it should build this dam at a cost of approximately $15,000,000. I read further from this memorandum:

The regulation of the stream flow—another decided benefit—will mean much to navigation on all streams below the dam. During the period of low water, especially July and August, the extra water may be used to great advantage. River navigation is gaining favor more and more. Its many economies for the moving of large quantities of slow freight are being recognized.

Two hundred thousand acre-feet of water could be used to great advantage during the low-flow months mentioned. Even 2,000 acre-feet per day (1,000 cubic feet per second of time) would provide a stream 200 feet wide, 5 feet deep, and with a velocity of 1 foot per second.

A barge 20 feet wide, 60 feet long, and drawing 4 feet of water could carry at least 250,000 pounds of cargo. That is three large freight-car loads.

The project would provide an immense amount of direct and indirect labor and assist operations of basic industries. Its effects would be far reaching.

As I pointed out a moment ago, this dam would pay for itself, from silt control alone, in less than 10 years, according to figures furnished me by a very competent engineer.

This project was investigated by Mr. Hugh Cooper, who is one of the most noted engineers in the United States. It was likewise investigated by General Goethals, also one of the most illustrious engineers in this country. It was approved by both Mr. Cooper and General Goethals from every standpoint.

I have here a memorandum on the subject. Mr. Koch says:

My original estimate on the project of the Big Horn Canyon Irrigation & Power Co. included railroad, irrigation canals, and transmission line and checked within about 5 percent of the estimate made on the same project and based on the same survey data, by George M. Wells of the firm of the late Gen. George W. Goethals.

He also makes the statement that the project was investigated by Hugh Cooper.

Mr. President, I sincerely hope the amendment may be adopted. I appreciate, of course, when I ask the Senate to adopt the amendment, that it has not the direct approval of the War Department at this time for inclusion in the particular bill now pending. But I submit that there is not another project in the western section of the country which has been investigated from an engineering standpoint as this Big Horn project has been investigated. There is not another project along the Missouri River or along the upper Mississippi River that has received the favorable report from noted engineers the Big Horn project has received. It was under investigation during the war in the administration of President Wilson, with the idea of the erection of a dam there to make possible the manufacture of nitrates. It was investigated at that time with reference to the erection of a dam compared with that at Muscle Shoals, but the officials finally decided to go to Muscle Shoals. So that as a matter of fact every feature of the dam has been investigated. Every engineer who has made a careful report upon it has stated that from the standpoint of the control of silt it would save the Government of the United States millions of dollars every year. Everyone who has investigated it from the standpoint of aiding in the navigability of the Missouri River and the Mississippi River has recommended it, and has said that it would be of tremendous assistance. Everyone who has investigated it from any standpoint has reported favorably upon it.

I appreciate the fact that the Army Engineers perhaps did not go into the matter as thoroughly as have some other investigators, but there has been tremendous agitation for this project and tremendous interest in it as a flood-control project not merely this year but for the past 20 years.

The late Senator Kendrick, of Wyoming, was in favor of the improvement. He spoke to me of it repeatedly and was the first one to get me interested in the matter. He stated it was a project which ought to be built because of the tremendous good it would do. My late colleague, Senator Walsh, also advocated it and worked for it and desired to have it completed because of the flood-control feature. Just a few years ago, as I have said, when there was a flood along the Yellowstone River, irrigation projects were filled up with silt, and various sections in the southeastern part of the State were flooded.

For 2 years, because there has not been a flood in that particular area, there has been no particular agitation for this improvement. But it will be only a short time when there will be a large amount of snow in those mountains, and there will be another flood on the Yellowstone River; there will be damage to irrigation projects which are owned by the Government of the United States; towns along the Yellowstone River will be damaged, and here we have an opportunity to provide flood control in those immediate localities.

I would not be here asking that this amendment be adopted if it affected only one or two towns, but I say without fear of contradiction that there is not another project included in the pending bill which can be of greater benefit, taken as a whole, than the building of this particular project.

Some of the opposition to the project, of course, has always been because the power interests did not want to see it built on account of the fact that they were afraid that if it were built, power would be generated there, and that eventually cheap power would be furnished. But we are not asking for that. They have opposed it, they have been against it because of that fact, but I say that we are not asking for the improvement on the power basis at all. A statement has been made that it would develop 160,000 horsepower at a minimum, 384,000 horsepower at a maximum, under a 60-percent load factor. That is the information which has been furnished to me. But I am not asking for it upon that basis. I say that if it were desired to develop power, if there were a market for it, we could furnish cheap power and pay for the building of the dam from that source. But let us eliminate that, and consider the matter from the standpoint of the benefit to the farmers who are located upon the irrigation projects along the Yellowstone River; look at it from the standpoint of the people who are located in the towns along the Yellowstone River which have been repeatedly flooded; look at it from the standpoint of irrigating the lands of the Indians, who are wards of the Government of the United States. We are taking thousands of dollars out of the Treasury every year for the purpose of feeding those Indians and taking care of them.

The project may be made self-supporting.

Look at it from the standpoint of the silt which comes from the river, the millions of cubic feet of silt going into the Missouri River, and finally into the Mississippi River, which has to be dredged out, and it may be seen that by building the dam in question the Government will be saved considerable money in a period of 10 years' time, according to the report which I have received from the engineers.

Look at the project from the standpoint of erosion caused all along the Missouri River, where the floodwaters come down in the spring and carry away hundreds of acres of the most fertile lands along the Missouri River.

I challenge anyone to point to a project in the bill which, as a whole and from an economic standpoint, will do one-half the good the provision in question will accomplish.

When it is considered that the waters come down to the Missouri River and eat the heart out of hundreds of acres of land along the Missouri River, it will be realized that by the construction of the dam in question the farmers of the section will be spared the loss of that fertile land.

Look at the project from the standpoint of silt. The stream in question is the largest producer of silt of any stream in the

country. It produces about 36 percent of the silt which goes out of the Missouri River into the Mississippi River.

I hesitated to urge that the provision in question be incorporated in the bill because of the fact that the Army Engineers had not specifically recommended it. However, why should we be bound because the Army engineers have not specifically recommended it?

I appreciate the position in which the Senator from New York finds himself. He does not wish to have such a project as this in the bill because he feels that many other projects might be injected into the bill which should not be in it. I submit to the Senate, however, that no one can bring figures showing from an economic standpoint that any other project could accomplish more than could be accomplished by spending the amount of money involved in the pending amendment.

I know what I shall be told: "Let the Army Engineers go out there and make an investigation, and come back and make another report." They are supposed to have made their investigation. They have been out there; and if they have not completed the job, it is the fault of the Army Engineers. They should have made the report a long time ago. Other engineers have made their reports upon projects contained in the bill.

I challenge any Senator upon the floor to dispute the facts and figures which have been furnished by the most prominent engineers in the United States, including Hugh Cooper, who made an investigation of the project, and who is generally recognized as one of the outstanding engineers of this country, and by an engineer of General Goethals' firm, who made an investigation of the project a good many years ago, and by Mr. Koch, who also made an investigation of it, and by the Army Engineers, who made an investigation of it. The reason why they do not recommend the inclusion of this provision in the pending bill is because they say there is no market for power at the present time in that State at that particular place. Let us eliminate power.

Mr. NYE. No, Mr. President.

Mr. WHEELER. I think it should be included, but I say that for the purpose of this particular bill at this time I am perfectly willing to eliminate power. Let it be developed when the time comes when there shall be a market for it, as there will be a market for it. There will be a market for some of the power to pump water upon the lands close by in the State of Wyoming and in the State of Montana, and particularly upon the Indian lands.

When a project is presented on which engineers have brought out the facts, when the Army Engineers themselves have investigated it, when they have agreed with reference to the damage being done by the silt in the upper Mississippi and the Missouri Rivers, when no Senator can stand on the floor of the Senate and deny the fact that there have been floods all along the Yellowstone River, of which the stream in question is a branch, caused in the spring of the year from the floodwaters coming down from the Big Horn Canyon, what excuse can there be for excluding that project, while including in the bill many projects in various other sections of the United States which are not one-tenth so meritorious as is this particular project, except that the Army Engineers have said there is not a market for the power?

Mr. President, we are not proposing to build the project as a power project. We are proposing to build it for flood control. Incidentally, out of that flood control there will come some benefit to a great many Indians who are starving upon dry-land farms. We can provide some benefit to them and irrigate 138,000 acres of land upon which are living Indians who are now poverty-stricken, who are starving to death, except in those instances where they are given doles by the United States. Is there any reason why we should not try to save the farmers in the irrigated districts whose ditches are filled up with the silt from this river simply because the Army Engineers say there is not any market for the power? Is there any reason why we should not go ahead with this project simply because the Army Engineers say there is not any market for the power, when it is undisputed in the testimony that 36 percent of the silt coming into the Mississippi River from the Missouri comes out of the Big Horn Canyon?

I am not offering the amendment for the purpose of home consumption, as some may think. I am intensely interested in the project, because I have given a great deal of thought to it. The late Senator Kendrick first interested me in the matter. He was thoroughly familiar with it, and knew more about it at that time than I did, by reason of the fact that he had holdings in that particular vicinity, and was entirely familiar with that section of the country.

Likewise, my late colleague from the State of Montana, [Senator Walsh], had made a study of the problem. I became interested in the project because of the floods which occurred. I became interested in it from the standpoint of the Indians who are located below this point, and some of whose lands become flooded. I am interested in it also because both the Mississippi Valley Association and the Missouri Valley Association recommended it as a part of their program in their last annual convention, which they held in the city of Washington, if I am not mistaken. They realized the benefits which will come to the upper Missouri and to the Mississippi Valley through the control of the waters, holding them back in flood season, and then letting them out gradually in the low-water time, so as to benefit navigation both upon the upper Missouri and upon the Mississippi Rivers.

