2800. By Mr. PLUMLEY: Memorial of the Mill River Grange, No. 514, of East Wallingford, Vt., opposing the transfer of the Forest Service and other conservation activities out of the Department of Agriculture; to the Committee on Agriculture.

2801. Also, memorial of the Lamoille Grange, No. 233, having membership of 194, opposing transfer of the Forest Service and other conservation activities out of the Department of Agriculture; to the Committee on Agriculture.

2802. Also, petition of the Prospect Grange, No. 429, Fair Haven, Vt., opposing the removal of the Forest Service and other conservation activities from the Department of Agriculture; to the Joint Committee on Governmental Reorganization.

2803. By Mr. WELCH: Resolution relative to memorializing the President and the Congress of the United States to protect the right of the State of California to its tidelands and the coastal area lying seaward of the State of California; to the Committee on Military Affairs.

SENATE

TUESDAY, JUNE 29, 1937

(Legislative day of Tuesday, June 15, 1937)

The Senate met, in executive session, 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 legislative proceedings of Monday, June 28, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6958) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. O'NEAL of Kentucky, Mr. FITZPATRICK, Mr. LEAVY, Mr. RICH, and Mr. LAMBERTSON were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 5860) making further provision for the fisheries of Alaska, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 2291. An act to amend the act of May 25, 1933 (48 Stat. 73);

H. R. 6523. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1938, and for other purposes;

H. R. 7206. An act to permit the temporary entry into the United States under certain conditions of alien participants and officials of the World Association of Girl Guides and Girl Scouts Silver Jubilee Camp to be held in the United States in 1937; and

H. J. Res. 375. Joint resolution to provide revenue, and for other purposes.

CALL OF THE ROLL

Mr. LEWIS. In order to assure the presence of a quorum, I ask for a roll call.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The clerk will call the roll.

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

Adams	Clark	Lee	Reynolds
Andrews	Connally	Lewis	Robinson
Ashurst	Copeland	Lodge	Russell
Austin	Davis	Logan	Schwartz
Bailey	Dieterich	Lonergan	Schwellenbach
Bankhead	Donahey	Lundeen	Sheppard
Barkley	Ellender	McAdoo	Shipstead
Berry	Frazier	McCarran	Smathers
Bilbo	George	McGill	Steiwer
Black	Gerry	McKellar	Thomas, Okla.
Bone	Green	McNary	Thomas, Utah
Borah	Guffey	Minton	Townsend
Bridges	Hale	Moore	Truman
Brown, N. H.	Harrison	Murray	Tydings
Bulkley	Hatch	Neely	Vandenberg
Bulow	Hayden	Nye	Van Nuys
Burke	Hitchcock	O'Mahoney	Wagner
Byrd	Holt	Overton	Walsh
Byrnes	Hughes	Pepper	Wheeler
Capper	Johnson, Colo.	Pittman	White
Caraway	King	Pope	
Chavez	La Follette	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from Connecticut [Mr. MALONEY] because of illness.

The Senator from Michigan [Mr. BROWN], the Senator from Wisconsin [Mr. DUFFY], the senior Senator from Iowa [Mr. GILLETTE], and the junior Senator from Iowa [Mr. HERRING] are detained from the Senate on important public business.

The Senator from Virginia [Mr. GLASS] and the Senator from South Carolina [Mr. SMITH] are unavoidably detained.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is absent because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent.

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

INCLUSION OF CERTAIN POSITIONS WITHIN THE MERIT SYSTEM: SOCIAL SECURITY BOARD

The PRESIDING OFFICER. As in legislative session, the Chair lays before the Senate a communication from the President of the United States, which will be read.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, June 28, 1937.

The PRESIDENT OF THE SENATE.

SIR: In signing the independent offices appropriation bill for the fiscal year 1938, I note that the appropriation for the Social Security Board contains a provision requiring Presidential appointment and Senate confirmation of experts and attorneys receiving compensation of $5,000 or more per annum.

I regret the inclusion of this provision in the bill. Aside from the hampering effect of the prohibition against receipt of compensation by such employees until confirmed by the Senate, particularly during periods when Congress is not in session, the method adopted for the selection of these employees seems to me unfortunate. In lieu of the present procedure for the appointment of these employees without regard to civil-service laws, I think it would have been preferable to bring the positions within the civil-service system. Under the reorganization of the work of the Civil Service Commission, as contemplated by the pending bill, S. 2700, it is expected that there would be developed improved methods for the examination and selection of such employees.

I am writing to express the hope that the Congress may see fit to enact legislation at an early date to place these positions under the merit system. I strongly recommend, as urged in my communication to the Congress of June 2, 1937, that all but policy-forming positions in the executive branch of the Government be included within the merit system.

Respectfully,

FRANKLIN D. ROOSEVELT.

The PRESIDING OFFICER. The communication will be referred to the Committee on Civil Service.

Mr. LA FOLLETTE. Mr. President, without desiring to question the right of the Chair to make appropriate reference of the communication, may I suggest that in view of

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the creation by the Senate of a select committee to consider the reorganization of the Government departments it might be more appropriate to refer the message of the President to the select committee?

The PRESIDING OFFICER. Does the Senator make the suggestion in the form of a motion?

Mr. McNARY. Mr. President, I concur in the statement of the Senator from Wisconsin, except that I think the communication should probably be referred to the joint committee rather than to the select committee.

Mr. LA FOLLETTE. I made the suggestion, if the Senator will pardon me, that the communication be referred to the Senate select committee because the communication is addressed to the President of the Senate.

Mr. McNARY. Then I think it should go to the select committee rather than to the committee indicated by the Chair.

Mr. ROBINSON. I ask unanimous consent that the communication from the President of the United States be referred to the Select Committee on Government Organization.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the communication is so referred.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, as in legislative session, I ask that the action of the House of Representatives with reference to the Interior Department appropriation bill be laid before the Senate.

The PRESIDING OFFICER, as in legislative session, laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6958) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. NYE, and Mr. STEIWER conferees on the part of the Senate.

TREATY WITH MEXICO TERMINATING ARTICLE VIII OF TREATY OF DECEMBER 30, 1853

Mr. PITTMAN. Mr. President, I understand that the first treaty on the calendar is the unfinished business.

The PRESIDING OFFICER. The Senator from Nevada is correct.

The Senate, as in Committee of the Whole, resumed the consideration of Executive J (75th Cong., 1st sess.), a treaty terminating article VIII of the treaty of December 30, 1853, which was read the second time, as follows:

The Governments of the United States of America and the United Mexican States, desirous of manifesting the mutual and enduring respect which they have for their independence; desirous also of eliminating all obstacles that may arise to the good relations which happily exist between them; and deeming that Article VIII of the Boundary Treaty which they concluded in the City of Mexico, December 30, 1853, was agreed upon in the light of a certain state of affairs which has disappeared, have agreed to conclude a treaty in which the said article VIII is declared to be terminated, and for this purpose, have appointed as their Plenipotentiaries:

The President of the United States of America, Cordell Hull, Secretary of State of the United States of America, and

The President of the United Mexican States, Francisco Castillo Nájera, Ambassador Extraordinary and Plenipotentiary of the United Mexican States to the United States of America.

Who, after having shown to each other their respective Full Powers, found to be in good and due form, have agreed upon the following articles:

ARTICLE I

Article VIII of the Boundary Treaty concluded between the United States of America and the United Mexican States in the City of Mexico, December 30, 1853, is hereby terminated.

ARTICLE II

The present Treaty shall be ratified by the High Contracting Parties in accordance with their constitutional methods, and the ratifications shall be exchanged, as soon as possible, in the city of Washington, D. C.

The Treaty shall go into effect on the day when the ratifications are exchanged.

Done in duplicate, in English and Spanish, in the city of Washington, D. C., on April 13, 1937.

CORDELL HULL [SEAL].
F. CASTILLO NÁJERA [SEAL].

Mr. PITTMAN. Mr. President, this treaty is not in the group of eight treaties, known as the Pan American treaties, which were adopted at Buenos Aires. It relates to the Gadsden Treaty of 1853. The object of the treaty is to repeal article VIII of the Gadsden Treaty. Article VIII provided for the construction of a plank road or railroad across the Tehuantepec Peninsula which might be used by citizens of the United States equally with citizens of Mexico. At the present time there is no necessity for that article, and Mexico desires it repealed. The treaty now pending is for the purpose of repealing article VIII of the treaty of 1853.

In the President's message it is stated:

The treaty terminating article VIII of the treaty of December 30, 1853, was signed by the Secretary of State and the Mexican Ambassador at Washington on April 13, 1937, and I transmit it herewith to the Senate.

Article VIII of the treaty of 1853, while of potential value at the time it was negotiated, has never operated and has no present-day use, since the work contemplated in its first paragraph was undertaken and completed by Mexico without the assistance of the United States, and transportation between the eastern and western parts of the United States is now better served by transcontinental means of transportation across the United States or by the Panama Canal than it can be served across the Isthmus of Tehuantepec to which the right was granted by article VIII of the Gadsden Treaty.

I ask the advice and consent of the Senate to ratification of the treaty of April 13, 1937, herewith transmitted.

Then the President said:

The termination of article VIII of the treaty of December 30, 1853, will not affect any other provisions of that treaty, and they will remain in full force and effect.

I think that should be a sufficient statement with regard to the treaty, and I ask for its ratification.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J (75th Cong., 1st sess.), the treaty terminating article VIII of the treaty of December 30, 1853, signed by the Secretary of State and the Mexican Ambassador at Washington on April 13, 1937.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

ADDITIONAL PROTOCOL BETWEEN AMERICAN REPUBLICS RELATIVE TO NONINTERVENTION

The Senate, as in Committee of the Whole, proceeded to consider Executive M (75th Cong., 1st sess.), an additional protocol relative to nonintervention, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace.

Desiring to assure the benefits of peace in their mutual relations and in their relations with all the nations of the earth, and to abolish the practice of intervention; and

Taking into account that the Convention on Rights and Duties of States, signed at the Seventh International Conference of American States, December 26, 1933, solemnly affirmed the fundamental principle that "no State has the right to intervene in the internal or external affairs of another",

Have resolved to reaffirm this principle through the negotiation of the following Additional Protocol, and to that end they have appointed the Plenipotentiaries hereafter mentioned:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.
Honduras: Antonio Bermúdez M., Julian López Pineda.
Costa Rica: Manuel F. Jiménez, Carlos Brenes.
Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zerega Fombona.
Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.
El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.
Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Betetá, Juan Manuel Alvarez del Castillo.
Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodrigues Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonca, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.
Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras, Gervasio Posadas Belgrano.
Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.
Nicaragua: Luis Manuel Dabayle, José María Moncada, Modesto Valle.
Dominican Republic: Max Henriquez Ureña, Tulio M. Cestero, Enrique Jiménez.
Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.
Panama: Harmodio Arias M., Julio Fábrega, Eduardo Chiari.
United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.
Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Felix Nieto del Río, Ricardo Montaner Bello.
Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.
Bolivia: Enrique Finot, David Alvéstegui, Eduardo Diez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.
Haiti: Horacio Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugene de Lespinasse, Clemente Magloire.
Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonell.

Who, after having deposited their full powers, found to be in good and due form, have agreed as follows:

ARTICLE 1

The High Contracting Parties declare inadmissible the intervention of any one of them, directly or indirectly, and for whatever reason, in the internal or external affairs of any other of the Parties.

The violation of the provisions of this Article shall give rise to mutual consultation, with the object of exchanging views and seeking methods of peaceful adjustment.

ARTICLE 2

It is agreed that every question concerning the interpretation of the present Additional Protocol, which it has not been possible to settle through diplomatic channels, shall be submitted to the procedure of conciliation provided for in the agreements in force, or to arbitration, or to judicial settlement.

ARTICLE 3

The present Additional Protocol shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument and the instruments of ratification shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall communicate the ratifications to the other signatories. The Additional Protocol shall come into effect between the High Contracting Parties in the order in which they shall have deposited their ratifications.

ARTICLE 4

The present Additional Protocol shall remain in effect indefinitely but may be denounced by means of one year's notice after the expiration of which period the Protocol shall cease in its effects as regards the party which denounces it, but shall remain in effect for the remaining Signatory States. Denunciations shall be addressed to the Government of the Argentine Republic which shall notify them to the other Contracting States.

In witness whereof, the above-mentioned Plenipotentiaries sign the present Additional Protocol in English, Spanish, Portuguese, and French and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December, nineteen hundred and thirty-six.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CARCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.
Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.
Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.
Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.
Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.
El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.
Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.
Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.
Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.
Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.
Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.
Dominican Republic:
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.
Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.

Mr. PITTMAN. Mr. President, this is one of the eight treaties which were negotiated and executed at Buenos Aires at the recent convention there. The treaties all deal with the relationship between the Pan American countries and the United States. They deal, however, with different subjects.

In the beginning I may say, as it applies to each of the treaties, that, in my opinion and I believe in the opinion of nearly all the members of the Foreign Relations Committee, the treaties will be of great value in preserving friendship not only between the United States and the Latin American Republics but between those republics themselves. The treaties are excellently drawn. They have avoided any effort whatever at force. The conversations which are provided for will be consultations looking to the settlement of disputes between the parties solely by peaceful methods, by mediation, arbitration, or other judicial process.

All the way through the treaties it will be found, while there is an effort at solidarity, a desire that all the republics shall agree on the peaceful methods to be utilized both in time of peace and in time of war, that the individual independence of action by each Government is retained intact.

The treaties were given very careful study by the Foreign Relations Committee. We had before us the Secretary of State and the Under Secretary of State. All such questions as were deemed proper and advisable were asked. I think it well to read at this time a short statement made by the

Secretary of State which applies equally to all the treaties to be considered today. His statement reads as follows:

DEPARTMENT OF STATE,
Washington, May 15, 1937.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith the following instruments which were negotiated and signed at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires December 1–23, 1936:

1. Convention for the Maintenance, Preservation, and Reestablishment of Peace.
2. Additional Protocol Relative to Nonintervention.
3. Treaty on the Prevention of Controversies.
4. Inter-American Treaty on Good Offices and Mediation.
5. Convention to Coordinate, Extend, and Assure the Fulfillment of Existing Treaties Between the American States.
6. Convention on the Pan American Highway.
7. Convention for the Promotion of Inter-American Cultural Relations.
8. Convention Concerning Artistic Exhibitions.

These documents were signed by the delegates of the United States of America, subject to ratification, in accordance with the full powers issued by you, and accordingly they are sent to you with a view to their transmission to the Senate for its advice and consent to their ratification, if you approve thereof.

I am transmitting these instruments with separate reports for your convenience, as well as that of the Senate, if you approve of their submission. The separate reports briefly describe and explain these documents.

This conference was convened in pursuance of the proposal made by you on January 30, 1936, to the Presidents of all the American republics that the time was opportune for the countries of this hemisphere at a common council table to consider their joint responsibility for the maintenance of peace. Both the spirit in which the deliberations of the conference were conducted and the achievements themselves, all reached by unanimous agreement, established this conference as one of the most successful international gatherings in recent times.

The delegations of the several countries demonstrated a solidarity of purpose and determination to strengthen the edifice of peace seldom seen at an international conference. That they succeeded is evidenced by the instruments themselves. These reinforce the structure of peace by the reaffirmation of obligations to settle by pacific means all controversies of an international character; by providing the machinery for consultation and cooperation to prevent the outbreak of war, and, should these efforts unhappily fail to prevent the spread or prolongation of hostilities; by declaring inadmissible intervention by one state in the internal or external affairs of another; and by providing measures for the improvement of cultural relations and communications. These instruments are interconnected segments of a structure of permanent peace, so that failure to ratify one will weaken the efficacy of all.

The policy of the good neighbor which you enunciated in your first inaugural message brought into the conduct of our foreign relations a spirit of friendship, tolerance, and good will. The early evidences of what that policy means in practice has dissipated the many apprehensions held among the other American republics concerning our motives and desires. The conference at Buenos Aires was, perhaps, the most important demonstration thus far of our motives and of our willingness to cooperate for the common good. From every point of view it is to be desired that this country do its share in carrying into reality the high hopes aroused by that conference by ratifying the various instruments adopted there.

I therefore recommend these instruments to your favorable consideration, with a view to their submission to the Senate for its advice and consent to ratification.

Faithfully yours,

CORDELL HULL.

Mr. President, as these treaties are all interconnected, I wish also to read a declaration.

At that conference there was adopted a declaration which bears very closely upon the interpretation of each and all these eight treaties. I think it well to have in the RECORD that declaration. I will read it.

DECLARATION OF PRINCIPLES OF INTER-AMERICAN SOLIDARITY AND COOPERATION

The Governments of the American republics, having considered:

That they have a common likeness in their democratic form of government, and their common ideals of peace and justice, manifested in the several treaties and conventions which they have signed for the purpose of constituting a purely American system tending toward the preservation of peace, the proscription of war, the harmonious development of their commerce and of their cultural aspirations demonstrated in all of their political, economic, social, scientific, and artistic activities;

That the existence of continental interests obliges them to maintain solidarity of principles as the basis of the life of the relations of each to every other American nation;

That Pan Americanism, as a principle of American international law, by which is understood a moral union of all of the American republics in defense of their common interests based upon the most perfect equality and reciprocal respect for their rights of autonomy, independence, and free development, requires the proclamation of principles of American international law; and

That it is necessary to consecrate the principle of American solidarity in all noncontinental conflicts, especially since those limited to the American Continent, should find a peaceful solution by the means established by the treaties and conventions now in force or in the instruments hereafter to be executed,

The Inter-American Conference for the Maintenance of Peace

DECLARES

1. That the American nations, true to their republican institutions, proclaim their absolute juridical liberty, their unrestricted respect for their several sovereignty, and the existence of a common democracy throughout America;

2. That every act susceptible of disturbing the peace of America affects each and every one of them, and justifies the initiation of the procedure of consultation provided for in the Convention for the Maintenance, Preservation, and Reestablishment of Peace, executed at this conference; and

3. That the following principles are accepted by the international American community:

(a) Proscription of territorial conquest, and that, in consequence, no acquisition made through violence shall be recognized;

(b) Intervention by one State in the internal or external affairs of another State is condemned;

(c) Forcible collection of pecuniary debts is illegal; and

(d) Any difference or dispute between the American nations, whatever its nature or origin, shall be settled by the methods of conciliation, or full arbitration, or through operation of international justice.

Mr. BORAH. Mr. President——

Mr. PITTMAN. I yield to the Senator from Idaho.

Mr. BORAH. There is a treaty pending known as the Argentine Sanitary Treaty. Since this discussion opened two Senators have asked me whether any of these treaties dealt in any way with that subject matter. I have stated that said treaty is not among the treaties now being considered, and no reference to the subject matter is to be found in any of these treaties.

Mr. PITTMAN. It is not. The so-called Argentine Treaty has no relation whatever to the matter here, and is still in the Committee on Foreign Relations.

Mr. BORAH. And the subject matter is not incorporated in any of these treaties?

Mr. PITTMAN. Not any subject relating to it.

Mr. VANDENBERG. Mr. President, may I ask the Senator which one of these treaties is the one to which a number of republics attached reservations, and we in turn attached a reservation?

Mr. PITTMAN. It is not this one. It is Executive P, the last one.

I move that the Senate advise and consent to the ratification of the treaty.

Mr. BORAH. Mr. President, the treaty is simple enough on its face, but I think it is of very great moment. The treaty provides:

The High Contracting Parties declare inadmissible the intervention of any one of them, directly or indirectly, and for whatever reason, in the internal or external affairs of any other of the Parties.

The violation of the provisions of this Article shall give rise to mutual consultation, with the object of exchanging views and seeking methods of peaceful adjustment.

If that principle can be carried into effect, if this treaty can be made effective, it will inaugurate a new reign of good will and of peace upon the western continent, and especially among our South American brethren.

The PRESIDING OFFICER. If there be no amendment, the additional protocol will be reported to the Senate.

The additional protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M (75th Cong., 1st sess.), an additional protocol relative to nonintervention, signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American republics represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the additional protocol is ratified.

TREATY BETWEEN AMERICAN REPUBLICS ON THE PREVENTION OF CONTROVERSIES

The Senate, as in Committee of the Whole, proceeded to consider Executive N (75th Cong., 1st sess.), a treaty on the prevention of controversies, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace.

In order to adopt, in the interest of the maintenance of international peace so far as may be attainable, a preventive system for the consideration of possible causes of future controversies and their settlement by pacific means; and

Convinced that whatever assures and facilitates compliance with the treaties in force constitutes an effective guarantee of international peace,

Have agreed to conclude a treaty and to this effect have named the following plenipotentiaries:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidor Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Diaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramirez; Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Bateta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodrigues Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonca, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Rios, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto, Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: Enrique Finot, David Alvéstegui, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Pas Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonell.

Who, after having deposited their full powers, found to be in good and due form, have agreed as follows:

ARTICLE 1

The High Contracting Parties bind themselves to establish permanent bilateral mixed commissions composed of representatives of the signatory governments which shall in fact be constituted, at the request of any of them, and such party shall give notice of such request to the other signatory governments.

Each Government shall appoint its own representative to the said commission, the meetings of which are to be held, alternately, in the capital city of one and the other Governments represented in each of them. The first meeting shall be held at the seat of the Government which convokes it.

ARTICLE 2

The duty of the aforementioned commissions shall be to study, with the primary object of eliminating them, as far as possible, the causes of future difficulties or controversies; and to propose additional or detailed lawful measures which it might be convenient to take in order to promote, as far as possible, the due and regular application of treaties in force between the respective parties, and also to promote the development of increasingly good relations in all ways between the two countries dealt with in each case.

ARTICLE 3

After each meeting of any of the said preventive commissions a minute shall be drawn and signed by its members setting out the considerations and decisions thereof and such minute shall be transmitted to the governments represented in the commissions.

ARTICLE 4

The present treaty shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

ARTICLE 5

The present Treaty shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instruments of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory Governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 6

The present Treaty will come into effect between the High Contracting Parties in the order in which they deposit their respective ratifications.

ARTICLE 7

The present Treaty shall remain in effect indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the Treaty shall cease in its effects as regards the party which denounces it but shall remain in effect for the remaining High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries sign the present Treaty in English, Spanish, Portuguese, and French and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December 1936.

RESERVATION OF THE DELEGATION OF PERU

Peru adheres to the above proposal with a reservation to Article 1 in the sense that it understands that recourse to the bilateral mixed commission is not mandatory but optional.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CARCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.

Dominican Republic:
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.

Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.

Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.
United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLPH A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.
Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONCA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.
Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.
Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.
Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑA.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.
Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.
Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.
Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.
Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. McNARY. Mr. President, this series of treaties was reached on the calendar last week in executive session. On account of the absence of the Senator from California [Mr. JOHNSON] I asked that the treaties go over. The Senator from California is unavoidably absent today. I have a memorandum from him with respect to this treaty which I should like to have placed in the RECORD:

I cannot ask Senator PITTMAN to continue further the consideration of those treaties, but please to register me against—

(1) Treaty between American republics for the maintenance, preservation, and reestablishment of peace. (Executive N.)

That is the treaty now before the Senate for consideration.

(2) Convention between American republics for the maintenance, preservation, and reestablishment of peace. (Executive L.)

(3) Convention between American republics to coordinate, extend, and assure the fulfillment of existing treaties. (Executive P.)

And particularly Executive P.

That is the declaration of the able Senator from California. I desire the RECORD to show his opposition to these three treaties.

Mr. PITTMAN. Mr. President, I merely wish to call attention to the fact that the Commission provided for in the treaty is to perform no function as a court of arbitration or mediation. It is to be created for the purpose of studying causes which may arouse controversies between the various countries, and to make recommendations with regard to future treaties or amendments to existing treaties.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N (75th Cong., 1st sess.), a treaty on the prevention of controversies signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American republics represented at the Inter-American Conference for the Maintenance of Peace, held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

TREATY BETWEEN AMERICAN REPUBLICS ON GOOD OFFICES AND MEDIATION

The Senate, as in Committee of the Whole, proceeded to consider Executive O (75th Cong., 1st sess.), an inter-American treaty on good offices and mediation, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace;

Considering that, notwithstanding the pacts which have been concluded between them, it is desirable to facilitate, even more, recourse to peaceful methods for the solution of controversies,

Have resolved to celebrate a treaty of Good Offices and Mediation between the American Countries, and to this end have named the following Plenipotentiaries:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodriguez Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonca, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martinez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: Enrique Finot, David Alvéstegui, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonell.

Who, after having deposited their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

When a controversy arises between them, that cannot be settled by the usual diplomatic means, the High Contracting Parties may have recourse to the good offices or mediation of an eminent citizen of any of the other American countries, preferably chosen from a general list made up in accordance with the following article.

ARTICLE II

To prepare the aforementioned list, each Government, as soon as the present treaty is ratified, shall name two citizens selected from among the most eminent by reason of their high character and juridical learning.

The designations shall immediately be communicated to the Pan American Union, which shall prepare the list and shall forward copies thereof to the contracting parties.

ARTICLE III

According to the hypothesis set forth in Article I, the countries in controversy shall, by common agreement, select one of the persons named on this list, for the purposes indicated in this treaty.

The person selected shall name the place where, under his chairmanship, one duly authorized representative of each of the parties shall meet in order to seek a peaceful and equitable solution of the difference.

If the parties are unable to agree concerning the selection of the person lending his good offices or mediation, each one shall choose one of those named on the list. The two citizens chosen in this way shall select, from among the names listed, a third person who shall undertake the functions referred to, endeavoring, in so far as possible, to make a choice that shall be acceptable to both parties.

ARTICLE IV

The mediator shall determine a period of time, not to exceed six nor be less than three months for the parties to arrive at some peaceful settlement. Should this period expire before the parties have reached some solution, the controversy shall be submitted to the procedure of conciliation provided for in existing inter-American agreements.