Mr. COPELAND. Mr. President, I would not be a judge for a million dollars a year; and I certainly ought not to be a judge in the jurisdiction of the Senator from Montana, because, if I were, I should yield at once to his importunities and say, "On this occasion certainly you are right, and we must be governed accordingly."

As a matter of fact, Mr. President, all the Senator says about the project in its completed form is true. The whole statement is true. If there were a market for the power there could be constructed in this canyon a tremendous dam, 500 or 600 feet high, where electricity could be generated on a large scale. But there is no demand there for electricity. It could not be sold. It would simply mean a waste of money at the present time.

In the matter of the combination of power and flood control, I remind the Senator that we cannot have our cake and eat it, too. A reservoir which is intended to control floods, to catch flood waters, is one thing. It is expected that such a reservoir will be empty before the flood comes. A reservoir which is intended to develop power or irrigation must be a reservoir which is filled most of the time. In writing this bill we have tried to make it possible to develop a project for power purposes in the future if it shall be demonstrated that a given project is worthy of development for power purposes. We have sought to make such development possible by including a pen stock in every dam which is built in order that the water may be drawn from it in the future if the dam shall be raised for power purposes.

The particular project referred to so eloquently by the Senator from Montana, however, is, in the last analysis, valuable as a power project. As a flood-control project, I am sorry to say that the Army Engineers have reported that it has very little value so far as economic merit is concerned.

To prepare this reservoir for flood-control purposes would cost $23,934,000, practically $24,000,000. The total capitalized benefit would only be $1,000,000. In other words, economically there would be $1 of investment to 4 or 5 cents of return.

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

Mr. COPELAND. I yield.

Mr. WALSH. I should like to inquire of the Senator about the general construction of the bill rather than as to the proposition presented by the Senator from Montana.

As I understand, this bill has two main features relating to flood control. First, there are proposals for surveys and studies by the Army Engineers of a large number of rivers where there may be a flood-control problem.

Secondly, there is an authorization of an appropriation by the committee in cases where surveys have been made

and the Army Engineers have recommended the expenditure of money to carry out the plan for flood control which they have perfected.

Mr. COPELAND. The Senator is correct.

Mr. WALSH. May I ask if it is customary to accept amendments or to have amendments offered from the floor to provide for surveys by the Army Engineers independent of the recommendation of the committee?

Mr. COPELAND. Yes; we will be glad to receive such amendments.

Mr. WALSH. May I ask if the committee itself reports or recommends or inserts in the bill appropriations for flood-control purposes in instances where the Army Engineers have not made a recommendation?

Mr. COPELAND. No, sir.

Mr. WALSH. And in cases where the Army Engineers have made unfavorable recommendations, what is, then, the situation?

Mr. COPELAND. There is in this bill no project which has not been approved by the Army Engineers.

Mr. WALSH. There are proposals in the bill presented by Members of the House and Senate for surveys and studies?

Mr. COPELAND. That is very true. We also provide in the bill an appropriation of $5,000,000 to carry out such surveys and studies.

Mr. WALSH. The Senator has answered my inquiries and has supported the idea which I already entertained as to the method of constructing a bill of this kind.

Mr. COPELAND. Mr. President, just one word more, not alone because of the high regard we have for the Senator from Montana but because he has made touching reference this afternoon to two former colleagues of ours, the late Senator Kendrick, of Wyoming, and the late Senator Walsh, of Montana. Theirs are names to conjure with in this body, names of men greatly beloved and highly respected. I know of the interest they had in this matter because as a long-time member of the Commerce Committee I myself have heard of this project for many years, for at least a dozen years, and when the time comes that there is demand for power, when the time comes that irrigation as well as flood control may be promoted by this project, the Senate, I feel confident, will not be found wanting.

The Senator has spoken about silt. He must not forget the fact that a dam or reservoir which will retain silt will itself become filled up in time, so that whatever value it might have through the early years of its life by way of preventing the silting of the Missouri River must eventually be lost, because the reservoir itself will fill with silt.

I am sorry, Mr. President, that the committee cannot approve the project of the Senator from Montana.

Mr. VANDENBERG. Mr. President, this is the first amendment to the bill that has come from the floor, and we might as well face now the question which must be continuously faced if the door is to be opened to amendments of this character which do not enjoy the recommendation of the Board of Rivers and Harbors Engineers.

It makes no difference what the inherent merit of the proposal may be, unless we are going to follow a fixed rule in respect to a bill of this nature it is inevitably going to become a monstrosity. I do not mean by that statement that the Senator's project would make it a monstrosity or anything of the sort, but if we once lower the bars to projects from the floor which do not have a conclusive recommendation from the Board of Rivers and Harbors Engineers, by the time this bill shall be finally written, instead of being a $300,000,000 bill, it will be a $3,000,000,000 bill.

On the desk of the chairman of the committee is a volume of projects already surveyed, the cost of which would total $8,000,000,000. In addition to the projects in that book, there are projects involving the expenditure of literally billions upon billions of dollars which have not as yet reached the book. If we are going to open the door in connection with this bill to the entry of projects which do not fall within the definite and specific rule of the committee upon which the bill is written, we will not close the door again until we have put about half of that book into the bill, and beyond that heaven only knows how much more.

Legislation of this character is always under the suspicion of being "pork barrel" legislation in its ultimate complexion. The Commerce Committee, under the able direction and insistence of the senior Senator from New York [Mr. COPELAND], has undertaken to hold this bill, for a change, within definite and specific and absolutely justifiable limitations. The project submitted by the Senator from Montana may not fall appropriately within any stricture whatsoever of the nature I have been indicating, except the single stricture that it violates the rule upon which the bill is written; but if the Senate once starts, in open session, to decide the eligibility of a project for this bill, instead of depending upon the conclusive recommendations of the Board of Rivers and Harbors Engineers, we are "sunk without trace", and so is the taxpayer.

Somewhere, sometime, somehow, somebody has got to remember that these bills must one day be paid. It is simply impossible for the Congress to continue to appropriate and appropriate and appropriate without giving any thought whatsoever to closing the breach between income and outgo. We have already passed one $270,000,000 flood-control bill at this session of the Senate. This bill, as drawn, includes $350,000,000 more.

How much further can we go in these steps in the face of a yawning Treasury, in the face of the fact that we are still paying out $2 for every dollar we take in, in the face of the situation that the public credit even of such an opulent old gentleman as Uncle Sam, cannot indefinitely stand the strain. We seem to have lost all sense of money responsibility. There must be some continence some time in respect to this sort of a proposition. Unless we confine, Mr. President, the flood-control bill to the general rule of conduct faithfully pursued by the Committee on Commerce in presenting the recommendation now at the bar of the Senate, when we are through, this bill, I repeat, will be a legislative monstrosity. I say again that that may not apply to the merits of the proposition submitted by the Senator from Montana at all except to the extent that his proposition falls outside the rule. But that is enough. I submit we dare not consider the proposition submitted by the Senator from Montana upon its intrinsic merit. We dare, in the face of this situation, consider it only as a precedent which may ultimately wreck the entire legislation. I think the amendment must be rejected.

Mr. WHEELER. Mr. President, I have never been afraid to have amendments submitted on the floor of the Senate. If the Senate does not have the courage to stand up and vote for projects which it thinks are good and to vote down projects which it thinks are bad, then the Senate is in a pretty bad way. I have more confidence in the Senate of the United States and in the Members of the Senate than has my esteemed colleague from Michigan [Mr. VANDENBERG].

After all, we do not vote ordinarily on projects of this kind in this way. We have a river and harbor bill every year, and the Senate adopts amendments offered on the floor when in its judgment and wisdom it thinks proper that they should be adopted. But why say to a Senator, "You cannot have a project considered, because it was not put in the bill by some committee", regardless of how meritorious the project may be? Has it come to pass that we may not offer an amendment on the floor of the Senate, or, if offered, it must be rejected, because some committee did not put it in the bill? Is the Senate going to be controlled by a committee? Is it going to be said, "You cannot offer an amendment on the floor of the Senate no matter how meritorious it may be"?

If such a rule were to apply, where would the minority be in the Senate? Where would the minority in the Senate, whether Republican or Democratic, find itself if it could not come to the floor of the Senate and have meritorious amendments considered? Are we going to set up an oligarchy of committees in the Senate? When a bill is reported from the Interstate Commerce Committee, I am always delighted to have a Senator rise and offer an amendment which he may

think is meritorious and have it considered upon its merits on the floor of the Senate. I am surprised that the Senator from Michigan should say that, no matter how meritorious it may be, it should not be acted upon by the Senate, because the rule must not be broken down.

Let Senators examine the bill and see where the money is going to be spent. I assert without much fear of contradiction that there are few, if any, projects contained in the bill which have the merit, from an economic standpoint and from a beneficial standpoint, that has the project which I have proposed. Yet the Senate is asked to turn it down for fear someone else might rise and offer another amendment and the Senate might adopt it. I am to be refused my project because some committee has said, "We will include only these projects and you must take these or you must take nothing."

Mr. President, because a number of Senators have projects in the bill I presume I am to be denied. I presume denial is to be offered to the Mississippi Valley Association, which is in favor of the bill, which has made a study of the particular project and advocated it for years and passed upon it in national convention and pronounced it beneficial, not to Montana alone, but beneficial to the Missouri River because it will help to stop soil erosion. Denial is to be offered the Missouri Valley Association which for years has been giving study to the project and has pronounced it beneficial not only from the standpoint of flood control but because it involves silt control.

Let me call attention again to the statement which has been furnished me. The engineer who first made report upon this project was A. W. F. Koch, a local civil engineer. His work was subsequently checked and approved by Hugh L. Cooper, noted water-power engineer, not by some promoter, not by somebody looking to the sale or the promotion of the sale of some land. There is no land-promotion scheme involved in the matter at all. My information is the flooded area would take only Government lands or Indian lands. This report was checked by Gen. George W. Goethals and by several other engineers.