ARTICLE V

During the procedure established in this Treaty each of the interested parties shall provide for its own expense and shall contribute equally to common costs or honoraria.

ARTICLE VI

The present Treaty shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

ARTICLE VII

The present Treaty shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instruments of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE VIII

The present Treaty will come into effect between the High Contracting Parties in the order in which they deposit their respective ratifications.

ARTICLE IX

The present Treaty shall remain in effect indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory Governments. After the expiration of this period the Treaty shall cease in its effects as regards the Party which denounces it, but shall remain in effect for the remaining High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries sign the present Treaty in English, Spanish, Portuguese, and French, and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December 1936.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONCA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.

Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTINEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCIA.
JULIO CESAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.

Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.

Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.

Dominican Republic:
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.

Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.

Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.

United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.

Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.

Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.

Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.

Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.

Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

The PRESIDING OFFICER. If there be no amendment to be offered, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive O (75th Cong., 1st sess.), an Inter-American Treaty on Good Offices and Mediation signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American republics represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

CONVENTION BETWEEN AMERICAN REPUBLICS ON THE PAN AMERICAN HIGHWAY

The Senate, as in Committee of the Whole, proceeded to consider Executive Q (75th Cong., 1st sess.), a Convention on the Pan American Highway, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace,

Cognizant of the fact that the primary purpose of the Inter-American Conference is the strengthening of the bonds of friendship already existing between the countries of this Continent;

Convinced that direct and material contact between the American peoples necessarily would strengthen those bonds, consolidating therefore the peace of the Continent;

Knowing that the general welfare will be greater when there is greater facility for the exchange of the products of said countries;

Considering, finally, that one of the most adequate and efficient means for the attainment of the moral and material end aimed at jointly by the American Republics, is the termination of a highway which establishes a permanent communication between their respective territories,

Have decided to conclude a convention on that subject and for such purpose, have appointed the following plenipotentiaries:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, Felipe A. Espil, Leopoldo Melo, Isidóro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, Jóse de Paula Rodrigues Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonça, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: David Alvéstegui, Enrique Finot, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmé, Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whittmarsh, José Manuel Carbonell.

Who, after exhibiting their Full Powers, found to be in good and due form, have agreed as follows:

ARTICLE 1

The High Contracting Parties agree to collaborate, with all diligence and by all adequate means, in the speedy completion of a Pan American Highway, which will permit at all times the transit of motor vehicles.

ARTICLE 2

The High Contracting Parties shall form a Commission of technical experts with the object of coordinating the work of the different governments and also to complete the studies and formulate the necessary projects in those countries which, not having heretofore completed this work, may need the cooperation of the Commission.

ARTICLE 3

Immediately after ratifying the present Convention, the High Contracting Parties shall consult among each other with a view to appointing a financial committee composed of the representatives of three of the ratifying Governments. This Committee shall study the problems concerning the speedy completion of the Pan American Highway, and within a period not more than six months from the date of its constitution shall submit a detailed report for the consideration of the Governments, accompanied by a plan for the solution of said problems.

ARTICLE 4

Finally, the High Contracting Parties bind themselves to establish or designate at once in their respective territories at least one permanent public office, for the purpose of giving information on the work in progress, the sections of the Highway which are passable, the local transit regulations and all other information which nationals and tourists of the signatory countries may require.

ARTICLE 5

The present Convention shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

ARTICLE 6

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instruments of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 7

The present Convention will come into effect between the High Contracting Parties in the order in which they deposit their respective ratifications.

ARTICLE 8

The present Convention shall remain in effect indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the Convention shall cease in its effects as regards the party which denounces it but shall remain in effect for the remaining High Contracting Parties.

ARTICLE 9

The present Convention shall be open for the adherence and accession of States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union, which shall communicate them to the other High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries sign the present Convention in English, Spanish, Portuguese, and French, and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December 1936.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUTZ MORENO.
DANIEL ANTOLOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.
Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.
Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.
Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.
Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.
Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.
Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.
Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.
United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.
Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.
Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.
Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.
Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. PITTMAN. Mr. President, the treaty provides for cooperation between the Latin American Republics and the United States in the building of an intercontinental highway, which has been sought for a long time. The contracting parties are to appoint commissioners for the purpose of study and cooperation and coordination of the proposed highway. It is provided that the highway through all the countries shall at all times be open to free travel by the citizens of any of the contracting parties.

Mr. KING. Mr. President, would the commissioners so designated have any authority to bind their respective governments?

Mr. PITTMAN. They would not.

Mr. KING. Or is there any commitment in the treaty as to the adoption of any plan or the amount which is to be expended?

Mr. PITTMAN. There is no such provision in the treaty. The commission is to be made up of representatives of the contracting parties, who will study the plans and procedure and report to their respective governments.

Mr. KING. Would they have the right to adopt a plan for the construction of a highway, for instance, through Mexico or Honduras or some part of the United States?

Mr. PITTMAN. They would have, but it would be subject, of course, to the approval of the countries through which the road was built. The only binding clause is that when the road is constructed it shall be open to free travel by the nationals of all the contracting parties.

Mr. KING. Would they have authority to allocate to the respective governments the amounts which they think the respective governments should appropriate for the construction of the highway?

Mr. PITTMAN. They would have no such authority.

Mr. KING. That is entirely a matter for legislation?

Mr. PITTMAN. Yes; that is entirely a matter for legislation.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive Q (75th Cong., 1st sess.), a convention on the Pan American Highway signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and 19 of the other American Republics represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the convention is ratified.

CONVENTION BETWEEN AMERICAN REPUBLICS FOR PROMOTION OF INTER-AMERICAN CULTURAL RELATIONS

The Senate, as in Committee of the Whole, proceeded to consider Executive R (75th Cong., 1st sess.), a convention for the promotion of inter-American cultural relations, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace;

Considering that the purpose for which the Conference was called would be advanced by greater mutual knowledge and understanding of the people and institutions of the countries represented and a more consistent educational solidarity on the American continent; and

That such results would be appreciably promoted by an exchange of professors, teachers, and students among the American countries, as well as by the encouragement of a closer relationship between unofficial organizations which exert an influence on the formation of public opinion,

Have resolved to conclude a convention for that purpose and to that effect have designated the following plenipotentiaries:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramirez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramirez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodrigues Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mandonça, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Diaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: Enrique Finot, David Alvéstegui, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carboneil.

Who, after having deposited their Full Powers, found to be in good and due form, have agreed as follows:

ARTICLE I

Every year each Government shall award to each of two graduate students or teachers of each other country, selected in accordance with the procedure established in Article II hereof, a fellowship for the ensuing scholastic year. The awards shall be made after an exchange between the two Governments concerned of the panels referred to in Article II hereof. Each fellowship shall provide tuition and subsidiary expenses and maintenance at an institution of higher learning to be designated by the country awarding the fellowship, through such agency as may seem to it appropriate, in cooperation with the recipient so far as may be practicable. Traveling expenses to and from the designated institution and other incidental expenses shall be met by the recipient or the nominating Government. Furthermore, each Government agrees to encourage, by appropriate means, the interchange of students and teachers of institutions within its territory and those of the other contracting countries, during the usual vacation periods.

ARTICLE II

Each Government shall have the privilege of nominating and presenting to each other Government on or before the date fixed at the close of this article a panel of the names of five graduate students or teachers together with such information concerning them as the Government awarding the fellowship shall deem necessary, from which panel the latter Government shall select the names of two persons. The same students shall not be nominated for more than two successive years; and, except under unusual circumstances, for more than one year. There shall be no obligation for any country to give consideration to the panel of any other country not nominated and presented on or before the date fixed at the close of this article, and fellowships for which no panel of names is presented on or before the date specified may be awarded to applicants nominated on the panels of any other country but not receiving fellowships. Unless otherwise agreed upon between the countries concerned, the following dates shall prevail:

Countries of South America, November 30th.

All other countries, March 31st.

ARTICLE III

If for any reason it becomes necessary that a student be repatriated the Government awarding the fellowship may effect the repatriation, at the expense of the nominating Government.

ARTICLE IV

Each High Contracting Party shall communicate to each of the other High Contracting Parties through diplomatic channels, on the first of January of every alternate year, a complete list of the full professors available for exchange service from the outstanding universities, scientific institutions and technical schools of each country. From this list each one of the other High Contracting Parties shall arrange to select a visiting professor who shall either give lectures in various centers, or conduct regular courses of instruction, or pursue special research in some designated institution and who shall in other appropriate ways promote better understanding between the parties cooperating, it being understood, however, that preference shall be given to teaching rather than to research work. The sending Government shall provide the expenses for travel to and from the capital where the exchange professor resides and the maintenance and local travel expenses while carrying out the duties for which the professor was selected. Salaries of the professors shall be paid by the sending country.

ARTICLE V

The High Contracting Parties agree that each Government shall designate or create an appropriate agency or appoint a special officer, charged with the responsibility of carrying out in the most efficient way possible the obligations assumed by such Government in this Convention.

ARTICLE VI

Nothing in this convention shall be construed by the High Contracting Parties as obligating any one of them to interfere with the independence of its institutions of learning or with the freedom of academic teaching and administration therein.

ARTICLE VII

Regulations concerning details for which it shall appear advisable to provide, shall be framed, in each of the contracting countries, by such agency as may seem appropriate to its Government, and copies of such regulations shall be promptly furnished, through the diplomatic channel, to the Governments of the other High Contracting Parties.

ARTICLE VIII

The present Convention shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

ARTICLE IX

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instruments of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory Governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE X

The present Convention will come into effect between the High Contracting Parties in the order in which they deposit their respective ratifications.

ARTICLE XI

The present Convention shall remain in effect indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory Governments. After the expiration of this period the Convention shall cease in its effects as regards the party which denounces it but shall remain in effect for the remaining High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries sign the present Convention in English, Spanish, Portuguese, and French and hereunto affix their respective seals, at the city of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December 1936.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.

Uruguay:
PEDRO MANINI RIOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.
Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.
Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.
Dominican Republic:
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.
Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.
Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.
United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.
Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.
Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.
Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.
Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINAS.
CLÉMENT MAGLOIRE.
Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. PITTMAN. Mr. President, the treaty provides for fellowships. Each of the contracting parties is to make out a list of those who may be selected for fellowships. Each country grants a fellowship, through one of its universities, to two of the nationals of each of the other countries.

In addition to that, another provision is that there will be a list of professors available for transfer to the universities in the respective countries. Professors will be selected from these lists by each and all of the countries in exchange of professorships.

Mr. KING. Mr. President, how is it to be determined which university will be selected? Obviously there will be a good deal of competition between the great universities of the United States and some of the other countries for the fellowships.

Mr. PITTMAN. The country designating the professors selects the university from which they come, and pays all expenses.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R (75th Cong., 1st sess.), a convention for the promotion of Inter-American cultural relations, signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American Republics represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

CONVENTION BETWEEN AMERICAN REPUBLICS CONCERNING ARTISTIC EXHIBITIONS

The Senate, as in Committee of the Whole, proceeded to consider Executive S (75th Cong., 1st sess.), a convention concerning artistic exhibitions, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace;

Desirous of improving their spiritual relationships through a better acquaintance with their respective creations have resolved to conclude a Convention relative to the exhibition of artistic productions, and to this effect have named the following plenipotentiaries:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodrigues Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonça, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: David Alvéstegui, Enrique Finot, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonnell.

Who, after having deposited their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

Each of the High Contracting Parties agrees to grant, so far as its legislation may permit, all possible facilities for the holding within its territory of artistic exhibitions of each of the other Parties.

ARTICLE II

The facilities referred to in Article I shall be granted to Government agencies and to private enterprises which are officially authorized by them and shall be extended, as far as possible, to customshouse formalities and requirements, to transport on communication lines belonging to the respective States, to rooms for exhibition or storage, and to other matters related to the object referred to.

ARTICLE III

The present Convention shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

ARTICLE IV

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original instrument shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instruments of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE V

The present Convention will come into effect between the High Contracting Parties in the order in which they deposit their respective ratifications.

ARTICLE VI

The present Convention shall remain in effect indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the Convention shall cease in its effects as regards the party which denounces it but shall remain in effect for the remaining High Contracting Parties.

ARTICLE VII

The present Convention shall be open for the adherence and accession of States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union, which shall communicate them to the other High Contracting Parties.

In witness whereof, the above mentioned Plenipotentiaries sign the present Convention in English, Spanish, Portuguese and French and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December, 1936.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.

Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCIÁ.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.

Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.

Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.

Dominican Republic:
MAX HENRÍQUEZ UREÑA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.

Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.

Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.

United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.

Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.

Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.

Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.

Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.

Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. PITTMAN. Mr. President, this convention is simply intended to facilitate the sending of exhibits by the various governments, or by those whom they shall have approved as representatives, to exhibitions held in other countries, and provides that, insofar as the statutes of the various countries may permit, those sending such exhibits shall be relieved of import duties.

Mr. KING. Mr. President, that would mean, I presume, would it not, that if there be no general law which would relieve the imports from the ordinary tariff duties statutes would have to be enacted by the respective governments?

Mr. PITTMAN. That is true.

Mr. KING. The ratification of the treaty does not ipso facto repeal the tariff laws?

Mr. PITTMAN. It does not. It provides "so far as its legislation may permit."

Mr. ROBINSON. But there is no difficulty in that particular, because we have always granted such consideration.

Mr. PITTMAN. Yes.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive S (75th Cong., 1st sess.), a convention concerning artistic exhibitions, signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and

the other 20 American republics represented at the Inter-American Conference for the Maintenance of Peace, held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

CONVENTION BETWEEN AMERICAN REPUBLICS FOR THE MAINTENANCE, PRESERVATION, AND REESTABLISHMENT OF PEACE

The Senate, as in Committee of the Whole, proceeded to consider Executive L (75th Cong., 1st sess.), a convention for the maintenance, preservation, and reestablishment of peace, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace,

Considering:

That according to the statement of Franklin D. Roosevelt, the President of the United States, to whose lofty ideals the meeting of this Conference is due, the measures to be adopted by it "would advance the cause of world peace, inasmuch as the agreements which might be reached would supplement and reinforce the efforts of the League of Nations and of all other existing or future peace agencies in seeking to prevent war";

That every war or threat of war affects directly or indirectly all civilized peoples and endangers the great principles of liberty and justice which constitute the American ideal and the standard of American international policy;

That the Treaty of Paris of 1928 (Kellogg-Briand Pact) has been accepted by almost all of the civilized states, whether or not members of other peace organizations, and that the Treaty of Non-Aggression and Conciliation of 1933 (Saavedra Lamas Pact signed at Rio de Janeiro) has the approval of the twenty-one American Republics represented in this Conference,

Have resolved to give contractual form to these purposes by concluding the present Convention, to which end they have appointed the Plenipotentiaries hereafter mentioned:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zerega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodriguez Alves, Helio Lobo, Hildebrando Pompeu Pinto Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonça, Rosalina Coelho Lisboa de Miller, Mariá Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolph A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: Enrique Finot, David Alvéstegui, Eduardo Diez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: Horacio Pauleus Sannon, Camille J. León, Elie Lescot, Edmé Manigat, Pierre Eugene de Lespinasse, Clémente Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonell.

Who, after having deposited their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

In the event that the peace of the American Republics is menaced, and in order to coordinate efforts to prevent war, any of the Governments of the American Republics signatory to the Treaty of Paris of 1928 or to the Treaty of Non-Aggression and Conciliation of 1933, or to both, whether or not a member of other peace organizations, shall consult with the other Governments of the American Republics, which, in such event, shall consult together for the purpose of finding and adopting methods of peaceful cooperation.

ARTICLE II

In the event of war, or a virtual state of war between American States, the Governments of the American Republics represented at this Conference shall undertake without delay the necessary mutual consultations, in order to exchange views and to seek, within the obligations resulting from the pacts above mentioned and from the standards of international morality, a method of peaceful collaboration; and, in the event of an international war outside America which might menace the peace of the American Republics, such consultation shall also take place to determine the proper time and manner in which the signatory states, if they so desire, may eventually cooperate in some action tending to preserve the peace of the American Continent.

ARTICLE III

It is agreed that any question regarding the interpretation of the present Convention, which it has not been possible to settle through diplomatic channels, shall be submitted to the procedure of conciliation provided by existing agreements, or to arbitration or to judicial settlement.

ARTICLE IV

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The original convention shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic which shall communicate the ratifications to the other signatories. The Convention shall come into effect between the High Contracting Parties in the order in which they have deposited their ratifications.

ARTICLE V

The present Convention shall remain in effect indefinitely but may be denounced by means of one year's notice, after the expiration of which period the Convention shall cease in its effects as regards the party which denounces it but shall remain in effect for the remaining signatory States. Denunciations shall be addressed to the Government of the Argentine Republic, which shall transmit them to the other contracting States.

In witness whereof, the above mentioned Plenipotentiaries sign the present Convention in English, Spanish, Portuguese and French and hereunto affix their respective seals, at the City of Buenos Aires, Capital of the Argentine Republic, on the twenty-third day of the month of December, nineteen hundred and thirty-six.

Reservation of Paraguay: "With the express and definite reservation in respect to its peculiar international position as regards the League of Nations."

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
RASOLINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.

Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.
Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.
Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.
Dominican Republic:
MAX HENRÍQUEZ URENA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.
Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSE IGNACIO DÍAZ GRANADOS.
Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.
United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.
Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGONO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.
Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.
Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.
Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.
Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. LODGE. Mr. President, I should like to ask a question of the Senator from Nevada [Mr. PITTMAN], the chairman of the Foreign Relations Committee.

In the first part of the treaty, and I understand it is an integral part thereof, on page 4, the paragraph occurs which I will read:

That according to the statement of Franklin D. Roosevelt, the President of the United States, to whose lofty ideals the meeting of this conference is due, the measures to be adopted by it "would advance the cause of world peace, inasmuch as the agreements which might be reached would supplement and reinforce the efforts of the League of Nations and of all other existing or future peace agencies in seeking to prevent war."

I should like respectfully to inquire whether that provision in any way commits the United States to the decisions and actions of the League of Nations.

Mr. PITTMAN. Not in the slightest degree; but the Senator will remember, from the report of the conference, that it appears that a number of the republics are members of the League of Nations, and throughout the treaty they have made reservations with respect to their obligations under existing treaties, stating that they are prior and superior to the obligations contained in the treaty under consideration. That is the reason for the inclusion of the language mentioned by the Senator from Massachusetts.

Mr. LODGE. I thank the Senator. I should like to ask him one more question. Did the Senator from Idaho [Mr. BORAH] concur in the action of the committee in that respect?

Mr. PITTMAN. The Senator from Idaho is present and can answer that question for himself.

Mr. LODGE. I beg the Senator's pardon. I did not see him.

Mr. BORAH. I did concur. I agree with the view expressed by the chairman of the committee.

Mr. KING. Mr. President, I should like to ask if there is anything in the treaty now under consideration which would in any way weaken or invalidate the Kellogg-Briand Pact, or restrict the operations of that pact so far as it has been assented to by signatories to this treaty?

Mr. PITTMAN. There is not. In fact, in the Declaration of Principles of Inter-American Solidarity and Cooperation, adopted by the various countries, which I read this morning, it is expressly stated that these various treaties are adopted in pursuance of the efforts of the various countries to carry out the Kellogg-Briand Pact.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive L (75th Cong., 1st sess.), a convention for the maintenance, preservation, and reestablishment of peace signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American republics represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

CONVENTION BETWEEN AMERICAN REPUBLICS TO COORDINATE, EXTEND, AND ASSURE THE FULFILLMENT OF EXISTING TREATIES

The Senate, as in Committee of the Whole, proceeded to consider Executive P (75th Cong., 1st sess.), a convention to coordinate, extend, and assure the fulfillment of the existing treaties between the American states, which was read the second time, as follows:

The Governments represented at the Inter-American Conference for the Maintenance of Peace,

Animated by a desire to promote the maintenance of general peace in their mutual relations;

Appreciating the advantages derived and to be derived from the various agreements already entered into condemning war and providing methods for the pacific settlement of international disputes;

Recognizing the need for placing the greatest restrictions upon resort to war; and

Believing that for this purpose it is desirable to conclude a new convention to coordinate, extend, and assure the fulfillment of existing agreements, have appointed plenipotentiaries as follows:

Argentina: Carlos Saavedra Lamas, Roberto M. Ortiz, Miguel Angel Cárcano, José María Cantilo, Felipe A. Espil, Leopoldo Melo, Isidoro Ruiz Moreno, Daniel Antokoletz, Carlos Brebbia, César Díaz Cisneros.

Paraguay: Miguel Angel Soler, J. Isidro Ramírez.

Honduras: Antonio Bermúdez M., Julián López Pineda.

Costa Rica: Manuel F. Jiménez, Carlos Brenes.

Venezuela: Caracciolo Parra Pérez, Gustavo Herrera, Alberto Zérega Fombona.

Peru: Carlos Concha, Alberto Ulloa, Felipe Barreda Laos, Diómedes Arias Schreiber.

El Salvador: Manuel Castro Ramírez, Maximiliano Patricio Brannon.

Mexico: Francisco Castillo Nájera, Alfonso Reyes, Ramón Beteta, Juan Manuel Alvarez del Castillo.

Brazil: José Carlos de Macedo Soares, Oswaldo Aranha, José de Paula Rodríguez Alves, Helio Lobo, Hildebrando Pompeu Pinto

Accioly, Edmundo da Luz Pinto, Roberto Carneiro de Mendonça, Rosalina Coelho Lisboa de Miller, María Luiza Bittencourt.

Uruguay: José Espalter, Pedro Manini Ríos, Eugenio Martínez Thedy, Juan Antonio Buero, Felipe Ferreiro, Andrés F. Puyol, Abalcázar García, José G. Antuña, Julio César Cerdeiras Alonso, Gervasio Posadas Belgrano.

Guatemala: Carlos Salazar, José A. Medrano, Alfonso Carrillo.

Nicaragua: Luis Manuel Debayle, José María Moncada, Modesto Valle.

Dominican Republic: Max Henríquez Ureña, Tulio M. Cestero, Enrique Jiménez.

Colombia: Jorge Soto del Corral, Miguel López Pumarejo, Roberto Urdaneta Arbeláez, Alberto Lleras Camargo, José Ignacio Díaz Granados.

Panama: Harmodio Arias M., Julio J. Fábrega, Eduardo Chiari.

United States of America: Cordell Hull, Sumner Welles, Alexander W. Weddell, Adolf A. Berle, Jr., Alexander F. Whitney, Charles G. Fenwick, Michael Francis Doyle, Elise F. Musser.

Chile: Miguel Cruchaga Tocornal, Luis Barros Borgoño, Félix Nieto del Río, Ricardo Montaner Bello.

Ecuador: Humberto Albornoz, Antonio Pons, José Gabriel Navarro, Francisco Guarderas, Eduardo Salazar Gómez.

Bolivia: Enrique Finot, David Alvéstegui, Eduardo Díez de Medina, Alberto Ostria Gutiérrez, Carlos Romero, Alberto Cortadellas, Javier Paz Campero.

Haiti: H. Pauleus Sannon, Camille J. León, Elie Lescot, Edmée Manigat, Pierre Eugéne de Lespinasse, Clément Magloire.

Cuba: José Manuel Cortina, Ramón Zaydin, Carlos Márquez Sterling, Rafael Santos Jiménez, César Salaya, Calixto Whitmarsh, José Manuel Carbonell.

Who, after having deposited their full powers, found to be in good and due form, have agreed upon the following provisions:

ARTICLE 1

Taking into consideration that, by the Treaty to Avoid and Prevent Conflicts between the American States, signed at Santiago, May 3, 1923 (known as the Gondra Treaty) the High Contracting Parties agree that all controversies which it has been impossible to settle through diplomatic channels or to submit to arbitration in accordance with existing treaties shall be submitted for investigation and report to a Commission of Inquiry;

That by the Treaty for the Renunciation of War, signed at Paris on August 28, 1928 (known as the Kellogg-Briand Pact, or Pact of Paris) the High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another;

That by the General Convention of Inter-American Conciliation, signed at Washington, January 5, 1929, the High Contracting Parties agree to submit to the procedure of conciliation all controversies between them, which it may not have been possible to settle through diplomatic channels, and to establish a "Commission of Conciliation" to carry out the obligations assumed in the Convention;

That by the General Treaty of Inter-American Arbitration, signed at Washington, January 5, 1929, the High Contracting Parties bind themselves to submit to arbitration, subject to certain exceptions, all differences between them of an international character, which it has not been possible to adjust by diplomacy and which are juridical in their nature by reason of being susceptible of decision by the application of the principles of law, and moreover, to create a procedure of arbitration to be followed; and

That by the Treaty of Non-Aggression and Conciliation, signed at Rio de Janeiro October 10, 1933 (known as the Saavedra Lamas Treaty), the High Contracting Parties solemnly declare that they condemn wars of aggression in their mutual relations or in those with other states and that the settlement of disputes or controversies between them shall be effected only by pacific means which have the sanction of international law, and also declare that as between them territorial questions must not be settled by violence, and that they will not recognize any territorial arrangement not obtained by pacific means nor the validity of the occupation or acquisition of territories brought about by force of arms, and, moreover, in a case of noncompliance with these obligations, the contracting states undertake to adopt, in their character as neutrals, a common and solidary attitude and to exercise the political, juridical, or economic means authorized by international law, and to bring the influence of public opinion to bear, without, however, resorting to intervention, either diplomatic or armed, subject nevertheless to the attitude that may be incumbent upon them by virtue of their collective treaties; and, furthermore, undertake to create a procedure of conciliation;

The High Contracting Parties reaffirm the obligations entered into to settle, by pacific means, controversies of an international character that may arise between them.