Does the Senator from Michigan think that any other project has behind it such a distinguished array of engineers and such a distinguished array of organizations asking for its construction, not because it is for the benefit of Montana but because of the general good and general welfare of the Mississippi and Missouri Valleys?

The report further says:

> During the World War the Government considered this project in connection with the domestic manufacture of nitrate, but the Muscle Shoals, Ala., site was eventually chosen.

Mr. President, I have always found the Senator from New York [Mr. COPELAND] interested in and willing to help projects of benefit to Montana and the West. He has been most generous in voting for legislation which was beneficial to the western section of the country, notwithstanding the fact that he comes from New York. I appreciate and compliment him upon his generosity. I appreciate the position he takes in this matter, because he is fearful that if this project should be adopted other Senators might ask to have other projects included. However, when he speaks of irrigation I am sure he is talking about a subject with which he is not very familiar. That is apparent from his statement made a moment ago. When we contemplate an irrigation project we plan to keep the floodwaters back in the spring of the year and then gradually let the waters down on the land in periods of dry season.

I have noticed the Senator from New York has always been interested in the Indians and in their welfare. I think no one on the floor of the Senate, particularly from the eastern part of the United States, has evinced more interest in various Indian problems than has the Senator from New York. There are 138,000 acres of land upon the Crow Indian Reservation that could be irrigated, and this project, if constructed, would tend to help make those Indians self-supporting. That would be only an incident to the project.

Mr. COPELAND. Mr. President——

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

Mr. WHEELER. Certainly.

Mr. COPELAND. The Senator is entirely right in stating that what I know about irrigation is very little. However, I have here the report of the Army Engineers about irrigation. I dislike to say it, because it will not make the Senator from Montana very happy; but let me read just one brief paragraph appearing in this report:

> Studies indicate that it is possible to combine irrigation with the development of power at the Big Horn Canyon site. The Big Horn irrigation project would involve the reclamation of 50,100 acres of land through a distribution system drawing its water supply from the proposed Big Horn Reservoir.
>
> The estimated cost of the diversion work, without any charge for the storage and diversion of water, would be about $100 per acre. This cost would indicate annual payments of about $11 per acre under private financing, or about $4 per acre under Government construction. The lowest of these is in excess of the maximum of $3.50 per acre, which it is estimated that the land could probably carry. The studies, therefore, show that the power development would have to carry the cost of storage, and probably a part of the cost of the distribution system; that the irrigation development itself would probably pay nothing toward the cost of the dam. Furthermore, the use of water for irrigation would reduce the value of the total output of the power development, and appears to lack economic justification at the present time.

Mr. WHEELER. Mr. President, the Senator would be entirely right, and the Engineers would be entirely right, if it were proposed to build this dam as an irrigation project; for if we should provide that the entire cost of building the dam should be borne by these fifty or sixty or one hundred thousand acres of Indian land, of course it would not be feasible as an irrigation project. The bill, however, carries a total of how many million dollars?

Mr. COPELAND. Three hundred million dollars.

Mr. WHEELER. How much of that money does the Senator expect the Government to get back?

Mr. COPELAND. Of the $300,000,000? Not any.

Mr. WHEELER. The Senator does not expect to get any of it back?

Mr. COPELAND. No.

Mr. WHEELER. The bill carries $300,000,000, and the chairman of the committee does not expect that one 5-cent piece of it will come back to the Government. What I am saying is that out of the $15,000,000 that it would be necessary to spend for this dam for flood control, it is estimated that there could be irrigated anywhere from 30,000 to as high as 150,000 acres of land. When we provide for the irrigation of from 30,000 to 150,000 acres of land what are we doing? We are adding to the capital assets of our Nation; and not only are we doing that, but we are making it possible for a group of persons who are now dependent upon the Government for their livelihood to become self-supporting.

If it were proposed to build this dam as an irrigation project, of course, I should say that it was not feasible for that purpose alone, but when we are spending $300,000,000 that it is admitted we shall never get back—in fact, we never intend to get a dollar of it back—I say that there is a project from which, if we spend $15,000,000 on it, we shall get back part of the cost from irrigation. We shall be able to build a power project, if we desire to do so, and get back part of our money. In addition to that, we shall be saving the farmers from floods; we shall be saving the Government irrigation ditches all down the valley from being flooded, and not only that, but we shall be adding to flood control and navigation upon the Missouri and the Mississippi Rivers.

I desire to call the attention of the Senator from Louisiana [Mr. OVERTON] to the fact that the Engineers state in the report that 36 percent of the sediment flowing from the Missouri River into the Mississippi River comes from the Big Horn Canyon, and that the expense of buying the necessary machinery and dredging that sediment amounts to millions of dollars every year. Of course, I appreciate that the Senator may not be interested in the amendment, but if he will look at the figures which have been furnished to me, and which I have put in the RECORD, with reference to the

sediment that goes into the Missouri River from this particular river, I am sure he will agree that his people will be interested in the amendment, because the Mississippi Valley Association, which has studied the problem, has gone definitely on record in regard to it, and the Missouri Valley Association has gone definitely on record in favor of the project, not because of irrigation, not because of power, but because of flood control, and because it will help navigation on the Missouri and the Mississippi Rivers.

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

Mr. WHEELER. I yield.

Mr. OVERTON. I wish to say that we in the lower Mississippi Valley are interested in the project referred to by the Senator from Montana, and in similar projects. We look upon these reservoirs as additional factors of safety. We feel that they afford additional protection to us; that the more that are built the less danger we encounter in the valley and the less necessity there is for the use of the floodways that have to be constructed in the valley.

It must be apparent to the Senator from Montana, however, that these projects are highly technical in their nature; and in the perfection of the bill the members of the Commerce Committee had to depend very largely, and, in fact, exclusively, upon the recommendations of the Army Engineers. I personally should have liked to have included in the present omnibus bill many projects in Louisiana that are divorced from the flood-control problem of the Mississippi River proper; but so long as I could not obtain the recommendation of the Army Engineers, I concluded not to urge them either before the committee or upon the floor of the Senate.

I will say to the Senator from Montana that in the event his project should be adopted, there is no reason why we should not consider many other projects scattered throughout the Nation from the Atlantic to the Pacific and from the Dominion of Canada to the Gulf of Mexico. It is utterly impracticable for us to do that upon the floor; and I will go further and say that I think it is rather impracticable for the Commerce Committee, which had the bill under consideration, to consider those problems independently of the recommendations of the Army Engineers and against their report.

Mr. WHEELER. I appreciate the position which the Senator from Louisiana has taken; but I repeat what I said a moment ago: There are many other projects in my State which of course I should like to see incorporated in the bill, but no other project has been proposed on the floor of the Senate or before the Commerce Committee which has had the investigation which this project has had. I challenge any Senator to show another project which has had the engineers' reports which this project has had. Mr. Hugh L. Cooper—who, as I said a moment ago, is a well-recognized engineer—reported on the project a long time ago. An engineer of General Goethals' firm reported upon the project. The Army Engineers have made an investigation of it; and the only reason why they say it should not be included in the bill is because they say there is not any market for the power.

I am not asking that the project be constructed as a power project; but let me ask here, Why should the Senate refuse to consider projects simply because the Army Engineers do not recommend them, when we have before us the facts and figures regarding the projects?

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

Mr. WHEELER. I yield to the Senator from Georgia.

Mr. RUSSELL. I heartily agree with the Senator from Montana in that suggestion. I see no reason on earth why a worth-while, meritorious project should be proscribed by some rule of the committee because it has not been recommended by the Army Engineers. I am all the more interested to know the source from which the rule emanates. Now, at a time when charges are being made that Congress has abdicated its constitutional responsibility and is delegating its legislative powers, and is, in fact, a mere rubber stamp, we hear it stated that Congress has no right whatever to legislate on a matter unless it is approved by the Board of Army Engineers. Therefore in its last analysis it would delegate to them the sole right to write this bill and the sole power of determining as to what is or what is not a meritorious project.

Mr. WHEELER. Of course, if we are to do that, there is no reason why we should not be branded as mere rubber stamps.

Mr. RUSSELL. Of course not.

Mr. WHEELER. If we are simply to let some Army engineer come here and say, "You can put this in the bill, but if we do not recommend it, you cannot put it in on the floor of the Senate"; if that is to be the rule of some committee, if we have not the courage and the intelligence to stand here on the floor of the Senate and write legislation, if it is meritorious, and adopt it if it is meritorious, regardless of some Army engineer's report, then we ought to be branded as rubber stamps.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I yield.

Mr. COPELAND. Mr. President, the Army Engineers brought us their findings, and it did not take a Philadelphia lawyer to determine whether or not this project was economically justifiable. Assuming that the Army Engineers have told me the truth as to the facts, and leaving it to my own brain to formulate a conclusion, I can determine for myself that this project which is being so ably presented by the Senator from Montana is not economically feasible. I have no doubt that if the galleries were to vote they would vote the Senator 100-percent right; they would vote with the Senator. But I intend to vote once in a while with the taxpayers.

What right have we to expend $23,934,000 when the benefit which would be derived would be $1,000,000? I do not have to have an Army engineer to tell me that that is a bad investment. I have made enough bad investments myself to recognize one when I see it, and I would say that it would be an unwise investment to spend $24,000,000 in order to get a million dollars return a year. I know that much about bad investments.

Mr. WHEELER. Mr. President, let me say to the Senator that he has just stated that we will be spending $300,000,000 as a result of the pending bill, and do not expect to get a 5-cent piece back.

Mr. COPELAND. Mr. President, will the Senator yield to me further?

Mr. WHEELER. I yield.

Mr. COPELAND. We will spend $300,000,000 under the pending bill. In the "Golden Triangle" of Pittsburgh alone the last flood cost the people $200,000,000. In my State the flood cost the people $40,000,000. We are not going to get this money back, but in the savings to the people, in the saving of lives of our citizens, there is going to be a great annual return. But there is no economic justification in the case eloquently presented by the Senator from Montana. Every one of his constituents must know he has properly represented them, and if there is any doubt about it, when he runs again, I will go out to his State and tell the people how the Senator tried to get these millions of dollars for them. There is, however, no economic justification for the project at this time. We could find many projects—and they are listed in the book I hold in my hand to the amount of $8,000,000,000—which have been surveyed by the Army Engineers, and on about five or six billions dollars' worth of those projects the returns would be about 8 cents for $1 invested. On the project the Senator is advocating the return would be lower than that. So I hope the Senator will not press the matter, since it is utterly beyond the bounds of reason that the Senate should adopt the amendment, because if this amendment were agreed to the junior Senator from Ohio [Mr. DONAHEY] would have a right to present amendments covering several projects in his State, and I

could name a hundred projects, from my memory, which ought to go into the bill if we agreed to this amendment. But we have no right to invest millions of dollars of the taxpayers of the United States where the return would be 3 or 4 cents on the dollar invested.

Mr. WHEELER. Mr. President, I am utterly amazed at the statement that there would be a return of only 3 or 4 cents on the dollar. I thought I had made the matter quite clear to the Senator, and I challenge the Army Engineers who advised him to make that statement in writing to me or to anybody else that there would be only that return. They are talking about irrigation. The Senator is saying that $300,000,000 is to be spent under the bill, and that the Government will not get one cent of return on that investment, but he says there will be a saving of millions of dollars to the people of Pennsylvania, to the people of New York, to the people of Mississippi, to the people of Arkansas, and to the people of other States, and I agree with him. But I say to the Senator that floods have occurred on this river in Montana, and the Mississippi Valley Association, the Missouri Valley Association, and all who have examined into the matter, have said that regardless of the question of power, regardless of irrigation, this improvement ought to be completed as a flood-control proposition. There can be no dispute about that. There is not a question of a doubt about it, and in my judgment, the Army Engineers will not dispute my statement. When they investigated the matter they investigated it from the standpoint of a power project, and they reported upon it from the standpoint of irrigation and power.

Of course, if this were to be built as an irrigation project, and it was expected that the owners of thirty or forty thousand acres of land would pay back to the Government of the United States the $15,000,000, I would not be foolish enough to stand on the floor of the Senate and say that could be economically justified. That is not the idea. But I call attention again to the fact that the Big Horn River is the greatest silt producer in the entire Missouri River Valley. It discharges at Hardin, Mont., 42 miles below the site of the proposed dam, 12,900 acre-feet of sediment annually. By way of comparison, the sediment flow of the upper Missouri River at the site of the Fort Peck Dam, now under construction, is 2,225 acre-feet, about one-sixth as much.

The Yellowstone River furnishes 61 percent of the waters carried by the Missouri River after its junction with the Yellowstone. The Big Horn River discharges approximately as much water as does the Yellowstone in a year, but at the time of the heavy spring discharge most of the silt is carried down. Of the silt discharged by the Yellowstone into the Missouri approximately four-fifths comes from the Big Horn.

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

Mr. WHEELER. I yield.

Mr. COPELAND. I do not desire to prolong the debate, but I want an effective answer made in order that the historian of the future may know that there was an answer.

This is what we learn about the silting of reservoirs: The Yellowstone River is, as the Senator has argued, a heavy contributor to the burden of silt carried by the Missouri River, and the Big Horn contributes about one-half of the silt load of the Yellowstone. We are in full agreement on that.

Investigations of the silt burden of the Big Horn have indicated that the average annual discharge of silt passing Hardin, Mont., is about 21,200,000 tons. Based on these estimates it was found that the ultimate silting of the Big Horn Reservoir of 830,000 acre-feet capacity would occur in approximately 64 years, and its capacity would be seriously impaired in a shorter time if no desilting works were in operation.

It also appears that the value of retaining this silt in the Big Horn Canyon Reservoir and preventing its deposit in the lower Yellowstone and Missouri Rivers would not be large, and that this benefit would be more than offset by the decrease in value of the reservoir itself due to progressive silting.

The Senator knows I am not an authority on irrigation, nor is the Senator from Montana an authority on silting, but those who are authorities say that the silting argument which the Senator is presenting to us is worth just 4 cents on the dollar, and no more.

Mr. WHEELER. The Senator is speaking now merely of silting.

Mr. COPELAND. I make the same argument about everything else.

Mr. WHEELER. The Senator is saying 4 cents as to silt, and 4 cents as to something else, and 4 cents as to something else. I give due credit to the Army Engineers, but I say to the Senate that in their statement they disagreed with other engineers, according to the information given to me, with reference to the silting.

I now read as follows from a report made by an engineer:

> The Big Horn and Yellowstone Rivers furnish 61 percent of the water carried by the Missouri River after its junction with the Yellowstone. The Big Horn River discharges as much water as the Yellowstone, approximately, in a year, but at the time of the heavy spring discharge is when most of the silt is carried down. Of the silt discharged by the Yellowstone into the Missouri approximately four-fifths comes from the Big Horn. Stoppage of floodwater means stoppage of silt. The proposed dam would check this menace to the people of the Missouri and Mississippi Valleys close to its source. The cost of pumping the sediment chargeable to the uncurbed flow of the Big Horn when it has reached the mouth of the Missouri (estimated at 72,240 acre-feet) amounts, at 4 cents per ton, to $4,677,463.

That is where the Senator from New York gets his figure of 4 cents, I assume.

> If this silt were removed at its source it could be done at an estimated cost of only $1,169,365, or at an annual saving of $3,508,098. This cost could be still further reduced by use of power from the dam at peak periods. This saving alone represents big interest on the investment.

Will the Senator dispute those figures? I am sure the figures which the Senator from New York quoted do not show the amount saved. The engineer who prepared this report agrees with the Army Engineers as to the amount of silt, but he states that the cost of taking out the silt at the mouth of the Missouri would be about 4 cents per ton, which would equal $4,677,000, and if the silt were disposed of at the dam it would cost $1,169,365, or an annual saving of $3,508,098 on an investment of approximately $15,000,000.

I am not going to take up further time of the Senate with reference to the amendment, but I sincerely hope it will be adopted. I say that not a valid argument has been presented against it. No reason has been shown why it should not be adopted in this program for flood control. When it is said that there will be no interest return upon the investment if $15,000,000 shall be invested in the project, and that none of the money expended upon the project will be returned, I say that not only are the lives of people going to be saved, as well as land, and an important step will be taken in flood control of the Mississippi and the Missouri Rivers, but the United States Government will get back money expended upon this project, while it is admitted that there will be no return of much of the $300,000,000 which is to be spent upon other projects.

Mr. O'MAHONEY. Mr. President, I offer a perfecting amendment, which I ask to have stated.

The PRESIDING OFFICER (Mr. MURPHY in the chair). The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add the following proviso to Mr. WHEELER's amendment:

> *Provided*, That any dam to be constructed out of this appropriation shall be so located as not to include privately owned lands within the boundaries of the reservoir.

Mr. WHEELER. I accept that amendment.

In conclusion, let me say that I hope the Senate will adopt my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana [Mr. WHEELER], as modified, to the amendment of the committee.

Mr. CLARK. Mr. President, I do not desire to delay the vote on the amendment of the Senator from Montana for longer than a moment. The subject happens to be one in which everyone who lives in the lower Missouri Valley or the lower Mississippi Valley is as much interested as is a citizen of Montana.

In company with the Senator from Nebraska [Mr. NORRIS], the Senator from Montana [Mr. WHEELER], and five or six other Senators, I was one of those who went to the White House a couple of years ago to urge the construction of the Fort Peck Dam in Montana, not because I was particularly interested in a construction in Montana but because, both from the standpoint of navigation and from the standpoint of flood control on the Missouri River, I regarded that as a project which concerned us as much as it did the citizens of Montana.

The Senator from Montana has debated the subject so ably this afternoon that I do not feel it necessary to repeat what he has said, except to bear witness, as a Senator from a State which the Missouri River traverses for its whole width and which forms one-third of its western boundary, that the Big Horn Reservoir which the Senator from Montana has been advocating concerns the States of Iowa, Nebraska, Kansas, Missouri, and all the States which border the lower Mississippi, to the same extent that it concerns Montana.

I believe, in accordance with the views frequently expressed by the President, that one of the great preventives of floods is an intelligently planned and constructed system of reservoirs on the larger tributaries of the major streams. I am certain, from reading the reports of the engineers, that the construction of the dam advocated by the Senator from Montana would not only be of great advantage to his own State but would be of great advantage to every State through which the Missouri and the lower Mississippi flow.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Montana to the committee amendment.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Copeland	King	Pope
Bachman	Couzens	La Follette	Radcliffe
Bailey	Davis	Logan	Robinson
Barbour	Dieterich	Lonergan	Russell
Barkley	Donahey	Long	Schwellenbach
Benson	Fletcher	McAdoo	Sheppard
Bilbo	Frazier	McGill	Shipstead
Black	George	McNary	Smith
Bone	Gerry	Maloney	Steiwer
Borah	Gibson	Metcalf	Thomas, Okla.
Brown	Glass	Moore	Townsend
Bulkley	Guffey	Murphy	Truman
Bulow	Hale	Murray	Vandenberg
Byrd	Harrison	Neely	Van Nuys
Capper	Hastings	Norris	Wagner
Caraway	Hatch	Nye	Walsh
Chavez	Hayden	O'Mahoney	Wheeler
Clark	Johnson	Overton	White
Connally	Keyes	Pittman	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present. The question is on agreeing to the modified amendment of the Senator from Montana [Mr. WHEELER] to the committee amendment in the nature of a substitute.