ARTICLE 2

The High Contracting Parties, convinced of the necessity for the co-operation and consultation provided for in the Convention for the Maintenance, Preservation and Reestablishment of Peace signed by them on this same day, agree that in all matters which affect peace on the Continent, such consultation and co-operation shall have as their object to assist, through the tender of friendly good offices and of mediation, the fulfillment by the American Republics of existing obligations for pacific settlement, and to take counsel together, with full recognition of their juridical equality, as sovereign and independent states, and of their general right to individual liberty of action, when an emergency arises which affects their common interest in the maintenance of peace.

ARTICLE 3

In case of threat of war, the High Contracting Parties shall apply the provisions contained in Articles 1 and 2 of the Convention for the Maintenance, Preservation, and Reestablishment of Peace, above referred to, it being understood that, while such consultation is in progress and for a period of not more than six months, the parties in dispute will not have recourse to hostilities or take any military action whatever.

ARTICLE 4

The High Contracting Parties further agree that, in the event of a dispute between two or more of them, they will seek to settle it in a spirit of mutual regard for their respective rights, having recourse for this purpose to direct diplomatic negotiation or to the alternative procedures of mediation, commissions of inquiry, commissions of conciliation, tribunals of arbitration, and courts of justice, as provided in the treaties to which they may be parties; and they also agree that, should it be impossible to settle the dispute by diplomatic negotiation and should the States in dispute have recourse to the other procedures provided in the present Article, they will report this fact and the progress of the negotiations to the other signatory States. These provisions do not affect controversies already submitted to a diplomatic or juridical procedure by virtue of special agreements.

ARTICLE 5

The High Contracting Parties agree that, in the event that the methods provided by the present Convention or by agreements previously concluded should fail to bring about a pacific settlement of differences that may arise between any two or more of them, and hostilities should break out between two or more of them, they shall be governed by the following stipulations:

(a) They shall, in accordance with the terms of the Treaty of Non-Aggression and Conciliation (Saavedra Lamas Treaty) adopt in their character as neutrals a common and solidary attitude; and shall consult immediately with one another, and take cognizance of the outbreak of hostilities in order to determine either jointly or individually, whether such hostilities shall be regarded as constituting a state of war so as to call into effect the provisions of the present Convention.

(b) It is understood that, in regard to the question whether hostilities actually in progress constitute a state of war, each of the High Contracting Parties shall reach a prompt decision. In any event, should hostilities be actually in progress between two or more of the Contracting Parties, or between two or more signatory States not at the time parties to this Convention by reason of failure to ratify it, each Contracting Party shall take notice of the situation and shall adopt such an attitude as would be consistent with other multilateral treaties to which it is a party or in accordance with its municipal legislation. Such action shall not be deemed an unfriendly act on the part of any state affected thereby.

ARTICLE 6

Without prejudice to the universal principles of neutrality provided for in the case of an international war outside of America and without affecting the duties contracted by those American States, members of the League of Nations, the High Contracting Parties reaffirm their loyalty to the principles enunciated in the five agreements referred to in Article 1, and they agree that in the case of an outbreak of hostilities or threat of an outbreak of hostilities between two or more of them, they shall, through consultation, immediately endeavor to adopt in their character as neutrals a common and solidary attitude, in order to discourage or prevent the spread or prolongation of hostilities.

With this object, and having in mind the diversity of cases and circumstances, they may consider the imposition of prohibitions or restrictions on the sale or shipment of arms, munitions and implements of war, loans or other financial help to the states in conflict, in accordance with the municipal legislation of the High Contracting Parties, and without detriment to their obligations derived from other treaties to which they are or may become parties.

ARTICLE 7

Nothing contained in the present Convention shall be understood as affecting the rights and duties of the High Contracting Parties which are at the same time members of the League of Nations.

ARTICLE 8

The present Convention shall be ratified by the High Contracting Parties in accordance with their constitutional procedures. The original convention and the instruments of ratification shall be deposited with the Ministry of Foreign Affairs of the Argentine Republic, which shall communicate the ratifications to the other Signatory States. It shall come into effect when ratifications have been deposited by not less than eleven Signatory States.

The Convention shall remain in force indefinitely; but it may be denounced by any of the High Contracting Parties, such denunciation to be effective one year after the date upon which such notification has been given. Notices of denunciation shall be communicated to the Ministry of Foreign Affairs of the Argentine Republic which shall transmit copies thereof to the other Signatory States. Denunciation shall not be regarded as valid if the Party making such denunciation shall be actually in a state of war, or shall be engaged in hostilities without fulfilling the provisions established by this Convention.

In witness whereof, the Plenipotentiaries above mentioned have signed this Treaty in English, Spanish, Portuguese, and French,

and have affixed thereto their respective seals, in the City of Buenos Aires, Capital of the Argentine Republic, this twenty-third day of December of the year 1936.

RESERVATIONS

Reservation of the Argentine Delegation: (1) In no case, under Article VI, can foodstuffs or raw materials destined for the civil populations of belligerent countries be considered as contraband of war, nor shall there exist any duty to prohibit credits for the acquisition of said foodstuffs or raw materials which have the destination indicated.

With reference to the embargo on arms, each Nation may reserve freedom of action in the face of a war of aggression.

Reservation of the Delegation of Paraguay: (2) In no case, under Article VI, can foodstuffs or raw materials destined for the civil populations of belligerent countries be considered as contraband of war, nor shall there exist any duty to prohibit credits for the acquisition of said foodstuffs or raw materials which have the destination indicated.

With reference to the embargo on arms, each Nation may reserve freedom of action in the face of a war of aggression.

Reservation of the Delegation of El Salvador: (3) With reservation with respect to the idea of continental solidarity when confronted by foreign aggression.

Reservation of the Delegation of Colombia: (4) In signing this Convention, the Delegation of Colombia understands that the phrase "in their character as neutrals", which appears in Articles V and VI, implies a new concept of international law which allows a distinction to be drawn between the aggressor and the attacked, and to treat them different. At the same time, the Delegation of Colombia considers it necessary, in order to assure the full and effective application of this Pact, to set down in writing the following definition of the aggressor:

That State shall be considered as an aggressor which becomes responsible for one or several of the following acts:

(a) That its armed forces, to whatever branch they may belong, illegally cross the land, sea, or air frontiers of other States. When the violation of the territory of a State has been effected by irresponsible bands organized within or outside of its territory and which have received direct or indirect help from another State, such violation shall be considered equivalent, for the purposes of the present Article, to that effected by the regular forces of the State responsible for the aggression;

(b) That it has intervened in a unilateral or illegal way in the internal or external affairs of another State;

(c) That it has refused to fulfill a legally given arbitral decision or sentence of international justice.

No consideration of any kind, whether political, military, economic, or of any other kind, may serve as an excuse or justification for the aggression here anticipated.

Argentina:
CARLOS SAAVEDRA LAMAS.
ROBERTO M. ORTIZ.
MIGUEL ANGEL CÁRCANO.
JOSÉ MARÍA CANTILO.
FELIPE A. ESPIL.
LEOPOLDO MELO.
ISIDORO RUIZ MORENO.
DANIEL ANTOKOLETZ.
CARLOS BREBBIA.
CÉSAR DÍAZ CISNEROS.

Paraguay:
MIGUEL ANGEL SOLER.
J. ISIDRO RAMÍREZ.

Honduras:
ANTONIO BERMÚDEZ, M.
JULIÁN LÓPEZ PINEDA.

Costa Rica:
MANUEL F. JIMÉNEZ.
CARLOS BRENES.

Venezuela:
CARACCIOLO PARRA PÉREZ.
GUSTAVO HERRERA.
ALBERTO ZÉREGA FOMBONA.

Peru:
CARLOS CONCHA.
ALBERTO ULLOA.
FELIPE BARREDA LAOS.
DIÓMEDES ARIAS SCHREIBER.

El Salvador:
MANUEL CASTRO RAMÍREZ.
MAXIMILIANO PATRICIO BRANNON.

Mexico:
FRANCISCO CASTILLO NÁJERA.
ALFONSO REYES.
RAMÓN BETETA.
JUAN MANUEL ALVAREZ DEL CASTILLO.

Brazil:
JOSÉ CARLOS DE MACEDO SOARES.
JOSÉ DE PAULA RODRIGUES ALVES.
HELIO LOBO.
HILDEBRANDO POMPEU PINTO ACCIOLY.
EDMUNDO DA LUZ PINTO.
ROBERTO CARNEIRO DE MENDONÇA.
ROSALINA COELHO LISBOA DE MILLER.
MARÍA LUIZA BITTENCOURT.

Uruguay:
PEDRO MANINI RÍOS.
EUGENIO MARTÍNEZ THEDY.
FELIPE FERREIRO.
ABALCÁZAR GARCÍA.
JULIO CÉSAR CERDEIRAS ALONSO.
GERVASIO POSADAS BELGRANO.

Guatemala:
CARLOS SALAZAR.
JOSÉ A. MEDRANO.
ALFONSO CARRILLO.

Nicaragua:
LUIS MANUEL DEBAYLE.
JOSÉ MARÍA MONCADA.
MODESTO VALLE.

Dominican Republic:
MAX HENRÍQUEZ URENA.
TULIO M. CESTERO.
ENRIQUE JIMÉNEZ.

Colombia:
JORGE SOTO DEL CORRAL.
MIGUEL LÓPEZ PUMAREJO.
ROBERTO URDANETA ARBELÁEZ.
ALBERTO LLERAS CAMARGO.
JOSÉ IGNACIO DÍAZ GRANADOS.

Panama:
HARMODIO ARIAS M.
JULIO J. FÁBREGA.
EDUARDO CHIARI.

United States of America:
CORDELL HULL.
SUMNER WELLES.
ALEXANDER W. WEDDELL.
ADOLF A. BERLE, JR.
ALEXANDER F. WHITNEY.
CHARLES G. FENWICK.
MICHAEL FRANCIS DOYLE.
ELISE F. MUSSER.

Chile:
MIGUEL CRUCHAGA TOCORNAL.
LUIS BARROS BORGOÑO.
FÉLIX NIETO DEL RÍO.
RICARDO MONTANER BELLO.

Ecuador:
HUMBERTO ALBORNOZ.
ANTONIO PONS.
JOSÉ GABRIEL NAVARRO.
FRANCISCO GUARDERAS.

Bolivia:
ENRIQUE FINOT.
DAVID ALVÉSTEGUI.
CARLOS ROMERO.

Haiti:
H. PAULEUS SANNON.
CAMILLE J. LEÓN.
ELIE LESCOT.
EDMÉ MANIGAT.
PIERRE EUGÉNE DE LESPINASSE.
CLÉMENT MAGLOIRE.

Cuba:
JOSÉ MANUEL CORTINA.
RAMÓN ZAYDIN.
CARLOS MÁRQUEZ STERLING.
RAFAEL SANTOS JIMÉNEZ.
CÉSAR SALAYA.
CALIXTO WHITMARSH.
JOSÉ MANUEL CARBONELL.

Mr. PITTMAN. Mr. President, this is the most comprehensive of all the treaties which have been before the Senate today. It contains a number of reservations by several of the countries; and the Foreign Relations Committee, in presenting this treaty, also makes a reservation on behalf of the United States. I shall be glad to endeavor to answer questions which may be asked concerning the treaty by Senators who are not members of the Foreign Relations Committee.

The PRESIDING OFFICER. Does the Senator from Nevada desire to have read now the reservations made by other nations?

Mr. PITTMAN. I do not think it is necessary that the reservations be read, in view of the recommendations of the Foreign Relations Committee, unless some Senator desires them read.

Mr. KING. What are the recommendations?

Mr. PITTMAN. The resolution of ratification, of course, will be read later, but I will state the reservation which is made a part of the resolution of ratification, and which is as follows:

The United States of America holds that the reservations to this convention do not constitute an amendment to the text, but

that such reservations, interpretations, and definitions by separate governments are solely for the benefit of such respective governments and are not intended to be controlling upon the United States of America.

Mr. KING. Mr. President, may I make an inquiry of the Senator?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. I yield.

Mr. KING. Are any of the reservations made by other nations signatory to the treaty of such character as to increase or diminish the responsibilities resting upon the United States as a signatory to the treaty?

Mr. PITTMAN. I do not think that the committee so considered them. However, there was a reservation, such as this, on the part of Paraguay:

Reservation of the delegation of Paraguay: (2) In no case, under article VI, can foodstuffs or raw materials destined for the civil populations of belligerent countries be considered as contraband of war, nor shall there exist any duty to prohibit credits for the acquisition of said foodstuffs or raw materials which have the destination indicated.

That is a declaration as to what may constitute contraband of war in the event of war. We do not desire to be bound by the admission that that will always be true.

Mr. KING. May I ask another question?

Mr. PITTMAN. I yield.

Mr. KING. Assume signatories to the League of Nations or to the Kellogg-Briand Pact wage war among themselves; take two nations, they become belligerents and one of the two, if not both, appeals to the League of Nations, is there anything in this treaty that would drag the United States into the controversy, or would the appeal to the League of Nations by one of the parties, the other resisting, repeal ipso facto the provisions of the treaty under consideration as between the parties?

Mr. PITTMAN. To a certain extent, by its very terms, such a circumstance would repeal or abrogate the treaty, because it explicitly provides that all its provisions are subject to every other treaty that any of the signatory powers may have entered into. It also expressly provides that in the case of consultations each Government may make its own decision and act independently. So that is all taken care of.

Mr. KING. If the Senator will pardon me, I had in mind a case of this character: Supposing two South American republics, who are members of the League of Nations, became involved in a controversy and hostilities were imminent, indeed entered upon, and one of the parties appealed to the League of Nations for the purpose of settling the controversy and the other refused to do so, what would be our duty and the duty of the other signatories to the treaty in respect to both of the belligerents, and particularly to the belligerent that had appealed to the League of Nations for a determination of the conflict?

Mr. BORAH. Mr. President, I should like to say for myself that I do not find anything in these treaties that changes our attitude or relationship in any respect toward the League of Nations. Whatever might transpire under the treaties would not in any degree change our position or our relationship or our obligations so far as the League of Nations is concerned.

Mr. PITTMAN. That had to be taken care of, I will say, Mr. President, because some of the governments are still in the League of Nations and others are not. Undoubtedly, if two governments, members of the League of Nations, in the event of war should appeal to the League of Nations, our jurisdiction or responsibility under this treaty, even to the extent of engaging in consultation, would be eliminated.

Mr. LEWIS. Mr. President, may I ask, does not the able chairman understand that there is a specific negation against the assumption of our Government being drawn into a controversy between any governments of South or Central America or any other countries which might themselves ask the intervention of or endorse the League of Nations?

Mr. PITTMAN. I think it is clear all the way through.

Mr. LEWIS. Such is my understanding.

Mr. PITTMAN. That if the League of Nations is appealed to, it takes precedence over any form of consultation provided by this instrument.

The PRESIDING OFFICER. The treaty is before the Senate and open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification with the reservation will be read.

The legislative clerk read, as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of Executive P (75th Cong., 1st sess.), a convention to coordinate, extend, and assure the fulfillment of the existing treaties between the American states, signed at Buenos Aires on December 23, 1936, by the respective plenipotentiaries of the United States of America and the other 20 American republics, represented at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires in December 1936, with the following declaration as a part of such ratification:

"The United States of America holds that the reservations to this convention do not constitute an amendment to the text, but that such reservations, interpretations, and definitions by separate governments are solely for the benefit of such respective governments and are not intended to be controlling upon the United States of America."

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification with the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, with the reservation, is agreed to, and the treaty is ratified.

The PRESIDING OFFICER. That completes the consideration of treaties on the calendar for today.

Mr. ROBINSON. I suggest that the regular order of business in executive session be followed. I understand reports of committees come first.

EXECUTIVE REPORT OF A COMMITTEE—ROBERT FECHNER

Mr. WALSH, from the Committee on Education and Labor, reported favorably the nomination of Robert Fechner, of Massachusetts, to be Director of the Civilian Conservation Corps, which was ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state, in their order, the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Ralph E. Jenney to be United States district judge for the southern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Louis LeBaron, of Hawaii, to be first judge of the Circuit Court of Hawaii for the First Circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of William A. Holzheimer, of Alaska, to be United States attorney, division no. 1, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas J. Morrissey to be United States attorney for the district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John A. Carver to be United States attorney for the district of Idaho.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Frank L. Middleton to be United States marshal for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of W. Joe Ballard to be United States marshal for the western district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Ernest L. Bailey to be State director, National Emergency Council, West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk read the nomination of Joseph H. Lyons to be collector of customs, customs collection district no. 19, with headquarters at Mobile, Ala.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William B. George to be collector of customs, customs collection district no. 25, with headquarters at San Diego, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles O. Dunbar to be collector of customs, customs collection district no. 28, with headquarters at San Francisco, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMPTROLLER OF CUSTOMS

The legislative clerk read the nomination of Arthur A. Quinn, of New Jersey, to be comptroller of customs, customs collection district no. 10, with headquarters at New York, N. Y.

The PRESIDING OFFICER. Without objection the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Allen M. Perkins to be dental surgeon, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

LEGISLATIVE SESSION

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

MAY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of May 1937, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following joint resolution of the Legislature of the State of Maryland, which was referred to the Committee on the District of Columbia:

Joint resolution requesting Congress to increase the gasoline tax in the District of Columbia

Whereas the present rate of tax on gasoline in the District of Columbia is lower than the rates imposed by Maryland and Virginia; and

Whereas this results in a hardship on the gasoline dealers in the State of Maryland adjoining the District of Columbia; and

Whereas most of the States have a higher rate of tax on gasoline than the District of Columbia: Therefore be it

Resolved by the General Assembly of Maryland, That the United States Congress be and it is hereby requested to enact legislation increasing the tax on gasoline to 4 cents per gallon in the District of Columbia; and be it further

Resolved, That the secretary of state be, and he is hereby, requested to send under the great seal of the State of Maryland a copy of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to each of the Senators and Representatives from Maryland in the United States Congress.

The PRESIDENT pro tempore also laid before the Senate the following joint resolution of the Legislature of the State of Maryland, which was ordered to lie on the table:

Joint resolution expressing appreciation to the President and Congress of the United States

Whereas during the past 4 years the President of the United States, through his unparalleled leadership and guidance, has carried the country through one of the greatest economic depressions in the history of the country; and

Whereas the President and Congress of the United States have made available funds not only for the relief and care of the needy and unemployed, but have also made provision for the aged and for the dependent and neglected children; and

Whereas the President and Congress have, for the purpose of giving employment, granted funds to the several States, counties, municipalities, and other subdivisions of the States for the construction of public works and have in addition loaned funds to banks, railroads, and other corporations, which have enabled them to continue operations in the interest of the people generally; and

Whereas as a result of the initiative, incomparable leadership, and guidance of the President of the United States, confidence has been restored and the industrial, commercial, agricultural, and financial conditions have been greatly improved: Therefore be it

Resolved by the General Assembly of Maryland, That the appreciation and gratitude of the people of Maryland be, and they are hereby, extended to the Honorable Franklin Delano Roosevelt, President of the United States, and to the Congress of the United States for the great benefits which they have brought to the people of the State of Maryland during the past 4 years and for the general improvement of social, business, economic, and welfare conditions; and be it further

Resolved, That the secretary of state of Maryland be, and he is hereby, directed to send, under the great seal of the State of Maryland, a copy of this resolution to the President of the United States, to the Speaker of the House of Representatives, and to the President of the Senate of the United States Congress.

Mr. COPELAND presented a resolution, adopted by the Common Council of the City of Buffalo, N. Y., protesting against adoption of the proposal to make sponsors of W. P. A. projects pay 40 percent of the labor costs thereof, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by the Stoneham (Mass.) League for Peace Action, favoring ratification of treaties initiated by the Buenos Aires Inter-American Conference providing for compulsory consultation in case of war threats, for the extension of liberal trade policies, and for educational exchanges, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Stoneham (Mass.) League for Peace Action, favoring the enactment of legislation providing for the submission of proposed declarations of war to a referendum of the people, except in case of invasion, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Stoneham (Mass.) League for Peace Action, favoring consideration of the so-called Boileau bill, being the bill (H. R. 1488) to establish the Department of National Defense, to limit the activities of the national-defense establishments to defense purposes only, to make such establishments instruments of national peace, and for other purposes, which was referred to the Committee on Military Affairs.

INDUSTRIAL MOBILIZATION PLAN—RESOLUTIONS OF FARMERS' UNION, SHEYENNE, N. DAK.

Mr. NYE presented a letter embodying resolutions from the resolutions committee of the Farmers' Union of Sheyenne, N. Dak., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Hon. GERALD P. NYE,
Washington, D. C.

DEAR SENATOR NYE: The following resolution was unanimously adopted at our Farmers' Union meeting, and we request that you have same inserted in the CONGRESSIONAL RECORD:

"*Resolved* by 150 people present (mostly Farmers' Union members) at Sheyenne, N. Dak., this 10th day of June 1937, That we

are unalterably opposed to the Sheppard-Hill bill, the so-called industrial mobilization plan, as destructive of our freedom and un-American. Under no conditions will we submit, as Rev. Emerson Fosdick says, to "allow ourselves or our sons to be used as cannon fodder"; be it further

Resolved, That copies of this resolution be sent to President Franklin D. Roosevelt, Vice President Garner, Senators NYE and FRAZIER, and Congressmen LEMKE and BURDICK, also the North Dakota Union Farmer, and request Senator NYE to have this resolution inserted in the CONGRESSIONAL RECORD.

O. C. LANSVERK,
H. R. ASLAKSON,
H. G. HENDRICKSON,
Resolutions Committee.

REPORTS OF COMMITTEES

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (H. R. 1561) for the protection of oyster culture in Alaska, reported it without amendment and submitted a report (No. 827) thereon.

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

H. R. 4716. A bill authorizing the construction and equipment of a marine hospital in the State of Florida (Rept. No. 828); and

H. R. 5140. A bill to provide for the establishment of a Coast Guard station at or near St. Augustine, Fla. (Rept. No. 832).

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

S. 2335. A bill to amend the laws relating to enlistments in the Coast Guard, and for other purposes (Rept. No. 834);

S. 2336. A bill to adjust the pay of certain Coast Guard officers on the retired list who were retired because of physical disability originating in line of duty in time of war (Rept. No. 835);

H. R. 4896. A bill to authorize a preliminary examination and survey of Cayuga, Buffalo, and Cazenovia Creeks, N. Y., with a view to the control of their floods (Rept. No. 829);

H. R. 5040. A bill to provide for the establishment of a Coast Guard station at or near Beaver Bay, Minn. (Rept. No. 830);

H. R. 7017. A bill to amend section 4450 of the Revised Statutes of the United States, as amended by the act of May 27, 1936 (49 Stat. 1380, 1383; U. S. C., 1934 ed., title 46, sec. 239) (Rept. No. 836); and

H. R. 7401. A bill to authorize the Secretary of Commerce to convey to the Commissioners of the Palisades Interstate Park, a body politic of the State of New York, certain portions of the Stony Point Light Station Reservation, Rockland County, N. Y., including certain appurtenant structures, and for other purposes (Rept. No. 837).

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 6287) to amend Public Act No. 467, Seventy-third Congress, entitled "Federal Credit Union Act", reported it without amendment and submitted a report (No. 833) thereon.

EXTENSION OF TIME FOR INSTALLING SPRINKLER SYSTEMS ON PASSENGER VESSELS—REPORT OF COMMITTEE ON COMMERCE

Mr. COPELAND, from the Committee on Commerce, reported an original joint resolution (S. J. Res. 172) to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended", which was read twice by its title and ordered to be placed on the calendar.

BILLS INTRODUCED

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

By Mr. ASHURST (by request):

A bill (S. 2721) to amend the White Slave Traffic Act in respect of women and girls under 18 years of age; to the Committee on the Judiciary.

By Mr. CHAVEZ and Mr. HATCH:

A bill (S. 2722) to authorize the construction of the San Juan-China transmountain diversion reclamation project in New Mexico; to the Committee on Irrigation and Reclamation.

By Mr. COPELAND:

A bill (S. 2723) to amend paragraph 1733 of subtitle II of the Tariff Act of 1930; to the Committee on Finance.

By Mr. CLARK:

A bill (S. 2724) granting an increase of pension to Helen Dorsey; and

A bill (S. 2725) granting an increase of pension to Mrs. Thomas H. Jackson; to the Committee on Pensions.

By Mr. MOORE:

A bill (S. 2726) for the relief of Mrs. George Orr; and

A bill (S. 2727) for the relief of Newark Concrete Pipe Co.; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 5860) making further provision for the fisheries of Alaska, was read twice by its title and referred to the Committee on Commerce.

STAMP PROVISIONS OF BOTTLING IN BOND ACT—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H. R. 6737) to amend the stamp provisions of the Bottling in Bond Act, which was ordered to lie on the table and to be printed.

THE FUTURE OF AMERICAN DEMOCRACY—ARTICLE BY DR. STUDEBAKER

Mr. NYE. Mr. President, having read recently an article published in the official organ of the American Legion which I am inclined to believe properly belongs in the CONGRESSIONAL RECORD, it is my intention to ask unanimous consent to have it so printed. Before doing so I desire to submit a remark or two in reference to it.

While the article, entitled "Safer for Democracy", written by Dr. J. W. Studebaker, United States Commissioner of Education, is addressed primarily to the American Legion, it carries a vital message to every American as well. It defines the democratic system in definite and practical terms and emphasizes the need for mass education as a cornerstone for a democratic and peaceful world.

The junior Senator from Oklahoma [Mr. LEE] has introduced a bill which I hope will receive the careful consideration of the Members of this body, providing for a 3-year public forum demonstration program in the various States. While the plan outlined in the bill does not appear at first glance to compare in significance to some of the proposals calling for huge outlays of funds, it is nevertheless a measure which is more important to the future of American democracy than any which has come to my attention in recent months. I for one am convinced that unless the citizens of a democracy are constantly discussing and studying the basic problems, local, national, and international, we cannot expect the intelligent understanding necessary to grapple with these issues.

During the past year and a half, under emergency funds and local administrations, Commissioner Studebaker has been demonstrating the value and significance of this type of education in some 19 centers in 19 States. In these places, with a total population of about 4,000,000 people, more than 10,000 meetings have been held, attended by more than one and a half million people. If this procedure were being followed in other States, and in hundreds of communities in these States, we might be more confident that our great democracy rests upon a sure foundation of intelligent public opinion. Therefore I commend for the attention of the American people this brief but significant article by Commissioner Studebaker, which I ask unanimous consent to have printed in connection with my remarks.

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

[From the American Legion Monthly for June 1937]

SAFER FOR DEMOCRACY

(By J. W. Studebaker, United States Commissioner of Education)

"We won't come back till it's over, over there", ran a popular wartime song. This was the spirit of the recruits in 1917–18. They were enlisted for the duration of the war. We were given two slogans in those days. One was, "A war to end war." The other was, "To make the world safe for democracy."

The casual reader of the newspapers knows that the world is on the brink of another war, and that no country on earth is now "safe for democracy." Quite apart from the controversy which continues to rage concerning the underlying causes of the war, few Americans will dispute the desirability of achieving the two ends given us as slogans. In terms of those objectives, the war was a fight to a draw and the peace treaty defined the terms of the next armed conflict.

Those who entertain these two great goals—world peace and world democracy—know that the struggle to attain them has never ended. As a matter of fact, the struggle has now advanced to a most critical stage. The forces of democracy and peace have been driven to the wall by the forces of dictatorship and imperialism. The struggle on the political front has now come to a crisis where it again may be shifted to the military front. Those who went "over there" are back, but they know that it isn't "over, over there." It looks as though our real problem is to keep that basic conflict from spreading over here.

The question which confronts us as enlisted recruits in the struggle that never ended is, "What can we do to win an eventual victory; that is, a warless, democratic world?" It would seem to be good tactics to hold the line of democracy here in America. I would suggest for our slogan, "Organize to preserve and extend in America what we fought to make the world safe for." That may be poor grammar, but it appeals to me as good sense all the same.

A slogan is a crystallized philosophy, an abbreviated purpose for action. It is a useful thing if the people who get together to work for it know what it means. It is a dangerous thing if it becomes a substitute for thinking.

The basic ideas and ideals of a democratic society are simple and yet profound. No society has yet applied them to all of the aspects of social organization. Indeed, the prerequisites of democratic behavior are so severe that the progress from despotism on the one hand to complete self-government on the other must of necessity be slow and halting. The urge in man for power over his fellow man which has been passed on from tribal days must be sublimated by an intelligent understanding of the infinite possibilities of man's power with man.

People have to learn the ways of democratic behavior. Like all other strong human urges, the passion for power over people can be mastered only by the substitution of other patterns of behavior through education. Therefore the battlefront in the world-wide struggle for democracy stretches from the home through the schools, the local community, State and Nation to the international conference table. Parents who encourage children to join in a cooperative organization of family life as early as possible are contributing to a world "safe for democracy." Schools which develop self-government, self-discipline, and the practice of respecting group decisions prepare youth for citizenship in a democracy. Educational and social organizations which define greatness of character in terms of service and meanness of character in terms of exploitation lead us toward the democratic ideal.

The world or any section of it will be a safe place for the flowering of democracy when enough people understand and practice the fundamental principles of that way of life. Essentially, the idea of democracy contains two important principles. First, the freely expressed will of the majority is law. Second, the right and privilege of people in the minority to attempt to become the majority through peaceful persuasion is scrupulously protected. The phrases "majority rule" and "freedom of expression" are commonplace in our vernacular. But the realization of their profound meaning in national and international affairs requires patient and careful education and organization.

If the will of the majority is expected to promote progress and intelligent action, the masses of people must have access to thoroughgoing educational preparations. The leaders of the democratic idea have always maintained that it could not be achieved without mass education. At least three kinds of educational experience are necessary for citizens of a democracy.

First, they must learn to use the tools of communication—reading, writing, and speech. People who cannot read are slaves whether they have the right to vote or not.

Second, they must learn in actual practice in group life, starting with the family and continuing in all other social groupings, the methods and techniques of self-government. People must be educationally prepared to treat each other as free, self-respecting human beings. They must come to understand the ways of getting things done with group understanding and participation. When it is generally recognized that people who seek to arrive at goals, no matter how worthy, by the use of dictation and force, are anti-social persons, we may consider our educational and social institutions successful in citizenship training.

Third, the citizens and those preparing for citizenship should have educational facilities for the continuous study and discussion of the problems which require their intelligent attention.

Majority rule, of course, implies some power to compel compliance. But if the people understand and participate intelligently in important decisions, and if they have learned the essentials of democratic behavior, the problem of securing compliance is not so difficult to solve with the minimum of force. The great difficulty arises when the members of the minority are unwilling to accept the expressed will of the majority and seek to change that will by force. This unwillingness to accept majority government when it rules contrary to one's own hopes or interests must be dealt with educationally on the school playground, in summer camps, in student self-government, in social groups of all kinds.

People who have not, by and large, come to appreciate the importance of compliance with majority rule are not prepared for citizenship in a democracy. Therefore, we will do well to inspect carefully the methods we are using in the home, in the school, and in our various organizations to see that we are really promoting a respect for and confidence in majority rule. Without mass confidence in the ultimate value of majority rule, we face the danger of open clashes between majority and minority forces, called civil war. This is a reversion to the old way of deciding important matters by contest of armed forces. The policy is made by the side which can kill most efficiently the people on the other side.

But we should never forget that respect for and confidence in majority rule are engendered and increased only by a majority attitude which scrupulously protects the minority in its chance to become the majority by processes of peaceful persuasion, by free discussion, by argument. Centuries of human struggle have taught us that it is in a minority which has been coerced into silence by an arrogant and intolerant majority that the seeds of violence are planted. Therefore, those of us who profess to believe in the democracy of self-government by majority rule bear the responsibility of exemplifying tolerance toward the dissenting voice of the minority. And, on the other hand, the minorities which clamor for the right to be heard and which protest against restrictions of civil liberties must recognize their obligation not to use these liberties as a means of establishing a social order that would place control in the mailed fist of a new and intolerant majority.

The democratic method rests on the process of counting noses and not corpses. But it takes a high state of culture and civilization to get social action in this way.

In international affairs, the Kellogg Pact notwithstanding, there is still a general reliance on the method of counting corpses to arrive at important decisions. We know that this is costly and uncivilized. We have made some attempts to decide things internationally by counting noses. But governments are reluctant to give up the right to turn to the old method in case they get an unfavorable decision through majority rule.

So, it appears, the desirable slogan "to end war" is dependent in the last analysis upon the world-wide achievement of the other slogan, "to make the world safe for democracy." When the democratic idea is being practiced by people in all parts of the world in their homes, schools, social and political institutions, we may expect to see this civilized technique of social progress employed in international affairs. In other words, it is my conviction that a democratic world is essential to a warless world.

The scene abroad looks rather dreary and to some hopeless. We ourselves hold a strategic place of world influence. The question is put to us: "Will democracy work in this new, complex machine age?" If we can make it work here to create an ordered social and economic progress resulting in the greatest good for the greatest number, it will spread by contagion. The present trend toward new chaos and economic collapse which characterizes the old-style dictatorships turns the attention of people abroad to successful experience with democracy.

Therefore, I can think of nothing more significant for the veterans of a struggle fought under the slogan "to make the world safe for democracy" to do, than to enlist their support behind those educational institutions which give our democracy a good fighting chance to survive and mature. This involves support of our public school system which equips youth with the tools of expression and a basic understanding of the history and nature of our world. It involves the intelligent support of all educational and social institutions which train youth and adults in the habits of democratic action. It also involves, in my opinion, vigorous support of discussions, forums, study groups, and adult civic education programs.

If we seriously want to perpetuate the democratic ideas of majority rule and freedom of expression, we must somehow perfect ways and means of enabling free citizens to come to an understanding of the perplexing problems over which they must exercise their rulership.

The enemy within the gates of a democratic society is he who accepts the rights of citizenship without discharging his responsibility of studying the problems of his community and country. But it seems to me that we cannot mark these "slackers" in the struggle for a democratic world unless we plan and operate educational facilities for the use of all the people in achieving civic understanding. If we do organize such institutions for adult discussion and study, we may come to the day when the citizen who neglects to inform himself as a prerequisite to the exercise of citizenship will be subject to the pressure of public disapproval.

A Nation-wide system of adult civic education operated under local managements appeals to me as an important phase of national defense, if what we are really defending is our democratic tradition as well as the land which gave it birth. The duration of the war is perhaps longer than we at first expected. We cannot truly call ourselves veterans until the basic struggle to make the world safe for democracy has ended in a victory. Education of the three types I have suggested is essential to the winning of eventual victory. For services already rendered to the cause of public education, grateful credit is given to the American Legion. The future offers even greater challenges to those who are still enlisted in the cause of a democratic and warless world.

ADDRESS BY HON. JAMES A. FARLEY AT OLD ORCHARD, MAINE

[Mr. BROWN of New Hampshire asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley at Old Orchard, Maine, Thursday evening, June 24, 1937, which appears in the Appendix.]

SIGNS OF PROSPERITY—ARTICLE FROM THE WASHINGTON STAR

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article entitled "Signs That Prosperity Has Turned That Corner", written by Lucy Salamanca and published in the Washington Star of Sunday, June 27, 1937, which appears in the Appendix.]

EXTENSION OF REDUCED INTEREST RATE ON FEDERAL LAND-BANK LOANS

Mr. BARKLEY. Mr. President, on the 7th of June the House of Representatives passed House bill 6763, extending for 1 more year the reduced rate of interest on Federal land-bank notes. Two years ago Congress reduced the rate of interest on land-bank loans to 3½ percent to apply for a period of 2 years. That reduction expires tomorrow, the 30th day of June. The Farm Credit Administration, while opposing the reduction, are anxious to know what they must do about the reduced rates of interest beginning July 1.

The Banking and Currency Committee, through a subcommittee of which I happen to be chairman, held hearings on the matter of extension, and the subcommittee reported to the full committee favorably recommending the extension. This morning the full committee directed that the bill be reported favorably to the Senate with an amendment.

In order that the matter may be determined and that the Farm Credit Administration may know what it is expected to do with respect to the collection of interest beginning July 1, I ask unanimous consent that I may be permitted at this time to report the bill to the Senate, and then I shall ask for its present consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky for permission to report the bill? The Chair hears none.

Mr. BARKLEY. From the Committee on Banking and Currency I report back favorably, with amendments, the bill (H. R. 6763) to extend for one additional year the 3½-percent interest rate on certain Federal land-bank loans, to provide a 4-percent interest rate on such loans for the period July 1, 1938, to June 30, 1939, and to provide for a 4-percent interest rate on land bank commissioner's loans for a period of 2 years, and I submit a report (No. 831) thereon.

I now ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

Mr. KING. Mr. President, I do not know that I shall object, but I think we ought to have a little further time for consideration of the matter. It is my understanding that the President of the United States has indicated, after full consideration of the questions involved, the condition of the Treasury, and all the implications that would arise from the measure, that it is not wise, and he has recommended adversely. The Senator from Kentucky has just stated that Dr. Myers, head of the Farm Credit Administration, which is intimately connected with the law and its enforcement, has also recommended adversely.

I wonder if the exigency is such as to warrant the Senate now, in view of the facility which we have always exhibited toward approving recommendations of the President, in rejecting his suggestion and the suggestion of the organization primarily concerned with the matter, and now take up the bill for consideration?

Mr. BARKLEY. Mr. President, in that connection I have purposed to have read the letter of the President relating to the matter. I shall explain the situation very briefly so that all Senators may understand what is the real issue.

If the bill is not passed at once, then, beginning day after tomorrow, the Farm Credit Administration must collect the normal rate of interest because the extension of the reduced rate expires tomorrow by operation of law. Regardless of the attitude of the Farm Credit Administration, it is necessary for them to know what they are expected to do about it, and we have only 1 more day in which we can act. If the Senate does not see fit to pass the bill, then automatically the rate goes back to the normal rate. If we do pass the bill, then for 1 more year the rate of 3½ percent will be maintained.

Mr. McNARY. Mr. President, I understand the able leader on the Democratic side of the Chamber intends later to move a recess until Thursday. That is the emergency which the Senator from Kentucky is now trying to meet. I favor the proposal made by President Roosevelt and by Mr. Myers, of the Farm Credit Administration. The reduced rate is to be extended for only 1 year. So far as I am concerned, I have no objection to the present consideration of the bill.

Mr. BORAH. Mr. President, if there is no objection to the present consideration of the bill, I have nothing to say.

Mr. CONNALLY. Mr. President, I hope there will be no objection, because this is a matter in which a considerable section of the country is deeply interested. It has already been shown that if we are going to act at all, we must act quickly. I hope there will be no objection to the present consideration of the bill.

Mr. GEORGE. Mr. President, did I correctly understand the Senator to say the proposal is to extend the present rate of interest for 2 years or for 1 year?

Mr. BARKLEY. The present rate is to be extended 1 year, and then a rate of 4 percent is fixed for the following year. There is an extension for 2 years of a reduced rate, but for the first year the 3½ percent will remain as it has been for the last 2 years, and for the second year the rate will be 4 percent.

Mr. GEORGE. I express the hope there will be no objection to the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill as requested by the Senator from Kentucky [Mr. BARKLEY]?

There being no objection, the Senate proceeded to consider the bill (H. R. 6763) to extend for 1 additional year the 3½-percent interest rate on certain Federal land bank loans, to provide a 4-percent interest rate on such loans for the period July 1, 1938, to June 30, 1939, and to provide for a 4-percent interest rate on land-bank commissioner's loans for a period of 2 years, which had been reported from the Committee on Banking and Currency with an amendment.

The PRESIDENT pro tempore. The amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 2, after line 9, it is proposed to strike out section 2, as follows:

SEC. 2. Section 32 of the Emergency Farm Mortgage Act, as amended (relating to loans by the Land Bank Commissioner), is amended by adding at the end thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section outstanding when this amendatory paragraph takes effect or made on or after such date, shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing on the date when this amendatory paragraph takes effect."

So as to make the bill read:

Be it enacted, etc., That (a) effective July 1, 1935, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to reduction in interest rates on certain Federal land-bank loans), is amended by striking out the following: "occurring within a period of 2 years commencing July 1, 1935" and inserting in lieu thereof the following: "occurring within a period of 3 years commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1938."

(b) The fourth sentence of such paragraph "Twelfth" (relating to the time limit on payments made by the United States to land banks on account of such interest reduction) is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1939."

Mr. BARKLEY. Mr. President, the House bill would extend the 3½-percent interest rate for 1 year as it has existed for the past 2 years. Then it is provided that a 4-percent rate of interest shall apply for a second year beginning

July 1, 1938, and running until July 1, 1939. From now until July 1, 1938, the rate would remain at 3½ percent as provided by the action of Congress of 2 years ago.

Section 2 of the bill deals with loans upon which the interest rate has never been reduced; that is, commissioner's loans. The rate of interest on commissioner's loans, which are of a secondary nature or the security for which may be second mortgages, chattel mortgages, or security of a lower degree than first mortgages on farms, is limited under the law providing for obtaining loans through the ordinary farm-loan associations and the Farm Credit Administration.

There never has been any reduction in the rate on the commissioners' loans. The rate has been 5 percent since they were inaugurated. The reason for that is that since the loans are of a secondary nature, the chances are that there will be greater losses on the commissioners' loans than on the first-mortgage loans taken by the farm-loan associations. The security for the commissioners' loans is not as good as the security for the first-mortgage loans; and now that we are at least on the way out of the depression and up the hill, and inasmuch as no action ever has been taken by Congress to reduce the interest on the commissioner's loans, the committee felt that it was not well now to begin a new practice, but was wiser simply to continue the status quo as it has existed with respect to farm loans generally. For that reason the committee struck out section 2, which makes a reduction in the interest on commissioner's loans in addition to the reduction of interest on land-bank loans already provided for.

Mr. CONNALLY. Mr. President——

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. CONNALLY. I have here the House bill. There does not seem to be any Senate committee amendment in it.

Mr. BARKLEY. I will say to the Senator that the committee acted only this morning. The report has not been formally made; but in the copy which I have reported I have stricken out section 2, which provides for a reduction in the rate of interest on the commissioners' loans.

Mr. CONNALLY. Why should not the interest on the commissioners' loans be reduced, as well as the interest on the other loans? The commissioners' loans are harder to pay now than the others, because they are based on second liens, and are more shaky. I do not see any reason why we should make it still harder to pay them by providing for an increased rate of interest.

Mr. BARKLEY. Of course the question also involves the Treasury. I will say frankly that a legitimate argument may be made in favor of a reduction of interest on commissioners' loans on the same basis as land-bank loans, but the reduction in the rate of interest on land-bank loans means an outlay of $31,000,000 per year from the Treasury. In other words, it is an outright grant from the Treasury of $31,000,000. The reduction in the rate of interest on commissioners' loans involves an outlay of $9,000,000; so both of them together mean that out of the Treasury there must be taken $40,000,000 per annum in order to meet the deficiency in the interest charged the farmer. That is the amount that the Government is out.

Inasmuch as the commissioners' loans have gone along for the past 2 or 3 years at the rate of interest which has prevailed—there has been no agitation, and really no particular request for a reduction of the interest on those loans—and in view of the fact that interest rates are always based somewhat upon the possibility of loss, on the whole, by reason of the character of the loans, the committee felt and the Farm Credit Administration feels that if this extension is to be made of the 3½-percent interest rate on land-bank loans, we ought not now to enter a new field and reduce the interest rate on commissioners' loans.

That is the explanation, I will say to the Senator.

Mr. BORAH. Mr. President, if this amendment is adopted, changing the House bill, the measure will have to go back to the House.

Mr. BARKLEY. That is true.

Mr. BORAH. And in that event we are likely to lose it. It must become a law by tomorrow.

Mr. BARKLEY. Of course, if the bill should be passed now and sent to the House today, the House could act on it, and either accept or reject the amendment, and then it would be an easy matter to adjust. I do not think there would be any delay beyond the 1st of July by reason of the amendment.

I will say to my friend from Texas that that is the reason why the amendment was adopted by the committee.

Mr. CONNALLY. Mr. President, I hope the Senate will not adopt this amendment.

The Senator from Kentucky suggests that there will be a loss to the Treasury on these two transactions. That is altogether possible and likely; but, Mr. President, if we are going to pay out any bounties, or are going to give any "hand-outs", this is the best place I know to do it, because here we are helping people who are helping themselves.

We have been through a very critical period in the United States in the way of holding on to land during this depression. Commissioners' loans are instrumentalities that were devised to help out the man who had a farm and was trying to pay for it by giving him a further increase of loan. Many of these farmers will pay out. They are on the land, they are working, they are digging, they are trying to get out, and they are not on a relief roll in town. If we can give a billion and a quarter dollars to people to do nothing, I do not see how the Government will suffer much by giving $40,000,000 in the form of reduced interest rates to people who are at work establishing homes and increasing the value of those homes.

That is just the plain situation. In my State and in many other farm States the people have been gallant during the depression. They have stayed on the land and suffered, and could not pay their interest; but they have worked and rearranged matters and refinanced their loans, and now they are coming out. I believe this is money well spent, and I particularly hope the Senate will not adopt the Senate committee amendment.

As was so well pointed out by the Senator from Idaho [Mr. BORAH], if we adopt the amendment the bill will have to go back to the House. I assume the House meant what it said when it passed the bill with section 2 in it; and the House may not be as complaisant as the Senator from Kentucky seems to think it is. It may resist. The bill may go to conference; and, furthermore, the President may veto the bill. This is not an administration bill, even though it is sponsored by the leadership here on the floor of the Senate, because the President, in his message which is set out in the hearings, states that he is opposed to it. Therefore, even after the bill gets to the House we may have to vote on a veto—that is, some of us.

So, Mr. President, I hope the Senate will not adopt this amendment, but will pass the bill as it passed the House. This is one place where we can help people who are helping themselves, not directly by giving them something, but indirectly by lowering the interest rate. The land banks will have to absorb some of the reduction for this period of extension; but it is justified aid, it is sound aid, given to people who are trying to build homesteads and trying to pay for them, and who are out in the hot sun at work. While some of the W. P. A. people are standing out here in the lobby of the Senate of the United States, coming to Washington on Government money and lobbying for the continuation of made work, free jobs, the farmers are asking this slight concession.

I hope the Senate will reject the amendment of the Senate committee.

Mr. BARKLEY. Mr. President, in connection with the whole subject I think it would be well to have the letter of the President read into the RECORD. The letter was written to a Member of the House of Representatives, the chairman of the House Committee on Agriculture. It was written the day following the passage of the bill through the House. The President was not aware of the fact that on the 7th

day of the month the bill had passed the House; and on the 8th he wrote this letter to Hon. MARVIN JONES, chairman of the House Committee on Agriculture. I think the President's letter ought to be read, because it is in harmony with the position taken by the Farm Credit Administration in its testimony before the subcommittee.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, June 8, 1937.

Hon. ROBERT F. WAGNER,
Chairman, Senate Committee on Banking and Currency,
Washington, D. C.

MY DEAR SENATOR: I am enclosing herewith a copy of a letter which I have sent today to Hon. MARVIN JONES, chairman of the Committee on Agriculture of the House of Representatives. H. R. 6763, has, of course, not yet been acted on by the House, and I am sending you this merely to keep you informed.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

[Enclosure]

JUNE 8, 1937.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am disturbed by the provisions of H. R. 6763 and think I should advise you of the situation which the passage of this bill would create. The whole question involves the rate of interest charged by Government agencies and relates not only to farm loans but also to moneys lent by the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, the Public Works Administration, and other agencies.

We ought, first of all, to examine into the original object of the Congress and the administration in 1933. It was—

1. To stop wholesale foreclosures and failures by refinancing the debts of farmers, home owners, counties, cities, towns, small businesses, and banks on a basis that would permit them to pay out as national prosperity returned.

2. To provide for extensions of principal and interest payments which farmers, home owners, etc., were unable to meet because of causes beyond their control.

In the case of farmers, they were the only classification of the many listed above who were given temporary reductions in interest rates to assist in their financial rehabilitation. This was done because of their then existing mortgages due to the Federal land banks, which had been made necessary by previous conditions.

In regard to farm borrowers, there was another definite objective—to avoid the old custom of 6 or 7 or 8 percent charged on first mortgages and 8, 10, 12, and even 15 percent charged for second mortgages.

At the time the original legislation for farmers, home owners, businessmen, banks, municipalities, etc., was passed, no one thought, and no reasonable person should think today, that the Government of the United States should permanently subsidize these borrowers by an annual grant or gift caused by legalizing an abnormally low rate of interest.

It is not reasonable to insist that 4 percent on a first mortgage for a farmer or 5 percent on a second mortgage is an unreasonably high rate of interest.

Everybody knows that the Government, as well as the Federal land banks, has to borrow money before it lends it and must, therefore, get that rate back. On long-term borrowings the Government would have to pay a rate of interest of about 3 percent. The Federal land banks or the Government must stand the cost of servicing loans and collecting the interest which, on the average, amounts to a little less than 1 percent. In addition to this, there are losses which will amount to at least one-half of 1 percent to 1 percent additional. The net result is that, at present, the Federal land banks must get a 4-percent return on first mortgages and the Government a 5-percent return on second mortgages (where, of course, the losses are heavier), in order nearly to break even.

Any reduction below these rates constitutes a gift from the Federal Treasury.

In the case of H. R. 6763, the additional cost to the Government of the United States would be more than $40,000,000 a year. It seems to me that the Congress should be definitely advised of this fact before taking action on this bill.

The passage of this bill was clearly not contemplated in the preparation of the Budget for the fiscal year 1938. As you know, I am definitely seeking the balancing of that Budget. The problem is a comparatively simple one from the budgetary standpoint: If the Budget is thrown out of balance through extra appropriations or obligations, new taxes alone will bring the Budget into balance.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

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

Mr. BARKLEY. I will be glad to answer if I can.

Mr. VANDENBERG. I should like to be sure that I understand the situation. Is it correct that, once the committee amendment is adopted, this bill not only will extend the previous gift, but will add a brand new gift that will cost $9,000,000, and put the Budget that much more out of balance?

Mr. BARKLEY. That is correct.

Mr. VANDENBERG. Under those circumstances, it would seem to me that since the bill itself runs the possibility of a veto, in view of the President's letter those who are anxious to get completed legislation had better not add another uncontemplated burden which certainly would produce a veto.

Mr. BARKLEY. Mr. President, I appreciate the suggestion of the Senator. Personally, I have no interest, one way or the other, in whether this amendment is adopted or not. I am merely trying to represent the committee in presenting it, and giving the reasons which actuated the committee in striking out section 2.

There are in this country more than 6,000,000 farmers, and of that 6,000,000 about 650,000 are borrowers from the Federal land banks. About one-tenth of the total number of farmers in the United States borrow money from the land banks. There are between five and six hundred thousand of the Commissioner's loans, but because of the duplication, many of the original borrowers also borrowed under the Commissioner's loans, so that the total number of farmers who have both Commissioner's loans and land-bank loans is a little more than 800,000 out of a total of 6,000,000.

The question is very simple, whether we want to extend what we have already done or do more. That is all there is to it, and that is why this amendment is recommended.

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

Mr. BARKLEY. I yield.