Mr. COPELAND. Mr. President, I call the attention of the Senate to the fact that we had a flood-control bill before the Senate at the last session, and we did what is now proposed to be done: We started and let one project go in that had not been approved by the Army Engineers; and when we got through we had $770,000,000 worth of projects in the bill. Of course, after the speech of the Senator from Maryland [Mr. TYDINGS] we were all ashamed; and the bill was recommitted, with the understanding that when it came out again it should come out in proper form.

Mr. President, the committee has stood for weeks and for months against the inclusion in this bill of any project which has not been approved by the Army Engineers. As meritorious as this project is, in the future, when the time comes with the growth of population in Montana that the power can be used, there will be constructed in that canyon a great dam; but at the present moment, according to the report of the Army Engineers, the project is without merit, and is economically indefensible.

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

Mr. COPELAND. I yield.

Mr. CLARK. I will say to the chairman of the committee of which I am proud to be a member that he is entirely correct in saying that we started out in the preparation of the bill to follow the recommendations of the Army Engineers. Today, however, by a vote of 40 to 31, the Senate pitched the Army Engineers out of the window by the scurff of the neck and the slack of the breeches. Having offered that committee amendment, it seems to me it is rather late in the day for the chairman of the committee to be coming back and talking about the recommendations of the Army Engineers.

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

Mr. COPELAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. What the Senate did today was simply to allow the President to exercise his discretion with respect to projects which the Army Engineers had approved. We did not kick the Army Engineers out of the window. We simply reinforced them by the discretion we gave to the President.

Mr. COPELAND. Mr. President, if by any mischance the Senate should adopt this amendment, I shall have no excuse, as chairman of the committee, for resisting the inclusion in the bill of any amendment which may be offered, regardless of whether or not the project has been approved by the Army Engineers; and by this time tomorrow we shall have a bill like the one which was sent back to the committee last year after the speech of the Senator from Maryland.

I sincerely trust that the amendment offered by the Senator from Montana will be rejected.

Mr. WHEELER. Mr. President, when the Senator from New York says that the Army Engineers have reported adversely on this project and say that it is economically unsound and unfeasible, I submit that there is no statement to that effect in the record.

When the Army Engineers examined the project they examined it with reference to power as a power project. As such they said that there was not sufficient market for the power. I am not asking for its inclusion in the bill as a power project. Furthermore, as the Senator from Missouri [Mr. CLARK] says, this is not a Montana project. Every Senator and every Representative from States along the Missouri and the Mississippi Rivers ought to be interested in the project, because both the Mississippi Valley Association and the Missouri Valley Association, which have investigated the project and had engineers investigate it, have approved it as a flood-control project for the control of silt and for the control of the flood waters of the upper Mississippi, and the President of the United States, in speeches in my State and at other places, has said that the proper place to control the floods of these rivers is in the upper tributaries.

In view of the fact that the project has been approved by many engineers, including some of the most noted engineers in the country—they have passed upon it and checked it and approved it—I think it is unfortunate that the chairman of the committee should take the position that if the project is included in the bill he will throw down the bars and let in every project throughout the United States. This is not a Montana project. It is a project which affects the whole interior country along the Missouri and the Mississippi Rivers. As the Senator from Missouri said, the matter was called to my attention by the Missouri Valley Association. It was called to my attention by the Mississippi Valley Association. The late Senator Kendrick was interested in it. My late colleague, Senator Walsh, was vitally interested in it for years. It is a flood-control project. That is all we are asking for. Incidentally, a few Indians will obtain

some benefit from it, if we wish to have that done. We do not have to do it, but we can irrigate the Indian land, as I pointed out, and save the Government some money by making the Indians self-supporting, at very little cost.

It has been stated that the project will cost too much. If we should put upon the Indians the full burden of paying back to $15,000,000, of course, we could not construct this dam as an irrigation project; but in this bill we are providing for the expenditure of $300,000,000, of which we are not going to get back a dollar. I am asking that we spend $15,000,000, not for the benefit of my State, but for the benefit of the States bordering upon the Missouri and the Mississippi Rivers. Every one of them, and every association connected with the navigation of the rivers, and every association connected with flood control along the rivers is in favor of the amendment and has recommended it.

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

Mr. WHEELER. Yes.

Mr. CLARK. Is not the project advocated by the Senator exactly the same as that exemplified in the case of the Connecticut Valley, where the construction of reservoirs in New Hampshire and Vermont will redound to the benefit of the people of Massachusetts and Connecticut; also the project contained in the bill for building reservoirs in the State of New York for the purpose of benefiting the people of Pennsylvania and the lower Susquehanna Valley?

Mr. WHEELER. Of course it is.

Mr. CLARK. In other words, the location of the dam or the reservoir has not necessarily anything to do with the benefits to be derived from it, because they may be derived in some other State, on a much lower stage of the river.

Mr. WHEELER. Of course. As I said awhile ago, the power interests of the country have been opposed to the project, because they have said some cheap power might be developed there; and the Army Engineers investigated the proposal from the standpoint of power. One of the great railroad systems of the country investigated it a few years ago, and planned to build the dam for the purpose of obtaining cheap power for the electrification of their railroad. I desire to say here and now that they would have built the dam if it had not been for the fact that they found some cheap coal in that vicinity which they could shovel out. It is going to be only a question of time, however, before the power will be used; and if we build a dam—I am not asking that it be done now—some of the transcontinental railroads which desire to electrify their lines will buy the power for that purpose from the Government of the United States, and in the long run the dam will not cost the Government one 5-cent piece.

As I pointed out, the construction of this dam will not only help the State of Missouri and the State of Iowa and all the States along the Mississippi and the Missouri Rivers, but a few years ago we had floods along the Yellowstone River that flooded out the town of Forsyth; we had floods there that flooded out the irrigation ditches of the farmers along the Yellowstone River; and, notwithstanding anything that has been stated on the floor of the Senate, I say there is not a flood-control project that could be built that is more meritorious or that would help more people in more States of the Union than the construction of this dam at a cost of approximately $15,000,000. Why? Because it is to be built in a very deep canyon, and, incidentally, one of the most gorgeous canyons in the Northwest outside of the Yellowstone. It is to be built in a very deep canyon, a very long canyon, and the dam will flood only public lands and some Indian lands; so that there will be no cost to the Government of the United States for the lands flooded. I hope the amendment will be adopted.

Mr. MALONEY. Mr. President, I dislike very much at this late hour to take the time of the Senate on this amendment; but the Senator from Missouri [Mr. CLARK] stated that this situation is in some way comparable to the situation in the Connecticut Valley.

I am among those who hope the amendment will be defeated. During the last session of the Congress, while the Connecticut Valley was considered in the omnibus flood-control bill, there was, with malicious forethought—and I joined in the effort—a successful attempt made to defeat the then pending flood-control bill. I quite agree with the statement of the chairman of the committee and with the remark of the Senator from Michigan that the adoption of this amendment will defeat the bill this year. It is not being done with malice aforethought this time. It is being done because of the patriotic spirit of the Senator from Montana; and I do not think there is a question in the mind of any member of the Commerce Committee about the merits of this particular proposal.

Together with the Army Engineers, we considered proposals from every part of the country. No State was overlooked. Members of the House of Representatives came before us in very great numbers on more than one occasion. We felt the need of a restraining influence, because we had continuously in our minds the experience of last year, the criticism of the country, the criticism in the Senate of the proposal made at that time.

I wish to add my humble and feeble plea to what was said by the Senator from New York [Mr. COPELAND] and the Senator from Michigan [Mr. VANDENBERG]. Although the amendment has merit, if it should be agreed to I do not think there would be a chance to turn down any of the other proposals which would follow.

Mr. President, let me take just sufficient time to answer the reference made to the Connecticut Valley. We do not think we have received sufficient consideration. Ours was one of the dramatic flood areas of the recent disastrous inundation. The Army Engineers, after making a survey of the Connecticut Valley, recommended 39 reservoirs. The pending bill provides for only 10.

Despite the loss of millions and millions of dollars as a result of the flood in the Connecticut Valley, and despite the great loss of life, the appropriation to protect us against a future flood amounts to only $13,000,000, and we are very cheerfully, willingly, and anxiously making plans to pay our share of the cost.

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

Mr. MALONEY. I yield.

Mr. CLARK. The Senator will recall that when the matter was before the Senate Committee on Commerce the Senator from Connecticut himself proposed that there be a different rule established as to local contributions, that areas which had been dramatically damaged during the recent flood should not this year be required to pay any portion of the cost of permanent works but that that should not be taken as a precedent, and that in the future those not dramatically included in this dramatic incident this year should be required to pay their local contributions. Does the Senator still adhere to that view?

Mr. MALONEY. No; I do not adhere to that view; and while the Senator from Missouri is partially correct, I am sure that other members of the committee will remember that, while I did express the thought that it probably would be wise to handle the matter in that way, I qualified my statement and said that I felt that under certain circumstances I should vote differently; and subsequently I did vote differently in the committee.

I quite disagree with the Senator from Missouri, who makes a difference between what is now described as a dramatic flood condition and a chronic flood situation, the latter applicable to the neighborhood in which he lives.

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

Mr. MALONEY. I yield.

Mr. CLARK. Let me say that that distinction is not mine. The distinction was introduced in the Commerce Committee, as the Senator will well remember, by representatives from areas which have not hitherto in many years been affected by floods. The distinction between the dramatic, unprecedented, unusual floods of this year and the habitual, usual floods of other years is not my distinction. It was introduced in the committee by other Senators than myself and, as a matter of fact, by the Army Engineers themselves.