Mr. BORAH. Has the Senator any information or intimation about how the House would feel in regard to eliminating this section? I should be disposed to take the view of the matter taken by the Senator from Michigan, but it seems to me that we are running about ninety-nine chances out of one hundred of losing the bill, because it will go to the House, and in all probability it will not be acted upon today, though it possibly may be acted upon tomorrow. I think the President is just as likely to veto the bill carrying $31,000,000 as $40,000,000; and it seems to me that we have now delayed the matter so long we are in such a position that if we do not act expeditiously we will not get anything at all.

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

Mr. BARKLEY. I yield.

Mr. ROBINSON. I should like to inquire why it is that the matter has been delayed until just the day before the change would take place in the interest rate, why it is that it has not been brought before the Senate earlier?

Mr. BARKLEY. Three or four bills were introduced by Members of the Senate extending the 3½-percent interest rate, one or two of them providing an extension for 1 year, one or two of them for 2 years. The House committee reported their bill, put it on the calendar, and the subcommittee of the Senate Committee on Banking and Currency felt that unless the House passed its bill, there was really no need to take up the bill in the Senate, as it had it already on the calendar.

The House passed the bill about 3 weeks ago. The subcommittee of the Senate committee which had charge of the proposed legislation also had a number of other bills before it for consideration, and hearings were in progress. Hearings were held on the pending bill at the very earliest possible date when the matter could be reached, and the subcommittee acted about a week ago in voting to report the bill to the full committee. The full committee did not meet until this morning when it could take action on the report of the subcommittee. That explains the delay. It may not have been a justifiable delay, but that is the explanation.

I have no information as to whether or not the President will veto the bill. He sent the letter to the other body in order to express his views. Representatives of the Farm Credit Administration appeared before the Senate subcommittee and opposed any extension at all, on the ground that, after all, agriculture was on its way up the hill, and that

farm prices had increased to such an extent that the Farm Credit Administration did not feel this bounty, or subsidy, or gift, or whatever it may be termed, ought to be granted any further. The committee did not agree with the Farm Credit Administration on that subject, and that is why the bill is here.

Mr. ROBINSON. Mr. President, what has been the amount of liability borne by the Government during the last year on account of the 3½-percent interest rate?

Mr. BARKLEY. Approximately $31,000,000.

Mr. ROBINSON. That much has been lost to the Government?

Mr. BARKLEY. That much has been lost, and it is estimated that much will be lost to the Treasury in the next 12 months if this bill shall pass, even without the reduction of the Commissioner's rate, and $40,000,000 if the two are put together and the reduction is made.

Mr. VANDENBERG. Mr. President, while I am quite willing to go along with the extension of the existing low rate, I want to ask the Senator, if we are to start now expanding the privilege of a low rate, what earthly reason have we for not extending it to the H. O. L. C. and all the other loans of the Government?

Mr. BARKLEY. As the President pointed out in his letter, of course, if this is to be continued indefinitely, sooner or later the question will arise whether the same reduction is to be extended to home owners under the H. O. L. C. and all other agencies which have been put at the disposal of the people in order to help solve the problem of the depression. It is a very serious question now, when we are on the way out, when everyone admits we are in better condition, whether we ought to extend the field of interest reductions out of the Treasury of the United States.

Mr. BORAH. Mr. President, I agree with the Senator, that we are on the way out of the depression, and I agree that the farmers are in better condition than they were. But the farmers are not out yet by any means. My recollection is that in 1929 the income from the American farm was about $11,500,000,000. It dropped to about $5,500,000,000 in 1932 and 1933. It is now back to about eight and a half or nine billion. But that income is still two or two and a half billion behind what it was in 1929.

We know what the conditions were on the farm in 1929. They were very bad. Everyone will recall that in 1929 the political conventions were waited on by delegations of farmers stating their condition, telling of foreclosures, sales for taxes, and like things. The farmers are not yet out of their trouble.

While we are pleased that they are moving out, and are quite willing to give all credit due to those who have helped to move them out, yet many of them still are in a distressing condition. There can be no doubt about that. I recognize that the question before us is serious, but a serious situation is faced out on the farms, where the foreclosures are taking place. As the Senator from Texas has well said, nowhere can we contribute more effective aid under present circumstances than to the man who is on the farm, in order to keep him there. There is one way to stop the growth of tenancy, and that is to keep the owner in possession of the title to the farm. It seems to me that we can well afford to lower the interest rate in view of the number it will likely enable to avoid foreclosure and loss of title.

Mr. CONNALLY. Mr. President, has not the Senator observed that where the land banks foreclose they are worse off than they were before the foreclosures, because they cannot dispose of the lands and get anything substantial for them? If we can keep the man on the farm, the Government will suffer less loss than if it forecloses and has to sell the place for half price. That is the experience in my State.

Mr. BORAH. That is correct.

Mr. BARKLEY. Mr. President, the representative of the farm organizations who appeared before the committee in behalf of this extension did not request that the privilege be extended to Commissioner's loans. Mr. Chester Gray, whom we all know, who represents the American Farm Bureau Federation, testified before the committee. All they asked was the extension of the present low rate on land-bank loans. Mr. Gray stated that he did not request that the low rate be extended to Commissioner's loans, because his organization had taken no action on that subject. They had not authorized him to request that the reduction be extended to Commissioner's loans, and therefore he made no such request. If the farmers, through their spokesman, are not asking the expansion of this reduction, it seems to me we might well ponder whether we ought to grant it.

Mr. BILBO. Mr. President, I should like to ask the Senator from Kentucky a question. He states that there will be a $31,000,000 loss through the Farm Credit Administration. In what does that loss consist, or how is it brought about?

Mr. BARKLEY. It is the difference between the rate that is borne by the land-bank bonds, which are held by the general public, and the rate which the farmer pays to the land bank from which he borrows money. In other words, if the farmer pays only 3½ percent interest to the bank, and the bank must pay the holders of its bonds 4 or 4½ percent, the difference is made up by the approximate amount of $31,000,000. The law obligates the Treasury to reimburse the land banks for that difference, and that difference amounts to the $31,000,000 about which we are talking. In other words, the rate of interest paid by the farmer does not compensate the land bank for the interest it pays the holders of the land-bank bonds.

Mr. ROBINSON. Mr. President, of course, if some arrangement were not effected to reimburse the banks for the difference between the interest they pay and the interest they charge, the banks would become insolvent, their bonds would be in default, and the system probably would be wrecked.

Mr. BARKLEY. They could not pay interest on the bonds held by the general public, and, therefore, we must appropriate out of the Treasury the difference.

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

Mr. BILBO. I yield.

Mr. CONNALLY. The bonds are guaranteed by the Government, are they not?

Mr. BARKLEY. Not all of them.

Mr. ROBINSON. No; not land-bank bonds.

Mr. BARKLEY. Not land-bank bonds.

Mr. BILBO. What rate of interest is the Government charging the shipbuilders on its loans made in connection with the merchant marine?

Mr. BARKLEY. I cannot answer the Senator's question. The Maritime Commission as yet have made practically no loans. We appropriated $160,000,000 for the use of the Maritime Commission, but they have not yet gotten far enough along in their work to determine the interest rate; so I cannot give the Senator that information.

Mr. BILBO. Mr. President, the Committee on Agriculture and Forestry has had before it for some time a resolution proposing an investigation of the administration of the Federal land banks and their operations, upon the theory that there is a great deal of lost motion in the operation of these banks, and that many unnecessary expenses are involved in their operation. I have an idea that possibly the trouble is not so much in the rates of interest as in the operation of the Farm Credit Administration and that that is the reason why it shows a loss.

Personally, I think this amendment ought to be killed. I am not adverse to subsidizing, as evidenced by my vote for merchant-marine legislation, though I knew that meant subsidizing by the hundreds of millions of dollars; but if anybody in this country ought to enjoy any subsidies at all, they ought to be enjoyed by those least able to take care of themselves, and who are trying to take care of themselves.

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

Mr. BILBO. I yield.

Mr. BARKLEY. Of course the object of Congress in providing for the Maritime Commission, and providing loans in order to maintain and build up the American merchant marine, was to provide facilities for finding markets for the

people of the United States, not only industrial markets but agricultural markets as well; and, of course, an indirect benefit will result to the farmers all over the country from building up our merchant marine and providing facilities through which it may carry the farmers' products to the markets of the world.

Mr. BILBO. I agree with the statement made by the Senator from Kentucky. For that reason I voted for the merchant-marine legislation.

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

Mr. BILBO. I yield.

Mr. VANDENBERG. I will say to the Senator that the maritime loans must bear at least the same rate of interest that is borne by the Government securities which produce the funds.

Mr. BILBO. I take the position that the Government can get money at 4 percent and can make these Commissioner's loans and Federal lank-bank loans at that rate.

Mr. BARKLEY. Not long-term loans. The Government can get short-term loans at that rate, and less, but not long-term loans.

Mr. FRAZIER. Mr. President, I am a member of the Finance Committee and also a member of the subcommittee which considered this bill. Unfortunately, I was not present when the Senator from Kentucky [Mr. BARKLEY] explained the measure; but the subcommittee was strongly in favor of the bill as passed by the House, and favorably reported it to the full committee by quite a large majority.

I believe the last paragraph of the bill, reducing the interest on the Commissioner's loans from 5 percent to 4 percent, should be retained. The money that goes into the Commissioner's loan is not derived from the sale of land-bank bonds. It comes from the Treasury of the United States, and that money, of course, is derived from the sale of ordinary Government bonds at a lower rate—2½ or 3 percent—so there is no loss to the Government on these 4-percent loans. Of course, there would be a loss of 1 percent to the Treasury if the interest rate on the Commissioner's loans were reduced from 5 percent to 4 percent; but I mean there is no actual loss as a result of the reduction to that amount of interest on the bonds in view of the ability of the Government to borrow money at less than 4 percent.

Furthermore, the bill must be passed and signed by the 1st of July, and the time is now short. The House passed the bill with section 2 in it; and if it is to be passed in time to be of benefit to the farmers, it seems to me it should be passed as it was passed by the House. Already it has been delayed a long time. The bill was passed by the House on the 7th of June. The farmers need this lower rate of interest. They are still in hard circumstances. Conditions have improved somewhat; but the fact was brought out before the subcommittee by those representing the farm organizations that in 1936 there were 178,000 farmers whose farms had been foreclosed and that there were 24,158 cases still pending in adjustment of foreclosures, making over 200,000 farms foreclosed. That gives the Senate an idea of the general condition of the farmers. It is true that the foreclosures were not all in connection with land-bank loans, but they were farm loans just the same; and any saving that is made to the farmers on the interest they must pay, of course, will be a saving in their general income.

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

Mr. FRAZIER. I yield.

Mr. BARKLEY. That is the point I desire to make—that one-hundred-seventy-odd thousand foreclosures represented the total number of foreclosures on all farms; but only a small proportion of that number represented foreclosures made by Federal lank banks.

Mr. FRAZIER. The Federal land banks have made a great many foreclosures. I have not the number of foreclosures instituted by the Federal land banks. There are also 28,000 foreclosures still pending, awaiting readjustment.

Mr. BARKLEY. That is, pending readjustment of indebtedness with a view of scaling it down, and making it more easy for the farmers to pay.

Mr. FRAZIER. That is true. Mr. President, this reduction of 1 percent, while it does not make a great deal of difference to the Government, does make some difference to the farmers who are doing their best to save their homes and lands; and I hope the amendment will be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AUTHORITY TO SIGN BILLS DURING RECESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess or adjournment to follow today's session the President pro tempore be authorized to sign bills.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR APPROPRIATIONS COMMITTEE TO SUBMIT REPORTS

Mr. ROBINSON. I also ask that the Committee on Appropriations may be permitted to file reports during the recess or adjournment of the Senate to follow today's session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ELIGIBILITY OF CERTAIN PERSONS FOR ADMISSION TO THE CIVIL SERVICE

Mr. MOORE. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 792, being Senate bill 714 relating to the eligibility of certain persons for admission to the civil service.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 714) relating to the eligibility of certain persons for admission to the civil service.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Civil Service with an amendment, on page 1, line 11, after the word "prescribed", to strike out "the provisions of the Civil Service Retirement Act of 1930, as amended, shall not apply to any person admitted to the classified civil service by reason of this act" and to insert "Any applicant admitted to any examination under the provisions of this act who passes such an examination and who is later appointed to a position in the classified civil service and who by reason of his age at the time of appointment may not serve a minimum of 15 years before he shall reach the retirement age for his group shall not be eligible for admission to or participation in the retirement benefits as provided in the Civil Service Retirement Act of 1930, as amended", so as to make the bill read:

Be it enacted, etc., That notwithstanding any provision of the civil-service laws or any rule or regulation made or promulgated thereunder prescribing a maximum age limit for persons seeking admission into the classified civil service of the United States, hereafter no candidate for such admission, who is otherwise duly qualified for examination or appointment as provided by law, shall be held ineligible for such examination or appointment solely by reason of his having attained the maximum age so prescribed. Any applicant admitted to any examination under the provisions of this act who passes such an examination and who is later appointed to a position in the classified civil service and who by reason of his age at the time of appointment may not serve a minimum of 15 years before he shall reach the retirement age for his group shall not be eligible for admission to or participation in the retirement benefits as provided in the Civil Service Retirement Act of 1930, as amended.

Mr. MOORE. Mr. President, this bill makes no change in the present civil-service procedure. It is a bill that the committee has unanimously reported favorably. It is a bill which does away with all age limits in civil service. I think that without any difficulty I can convince the Senate that it is a bill which means much to our Nation just at this time.

It provides that a person fully qualified in all other respects shall not be debarred from taking an examination

nor from having his name placed upon an eligible list merely by reason of his age.

Under the present practice, the Civil Service Commission fixes an arbitrary age limit for every examination. In one instance the Commission may fix a maximum age limit of 35. In another it may fix a maximum age limit of 44, and in a third it may fix a maximum age limit of 53. These age limits may have nothing whatever to do with the requirements for the particular job for which the examination is being held. The higher age limit may be established for a job requiring greater physical strength and endurance than the job with the lower age limit. These age limits, it seems, represent pretty largely the notions of the various department and bureau chiefs who make or recommend appointments.

My proposal does away with all of these uncertainties and admits men and women to these examinations on the basis of their qualifications and fitness for a particular job which they seek.

This measure establishes no new precedent. I want to impress this upon the Senate. It is not new. Under the present law veterans may take any civil-service examination, notwithstanding what their age may be. I support this kind of consideration for veterans and the wives and widows of veterans, but we shall not do any injury to them by admitting everyone to examinations exactly on the same basis.

We have talked a great deal in recent years about the problem of the man above 40 and the reluctance, even the refusal, of industry to employ men and women of this age and above this age. Civic bodies insist that this policy creates a serious social problem. National and State officials and many Senators in this body, I am sure, have talked long and eloquently about this lack of opportunity that closes in on middle-aged workers who are strong and able and willing to work.

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

Mr. MOORE. I yield.

Mr. ROBINSON. I shall not interrupt the Senator in the presentation of his remarks if he wishes to finish them. I should like to direct a question to him as to the form of the bill, if he is prepared to submit to that sort of a question at this time.

Mr. MOORE. Yes; Mr. President.

Mr. ROBINSON. It is noted that the language is as follows:

> That notwithstanding any provision of the civil-service laws or any rule or regulation made or promulgated thereunder prescribing a maximum age limit for persons seeking admission into the classified civil service of the United States, hereafter no candidate for such admission, who is otherwise duly qualified for examination or appointment as provided by law, shall be held ineligible for such examination or appointment solely by reason of his having attained the maximum age so prescribed.

My inquiry is why the Senator does not propose to repeal or change the law rather than merely to take note of it. It seems to me that what is being done by this language is to leave in force the law fixing a maximum age governing appointments and qualifications by the civil service, and yet expressly providing for disregarding the law.

Mr. MOORE. Mr. President, there is not any law establishing age limits; there is not any law which says a draftsman shall be 30, or that he shall be 40. The Civil Service Commission makes the rule. The law provides that a man must attain a certain age, but this bill provides that if a man is appointed when over age he shall not receive the benefit of the pension or retirement system.

Mr. ROBINSON. That makes the question even more pertinent from my standpoint than when it was first asked. The bill begins:

> That notwithstanding any provision of the civil-service laws or any rule or regulation made or promulgated thereunder—

And so forth. Why does not the Senator provide that—

> All laws or regulations fixing the maximum age heretofore promulgated are hereby repealed and hereafter—

And so forth? I am merely inquiring for information; I am not seeking to embarrass the consideration of the bill.

Mr. MOORE. I understand the Senator's position. The only answer I can give is that there is not any law to be repealed with regard to a maximum age limit. A rule is set up, but it is not a law. The civil-service law provides that there shall be examinations to ascertain merit and fitness, but it does not say anything about an age limit for specific positions.

I will admit the language of the bill is rather general, but it was made so in order to cover the entire situation both as to the law and the rules. There is not, however, any law to be repealed.

I may say that a similar law has been in effect in New Jersey for some time and has worked wonderfully well. Under present conditions, in the Government service, a man over 40 years, for instance, or a woman over 40 years, cannot take an examination for a position involving a class of service which has been his or her life work.

I have many letters here with regard to this matter. One is from a woman who states she is 44 years of age, that she has six children, and her husband is dead. Before she married she was a stenographer and secretary and had had many years of experience; she had also been vice president of a company. She wants to take a Federal examination for stenographer, but is debarred from doing so because she is 44 years of age. She has to pay taxes just the same. In some instances the same situation applies to a person over the age of 35.

I have another letter from a man who has been an engineer in naval construction for 33 years. He is 53 years of age. There is an examination to be held for a position involving that kind of work, but he cannot take the examination.

In New Jersey we have no age limit; it is a question of merit and fitness, and, as I have said, the law there has worked wonderfully well. It helps the morale of people in these days when a man over 40 may be considered an old man. In New Jersey, no matter what the job, if a man can prove that he is capable of doing it and is otherwise qualified, he is entitled to it and is appointed. Let the Senate understand that this bill does not make any change. Veterans already have such a preference.

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

Mr. MOORE. I yield.

Mr. BARKLEY. Of course, this bill is intended to apply to all civil-service employees in the United States?

Mr. MOORE. Yes.

Mr. BARKLEY. It would apply to rural mail carriers and storekeeper-gagers. While it may be by regulation, I was under the impression that there was some law fixing in some cases a maximum age. In the Internal Revenue Service, I think, 55 is the age limit. If this bill should be enacted, would it mean that anybody 60 or 65 or 70, if otherwise qualified, would be eligible to take the examination?

Mr. MOORE. Yes, sir.

Mr. BARKLEY. An applicant for rural mail carrier might take the examination no matter what his age, if he were otherwise qualified?

Mr. MOORE. Yes; if he were physically and otherwise qualified; but he would not get the pension right.

Mr. BARKLEY. No; he would not get the retirement privilege.

Mr. MOORE. Many men 55 years of age are better than others who are 30. I could cite numerous instances.

Mr. BARKLEY. I realize that is true. Take the Senator's case and my own——

Mr. MOORE. I agree with the Senator.

Mr. BARKLEY. We offer ourselves as evidence of the fact that a man 55 years of age is still pretty good. However, I am wondering what the effect would be upon the general morale of the hundreds of thousands of Federal employees who have accepted always the age limit fixed by the commission or the bureau or the department under which they work.

Mr. MOORE. The president of the civil-service employees' organization appeared before the committee and urged the passage of the bill. What is a man over 35 going to do when he is not allowed to take an examination simply because of the notion of the head of a department who may have in mind a man 30 years of age? It is the easiest thing in the world to get the man who is wanted by taking the man who is 30 and saying, "This examination is limited to people 30 years of age." A man who is 32 could not take it.

Mr. BARKLEY. Of course, an age limit of 35, I presume, is an exception. In most of the positions with which I have come in contact in connection with civil-service examinations the age limit has been above 50.

Mr. MOORE. If the Senator will let me correct him there, let me say that a census of 405 representative industries throughout the United States was taken and inquiry made as to the chance for jobs for applicants of various ages. The following results were shown:

Age of applicant	Percentage of job opportunities in industry	Percentage in United States civil service
For applicant under—		
35 years	100	100
35 to 40 years	100	85
40 to 45 years	94	66
45 to 50 years	88	43
50 to 53 years		37
50 to 60 years	80	0
60 to 65 years	76	0
Over 65 years	75	0

So it goes. How can we stand here and talk about industry taking up people who are unemployed who are over 40 years of age?

Mr. BARKLEY. I appreciate that, because that is information I am trying to obtain.

Mr. President, will the Senator permit me to ask one other question?

Mr. MOORE. Certainly.

Mr. BARKLEY. I am merely seeking information; I am not opposing the Senator's bill; I may be for it.

Mr. MOORE. I hope the Senator will be.

Mr. BARKLEY. But it is a new proposition and one to which I have not given any thought.

Mr. MOORE. New Jersey has been operating under such a law for years.

Mr. BARKLEY. I am only trying to find out how it is going to work. I will not, however, interfere further with the Senator's remarks.

Mr. SCHWELLENBACH. Mr. President——

Mr. MOORE. Mr. President, I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to point out to the Senator an apparent inconsistency. The National Reemployment Service, trying to get work for the unemployed in private industry, has as its most difficult task the securing of work for men and women over 40. They are spending a very large portion of their time going out in private industry and saying that industry should not have a rule providing a 40-year age limit; and yet the National Reemployment Service, in the employment of its own people, has a rule fixing an age limit of 30, 35, and 40 years. The personnel department hires men within the service and says that for certain work they cannot be over 30, and for other work over 35, and for other work over 40; yet they are out telling industry all the time that they should hire men who are 40, 45, 50, or 55 years of age.

Mr. BARKLEY. Is the age limit of 32, 35, or 40 fixed by the reemployment service brought about in any way by the refusal of industry to consider the employment of men over that age? In other words, has that refusal had anything to do with the fixing of the limitation by the reemployment service?

Mr. SCHWELLENBACH. I think the limitation is fixed by the Department of Labor by a certain expert lady who has charge of the personnel there, and who believes that in certain classifications nobody over 30 years of age should be employed. It is entirely within the Department of Labor itself.

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

Mr. MOORE. I yield.

Mr. REYNOLDS. I am sorry to say that I have not read the report submitted by the committee that considered the bill being now sponsored by the Senator from New Jersey.

Mr. MOORE. It was approved unanimously.

Mr. REYNOLDS. But I should like to ask if any members of the Civil Service Committee have appeared before the committee; and if so, what was their combined or individual attitude?

Mr. MOORE. They did not appear at the hearing. They objected originally because the bill did not contain a provision to preclude men over age from receiving a pension status. They said that in that form it would interfere with the pension fund. However, under the bill as now presented, a man who is over age will not get a pension; he will waive his right to one.

I wish to say that in the last few days the Commonwealth of Massachusetts, I am informed, has passed a law making it a misdemeanor for any corporation in industry to refuse to employ a man over 45. So I do not see how we, as a Federal Government, can take a position that a man has to be not over 30 or 31 in order to take a civil-service examination.

Mr. REYNOLDS. I am wondering if any of the organized bodies interesting themselves in legislation appeared before the committee; for instance, the American Federation of Labor and the Veterans of Foreign Wars and the American Legion.

Mr. MOORE. The Veterans of Foreign Wars are under such a provision of law. They have a right to take examinations regardless of their age.

Mr. REYNOLDS. All veterans have that right?

Mr. MOORE. Yes; and the president of the civil-service employees appeared in favor of the bill. I have a telegram from the executive committee of the Federation of Architects, Chemists, Engineers, and Technicians, who have been particularly affected by present conditions, endorsing this bill. I have many other letters and telegrams likewise endorsing it.

Mr. REYNOLDS. I believe the Senator stated that a similar law has been in operation in the State of New Jersey for 10 years?

Mr. MOORE. A law of this character has been in operation there for years and has worked wonderfully well. It helps the morale of the man over 40. When he sees an announcement of a civil-service examination he says, "Oh, if I only could take the examination and secure a position, perhaps I could support my family." He has to pay taxes, but he is now prevented from taking the examination for the Government service.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 361) making appropriations for relief purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 5996. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such

District for the fiscal year ending June 30, 1938, and for other purposes;

H. R. 7589. An act to levy an excise tax upon carriers and certain other employers and an income tax upon their employees, and for other purposes; and

H. J. Res. 361. Joint resolution making appropriations for relief purposes.

RECESS TO THURSDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 2 o'clock and 16 minutes p. m.) the Senate took a recess until Thursday, July 1, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 29 (legislative day of June 15), 1937

UNITED STATES DISTRICT JUDGE

Ralph E. Jenney to be United States district judge for the southern district of California.

CIRCUIT COURT OF HAWAII—FIRST JUDGE, FIRST CIRCUIT

Louis LeBaron to be first judge, Circuit Court, First Circuit of Hawaii.

UNITED STATES ATTORNEYS

William A. Holzheimer to be United States attorney for division no. 1, district of Alaska.

Thomas J. Morrissey to be United States attorney for the district of Colorado.

John A. Carver to be United States attorney for the district of Idaho.

UNITED STATES MARSHALS

Frank L. Middleton to be United States marshal for the district of Nevada.

W. Joe Ballard to be United States marshal for the western district of Oklahoma.

NATIONAL EMERGENCY COUNCIL

Ernest L. Bailey to be State director in the National Emergency Council for West Virginia.

COLLECTORS OF CUSTOMS

Joseph H. Lyons to be collector of customs for customs collection district no. 19, with headquarters at Mobile, Ala.

William B. George to be collector of customs for customs collection district no. 25, with headquarters at San Diego, Calif.

Charles O. Dunbar to be collector of customs for customs collection district no. 28, with headquarters at San Francisco, Calif.

COMPTROLLER OF CUSTOMS

Arthur A. Quinn to be comptroller of customs for customs collection district no. 10, with headquarters at New York, N. Y.

PUBLIC HEALTH SERVICE

Allen M. Perkins to be a dental surgeon, to rank as such from May 29, 1937.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 29, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We pray Thee, O Lord, our God, to vouchsafe to us that which we need. Our Father, search the hidden sin and forgive, the unuttered grief and give grace to bear. Our experiences are different, yet we are united in a common infirmity and by a common need; do Thou let us hear the whisper of the Most High; our hope is in Thy everlasting bounty. We pray that our hearts may beat to that greater measure of that greater heart of which we are only fragments. We praise Thee for the eternal promise: Surely goodness and mercy shall follow us all the days of our lives and we will dwell in the house of the Lord forever. Almighty God, bless and preserve in safety the American youth of our land which is in our midst. May the light of Thy truth shine in growing brightness upon them. Blessed Lord God, shelter and keep them in the knowledge of Thy teaching. We pray that they may be prepared for clean, courageous, and patriotic citizenship. Make our fathers and mothers grandly conscious of their responsibility for the sake of our homes, our churches, and our country. For the love of Thy only Son, Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 3259. An act for the relief of Laura E. Alexander;

H. R. 4597. An act to amend the Canal Zone Code;

H. R. 4795. An act to provide for a term of court at Livingston, Mont.;

H. R. 6635. An act to dispense with the necessity for insurance by the Government against loss or damage to valuables in shipment, and for other purposes; and

H. R. 6958. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 114. An act 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, for irrigation pumping or other uses, and for other purposes;

H. R. 458. An act for the relief of Eva Markowitz;

H. R. 730. An act for the relief of Joseph M. Clagett, Jr.;

H. R. 1377. An act conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claims of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane;

H. R. 1945. An act for the relief of Venice La Prad;

H. R. 2562. An act for the relief of Mr. and Mrs. David Stoppel; and

H. R. 3634. An act for the relief of Noah Spooner.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 642. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota;

S. 676. An act for the relief of Heinrich Schmidt, G. m. b. H., of Flensburg, Germany;

S. 821. An act for the relief of Lawson N. Dick;

S. 972. An act for the relief of Ethel Smith McDaniel;

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana to be used for the purposes of a public park and recreational site;

S. 1379. An act authorizing any nation, tribe, or band of Indians, in suits heretofore filed under their original jurisdictional acts, to present claims to the United States Court of Claims, by amended petitions at any time before final submission of said suits, to conform to the evidence; and authorizing the said court to adjudicate such claims upon their merits as though filed within the time limitation fixed in said original jurisdictional acts;

S. 1435. An act to create a Board of Shorthand Reporting, and for other purposes;

S. 1517. An act authorizing the payment of attorneys' fees contracted to be paid by certain Indians allotted on the Quinaielt Reservation, State of Washington, and for other purposes;

S. 1626. An act for the relief of Maurice D. Pryor;

S. 1759. An act to amend an act entitled "An act to eliminate the requirements of cultivation in connection with certain homestead entries", approved August 19, 1935;

S. 1762. An act to add certain lands to the Rogue River National Forest in the State of Oregon;

S. 1865. An act for the relief of Mrs. Cliff Snider;

S. 1882. An act for the relief of the Consolidated Aircraft Corporation;

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson;

S. 1986. An act to amend section 42 of title 7 of the Canal Zone Code;

S. 1998. An act to amend the act entitled "An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture", approved June 24, 1936;

S. 2010. An act to authorize the appointment of an additional judge for southern district of Ohio;

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes;

S. 2086. An act to authorize the construction of a Federal reclamation project to furnish a water supply for the lands of the Arch Hurley conservancy district in New Mexico;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2221. An act to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Cache National Forest in the State of Utah;

S. 2241. An act for the relief of W. G. Adams;

S. 2276. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes;

S. 2279. An act to amend section 2 of the act entitled "An act to give wartime rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to prohibit persons who have been subsequently separated from the service under other than honorable conditions from bearing the official title and upon occasions of ceremony wearing the uniform of the highest grade held by them during their war service, and for other purposes;

S. 2301. An act for the relief of Lois H. Anthony;

S. 2349. An act to authorize the administration of oaths by the chief clerk and the assistant chief clerk of the office of the United States High Commissioner to the Philippine Islands, and for other purposes;

S. 2416. An act relating to the citizenship of certain classes of persons born in the Canal Zone or the Republic of Panama;

S. 2418. An act for the relief of John Prosser;

S. 2497. An act authorizing John Monroe Johnson, Assistant Secretary of Commerce, to accept the decoration tendered him by the Belgian Government;

S. 2620. An act to amend the Hawaiian Homes Commission Act, 1920;

S. 2621. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation to issue sewer bonds;

S. 2622. An act to authorize the Legislature of the Territory of Hawaii to create a public corporate authority authorized to engage in slum clearance and housing undertakings and to issue bonds of the authority, to authorize said legislature to provide for financial assistance to said authority by the Territory and its political subdivisions, and for other purposes;

S. 2629. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States;

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency-relief expeditions during the Ohio Valley flood in January and February 1937;

S. 2649. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes;

S. 2652. An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes;

S. 2653. An act to amend an act entitled "An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes", approved August 3, 1935;

S. J. Res. 150. Joint resolution to provide for the appointment of a delegate to the Fifth World Congress of the Deaf; and

S. Con. Res. 17. Concurrent resolution authorizing the printing of additional copies of Senate Report No. 711, Seventy-fifth Congress, on the bill (S. 1392) to reorganize the judicial branch of the Government.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1938

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6958) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. TABER. Mr. Speaker, reserving the right to object, I understand that the Senate has added a very considerable sum of money to the bill as it passed the House and, in addition, some projects that are not authorized by law. I wish to express the hope that the conferees will stand to keep the bill down as closely as possible to the House figures.

Mr. JOHNSON of Oklahoma. I will say to the distinguished gentleman from New York that he is correct in that there has been a considerable sum of money added to the Interior bill by the other body. I am advised that 134 amendments, practically all of which would increase the appropriation for the various departments, have been added by the Senate. Personally I felt like introducing the House subcommittee to the bill. I hardly recognized it when it came back. As far as I am concerned, I shall do my best to hold it down as much as possible.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I would like to call the attention of the chairman of the subcommittee as well as the Members of the House, to some of the Senate amendments. As I understand, under paragraph 2, rule 20, any amendment that would be subject to a point of order when the appropriation bill was pending in the House must be brought back to the House for a vote.

Mr. JOHNSON of Oklahoma. The gentleman is correct.

Mr. COCHRAN. Then certain Senate amendments must be brought back to the House and I will insist on it. I want to call the attention of the chairman of the subcommittee to one item in this bill in particular. There are a number of bad ones, but this one is an amendment offered by the Senator from Oklahoma [Mr. THOMAS], on page 6409 of the RECORD, in the second column. It will be found on page 67 of the bill as it passed the Senate. It is only two lines:

Provided further, That section 2 of the act of Congress approved August 12, 1935, shall not apply to the Five Civilized Tribes.

Of course, no one knew that amendment was adopted until the RECORD was received this morning, unless one happened to be in the Senate yesterday afternoon. I have secured a report from the General Accounting Office this morning which shows that if that amendment is agreed to by the House the Court of Claims will not be able to recognize as an offset $17,000,000 in gratuities and advances made to these tribes in their claims pending against the Government, which were filed by the Five Civilized Tribes.

A bill passed the Senate yesterday by unanimous consent which provides that that section shall not apply to those cases. A similar bill has been reported favorably in the

House, but it has not yet been acted upon. If this amendment is agreed to it takes $17,000,000 out of the Treasury, because the Department of Justice will be absolutely powerless to defend the Government against these claims. I want to express the hope to the gentleman from Oklahoma that he will not agree to that amendment. Let the Indian Affairs Committee bring the bill to the floor of this House and let it be considered under the general rules of the House.

Mr. JOHNSON of Oklahoma. I will say to the gentleman that, of course, I cannot speak for the committee, but it is my understanding that under the rule a separate vote will be required on that and other items. At any rate, I will go into the matter and see that the gentleman gets every opportunity to express his wishes.

Mr. COCHRAN. That is not enough for me. Before I allow this bill to go to conference by unanimous consent I want some assurance that that item will be brought back to this House for a vote.

Mr. JOHNSON of Oklahoma. I think I can safely assure the gentleman that there will be a separate vote on that item.

Mr. COCHRAN. The gentleman, of course, always keeps his word. Such action on the part of the conferees will expedite the matter, because we are in a position under the rules to force a separate vote.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. As I understand, that is a change in existing law?

Mr. COCHRAN. It is a change in existing law, and it would have been subject to a point of order in the House when the appropriation bill was pending here and, of course, was not offered.

Mr. TABER. That will have to be brought back to the House for a separate vote. The conferees could not agree to it.

Mr. COCHRAN. Under the jurisdictional act passed by the Congress allowing the Five Civilized Tribes to take their claims to the Court of Claims regardless of the statute of limitations, some 50 petitions were filed, and in each instance, I am advised, the court held in favor of the Government. In other words, the attorneys for the Five Civilized Tribes have been unable to convince the court they have a just claim. Therefore, they come now and want the Congress to pass a law which will prevent the Government from presenting its evidence showing advances made to these tribes. Pass this amendment, and no less than $17,000,000 of the taxpayers' money will be required to meet the decision of the court. It is the same as saying to a defendant in a damage case you can present only the evidence the plaintiff says you can present. It is absurd to think that this House is going to agree to that amendment. The Senate yesterday put that amendment in the bill; and if you will refer to the RECORD, you will see it was not debated—no facts were presented as to the effect the amendment would have on the pending claims.

Mr. Speaker, I know it is late and that appropriation bills should be passed before the night of the 30th, which is tomorrow night; but, so far as I am concerned, this bill is not going to pass without some roll calls on the amendments added by the other body, which, if adopted, will take millions out of the Treasury. You have amendment after amendment authorizing public-works projects which have no place in the bill. We should not agree to them until the legislative committees have considered the bills and the House has passed them. This thing of authorizing public-work projects on appropriation bills should stop, and now is the time to stop it. There is no rush. If there is a disagreement among the conferees, bring in a resolution continuing the present appropriations, which will enable the department to carry on until an agreement can be reached. I repeat, Mr. Speaker, I am going to insist upon a separate vote on some of the amendments; and when I say separate vote, I mean roll calls.

Mr. Speaker, having received the assurance of the gentleman from Oklahoma [Mr. JOHNSON] that the amendment will be brought back for a separate vote, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, does this include the tunnel through the mountain?

Mr. JOHNSON of Oklahoma. I think the gentleman refers to a $900,000 project in Colorado which will ultimately mean millions more. Oh, yes; that is now in the bill.

Mr. MICHENER. That has no place in an appropriation bill. As I understand it, before the conferees agree to that proposition it will come back for a vote?

Mr. JOHNSON of Oklahoma. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JOHNSON of Oklahoma, SCRUGHAM, O'NEAL of Kentucky, FITZPATRICK, LEAVY, RICH, and LAMBERTSON.

RELIEF BILL OF 1938

Mr. WOODRUM. Mr. Speaker, I call up the conference report on House Joint Resolution 361, making appropriations for relief purposes.

The Clerk read the title of the joint resolution.

Mr. WOODRUM. Mr. Speaker, I expect to make an explanatory statement. I wonder if the House would grant unanimous consent that the statement of the managers on the part of the House be printed in the RECORD at this point instead of being read. There is nothing controversial.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the reading of the conference report and statement of the managers on the part of the House may be dispensed with and that the statement may be printed in full in the RECORD at this point. Is there objection?

There was no objection.

The conference report and the statement of the managers on the part of the House are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 361) making appropriations for relief purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 13, 14, 25, 26, 27, 36, 49, 50, 51, 52, 53, and 56.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 2½, 6, 7, 9, 10, 11, 12, 15, 16, 17, 18, 22, 23, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 57, 58, and 64, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "control, conservation, eradication of insect pests, and miscellaneous"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "and self-help,"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lines 4, 5 and 6 of the matter inserted by such amendment strike out the words: "or for completion of flood control projects already begun and for which other relief money has heretofore been allocated"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "or aliens who have not filed declaration of intention to become citizens"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "who are in need of relief"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "who are in need of relief and"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "who are in need of relief"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "or as may be necessary for administrative expenses of the National Resources Committee,"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 10. In carrying out the purpose of the foregoing appropriation the President is authorized to prescribe rules and regulations for the establishment of special funds in the nature of revolving funds for use, until June 30, 1938, in the purchase, repair, distribution, or rental of materials, supplies, equipment, and tools: *Provided*, That the requirement in Section one hereof that no Federal construction project shall be undertaken unless and until there have been allocated and irrevocably set aside sufficient funds for its completion shall not apply to flood control and water conservation projects authorized by other law and prosecuted hereunder."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following "made available in this joint resolution"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "the President shall find that the projects to be financed with such loan or grant will not cause or promote competition of the products of convict labor with the products of free labor"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 201. The Federal Emergency Administration of Public Works (herein called the 'Administration') is hereby continued until July 1, 1939, and until such date is hereby authorized to continue to perform all functions which it is authorized to perform on June 29, 1937. All provisions of law existing on June 29, 1937, and relating to the availability of funds for carrying out any of the functions of such Administration are hereby continued until July 1, 1939, except that the date specified in the Emergency Relief Appropriation Act of 1936, prior to which, in the determination of the Federal Emergency Administrator of Public Works (herein called the 'Administrator'), a project can be substantially completed is hereby changed from 'July 1, 1938' to 'July 1, 1939.'"

And the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 202. The amount which the Reconstruction Finance Corporation is authorized by existing law to have invested at any one time in securities purchased from the Administration is hereby increased from $250,000,000 to $400,000,000."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 203. The amount of funds which the Administrator, upon direction of the President, is authorized to use for grants from moneys realized from the sale of securities is hereby increased from $300,000,000 to $359,000,000; and after the date of the enactment of this joint resolution no allotment shall be made by the Administrator for any project the application for which has not been approved by the examining divisions of the Administration prior to such date."

And the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 204. The paragraph in the Independent Offices Appropriation Act, 1938, under the caption 'Federal Emergency Administration of Public Works' is hereby amended by (a) striking out the words 'in connection with the liquidation' and (b) striking out the sum of '$10,000,000' and inserting in lieu thereof the sum '$15,000,000'."

And the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 205. The funds available to the Administrator for the making of loans or grants or loans and grants may be used for projects (in addition to other purposes for which funds may be used) of the following classes, in amounts not to exceed the sums specified for each such class: (a) For school projects (other than those included in subdivisions (b) and (c) of this section) to replace, eliminate, or ameliorate existing school facilities or conditions which, in the determination of the Administrator, are hazardous to the life, safety, or health of school children, $60,000,000 for grants and $11,000,000 for loans; (b) for projects which have been authorized, or for the financing of which bonds or other obligations have been authorized, at elections held prior to the date of enactment of this joint resolution, or for projects for which an authority or board constituting an independent corporation without taxing power has been specifically created by a State legislature prior to such date, $70,000,000 for grants and $22,000,000 for loans; (c) for projects for which appropriations have been made by the legislatures of the States, $13,000,000 for grants and $2,000,000 for loans; (d) for projects to be financed, except for the grant, by the issuance to contractors of tax or assessment securities at not less than their par value: *Provided*, That an allotment shall not be made for any such project unless the applicant has, in the determination of the Administrator, made or incurred substantial expenditures or obligations in contemplation of receiving an allotment, $5,000,000 for grants; (e) for projects for which funds have been tentatively earmarked by the Administrator but for which formal allotments have not been made, $54,000,000 for grants and $78,000,000 for loans: *Provided*, That the grant for any such project shall not exceed the amount tentatively earmarked as a grant for such project: *Provided further*, That the amount specified for any of the foregoing classes may be increased by not to exceed 15 per centum thereof by transferring an amount or amounts from any other class or classes in order to effectuate the purposes of the title."

And the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"SEC. 207. Title II of this joint resolution may be cited as the 'Public Works Administration Extension Act of 1937.'"

And the Senate agree to the same.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
JOHN TABER
(except as to No. 47),
R. B. WIGGLESWORTH,
Managers on the part of the House.

ALVA B. ADAMS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 361) making appropriations for relief purposes submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 1, 2, 2½, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 29, 35, 42, 43, 49, 50, 51, 52, 53, 56, and 57: Provides for changes in section numbers, technical corrections, clarification, and other changes not involving the purposes of the text of the House measure or the Senate amendments.

On no. 3: The Senate amendment inserts the words "eradication of insect pests" and "minor miscellaneous" in category (b) of the limitations on the classes of projects under the appropriation. The House accepts the Senate amendment modified so as to eliminate the word "minor."

On no. 4: The House bill made provision for "self help" projects in category (c) of the limitations on the classes of projects under the appropriation. The Senate struck out these words and the conference agreement restores them to the bill.

On no. 5: The House has accepted the Senate amendment which provides that no part of the funds for relief and work relief shall be allocated or used for any purpose except to provide relief or work relief for persons in need or for completion of flood control projects already begun and for which other relief money has heretofore been allocated, and that not to exceed 5 percent of the amount allotted or used by any department or agency may be expended for administration of such relief or work relief except in the case of the agencies specifically set forth in the amendment with a modification striking out the words therein "or for comple-

tion of flood control projects already begun and for which other relief money has heretofore been allocated."

On no. 6: The House measure contains a provision that no non-Federal projects shall be undertaken or prosecuted under the relief appropriation unless and until "adequate provision has been made or is assured for financing" such part of the entire cost thereof as is not to be supplied from Federal funds. The Senate changed the words in quotation marks in the preceding sentence to "the sponsor has made a written agreement to finance" and the House has accepted the Senate amendment.

On nos. 7, 8, and 9: The House bill provided for loans, relief (direct), and rural rehabilitation for needy persons to be administered through any agency to which the President might allot the funds for that purpose. The Senate amendment restricts the administration of funds for those purposes to allocations to the Resettlement Administration and makes provision for administrative expenses of such administration and provides that the words "needy persons" in the House measure should include "Indians." The House accepts the Senate amendments insofar as they relate to the Resettlement Administration and the Senate has receded from the insertion of the words "including Indians."

On no. 10: The House measure provided that no agricultural laborer and no unskilled laborer who refuses or has refused an offer of private employment paying as much or more in compensation for such work as such person has received or could receive under the relief provided in the joint resolution, and who is capable of performing such work, shall be eligible for relief for the period such private employment or any similar subsequent offer of such employment would be available, with the further stipulation that any such person who performs any such private employment shall, at the expiration thereof, be entitled to an immediate resumption of his previously existing employment status on work relief. The Senate has stricken out the House provision and inserted a substitute embodying in clarified form the purpose of the House and extending the same to include all classes of persons employed on work projects and certified as in need of relief. The House accepts the Senate substitute.

On nos. 11 and 12: The House required that the part of the appropriation allocated to the W. P. A. be so apportioned and distributed over the 12 months of the fiscal year 1938, and be so administered during such fiscal year, as to constitute the total amount that will be furnished during such fiscal year for relief purposes through such agency. The Senate amendment strikes out the reference to the W. P. A. and requires the entire appropriation to be apportioned and distributed as to constitute the total amount for all agencies for relief for the year. The House accepts the Senate amendment.

On no. 13: The House measure contains a provision authorizing the President to prescribe rules and regulations for administering the appropriation and to utilize agencies within the Government and to delegate to such agencies the authority to prescribe rules and regulations to carry out the functions delegated to them by the President. The Senate struck out that part of the House text authorizing the President to delegate to agencies the authority to prescribe rules and regulations. The Senate recedes from its amendment and restores the House provision.

On no. 14: The Senate inserted a requirement that in the event the Congress, or any Federal agency so authorized by act of Congress, shall establish minimum rates of pay for persons employed by private employers in any occupation or occupations, and shall establish differentials applicable to different localities or sections of the country in such rates of pay, that thereafter no greater percentage differentials shall be applicable to the compensation of persons engaged upon projects under the relief appropriation than the average differentials so established by law or such Federal agency and in the event the law or such Federal agency shall establish such minimum rates of pay without any differential applicable to different localities or sections of the country that there shall be no such differential in compensation applicable to persons engaged on work-relief projects. The Senate recedes from this amendment.

On no. 25: Strikes out the Senate amendment requiring that the W. P. A. shall, upon request, make public a list of the names, positions, and salaries of all administrative personnel heretofore or hereafter appointed by the W. P. A. whose annual compensation is $1,000 or more.

On nos. 26, 27, and 28: The House text contains a section providing that any administrator or other officer named to have general supervision at the seat of government over the program and work contemplated under the appropriation, and any State or regional administrator (except persons now serving as such under other law), receiving a salary of $5,000 or more a year should be appointed by the President and confirmed by the Senate. The Senate amendments modified the section to make such appointment and confirmation extend to all officers and employees with a salary of $5,000 or more a year whether located in the District of Columbia or in the field and to strike out the language in the House text exempting from such appointment and confirmation State or regional administrators now serving as such under other law. The Senate recedes from its amendments extending Presidential appointment and confirmation by the Senate to persons other than those provided by the House language and the House agrees to the Senate amendment striking out the text of the House which exempted certain State or regional administrators with salaries of $5,000 or more a year from such appointment and confirmation.

On nos. 29, 30, and 31: The House provided that appointments to Federal positions of any administrative or advisory capacity under the relief appropriation in any State or county should be made from among the bona-fide residents of that State or county so far as not inconsistent with efficient administration. The Senate amendment eliminates the requirement for county residence and changes the word "residents" to "citizens". The House accepts the Senate amendments.

On nos. 32, 33, and 34: The House measure contains a provision prohibiting the payment of any of the appropriation therein as compensation to any Federal officer or employee in an executive, administrative, or supervisory position located outside the District of Columbia unless such person is an actual and bona-fide resident of the State or Territory in which such person is employed. The Senate amendment modifies the House language (1) to change the word "resident" to "citizen", (2) to restrain the operation of the paragraph so that it will be effective "so far as not inconsistent with efficient administration", and (3) to change the qualification of citizenship from the "State or Territory" to the "State, Territory, region, or district." The House accepts the Senate amendments.

On nos. 36 and 37: The House measure contains a section prohibiting the use of any of the appropriation to pay the salary or expenses of any person who is a candidate for any State, district, county, or municipal office (such office requiring full time of such person and to which office a salary attaches), in any primary, general, or special election, or who is serving as a campaign manager or assistant thereto for any such candidate. The Senate amendment expands the House provision to include any person who "holds" any such office and expands the definition of the term "office" as one to which "per diem" attaches as well as one to which salary attaches. The Senate recedes from its extension of the section to an officeholder and the House accepts the extension of the definition of "Office."

On no. 38: The Senate struck out the proviso of the House that none of the appropriation should be used to pay any W. P. A. district official unless such person is a bona-fide resident of the W. P. A. district in which the office is located. As the substance of this amendment has been included in the House agreement to Senate amendment no. 34, the House accepts the Senate amendment eliminating the proviso.

On no. 39: The Senate struck out the paragraph of the House prohibiting the payment of any of the appropriation as compensation to any Federal officer or employee in any administrative, executive, or supervisory capacity if such person receives or earns compensation for personal services (rendered during the period when such person holds such position) from any other source. The House accepts the Senate amendment eliminating the paragraph.

On no. 40: The House prohibited the use of any of the appropriation for the payment of the salary or expenses of any person who is related to the State administrator, district manager, or county supervisor, or the appointing power, within the third degree by blood or marriage. The House accepts the Senate amendment striking out the paragraph.

On nos. 41 and 44: The House measure contains a requirement that Federal appointments to positions under the joint resolution for employment within the District of Columbia should be apportioned among the several States and the District of Columbia on the basis of population. The Senate has modified the requirement to make it effective "so far as not inconsistent with efficient administration" and the House accepts the Senate amendment. The same section of the House text provides that in making separations from the Federal service, or furloughs without pay for as long as 3 months, of persons employed in the District of Columbia under the joint resolution, preference shall be given, in retaining employees, to those from States that have not received their share of appointments according to population. The Senate amended this part of the section to permit the appointing power to exercise the preference "as nearly as good administration will warrant" and the House accepts the Senate amendment.

On nos. 45, 46, and 47: Section 9 of the House measure makes provision for use of the appropriation for payment of administrative expenses, as determined by the Director of the Bureau of Budget, for any department, establishment, or agency for additional work incident to carrying out the purposes of the appropriation or the provisions of section 5 of the Emergency Relief Appropriation Act of 1935 or for agencies established by the President under section 4 of such act. Senate amendment no. 5 to section 1 of the joint resolution, as accepted by the House, deals specifically with administrative expenses and the Senate, therefore, made allotments under section 9 subject to the limitations of section 1, and the House accepts this change. Senate amendments to section 9 also changed the authority for the determination of administrative expenses from the "Director of the Bureau of the Budget" to the "President", and struck out authority for administrative expenses for agencies established by the President under section 4 of the Emergency Relief Act of 1935. The House accepts the change substituting the President for the Director of the Bureau of the Budget and accepts the Senate amendment with reference to administrative expenses of agencies under section 4, modified so as to provide specifically for the National Resources Committee instead of the general provision of the House measure.

On no. 48: Section 10 of the House measure was stricken out by the Senate. It provided (1) for the establishment of special revolving funds for the purchase, distribution, or rental of materials, supplies, equipment, and tools in connection with the furnishing of relief and work relief under the appropriation; (2) for

the assignment, with the approval of the President, of personnel, equipment, and materials of the Corps of Engineers, War Department, to service in connection with flood-control and water-conservation projects under the joint resolution, even though such projects have not been duly authorized by law; and (3) waiving the requirement in section 1 that no Federal construction project under the relief appropriation should be undertaken until the full amount necessary for its completion should be allocated and irrevocably set aside for that purpose. The House accepts the Senate amendment with modifications which (1) restores the House language relating to revolving funds and making such funds available to include "repairs", and (2) restores the House provision relative to waiving the requirement for complete allocation of the entire cost of a Federal project changed so as to waive such requirement only in the case of Federal projects authorized by a law other than this joint resolution.