Mr. MALONEY. Mr. President, I have no desire to prolong the debate with the Senator. I should like merely to emphasize the fact that, in my opinion, the adoption of the pending amendment would spell ruin to flood-control legislation during the present session of the Congress.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER], as modified, to the amendment of the committee in the nature of a substitute.

The amendment to the amendment, as modified, was rejected.

Mr. COPELAND. Mr. President, I ask the adoption of the next amendment presented on behalf of the committee.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 107, beginning with line 15, it is proposed to strike out:

SEC. 6. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys for flood control at the following-named localities; the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted, no supplemental or additional report or estimate shall be made unless authorized by law or by resolution of the Committee on Flood Control of the House of Representatives or the Committee on Commerce of the Senate: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway mentioned in this act until the project for the proposed work shall have been adopted by law.

And in lieu thereof to insert:

SEC. 6. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys for flood control at the following-named localities, and the Secretary of Agriculture is authorized and directed to cause preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of such localities; the cost thereof to be paid from appropriations heretofore or hereafter made for such purchases: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as hereby authorized on any examination, survey, project, or work under way or proposed are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law or by resolution of the Committee on Flood Control of the House of Representatives or the Committee on Commerce of the Senate: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway mentioned in this act until the project for the proposed work shall have been adopted by law.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment to the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 115, beginning with line 18, it is proposed to strike out:

SEC. 8. Nothing in this act shall be construed as repealing or amending any provision of 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, or any provision of any law amendatory thereof.

And in lieu thereof to insert:

SEC. 8. Nothing in this act shall be construed as repealing or amending any provision of 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, or any provision of any law amendatory thereof. The authority conferred by this act and any funds appropriated pursuant hereto for expenditure are supplemental to all other authority and appropriations relating to the departments or agencies concerned, and nothing in this act shall be construed to limit or retard any department or agency in carrying out similar and related activities heretofore or hereafter authorized, or to limit the exercise of powers conferred on any department or agency by other provisions of law in carrying out similar and related activities.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment to the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 115, beginning with line 23, it is proposed to strike out:

SEC. 9. The sum of $315,000,000 is authorized for carrying out the improvements authorized herein and any examinations and surveys provided for in this act and other acts of Congress.

And in lieu thereof to insert:

SEC. 9. The sum of $310,000,000 is authorized for carrying out the improvements herein and the sum of $10,000,000 is authorized to be expended in equal amounts by the Departments of War and Agriculture for carrying out any examinations and surveys provided for in this act and other acts of Congress: *Provided*, That not more than $50,000,000 of such sum shall be expended during the fiscal year ending June 30, 1937: *Provided further*, That for the relief of unemployment, in addition to the regular appropriation, persons may be employed on such works of improvement and the compensation of said persons when so employed shall be paid from the funds, and available to the Works Progress Administration for the continuance of relief and work relief on useful projects.

The amendment to the amendment was agreed to.

Mr. COPELAND. The next amendment, amendment no. 6, I will be glad to have go over until tomorrow.

There are some amendments with reference to surveys to be added on page 108 and following pages, and, with the exception of those, I have nothing more to add.

Mr. McNARY. Mr. President, I ask that those matters go over until tomorrow.

Mr. COPELAND. I am perfectly willing that that should be done.

Mrs. CARAWAY. Mr. President, I have an amendment which I desire to offer on behalf of myself and my colleague the senior Senator from Arkansas [Mr. ROBINSON]. I send the amendment to the desk and ask to have it read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 72, after line 7, it is proposed to insert:

From North Little Rock, Ark., to Gillette, Ark., on the north bank of the Arkansas River: Levees to protect agricultural lands and communities; House Document No. 308, Seventy-fourth Congress, first session; estimated cost, $2,424,400.

Mr. COPELAND. Mr. President, the amendment contemplates the construction of levees on the north bank to the same grade as existing backwater levees on south bank. Their construction would jeopardize south levees, and extensive and valuable territory protected thereby, without compensatory advantages to less valuable area which would be afforded protection. A levee constructed with grade 3 feet lower than the south bank levee would provide protection against all but extreme floods, and is economically justified.

Therefore, with the cost of construction estimated at $2,424,400, the amendment will be accepted, so far as the committee is concerned.

Mr. McNARY. Mr. President, has the report of the engineers been favorable and has it been filed with the Committee on Commerce?

Mr. COPELAND. It has been.

Mr. McNARY. Why was not the item included in the bill?

Mr. COPELAND. Because, in the first place, it came to us at an estimated cost of $5,302,800. It was sent back to the Army Engineers, and the Army Engineers during the past week or two have made a restudy, and have given approval to the project at an estimated cost of $2,424,400.

Mr. ROBINSON. Mr. President, the amendment as now presented constitutes a modification of the original project. The project as originally presented by my colleague and myself was not approved by the engineers, but the proposal was modified to conform to the amendment presented by my colleague and approved by the engineers.

The VICE PRESIDENT. The question is on agreeing to the amendment presented by the junior Senator from Arkansas [Mrs. CARAWAY] to the amendment of the committee in the nature of a substitute.

The amendment to the amendment was agreed to.

Mr. CLARK. Mr. President, I desire to offer an amendment, and I may say I do not know why it has not been printed.

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

Mr. CLARK. I yield.

Mr. McNARY. I think there was an understanding that as soon as the Senate disposed of the amendment just offered by the junior Senator from Arkansas a recess would be taken.

Mr. CLARK. I do not wish to interfere with the agreement, but this is an amendment which has been twice adopted by the Committee on Commerce.

Mr. McNARY. Will not the Senator offer it tomorrow at 12 o'clock, when the Senate meets?

Mr. CLARK. If the Senator insists, of course I will have to let it go over.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, if the Senator from New York is willing to suspend now, 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 VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of SAMUEL B. HILL, of Washington, to be a member of the Board of Tax Appeals for a term of 12 years from June 2, 1936.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of several officers for appointment in the Diplomatic and Foreign Service.

He also, from the same committee, reported favorably Executive G, Seventy-fourth Congress, second session, being a supplementary extradition convention between the United States and Denmark, signed at Washington on May 6, 1936, and submitted a report (Exec. Rept. No. 3) thereon.

Mr. HAYDEN (for Mr. McKELLAR), from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 21, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 20 (legislative day of May 12), 1936

APPOINTMENT IN THE REGULAR ARMY

TO BE ASSISTANT TO THE QUARTERMASTER GENERAL, WITH THE RANK OF BRIGADIER GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM AUGUST 1, 1936

Col. Richard Henry Jordan, Quartermaster Corps, vice Brig. Gen. William R. Gibson, assistant to the Quartermaster General, to be retired July 31, 1936.

POSTMASTERS

ARKANSAS

Fred Smith to be postmaster at Stephens, Ark., in place of W. H. Hogg. Incumbent's commission expired February 5, 1936.

CALIFORNIA

Jeremiah P. Shields to be postmaster at Bakersfield, Calif., in place of L. G. Pauly. Incumbent's commission expired March 10, 1936.

Edith Irvin to be postmaster at Clearwater, Calif., in place of J. A. Collins. Incumbent's commission expired January 9, 1936.

Cortez B. Combs to be postmaster at McFarland, Calif., in place of C. D. Richardson. Incumbent's commission expired January 26, 1936.

Clarence N. Hamblet to be postmaster at Oildale, Calif., in place of W. S. Buchner. Incumbent's commission expired March 17, 1936.

Alva Millard Smith to be postmaster at Parker Dam, Calif. Office became Presidential April 1, 1936.

George F. Erwin to be postmaster at Sanitarium, Calif., in place of E. R. Rhymes. Incumbent's commission expired April 27, 1936.

Elizabeth C. Bavier to be postmaster at Truckee, Calif., in place of M. S. Rutherford. Incumbent's commission expired March 29, 1936.

COLORADO

Henery C. Showalter to be postmaster at Olathe, Colo., in place of M. H. Foster. Incumbent's commission expired April 27, 1936.

DELAWARE

James B. Thompson, Jr., to be postmaster at Clayton, Del., in place of W. B. Cullen. Incumbent's commission expired February 25, 1935.

IDAHO

Robert J. Wood to be postmaster at Weiser, Idaho, in place of O. A. West. Incumbent's commission expired January 26, 1936.

ILLINOIS

Paul Zimmerman to be postmaster at Earlville, Ill., in place of R. R. Remick. Incumbent's commission expired January 7, 1936.

Wilbur C. Gerke to be postmaster at Edwardsville, Ill., in place of E. M. Tuxhorn. Incumbent's commission expired January 7, 1936.

Albert H. Winter to be postmaster at Highland, Ill., in place of L. M. Stoecklin. Incumbent's commission expires June 1, 1936.

Walter D. Hayes to be postmaster at Minonk, Ill., in place of J. W. Meierhofer. Incumbent's commission expired January 7, 1936.

Joseph L. Langan to be postmaster at Odell, Ill., in place of L. P. Ready. Incumbent's commission expired January 7, 1936.

George S. Thornton to be postmaster at Oquawka, Ill., in place of R. R. Banta. Incumbent's commission expired February 9, 1936.

Mary M. Spurgeon to be postmaster at Prairie City, Ill., in place of A. G. Dunbar. Incumbent's commission expired January 7, 1936.

Charles W. McDonald to be postmaster at Wheaton, Ill., in place of W. W. Renton, retired.

Ralph M. Short to be postmaster at Witt, Ill., in place of H. L. Dean. Incumbent's commission expired April 27, 1936.

INDIANA

Jack Dolan to be postmaster at Hartford City, Ind., in place of P. H. Hawthorne. Incumbent's commission expired May 19, 1936.