On nos. 54 and 55: Section 15 of the House measure provided that no part of the funds of the United States should be loaned or granted, except for an obligation previously incurred, to any State or any of its political subdivisions or agencies for any program or project of constructing, rebuilding, repairing, or replanning its penal or reformatory institutions unless under the laws of such State the sale in the open market of goods, wares, or merchandise, manufactured or mined in whole or in part by convicts or prisoners (except convicts or prisoners on parole or probation) has been prohibited. The Senate amendments to the section modified it (1) by changing the class of funds prohibited from expenditure from those of the "United States" to those "appropriated in this joint resolution" and (2) by changing the qualification to obtain the use of the funds for the stated purposes from that of State law prohibiting the sale in the open market of the products of prison labor to a finding by the President that the projects to be financed with the loan or grant will not cause or promote prison competition with private enterprise. The House accepts the Senate amendments modified so as to make more clear the intent of the Senate amendments.

On nos. 58, 59, 60, 61, 62, 63, 64, and 65, comprising title II of the joint resolution, extending the life of the Federal Emergency Administration of Public Works: The House, by the passage of H. R. 7363, extended for a period of 2 years the functions and funds of the P. W. A., increased from $300,000,000 to $340,000,000 the amount which the Administrator might use from the sale of securities for the making of grants, provided $3,000,000 for administrative expenses for the fiscal year 1938 (in addition to the $10,000,000 in the Independent Offices Appropriation Act, 1938), and provided that after the date of the enactment of H. R. 7363 no allotment should be made for any project the application for which had not been approved by the examining divisions of the P. W. A. prior to such date.

The Senate did not pass the House bill, but instead inserted title II of the joint resolution dealing with the same subject matter. Each of the Senate amendments is a separate section dealing with P. W. A. As to all of these, except one, the House has agreed with amendments substituting for the Senate language a composite of the Senate and House proposals. Senate amendment 64, the House accepts without amendment; it provides that no new applications for loans or grants for non-Federal projects shall be received or considered by the administration after the date of enactment of the joint resolution.

The substitute proposed by the House for the other amendments of the Senate increase from $300,000,000 to $359,000,000 the amount that may be used for grants instead of from $300,000,000 to $367,000,000 the amount which in effect might be so used under the Senate amendments.

The Senate amendments provide for an increase in the amount of P. W. A. securities which the Reconstruction Finance Corporation might hold at any one time from $250,000,000, in effect, to such an amount as might be necessary to carry out the Senate proposal. The substitute increases the amount from $250,000,000 to $400,000,000. The House bill (7363) had no such similar provision.

H. R. 7363 and the Senate proposal contain provision that after the date of the enactment of the joint resolution no allotment shall be made for any project the application for which has not been approved by the examining divisions of the P. W. A. prior to such date. The substitute contains such a provision.

H. R. 7363 provides $3,000,000 additional administrative expenses for P. W. A. during the fiscal year 1938. The Senate amendments provide for $5,000,000 additional administrative expenses for 1938 and $10,000,000 for 1939 and amend the Independent Offices Appropriation Act, 1938, so as to provide that the $10,000,000 of administrative expenses therein for the fiscal year 1938 shall not be in liquidation of P. W. A. The substitute adopts the Senate proposals for administrative for 1938 and for amendment of the Independent Offices Appropriation Act, but omits the administrative expenses for the fiscal year 1939.

Senate amendment 63 is accepted with modifications setting forth categories of projects which were considered by both the House and Senate in arriving at an increase in the amount of grant money which the Administrator might use. The House bill, H. R. 7363, increased from $300,000,000 to $340,000,000 the amount of grant money for the purpose of providing for certain classes of projects which were set forth in the report of the House on that bill. The Senate amendment set forth the classes of projects in specific form. The conference agreement sets forth these classes of projects informatively and makes it clear that these classes of projects for which the funds may be used are in addition to other purposes for which funds may be used under the provisions of title II. The substitute for section 205 clarifies the Senate text with respect to projects in subdivision (b) and omits subdivision (f) and the proviso thereto dealing with miscellaneous projects.

The House bill, H. R. 7363, left the authority with respect to the P. W. A. in the determination of the President as provided by the present law. The Senate proposals took the authority from the President and placed it in the Administrator of the P. W. A. The substitute adopted leaves the authority in the President.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
JOHN TABER
(except at to no. 47),
R. B. WIGGLESWORTH,
Managers on the part of the House.

The SPEAKER. The gentleman from Virginia is recognized for 1 hour.

Mr. WOODRUM. Mr. Speaker, I hope to take very little time, because there is nothing controversial in this report, and, of course, I am very happy about that.

There were no fundamental changes in the bill which came from the Senate as compared to the bill which we passed in the House. A number of clarifying amendments were inserted by the Senate, many of which were agreed to by the House conferees. Perhaps the principal amendments in which the House might be interested are amendments nos. 26, 27, and 28, on page 9 of that print of the bill carrying the Senate amendments.

In amendments nos. 26 and 27 an effort was again made by the Senate to secure for that body the right to confirm the appointment of employees of the Government who receive salaries of $5,000 or more. I am very glad to be able to report that after full and complete consideration the Senate receded from these amendments and this provision was stricken out of the bill.

On page 16 of the bill is amendment no. 55, relating to the use of Federal funds for projects which involve the use of prison labor. The Senate put a proviso in that amendment to permit prisoners to be used in the preparation of materials for and in labor upon the projects for which grants could be made. This proviso, of course, was very vigorously objected to by labor and by the building-trades industry—and I think with much merit—upon the ground that it was not right to use relief money or P. W. A. money to pay for a structure and then use prison labor to build it; that this was putting prison labor into direct competition with free labor. This proviso was stricken out.

Title II of the bill comprises the Senate amendments extending the Public Works Administration for 2 years.

You will recall that we passed a separate bill in the House (H. R. 7363) carrying out, as we thought, the understanding about an extension of the Public Works Administration. It was sent to the Senate on June 7. The Senate, instead of passing the separate House bill, added an extension of P. W. A. as title II of the relief bill. In general intent their action was the same, but in method of approach and in language it was entirely different. After careful deliberation the Senate language, in nearly every instance, was stricken out and the text of the House bill used as the basis for carrying what is the final provision, the substance of which, as carried in this conference report, is that instead of taking the control of the Public Works Administration out of the hands of the President and putting it in the hands of the Public Works Administrator, as the Senate amendments sought to do, it leaves control in the President and administrative control in the Administrator subject to the approval of the President. We agree also in language of the former House bill increasing the amounts for grants in that bill to the extent of $17,000,000 and $2,000,000 more for administrative expenses, which is $8,000,000 less than the amount for grants which the Senate put in the bill.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BEITER. I much prefer the original language of section 203, which specified that the amount of the grant

should be 45 percent. Under the section as it is now drafted another administrative order similar to 197 could be issued, and we would again be forced to accept Federal grants on a restricted relief labor basis.

Mr. WOODRUM. I may say to the gentleman from New York that while another administrative order could be issued, yet under H. R. 7363, as passed by the House, the President had control over the Public Works Administration, but I think it would not be fair to assume that the President, having agreed to recall the no. 197 order and having actually recalled it, would issue another such order.

Mr. BEITER. That is true, but a similar order could be issued and the grant that is to go to these municipalities in that event would not necessarily amount to 45 percent.

Mr. WOODRUM. It could be less than 45 percent.

Mr. BEITER. It could be less than 45 percent, whereas in the language of the original bill it was specifically directed to be 45 percent.

Mr. WOODRUM. The original bill (H. R. 7363) as we passed it continued the present law of grants at not to exceed 45 percent, whereas in this agreement, if there are communities where a grant of less than 45 percent has been earmarked the grant cannot exceed that, and to that extent it is more flexible and more in favor of the Government, and after all we would like to give Uncle Sam a break in connection with these things.

This agreement carries an additional authorization of $17,000,000 for grants which cover some classes of projects put in by the Senate. We struck out of the Senate amendments an item of $8,000,000 for grants for miscellaneous projects.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. Some days ago our conferees were instructed by vote of the House to insist that the two separate bills, appropriating money respectively for the military and for the civil functions of the War Department, be kept separate, although the Senate had combined the two bills in one. In this case it appears we passed two separate appropriation bills, one for the Works Progress Administration, the other for the Public Works Administration. The Senate has combined these two in one bill. I am wondering if that is not a departure from the precedents which have been set in the recent case and in other cases.

Mr. WOODRUM. I may say to the gentleman from Colorado the House conferees frankly stated to the Senate that though neither the relief bill nor P. W. A. extension bill was a "general" appropriation bill, they felt the Senate should have taken action on the Public Works Administration extension bill which the House sent over there. Those gentlemen assured us their action in putting this on as an amendment here was an effort to conserve time and when we met them in conference they were generous and very agreeable about it. Academically and theoretically, we do not like it, but actually it gives us an opportunity now in one transaction to do both jobs, which, after all, is what we are trying to do. I may say to the gentleman that this is in no manner a parallel case to that of the War Department appropriation bill, where two entirely separate "general" appropriation bills have been passed by the House and combined into one by the Senate. The relief bill and the P. W. A. extension are both legislative bills. Neither of them is a "general" appropriation bill.

Mr. LEWIS of Colorado. Knowing as I do the jealousy of the gentleman from Virginia for the prerogatives of the House, I am glad to have his explanation. I trust this will not be a precedent.

Mr. WOODRUM. No. I may say to the gentleman that in the last few days before July 1st necessity makes us wound our prerogatives sometimes.

Mr. LEWIS of Colorado. I realize that.

Mr. PARSONS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. PARSONS. I notice that the Senate struck out all of section 10, which, among other things, provided for the President assigning personnel, equipment, and materials of the Corps of Engineers of the War Department to supervise construction of flood-control projects not authorized by law.

There is a substitution in place of that amendment, but it leaves out that particular feature of flood control and water conservation that is not authorized at the present time. It was the understanding when this bill was pending before the House, that as a part of the compromise in not earmarking these funds that amendment would be permitted to stay in the bill. When section 10 was eliminated from the House bill, it was stated in the Senate at the time Senator BARKLEY brought that matter up, by the Senator who had charge of the bill, Senator ADAMS, of Colorado, that they would try and write a new amendment in conference that would take care of the situation along the Ohio Valley where flood-control projects have not been authorized by law. May I ask the gentleman what it is proposed to do in this connection?

Mr. WOODRUM. That provision was stricken out of there upon the positive assurance it was not needed and that the Corps of Engineers already had that authority under existing law without such amendment being written into this bill.

Mr. PARSONS. The Corps of Engineers does not have the authority to embark upon flood-control projects that are not already authorized by law?

Mr. WOODRUM. I do not understand that amendment would have permitted them to do that.

Mr. PARSONS. The House language was written especially for that purpose, that is, to authorize the President to assign engineers, material, and equipment to projects not authorized by law.

Mr. WOODRUM. I do not believe the House ever would attempt to write a provision in the bill that would permit embarkation on flood-control projects not authorized by law. If that provision was written in there, I think we did not know what we were doing when we put it there.

Mr. PARSONS. I may say to the gentleman that was a part of the compromise in withdrawing support for earmarking these funds. There was not an authorization bill from the Flood Control Committee setting up projects following the flood of 1937 and we wanted it distinctly understood in this bill these funds would be made available for flood control in the Ohio Valley and its tributaries and that the President could assign personnel, equipment, and material of the War Department to supervise the construction of these projects that had not been authorized.

Mr. WOODRUM. They told us they had a right to assign the personnel, equipment, and materials without that authority. We were told this language was not needed to accomplish what it states.

Mr. PARSONS. If the gentleman will yield further, may I read the language of the House bill? This was the particular amendment upon the adoption of which a large group withdrew their support of earmarking. The amendment reads as follows:

> *Provided*, That with the approval of the President, materials, equipment, and personnel of the Corps of Engineers, War Department, may be assigned to service in connection with flood-control and water-conservation projects prosecuted under this act notwithstanding that such projects have not been duly authorized by act of Congress.

This language particularly was placed in the amendment, and this was a part of the compromise.

If the Committee on Flood Control reports and the Congress passes an authorization bill, that will then take care of the situation. However, I may say to the gentleman that thus far, so far as I know, the committee has not reported such a bill, and we have no assurance the Congress will pass such a measure this year. Therefore, the Ohio Valley will be left out entirely except with regard to projects which have been heretofore authorized in the omnibus bill, and this bill will not give the relief we expected to be given under this amendment.

Mr. WOODRUM. I may say to the gentleman I have a memorandum on the margin of my bill, and Mr. Sheild, our clerk, verifies my statement, that when we came to consider this matter we found there is no question about the fact the President has authority under this bill to allocate this money for relief projects, whether they are flood-control projects or what they are, and can use the Army Engineer Corps on those allotments.

Mr. PARSONS. He can do that on projects not authorized by law?

Mr. WOODRUM. Yes. This relief bill is a "law", and he can allot for flood control under it in providing work relief.

Mr. PARSONS. However, the Army engineers cannot go upon these projects without the consent of Congress.

Mr. WOODRUM. We understand that if the President allots money for the construction of the Federal flood-control project as a relief project the Army engineers can be used upon it. There was no contest made over the provision by the gentlemen who were the conferees representing the other body because the matter was explained to the satisfaction of everyone. It was not a question of wanting to take the authority away but it was simply stated that it was not necessary to put the provision in the law.

Mr. PARSONS. I may say to the gentleman if I did not have some hope and expectation that the Committee on Flood Control will report a bill which may become law in this session, I certainly would fight the language which has been agreed upon in this bill. I think the committee is going to report such a bill.

Mr. RAYBURN. If the gentleman will yield, is it not the understanding of the gentleman from Virginia that, without being specific about these things, the President under this bill will have the authority to use this money on unauthorized flood-control projects and, further, will have the authority to carry on the projects under the supervision of the Army engineers?

Mr. WOODRUM. That is my understanding. I am pleased to have the record show that was the understanding of the conferees, for whatever it may be worth to the gentleman.

Mr. PARSONS. With that assurance, and with the hope the Committee on Flood Control will report an authorization bill, I withdraw my objection.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BEITER. Under section 205, $60,000,000 is made available for grants and $11,000,000 for loans to replace schoolhouses which are considered by the Administrator to be in a hazardous condition. Where a school district has made application setting out that it has raised 55 percent of the funds which will be used to construct such a project, would it be entitled under the language of this bill to a grant of 45 percent?

Mr. WOODRUM. My understanding is that it would be eligible for consideration.

Mr. BEITER. During the consideration of the bill in the House the same question was propounded by another Member of the House. Upon reading the RECORD the following day, I saw that an affirmative answer had been stricken out of the RECORD. I wanted to get this in the RECORD, so it would be given consideration.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. JONES. I note that in connection with amendments 7, 8, and 9 it is stated on page 6, in the statement accompanying the conference report, that—

> The House provided for loans, relief (direct), and rural rehabilitation for needy persons to be administered through any agency to which the President might allot the funds for that purpose. The Senate amendment restricts the administration of funds for those purposes to allocations to the Resettlement Administration.

Under the bill which we will further consider when the pending matter is out of the way, we provide that such of the funds as are allocated for this purpose shall be handled by the Department of Agriculture, and also such funds as may be transferred by Executive order. We make no appropriation. We permit the Resettlement Administration as such to die on June 30, but stipulate that rehabilitation loans shall be handled by the Department of Agriculture, where we shall have departmental responsibility. It seems to me this provision would complicate the situation.

Mr. WOODRUM. I may say to the gentleman I am afraid it does, but the House conferees were unable to get that language stricken out of the bill. The report has been adopted by the Senate, and it is now to be adopted in the House. I hope the bill will go through just as it is. We cannot frame this bill to anticipate what Congress may do in the future. We shall have to try to meet that situation when we come to it.

Mr. JONES. By resolution or some other way?

Mr. WOODRUM. Yes.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. WALTER. Since it is desired that this entire appropriation shall be expended for relief purposes, the House adopted an amendment to the original bill making it illegal to pay any part of the appropriation to anyone who has another job. I see the conferees have agreed to strike this language out of the bill. I would like to know what prompted the conferees to reach such an agreement.

Mr. WOODRUM. Of course, the main thing that prompted the conferees to reach that agreement was that they had to reach such an agreement or still be conferring perhaps. The gentleman knows that in the stress of time you have to give and take. However, I may say to the gentleman that the same reason that was advanced in the House was advanced by the Senate conferees, that this kind of a provision would prevent the employment on a part-time basis of architects, engineers, and people in a supervisory capacity who might be used temporarily, and who might have a position where they could do a small job somewhere else.

Mr. WALTER. It seems to me the conferees could very easily have met that situation by modifying this language in such a way as to have made it possible for people of that sort to have been employed temporarily by the W. P. A., without leaving in the administration a great many people who are receiving salaries for whole-time work and are devoting very little of their time to the W. P. A.

In view of the fact that this appropriation is considerably less than is necessary to relieve distress and unemployment, I feel the conferees certainly should have insisted that the language the House put in the bill should remain in the measure.

Mr. WOODRUM. The conferees did insist, I may say to the gentleman from Pennsylvania, but you cannot always get everything you want.

Mr. BEITER. Mr. Speaker, will the gentleman yield again?

Mr. WOODRUM. I yield.

Mr. BEITER. Section 206 provides that—

> No new applications for loans or grants for non-Federal projects shall be received or considered by the Administration after the date of enactment of this joint resolution.

It is my understanding that after administrative order 197 was issued, in some cases the school boards called off the bond elections, and since this bill has been considered in the Senate and this amendment added to the relief bill, some of these school districts now have ordered bond elections to be held. Will they be precluded from consideration for a grant?

Mr. WOODRUM. I should think they would be, unless you are going again to open the doors for all applications.

Mr. BEITER. I grant that, but where a project has been approved, and upon the suggestion of the Administrator no bond election has been held, it would appear there is more or less of a moral obligation on the part of the Government there, because they were ready to proceed and had advertised their bond elections previously. In many cases they have again advertised, and in one case I know about the bond election is being held today. In the event this measure is passed and the election is carried, they will be precluded from participation in a Federal grant.

Mr. WOODRUM. I am afraid that will be true, I may say to the gentleman.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield there?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. RAYBURN. The only moral obligation on the part of the Government that I thought existed was where elections had been held, and this was the basis of whatever conversations I had with the gentleman from New York and others.

Mr. BEITER. That is right.

Mr. RAYBURN. Whether the bonds were sold or not. Now, it appears to me that the matters that the gentleman from New York is now talking about will just be matters that are in the lap of the gods for the future as to whatever course may be taken, but the moral obligation on the part of the Government that we were discussing here 2 weeks ago extended only to those places where they had voted bonds, sold them, or the legislature had taken action and had done whatever was necessary under the law of the State with respect to the State, county, municipality, or whatever subdivision may have been concerned.

Mr. BEITER. I want particularly to see the consummation of all projects in school districts where they have not held bond elections, but where the school directors have issued a tax levy and raised their proportionate share through a tax levy and not by a bond issue.

Mr. RAYBURN. I think if they had raised it by tax levy sometime in the past and before these agreements were made, and it was proper and legal in that jurisdiction, a moral obligation would exist so far as I am concerned.

Mr. BEITER. I thank the gentleman.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Mr. Speaker, I yield to the gentleman from Pennsylvania briefly.

Mr. RICH. In the allocation of funds for flood control, who is going to make the recommendations to the President with respect to the projects that are to be constructed?

Mr. WOODRUM. I assume the President will get technical information from the Corps of Army Engineers who have charge of the supervision and construction of these projects, as well as consider a list of authorized projects which Congress has specifically authorized and I understand exists, although I am just answering the gentleman somewhat at random.

Mr. RICH. Congress has not authorized anything along that line that is applicable to this one billion and a half dollars.

Mr. WOODRUM. Oh, yes; as I understand it, there are many authorized flood-control projects to which the President, under this bill, could allocate funds.

Mr. RICH. On the direct recommendation of the Army engineers?

Mr. WOODRUM. Yes.

Mr. RICH. Will the President hold up the recommendations of the Army engineers or is he going to try to carry out all the promises that have been made over the week end to Members of Congress who have had the privilege and pleasure of going down to Jefferson Island; and what consideration is going to be given to Members on this side of the House who did not receive an invitation to attend that love feast?

Mr. WOODRUM. I am sure the President will take care of the matter in the proper way.

Mr. RICH. Does the gentleman think he will give us proper consideration?

Mr. WOODRUM. I am sure he will give you the consideration you merit. [Laughter.]

Mr. RICH. It might be considered by some that there is no merit in the minority, and on that point we may disagree very much; but I would like to ask the gentleman this further question. The gentleman is one of the leading members of the Appropriations Committee. You have appropriated one billion and a half dollars now for relief. In the gentleman's opinion, what will be the result of this one billion and a half so far as taking care of the relief situation for the next year? Since you claim that prosperity is back, and that the Democratic Party has brought prosperity to this country, how long are you going to be compelled to carry on relief?

Mr. WOODRUM. Mr. Speaker, I may say to the gentleman from Pennsylvania that, of course, my views on the question of how much money is necessary for relief are pretty well known. I do not mean to say that one billion and a half dollars is not necessary for relief. Perhaps much more than that amount will be necessary, but I have felt all along, and have not changed by mind in this respect, that Uncle Sam should not pay all the bill.

A provision has been written into the bill that has not had much said about it. There has not been much publicity about it. This provision will save between $750,000,000 and a billion dollars on the relief bill in the fiscal year 1938 unless Congress subsequently repeals it. It provides that the funds appropriated here shall be set up on a basis of 12 months; that it shall be the total sum to be used for the relief bill for 1938. That provision was written into the bill in the Committee on Appropriations of the House. It was retained in the House and has been retained in the Senate, and will be in the law when we adopt this conference report. What does it mean? Last year we appropriated $1,425,000,000 for relief in the regular relief bill. They came back early in this session for $789,000,000 more. If this provision to which I relate were not in this bill which we adopt today, I have no doubt, yielding to pressure from States, municipalities, groups whom you represent and I represent, not able to stand up against the pressure, perhaps, they would be back here next January for another $750,000,000. They cannot come now. To that extent I answer the gentleman by saying that this bill carries a billion and a half for relief, more than I would like to see, but a very substantial and drastic reduction in the relief bill of the United States.

Between now and the time we convene next to consider this matter I hope to see some sane, logical, sensible method worked out whereby we can handle this relief problem, or so much of it as the Federal Government is going to assume, and yet put the responsibility upon the States and upon the localities. [Applause.]

I make this prediction to you. Unless you do that, an organization will arise in this country, a federalized organization, that will be so powerful politically that no Congressman can ever be elected in this country unless they put their stamp of approval upon him—an organization of people receiving gratuities from the Federal Government. They will be here asking you for a civil-service status. They want to be classed as Government employees. They will want annual leave and sick leave and retirement benefits, and an increase in wages.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. In just a moment. I do not believe that that is merely an alarming statement. The Federal Government is going to have to bear part of this cost for a while, until conditions come nearer to being normal. There are certain areas, congested areas, metropolitan centers, that obviously cannot carry the whole burden of this thing. What should we do? We should place upon that individual community or State or municipality the responsibility of purging their relief rolls, of taking the racketeering out of it and bringing it down, and then when the Federal Government is convinced that that locality or State cannot carry that burden, it is the duty of the Government to help them with it in some way, but let us put the responsibility back home, for that is where it belongs. Unless we do that, I say to you that this problem will come down upon you every Congress with increasing intensity, and you will not be able to stand up under it, and the taxpayers of the country will not be able to stand up under it, and they will wreak their vengeance upon those of us who permit that kind of condition to arise. I hope that between now and next year somewhere, somehow, there will be some sort of sane, logical, sensible plan evolved and brought here whereby such part as

the Federal Government has to take in this relief program will be patterned in a way that it will clean it up to some extent.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. The gentleman from Virginia answered several other questions that I was going to ask. I say to the gentleman that he has the respect of the Members of this House. There are from Virginia two of the greatest Senators in the United States, and would to God we had about 70 more of them. When those gentlemen put aside the mantle we feel sure that the gentleman from Virginia is going to be a successor to take his place in that body. Those Senators take the same attitude that the gentleman is advocating here, and if he will advocate that stronger, the House of Representatives will go with him in January, and I say to him that I am behind him 100 percent. I hope the gentleman will be able to carry out that program. [Applause.]

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MASSINGALE. I want a little information about section 14 on page 16 of the bill. That section seems to provide that no loan or grant shall be made to any State when it is engaged in producing articles that will go into commerce in competition with a private enterprise. Here is a condition that we have in my State. I do not know just exactly what the status of the agreement is in that respect. We have a twine plant in connection with the State penitentiary at McAlester, and that plant was put there to enable the farmers of Oklahoma to get their twine without having to pay International Harvester Co. monopolistic prices. Under this law as agreed to, as I understand it, the State of Oklahoma can get no assistance in the further continuance of the manufacture of binder twine.

Mr. WOODRUM. Of course, they would not get assistance, anyway, in the manufacture of twine. The question arises only in the matter of getting a loan for the construction of buildings, getting relief funds for the construction of buildings, and there is no other way that question can arise.

If the State of Oklahoma had an application for a relief grant for the purpose of erecting buildings at its penal institutions, then it could not get that grant if that institution, when erected, was going to manufacture goods that would go ino the open market in competition with free labor.

Mr. MASSINGALE. The part that gives rise to the question is on line 22, where it provides that—

> Unless the President shall find that the projects to be financed with such loan or grant will not cause or promote prison competition with private enterprise.

Mr. WOODRUM. That is right.