Fred Porter Rensberger to be postmaster at Lakeville, Ind., in place of D. B. Henderson. Incumbent's commission expired February 5, 1936.

Vance E. Worrell to be postmaster at Orleans, Ind., in place of Oscar Standeford. Incumbent's commission expired April 27, 1936.

Ivan Dale Watson to be postmaster at Russiaville, Ind., in place of G. H. Newby. Incumbent's commission expired April 27, 1936.

IOWA

Charles J. Cash, Jr., to be postmaster at Anamosa, Iowa, in place of A. L. Remley. Incumbent's commission expired January 12, 1936.

Albert C. Peterson to be postmaster at Corning, Iowa, in place of E. F. McClelland. Incumbent's commission expired January 12, 1936.

Frank Howard Garrett to be postmaster at Council Bluffs, Iowa, in place of F. M. Williams. Incumbent's commission expired January 12, 1936.

John L. McLaughlin to be postmaster at Guthrie Center, Iowa, in place of H. B. Gillespie. Incumbent's commission expired April 12, 1936.

Harold E. Maffett to be postmaster at Murray, Iowa, in place of L. R. Valentine. Incumbent commission expires June 1, 1936.

John H. Gribben to be postmaster at Newton, Iowa, in place of R. H. Bailey. Incumbent's commission expired January 12, 1936.

Ruth M. Pedersen to be postmaster at Pierson, Iowa, in place of M. E. Barkley. Incumbent's commission expired January 12, 1936.

Charles E. Hudson to be postmaster at Pomeroy, Iowa, in place of F. T. Best. Incumbent's commission expired April 12, 1936.

Henry J. Kelley to be postmaster at Shannon City, Iowa, in place of P. B. Wilson. Incumbent's commission expired March 17, 1936.

Walter L. Hurd to be postmaster at Stanhope, Iowa, in place of E. M. Miller. Incumbent's commission expired January 12, 1936.

George W. Trowbridge to be postmaster at Stuart, Iowa, in place of J. D. Herriott. Incumbent's commission expired January 12, 1936.

Ella M. Hames to be postmaster at Williams, Iowa, in place of R. R. Fear. Incumbent's commission expires June 23, 1936.

KANSAS

Raymond R. Staab to be postmaster at Satanta, Kans., in place of Bessie Custer. Incumbent's commission expired April 27, 1936.

James P. Kelley to be postmaster at White Cloud, Kans. Office becomes Presidential July 1, 1936.

LOUISIANA

Jeannette Clarkson to be postmaster at Clarks, La., in place of Jeannette Clarkson. Incumbent's commission expired January 9, 1936.

Eugene Dumez to be postmaster at Houma, La., in place of C. H. Wallis. Incumbent's commission expired April 27, 1936.

Sidney L. Voorhies to be postmaster at Lafayette, La., in place of E. A. O'Brien. Incumbent's commission expired March 10, 1936.

Homer L. Jolley to be postmaster at Morgan City, La., in place of M. P. Palmer. Incumbent's commission expired April 5, 1936.

Jessie M. Murphy to be postmaster at Simsboro, La. Office becomes Presidential July 1, 1936.

MAINE

William G. Chamberlain to be postmaster at Fort Fairfield, Maine, in place of H. W. Perry. Incumbent's commission expired April 14, 1936.

Bess M. Clark to be postmaster at Milo, Maine, in place of F. G. Thompson. Incumbent's commission expired April 12, 1936.

Harry V. Smith to be postmaster at Springfield, Maine, in place of E. C. Butterfield. Incumbent's commission expired January 22, 1936.

Roy E. Swaney to be postmaster at Vanceboro, Maine, in place of Marjorie Gatcomb. Incumbent's commission expired February 17, 1936.

MARYLAND

Edgar R. Twilley to be postmaster at East New Market, Md., in place of W. J. Crowe. Incumbent's commission expires June 1, 1936.

Ellwood E. Matthews to be postmaster at Pocomoke City, Md., in place of R. L. Hall. Incumbent's commission expired April 27, 1936.

Elliott W. Marshall to be postmaster at Snow Hill, Md., in place of H. W. Mason. Incumbent's commission expired January 11, 1936.

George R. Bromley to be postmaster at Stockton, Md., in place of W. E. Tull. Incumbent's commission expired January 11, 1936.

MASSACHUSETTS

John Joseph Mackin, Jr., to be postmaster at Millers Falls, Mass., in place of R. H. Gould. Incumbent's commission expires May 23, 1936.

Raymond L. Soule to be postmaster at West Boylston, Mass., in place of R. L. Soule. Incumbent's commission expires May 23, 1936.

Michael E. Troy to be postmaster at West Stockbridge, Mass., in place of M. A. Fallon. Incumbent's commission expired January 27, 1936.

MICHIGAN

Regina W. Cleary to be postmaster at Escanaba, Mich., in place of G. G. Geniesse. Incumbent's commission expired March 18, 1934.

MINNESOTA

Calvin R. Bouvette to be postmaster at Hallock, Minn., in place of Theresa Jondahl. Incumbent's commission expires June 11, 1936.

Cornelius W. Vahle to be postmaster at Tracy, Minn., in place of A. H. Rowland. Incumbent's commission expired February 24, 1936.

Emma C. Nuernberg to be postmaster at Young America, Minn., in place of J. J. Thomas. Incumbent's commission expired April 12, 1936.

MISSISSIPPI

Fannie L. Lowry to be postmaster at Houston, Miss., in place of W. D. Woods. Incumbent's commission expired January 10, 1935.

MISSOURI

James G. Skidmore to be postmaster at Barnard, Mo., in place of M. E. Ryan. Incumbent's commission expired April 14, 1936.

Benjamin F. Coleman to be postmaster at Center, Mo., in place of R. D. Gardner. Incumbent's commission expired April 27, 1936.

H. Sam Jones to be postmaster at Senath, Mo., in place of O. H. Storey. Incumbent's commission expired March 29, 1936.

NEBRASKA

Gotthilf I. Pfeiffer to be postmaster at Arlington, Nebr., in place of H. C. McClellan. Incumbent's commission expired April 12, 1936.

William C. Rhea to be postmaster at Chester, Nebr., in place of C. G. Struble. Incumbent's commission expires May 23, 1936.

Frank J. Srb to be postmaster at Dodge, Nebr., in place of O. A. Steinkraus. Incumbent's commission expires May 23, 1936.

Floyd S. Worthing to be postmaster at Elm Creek, Nebr., in place of E. J. Fitzgerald. Incumbent's commission expired February 24, 1936.

Weaver Jennings Holliday to be postmaster at Stuart, Nebr., in place of M. M. Stuart, resigned.

NEVADA

Olive V. Corbiere to be postmaster at Sparks, Nev., in place of D. E. Richards. Incumbent's commission expires June 23, 1936.

NEW HAMPSHIRE

George F. Garneau to be postmaster at Franklin, N. H., in place of C. H. Bean. Incumbent's commission expired February 4, 1935.

Hugh F. Waling to be postmaster at Keene, N. H., in place of B. O. Aldrich. Incumbent's commission expired December 16, 1933.

NEW JERSEY

Walter K. Bittle to be postmaster at Berlin, N. J., in place of W. M. Matthews. Incumbent's commission expired May 2, 1932.

David A. Skelley to be postmaster at Fort Lee, N. J., in place of W. J. Hart. Incumbent's commission expired February 28, 1933.

Joseph F. Kour to be postmaster at Little Ferry, N. J., in place of Andrew Bauer. Incumbent's commission expired February 9, 1936.

Ethel B. Leisy to be postmaster at Mantua, N. J., in place of W. L. Smith. Incumbent's commission expired January 9, 1936.

John H. Traynor to be postmaster at Westfield, N. J., in place of B. M. Prugh. Incumbent's commission expired May 10, 1936.

NEW YORK

Henrietta Fairbanks to be postmaster at Bainbridge, N. Y., in place of H. L. Payne. (Removed without prejudice.)

Michael L. Sullivan to be postmaster at Binghamton, N. Y., in place of H. B. Mulford. Incumbent's commission expired February 17, 1936.

Clifford C. Wenzel to be postmaster at Deferiet, N. Y., in place of C. C. Wenzel. Incumbent's commission expired April 29, 1936.

Hannah Pearce to be postmaster at Ocean Beach, N. Y., in place of H. A. Pearce, deceased.

NORTH CAROLINA

Robert A. Watson, Sr., to be postmaster at Jonesboro, N. C., in place of C. M. Rosser. Incumbent's commission expires June 15, 1936.

Robert Boyd Patterson to be postmaster at Littleton, N. C., in place of J. W. Wood. Incumbent's commission expired April 4, 1936.

John Locke Milholland to be postmaster at Statesville, N. C., in place of C. M. Adams. Incumbent's commission expires July 7, 1936.

NORTH DAKOTA

Eureka H. McDougall to be postmaster at Cleveland, N. Dak., in place of J. E. Cusator. Incumbent's commission expired February 17, 1936.

Lloyd Lapic to be postmaster at Lankin, N. Dak., in place of C. L. Erickson. Incumbent's commission expired April 27, 1936.

Mary J. Dunbar to be postmaster at Souris, N. Dak., in place of J. G. Acheson. Incumbent's commission expired March 22, 1936. (Removed without prejudice.)

OHIO

Samuel R. McGuire to be postmaster at Bowerston, Ohio, in place of C. A. Bower. Incumbent's commission expired February 5, 1936.

Marguerite E. Martin to be postmaster at Monroeville, Ohio, in place of E. W. Armstrong. Incumbent's commission expired January 7, 1936.

Aaron G. Shealy to be postmaster at New Washington, Ohio, in place of A. S. Nye. Incumbent's commission expired January 7, 1936.

Loretta H. Duswald to be postmaster at Scio, Ohio, in place of J. A. Downs. Incumbent's commission expired February 5, 1936.

OKLAHOMA

Lewis B. Rogers to be postmaster at Fort Gibson, Okla., in place of Hubbard Ross. Incumbent's commission expired May 3, 1936.

Howard R. Wynn to be postmaster at Fort Towson, Okla., in place of C. P. Keil. Incumbent's commission expired May 3, 1936.

Hope C. McGinty to be postmaster at Kiefer, Okla., in place of W. H. Jones. Incumbent's commission expired May 3, 1936.

Carlos E. Shepherd to be postmaster at Stigler, Okla., in place of I. J. Trout. Incumbent's commission expired February 1, 1936.

OREGON

Emil L. Mueller to be postmaster at Clatskanie, Oreg., in place of E. J. Dear. Incumbent's commission expired March 23, 1936.

Eldon A. Rush to be postmaster at Elgin, Oreg., in place of O. C. Maxwell. Incumbent's commission expired January 26, 1936.

Lora C. Coykendall to be postmaster at Oak Grove, Oreg., in place of E. D. Davenport. Incumbent's commission expired January 22, 1936.

Louis Earl Hammer to be postmaster at Tillamook, Oreg., in place of W. C. Foster. Incumbent's commission expired April 27, 1936.

PENNSYLVANIA

John F. Erdly to be postmaster at Beaver Springs, Pa., in place of M. K. Schambach. Incumbent's commission expires June 28, 1936.

Leslie H. Lockerman to be postmaster at Cheswick, Pa., in place of F. U. Armstrong. Incumbent's commission expired February 10, 1936.

Mary Dessie Blayney to be postmaster at Claysville, Pa., in place of H. O. Campsey. Incumbent's commission expired February 10, 1936.

Harry Tarbotton, Sr., to be postmaster at Darby, Pa., in place of John Standring, deceased.

Ewing D. Minerd to be postmaster at Dunbar, Pa., in place of E. D. Scott. Incumbent's commission expired January 5, 1933.

Harry D. Farnen to be postmaster at East Butler, Pa., in place of G. V. Glenn. Incumbent's commission expired February 10, 1936.

William Scott Rinedollar to be postmaster at Everett, Pa., in place of J. C. Chamberlain. Incumbent's commission expired February 24, 1936.

Mildred E. Wagner to be postmaster at Freemansburg, Pa., in place of M. E. Wagner. Incumbent's commission expired May 19, 1936.

Eugene M. Burke to be postmaster at Karns City, Pa., in place of E. P. Corts. Incumbent's commission expired February 20, 1935.

Earle Phillips Robbins to be postmaster at Knoxville, Pa., in place of L. W. Stevens. Incumbent's commission expires June 1, 1936.

Brian W. Kauffman to be postmaster at Middleburg, Pa., in place of M. G. Wetzel. Incumbent's commission expired February 10, 1936.

Arthur O. Shafer to be postmaster at Montoursville, Pa., in place of J. W. Klepper, removed.

Margaret A. Mash to be postmaster at Nanty Glo, Pa., in place of A. J. Cornely, removed.

Robert E. Walley, Sr., to be postmaster at Spring City, Pa., in place of H. E. Rogers. Incumbent's commission expired January 13, 1936.

Randall H. Weaver to be postmaster at Worthington, Pa., in place of R. H. Weaver. Incumbent's commission expired March 17, 1936.

Edgar S. Abel to be postmaster at Wrightsville, Pa., in place of A. L. Smith. Incumbent's commission expired February 27, 1935.

PUERTO RICO

Adela Delpin to be postmaster at Fajardo, P. R., in place of R. P. Robert. Incumbent's commission expired February 20, 1935.

Irma E. Kryzanowsky to be postmaster at Ponce, P. R., in place of Roque Rodriguez, deceased.

SOUTH CAROLINA

Wiley W. McTeer, Jr., to be postmaster at Ridgeland, S. C., in place of H. F. Glasser. Incumbent's commission expires June 15, 1936.

SOUTH DAKOTA

Violet Ellefson to be postmaster at Castlewood, S. Dak., in place of W. W. Sour. Incumbent's commission expired January 26, 1936.

Thomas H. Ryan to be postmaster at Elk Point, S. Dak., in place of J. W. Coverdale. Incumbent's commission expires June 15, 1936.

Lucy I. Wright to be postmaster at Hoven, S. Dak., in place of L. I. Wright. Incumbent's commission expires June 15, 1936.

Ralph H. Lemon to be postmaster at Lake Norden, S. Dak., in place of P. E. Koistinen. Incumbent's commission expired January 25, 1936.

Michael F. McGrath to be postmaster at Morristown, S. Dak., in place of W. R. Amoo. Incumbent's commission expired April 27, 1936.

TENNESSEE

George N. Fuller to be postmaster at Collegedale, Tenn., in place of W. B. Clark, resigned.

John O. Bennett to be postmaster at Troy, Tenn., in place of R. O. Greene. Incumbent's commission expired January 22, 1935.

TEXAS

Louise W. Fisher to be postmaster at Burton, Tex., in place of H. D. F. Nienstedt. Incumbent's commission expired April 14, 1936.

Andrew F. Hester to be postmaster at Donna, Tex., in place of F. O. Drake. Incumbent's commission expired April 4, 1936.

Arthur B. Hobbs to be postmaster at Edgewood, Tex., in place of F. C. Elam. Incumbent's commission expired April 14, 1936.

John Richard Folkes to be postmaster at Giddings, Tex., in place of J. P. Hewitt. Incumbent's commission expired January 8, 1936.

Norman Charles Schlemmer to be postmaster at Kyle, Tex., in place of H. C. Wallace. Incumbent's commission expired January 8, 1936.

Andrew B. Johnson to be postmaster at Marlin, Tex., in place of D. R. Emerson. Incumbent's commission expired April 14, 1936.

Rudolph J. Marak to be postmaster at West, Tex., in place of H. M. Fowler. Incumbent's commission expired April 14, 1936.

UTAH

Ray K. Bohne to be postmaster at Mount Pleasant, Utah, in place of H. C. Jacobs. Incumbent's commission expired January 7, 1936.

VIRGINIA

S. Thomas Nottingham to be postmaster at Cape Charles, Va., in place of F. C. Fitzhugh. Incumbent's commission expired March 10, 1936.

Archa Vaughan to be postmaster at Floyd, Va., in place of T. T. Weddle. Incumbent's commission expired April 12, 1936.

WASHINGTON

Clarence E. West to be postmaster at Auburn, Wash., in place of Walbert Tonstad. Incumbent's commission expired January 8, 1936.

William H. Ross to be postmaster at Richmond Highlands, Wash., in place of M. J. Rood. Incumbent's commission expired January 22, 1935.

Daisy M. McDowell to be postmaster at Toledo, Wash., in place of Julia Enger. Incumbent's commission expired April 27, 1936.

WEST VIRGINIA

Rupert B. Mapel to be postmaster at Farmington, W. Va., in place of Howe Stidger. Incumbent's commission expired February 9, 1936.

Carroll Miller to be postmaster at Gauley Bridge, W. Va., in place of Thelma Taylor. Incumbent's commission expired February 9, 1936.

WISCONSIN

Frank S. Dhooge to be postmaster at Ashland, Wis., in place of J. C. Chapple. Incumbent's commission expired May 3, 1936.

Leslie E. Sawyer to be postmaster at College Camp, Wis., in place of E. T. Bentsen. Incumbent's commission expired February 25, 1935.

Harold P. Van Buren to be postmaster at Hartland, Wis., in place of W. D. Zeirke. Incumbent's commission expired February 10, 1936.

Charles V. Porter to be postmaster at Menomonie, Wis., in place of E. C. Quilling. Incumbent's commission expired April 12, 1936.

Lawrence E. Astin to be postmaster at Milton Junction, Wis., in place of G. B. Keith, resigned.

John W. Schnettler to be postmaster at St. Nazianz, Wis., in place of C. P. Shea. Incumbent's commission expired February 25, 1935.

William H. Shay to be postmaster at Somerset, Wis., in place of H. J. LaGrandeur. Incumbent's commission expired February 10, 1936.

Julius G. Behm to be postmaster at Woodville, Wis., in place of H. C. Gralow. Incumbent's commission expired March 29, 1936.

WYOMING

Hazel E. Moore to be postmaster at Edgerton, Wyo., in place of E. L. Murphy. Incumbent's commission expired April 27, 1936.

Francis R. Peck to be postmaster at Glenrock, Wyo., in place of F. W. Smith. Incumbent's commission expired March 10, 1936.

George W. Nance to be postmaster at Midwest, Wyo., in place of A. V. Lancaster. Incumbent's commission expired December 16, 1933.

Daniel D. Spani to be postmaster at Rock Springs, Wyo., in place of J. A. Stafford. Incumbent's commission expired March 10, 1936.

Bertha I. Frolander to be postmaster at Sundance, Wyo., in place of H. C. Hurtt. Incumbent's commission expired January 9, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 20 (legislative day of May 12), 1936

POSTMASTERS

ALASKA

Mrs. Owen E. Meals, Valdez.

NEW YORK

Kingsley D. Maloy, Clyde.
Henry A. Stecking, East Northport.
Sarah K. Gibbs, Glenfield.
William C. McRorie, Milford.
Kittie M. Lundergun, North Rose.
John V. Lynch, Pearl River.
Emma J. Claffey, Port Leyden.
William A. Flanagan, Seneca Falls.
Amy B. Earley, Speculator.
Edward J. Fitzgerald, Troy.
Mabel E. Fausette, Trumansburg.
Howard Bell, Woodstock.
George M. Allen, Worcester.
Mary Scesny, Yaphank.

VERMONT

Thomas H. Barry, Waterbury.