Mr. MASSINGALE. That is just exactly the reason that the twine plant in the State Penitentiary of Oklahoma was put there. As I understand it, under this language Oklahoma is shut out as far as the operation of the twine plant is concerned.

Mr. WOODRUM. No. It does not affect the operation of its twine plant. It affects its ability to get money from the Government to improve it.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WALTER. On page 2, line 25, is the proviso that—

> No portion of the funds hereby appropriated shall be allocated or used for any purpose except to provide relief or work relief for persons in need or for completion of flood control—

And so forth. Does that mean if a man is receiving a salary of $30,000 for liquidating a bank, he could be employed as a W. P. A. administrator?

Mr. WOODRUM. If I had the construction of it, I would say I would make that kind of construction of it.

Mr. WALTER. Was it the gentleman's understanding that that sort of situation could not exist when he agreed with the Senate conferees in striking out language that would have made that sort of thing impossible?

Mr. WOODRUM. I cannot say that there was any specific understanding about that particular case but we were definitely assured that the situations of which the gentleman speaks did not exist; that there were no cases where people were on the pay roll of the Works Progress Administration and had salaries that amounted to anything, who had other incomes or other business of any moment.

Mr. WALTER. The gentleman can take my word or the word of the people who are busily engaged in building up the vast political machine of which the gentleman spoke a moment ago, that the W. P. A. administrator in my district was appointed liquidator of a mortgage pool of a closed bank and his fee fixed at $30,000. He is engaged in liquidating that mortgage pool and at the same time drawing a salary of $4,300 as W. P. A. administrator, and he never goes near the W. P. A. office.

Mr. WOODRUM. That should not exist.

Mr. WALTER. What would the gentleman do about it?

Mr. WOODRUM. The gentleman knows what I would do about it.

Mr. WALTER. We are bound under the amendment adopted by the House.

Mr. WOODRUM. We could not save it for the gentleman, I am sorry to say.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HOOK. I was interested in the gentleman's reference to the relief work being turned back to the States. Does the gentleman know that in most of the States, at least in my State, the direct relief is taken care of by the State and furnished directly by the State, and that the only assistance the State receives from the Federal Government is the Works Progress Administration? Michigan matches practically dollar for dollar all the relief grants for work relief. Does not the gentleman believe that is an equitable distribution, and is it not the proper thing to do?

Mr. WOODRUM. I think it is not the proper thing to do under any circumstances, unless it is absolutely necessary to relieve suffering and unemployment. In my judgment that is the only possible basis on which you can put the right of the Federal Government to go into Virginia or into Michigan and build sidewalks, sewers, schoolhouses, and streets, as much as we like to see those wonderful improvements come into our own communities.

Mr. HOOK. Is that not the only reason we are passing this bill, and as long as that necessity exists, should we not carry it on?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. COLDEN. The gentleman from Virginia mentioned the responsibility of the States. In southern California we have 6,000 transients per month arriving there without means of subsistence and displacing other people who are working and throwing them on relief. Does this bill permit assistance in the case of transients which we face in California and perhaps in Florida?

Mr. WOODRUM. I think it does.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CRAWFORD. May I ask the distinguished gentleman, who has devoted so much study to this question, if it is his opinion that the $1,500,000,000 will be sufficient to meet the pressing needs when you consider that since January 1 we have lost man-days of work on account of strikes amounting to a little over 10,000,000 days, with the increased load that is taking place at this very time on the agencies which are administering this kind of relief?

Mr. WOODRUM. Of course, that is an added feature to it, undoubtedly.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. VOORHIS. The gentleman feels, does he not, that in the case of able-bodied people who are unemployed a program of constructive work is much superior to direct relief?

Mr. WOODRUM. Yes.

Mr. VOORHIS. And is that not the main reason for the work-relief program?

Mr. WOODRUM. Yes.

Mr. SPARKMAN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SPARKMAN. I would like to ask the gentleman with reference to this public-works extension, particularly with reference to section 205, where various projects, projects of different classes for which these funds can be spent are mentioned?

I notice this language in Senate amendment no. 63:

for projects which have been authorized, or for the financing of which bonds or other obligations have been authorized, at elections held prior to the date of enactment of this joint resolution, or for projects for which an authority or board constituting an independent corporation without taxing power has been specifically created by a State legislature prior to such date.

I have in mind also the statement of our floor leader, the distinguished gentleman from Texas, regarding moral obligations. He referred to the issuance of bonds duly authorized. In my State we have this situation: In 1933 a law was prepared here in Washington, sent down there and presented to the legislature, and was enacted by the legislature, setting up a bond authority and giving power to the various political subdivisions to issue revenue bonds without calling an election; that when approved by that bond authority these bonds would be good.

As I say, that law was passed and a great many of our projects are set up on that basis; in fact, in some instances these applications have been pending for 2 or 3 years; they have been approved by all of the examining divisions. In some cases they have actually sold such bonds and have the money in the bank and are paying interest on the bonds. In the gentleman's opinion would such projects be covered under this bill?

Mr. WOODRUM. The gentleman's statement presents a somewhat involved case. As I have been able to follow it, it seems to me that he has a class of cases that are provided for under this bill, but without further and considered judgment I would not like to make that as a binding statement. The language is as plain as we were able to make it, and it seems to me that the gentleman has stated a case that would come under it; but I must make that answer with reservations.

Mr. SPARKMAN. I wonder if the gentleman from Texas, our majority leader, would state an opinion regarding it?

Mr. RAYBURN. If the gentleman from Virginia will yield, I answered that question a while ago when I interrupted the gentleman from Virginia. I think so; except, I may say to the gentleman from Alabama, that a revenue bond is about the hardest thing to convince them is sound. If they are convinced that this is sound—they do not have to do this in all cases—but if they are convinced that it is a sound proposition I think that a basis would exist, myself.

Mr. SPARKMAN. I may say with reference to soundness that there are at present pending 55 applications from the State of Alabama which have been approved by all of the examining divisions. I understand that all of those except 21 will be left out unless such projects as I have described are included in this provision.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. PARSONS. Getting back to flood control, which I mentioned a few moments ago, I find in the bill reported by the Flood Control Committee yesterday this language:

That any funds appropriated for the fiscal year 1938 to carry out the provisions of the Flood Control Act of June 22, 1936, may be used for plant, material, supervisory, and skilled service necessary in the execution of the projects authorized herein, with relief labor furnished under the provisions of the Emergency Relief Appropriation Act of 1937.

Which if passed will take care of the situation, as I mentioned a while ago. Would the gentleman be willing to support such a bill if brought before the House? And I propound the inquiry to our majority leader if he will use his good offices to see that this bill is brought before the House for consideration?

Mr. WOODRUM. Answering for myself, I may say that I shall be very glad to give it very careful consideration.

Mr. RAYBURN. I have heard only a few lines of the bill read.

Mr. PARSONS. Our majority leader is doubtless sympathetic with the intent of the flood-control bill.

Mr. RAYBURN. I am for the flood-control bill, I will say to the gentleman, for a specific one in this session and for a general one in the next session.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LANZETTA. In connection with the apportionment and distribution of the amount appropriated in this bill does not the gentleman feel that if the need should arise the President should relax and permit the use of more funds during any 1-month period in which such increase was needed?

Mr. WOODRUM. I think he does not have the right to do it under the provisions of the bill. The bill does not provide for an allocation on a monthly basis. He may set it up on a seasonal basis; but it must be for 12 months; that is the point of it. He could use 75 percent of it in the first 6 months, but then he would have to make the 25 percent stretch over the next 6 months.

Mr. LANZETTA. Then it is the gentleman's understanding that it is to be on a seasonal basis?

Mr. WOODRUM. It is to be on a 12 months' basis. It has got to be spread out over a year and used as his good judgment and experience dictate it should be used.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MARTIN of Colorado. In view of the different methods used by political subdivisions to meet the requirements of P. W. A., not merely by bond elections, but by tax levies and other methods so long as they meet the requirements, why should they be excluded and only those projects recognized for construction in the matter of which bond elections have been held?

Mr. WOODRUM. It gets back to the proposition of moral obligations on the basis that where communities and localities had gone to the trouble of taking overt acts under the requirement, setting up men, machinery, and operations, it was felt that there was some moral obligation on the part of P. W. A.

Mr. MARTIN of Colorado. A tax levy would involve practically the same obligation as a bond election.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill, as far as I can observe, carries a direct appropriation of one and one-half billion dollars. Referring to the Treasury statement of June 25, which came this morning, I would think there is about $270,000,000 of reappropriation that the President could turn into this item for the first title of the bill.

Under the second title there is a reappropriation of funds growing out of the funds which have been turned over or will be turned over by the P. W. A. to the R. F. C. of approximately $204,000,000. So that the total, in addition to the loans to municipalities for expenditures which will be available under this bill in the next fiscal year, amounts to approximately $1,974,000,000.

The expenditures for so-called relief this year, according to the Treasury statement—and I refer to expenditures, not the total that is carried there—run approximately $3,800,000,000. Page 2 of the statement shows $2,800,000,000, but we must add to that the repayments which have been made, amounting to $1,000,000,000 in revolving funds, which have been subtracted from the recovery and relief expenditures on page 2 of the Treasury statement.

Mr. Speaker, this is a very large sum of money, and practically none of it is going to be available for relief, according to the program. It simply means a continuation of the W. P. A. and their extravagant method of doing business and their inefficient method of doing business. A friend of mine who has been going around the country came in this morning and advised me that in no place all over the country—and he has paid special attention to it—was there efficiency in the administration of the W. P. A. The sooner

we get away from this type of demoralizing, so-called work and so-called relief, and have things administered in an efficient manner, where expenditures of that kind are supervised by the local authorities and the responsibility put up squarely to the local authorities for the relief situation, the better this country is going to be, and the better the people who are on so-called relief employment and that sort of thing are going to be. We are not going to make a forward step toward rehabilitating that group until we get rid of this overhead in Washington and this idea of managing things from a central spot instead of placing the responsibility where it belongs.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield the remainder of the time to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, the presentation of this conference report in its present form and its adoption by the practically unanimous vote which will presently be accorded it, carries a significance which should not be overlooked just at this time.

In adopting this report the House and Senate are not merely voting on the appropriation of a billion and a half dollars for relief. That is the least important issue submitted for the action of the House here this morning. The real question before the House when the vote is taken on the conference report is the approval of the relief program of the administration; the endorsement of the methods used, the amounts expended, the results secured, and especially our cooperation in the continuance and completion of the program. Every opportunity has been afforded for observation at first hand of the program and its objectives.

In every State, every congressional district, and every community projects have been carried on, relief has been administered, employment has been provided. And now, after 3 years of trial, we vote this morning to decide whether it has been a success or a failure; whether it has been honestly and efficiently administered; whether we decide to continue it as heretofore or whether we prefer to revise or amend it; whether we wish to reduce the amount available for the purpose or continue it at the figure recommended by the administration. That is the issue before the country. That is the question on which we vote in passing on the adoption of the conference report.

We are now in the later stages of that program. In its furtherance we have disbursed sums so stupendous as to stagger human comprehension. The proposition now before us is to spend another billion and a half in the same way, under the same circumstances, and by the same authority. As has well been said, that in each previous appropriation we have given the President a blank check. And now again, after exhaustive investigations and debate in the House and Senate, through the newspapers, over the radio, and on the streets of every city and village in the Republic, we again propose in this conference report to give him another blank check. And in a few minutes this House will vote practically unanimously to adopt the conference report and turn the check over to him practically without qualification or limitation.

It is the greatest tribute ever paid to a public official, the strongest endorsement ever given an administration, the most convincing expression of confidence ever voted by this or any other Congress.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. CANNON of Missouri. My time is so brief I hope the gentleman will not insist.

Mr. Speaker, persistent efforts have been made to create the impression that the Congress is out of sympathy with the administration and the President. Columnists and editorial writers, with whom the wish was father to the thought, have affected to see in the debate on the relief bill the reflection of an unrelenting opposition to the program and the determination to deny either approval or cooperation. But this conference report, unanimously submitted by House and Senate conferees and shortly to be approved by both Houses, effectually sets at rest any doubts which may have been entertained on that score. We are united. We are back of the President. And after 3 years of trial the administration program meets with the wholehearted cooperation of both the Congress and the country.

In this connection, Mr. Speaker, we might also recall the assurances freely given that any action taken by the House of Representatives on this bill was inconsequential and could have no ultimate effect on the measure; that regardless of the form in which passed or the amount written in by the House it would be revised, rewritten, and reduced to a billion, or a billion and a quarter. But here it is before the House for final approval in practically the same form in which it was reported by the committee and in the same amount passed by the House. This conference report is conclusive and convincing evidence that the House of Representatives is still a part of the Federal Government, and that it continues to discharge its proper functions under the Constitution of the United States. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I had intended to save more time for the gentleman from Missouri, the acting chairman of the Appropriations Committee. I therefore ask unanimous consent that he may have 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the bill as reported by the committee, as passed by the House, and as now submitted in the conference report is the happy medium between two extremes. On the one hand there were those who contended that it carried too much money; that it promoted racketeering, was characterized by few redeeming features, and should be limited to an appropriation of a billion dollars at most. On the other hand were those who insisted just as strenuously that the amount carried was inadequate; that the bill was a niggardly and parsimonious makeshift and should be increased to a minimum of $2,000,000,000 at least. The bill before us is the well-considered mean between the two. Press reports from all parts of the country within the last week reflect protests against the retrenchments and reductions enforced by the Government in its program to curtail relief and return to normal conditions. The suggestion that some plan must be adopted to discontinue relief comes belatedly. That course was determined upon by the President months ago, and this bill reducing the annual expenditure by more than three-quarters of a billion dollars is a studied step in that direction.

At the same time provision is made for actual requirements and no child will lack food or clothing; no unfortunate family will suffer; recovery will continue; the Budget will be balanced and national welfare promoted and safeguarded. The President will disburse this money honestly, wisely, and effectively, as in the past. And despite widely disseminated reports of discord, disloyalty, and disintegration here on the Hill, the Congress will continue its united support and cooperation, as evidenced by the enactment of this legislation in the form and amount warranted by the successful experience of the past 3 years. [Applause.]

Mr. WOODRUM. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

OMAHA-COUNCIL BLUFFS MISSOURI RIVER BRIDGE

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7405) to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. TABER. Mr. Speaker, reserving the right to object, it seems to me that private bridge bills of this character, providing for tolls, should come up on the regular call of the Consent Calendar and should not be considered specially.

The SPEAKER. If the gentleman will yield for just a moment, the Chair justified the recognition of the gentleman from Nebraska by the assurance given to the Chair that time is of the essence in this matter, inasmuch as certain obligations and contracts will expire on the 1st of July.

Mr. McLAUGHLIN. Mr. Speaker, I shall be pleased to explain the bill if the gentleman will yield.

Mr. TABER. Mr. Speaker, I reserve the right to object, and yield to the gentleman.

Mr. McLAUGHLIN. Mr. Speaker, this is a bill for the extension of a franchise for a publicly owned bridge at Omaha, Nebr., across the Missouri River at that point. The franchise was granted in 1930 and has been extended by the Congress from year to year. This bill provides for an additional extension for 1 year.

The reason I have asked for the immediate consideration of this measure is that if the bill is passed by July 1, certain Federal funds may be allocated for use on this bridge which cannot be used if the bill is not passed before that date. This is not a private bridge but a publicly owned bridge, which is to be owned and controlled by a board set up by public law. The board is a nonprofit board. The bridge is not in any sense a private toll bridge.

Mr. TABER. Does the gentleman mean highway funds will be so allocated?

Mr. McLAUGHLIN. Highway funds; not W. P. A. funds, but highway funds.

Mr. TABER. Is not that an unusual procedure?

Mr. McLAUGHLIN. I am informed by the Bureau of Public Roads it is perfectly proper. The matter came up before the Subcommittee on Bridges of the Committee on Interstate and Foreign Commerce, of which the gentleman from New York [Mr. WADSWORTH] and the gentleman from Massachusetts [Mr. HOLMES] on the gentleman's side of the aisle, are members. These gentlemen were thoroughly satisfied from the representations of the Bureau of Public Roads that this is in every way in order.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. HOLMES. During the time this franchise has been under consideration work has actually started. The State Highway Department of Nebraska, in cooperation with the Federal Government, has spent practically $2,500,000 in widening and broadening the Lincoln Highway leading out of the city of Omaha, which brings it right into the location of this bridge. This is a direct east-and-west highway to take the through traffic directly west through the city of Omaha and Council Bluffs on the Iowa side. This bill is very important. It was demonstrated before our subcommittee on bridges, which gave 2 days of public hearings to this bridge bill, that it was essential the measure be passed in order that advantage may be taken of the agreements made between the departments of public works of the city of Omaha and of the city of Council Bluffs, and that these agreements may be carried out before June 30, 1937.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. McLAUGHLIN. I yield.

Mr. DONDERO. Is it not true this bridge will be built just 1 block from a bridge which is now in use?

Mr. McLAUGHLIN. The gentleman is correct.

Mr. DONDERO. What can the gentleman say with respect to what will become of the investment in that bridge?

Mr. McLAUGHLIN. I may say to the gentleman the history of that bridge, briefly, is that in 1887 a private bridge was built across the Missouri River between Omaha and Council Bluffs and has been in existence, privately owned, from that day to this. More than $10,000,000 in tolls has been extracted from the public. You and I and everyone who travels by the Lincoln Highway pays a toll to this bridge company. The residents of the city of Omaha, numbering about 225,000, and the residents of the city of Council Bluffs, immediately across the river, numbering about 50,000, are required to pay toll every time they go across the bridge. It was built in 1887 at a cost of about $600,000 and was later improved at a cost, it is said, of about a million dollars. The bridge, including the cost of improvements, has been paid for time and again. The city of Omaha, through its officials, has made efforts to negotiate with the private company owning the bridge to purchase the bridge, but the negotiations have come to naught. I respect private property as much as does the gentleman who is now inquiring of me, but I say that any man who objects to this bill stands in the way of the people of the State of Nebraska, the State of Iowa, and the cities of Omaha and Council Bluffs, and stands in the way of every person who is required to pay toll across that bridge as he travels across the continent on the Lincoln Highway and five other continental highways which cross the bridge.

It is important that this bill pass at this time, and as has been explained, there is nothing new about the measure. The Congress is committed to this franchise. The franchise was granted in 1930 and has been extended from year to year. Did the gentleman object when the franchise was originally granted or when yearly extensions were granted in the past? We now ask merely for another extension. The only opponents of this bill in the hearings before the subcommittee, which were held before the distinguished group of men who compose that subcommittee, were those who own the private bridge which is now extracting toll from the public.

Mr. DONDERO. Does the gentleman think a public necessity exists for the building of the new bridge?

Mr. McLAUGHLIN. Not only do I feel that way about it, but the people of my city feel that way and the people of the city of Omaha and of the State of Nebraska feel that way and the people of Council Bluffs, represented here so ably by my friend, the gentleman from Iowa [Mr. WEARIN], feel that way, as well as the people of the State of Iowa generally. They are all united in this request.

Mr. MAPES. Mr. Speaker, reserving the right to object, I sympathize a great deal with what the gentleman from New York [Mr. TABER] has said in regard to this request for unanimous consent, but the urge for the passage of the bill before the 1st of July seems to be great. I do not understand why those interested have delayed so long before bringing the bill before the Congress, but the Subcommittee on Bridges of the Committee on Interstate and Foreign Commerce considered the bill very carefully. After holding extensive hearings on it the subcommittee reported it back to the full committee unanimously and the full committee in turn unanimously approved the recommendation of the subcommittee and reported the bill to the House. The present bill is only an extension of a permission which was granted by the Congress in 1930.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the time for completing the construction of the bridge at or near Farnam Street, authorized under the provisions of section 3 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, as extended, is hereby further extended 1 year from June 10, 1938. It is hereby recognized that construction has been heretofore commenced under the provisions of section 3 of said act as extended, and said bridge may be constructed at any point at or near Farnam Street, irrespective of the site of the commencement hereby recognized, subject to the approval of the War Department and the approval of either of the Highway Departments of the States of Iowa or Nebraska, all in accordance with and subject to the provisions of said act approved June 10, 1930, as extended, and as amended by this act.

SEC. 2. Any bridge constructed or to be constructed or owned and operated by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees under said act of 1930, as herein amended, shall be

deemed a Federal instrumentality for facilitating interstate commerce, improving the postal service, and providing for military and other governmental purposes.

SEC. 3. That in addition to the powers granted by said act of 1930, said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees may acquire and purchase and thereafter operate any other bridge or bridges (including approaches) over the Missouri River within 1 mile of the site of the bridge to be constructed by said board at or near Farnham Street, Omaha, Nebr., as referred to in said act of 1930, all in the manner provided by this act and said act of 1930, it being contemplated that all bridges owned and operated by said board will be so financed that the obligations incurred will be amortized and the travel over such bridge or bridges will be made free of tolls at the same time. It shall be obligatory upon said board that all toll revenues, after paying the reasonable and proper charges of operation and maintenance and the accruing interest on the outstanding indebtedness, be applied to the retirement of such indebtedness. The rate or rates of toll for crossing any bridge now or hereafter constructed which abuts upon or enters into the corporate limits of both the cities of Omaha, Nebr., and Council Bluffs, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said board for the account of any bridge or bridges shall be outstanding and unpaid. To pay the cost of any such bridge or bridges so purchased, the board may, either separately or in conjunction with the financing of any other bridge, issue bonds as provided in said act of 1930 as herein amended: *Provided*, That said board shall operate each of the bridges under its control and charge and collect such rates of toll for transit over same as will not reflect upon or impair the earnings of any other bridge to such extent as to adversely affect any outstanding bonds which said board may have issued for account of such other bridge: *Provided further*, That the power granted in this section with respect to the acquisition and purchase of any other bridge shall not be exercised by said the Omaha-Council Bluffs Missouri Bridge Board of Trustees until the amount to be paid for the acquisition and purchase of any such bridge shall have been approved by the Highway Departments of the States of Iowa and Nebraska. The construction of no competing bridge shall hereafter be authorized, the operation of which will adversely affect such outstanding bonds, unless provision is otherwise made for the payment thereof: *Provided further*, That the rates of toll to be charged for transit over bridges operated by said board shall at all times be subject to regulation by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. That either the State of Nebraska and the State of Iowa, separately or jointly, or the cities of Omaha and Council Bluffs, separately or jointly, or the counties of Douglas, Nebr., and Pottawattamie, Iowa, separately or jointly, may at any time acquire and take over all right, title, and interest in all of the bridges, including approaches, and including any interest in real property necessary therefor, then owned and operated by said board. It shall not be necessary to condemn or expropriate such property, but the said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, shall deliver same by proper instrument of conveyance; and no damages or compensation whatsoever shall be allowed for any such right, title, and interest, but such conveyance shall be made and taken subject to the bonds, debentures, or other instruments of indebtedness of said board then outstanding, including accrued interest thereon. Such instrument of conveyance shall be executed and delivered within a period of 30 days after a written notice of such intention to take over such property.

SEC. 5. That in addition to the powers granted by said act of 1930, as extended, said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, are hereby granted power and authority to acquire, condemn, occupy, and possess and use real estate and other property acquired for or devoted to a public use for park or other purposes by the State of Nebraska or the State of Iowa, or any governmental or political subdivision thereof, or any person or corporation which real estate or other property may be required for the location, construction, operation, and maintenance of such bridge and its approaches and highways leading thereto, 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 condemnation or expropriation of property for public purposes in such State.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 2, line 3, strike out the words "at or near" and insert the following: "Providing the west end of said bridge is within 2,000 feet of the center line of said."

Page 2, line 21, after the word "River", strike out the words "within 1 mile of the site of the bridge to be constructed by said Board at or near Farnam Street, Omaha, Nebr., as referred to in said act of 1930" and insert the following: "which (including approaches) abuts upon or enters into the corporate limits of either or both the cities of Omaha, Nebr., and Council Bluffs, Iowa."

Page 3, line 10, after the word "the", insert the word "present."

Page 3, line 22, after the word "bridge", insert "operated by said board, or of which the construction was financed in whole or in part by a loan and a grant from the United States of America, or any agency or instrumentality thereof."

Page 3, line 23, strike out the words "said board."

Page 3, line 23, after the word "have" insert the word "been."

Page 4, line 2, after the word "Missouri", insert the word "River."

Page 4, line 3, after the word "until" strike out the words "the amount to be paid for the" and insert "all terms of the proposed."

Page 5, after line 24, insert a new section as follows:

"SEC. 6. Said bridge may be constructed with the aid of any Federal funds appropriated and apportioned to the States of Iowa and Nebraska, or either of them, 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 controlled for transit over bridges so constructed and operated shall not be applicable to the tolls authorized to be charged under the provision of this act."

Page 5, line 25, change "Sec. 6" to "Sec. 7."

The committee amendments were agreed to.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent that the bill (S. 2156) to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees approved June 10, 1930, and for other purposes, may be substituted in lieu of the House bill (H. R. 7405), and that all after the enacting clause of the Senate bill be stricken out and the House bill (H. R. 7405), as amended, be substituted therefor.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the title of the Senate bill.

The SPEAKER. The gentleman from Nebraska offers an amendment striking out all after the enacting clause and substituting therefor the House bill as amended, which the Clerk will report:

The Clerk read as follows:

Amendment offered by Mr. McLAUGHLIN: Strike out all after the enacting clause of the Senate bill and insert the following:

"That the time for completing the construction of the bridge at or near Farnam Street, authorized under the provisions of section 3 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, as extended, is hereby further extended 1 year from June 10, 1938. It is hereby recognized that construction has been heretofore commenced under the provisions of section 3 of said act as extended, and said bridge may be constructed at any point, providing the west end of said bridge is within 2,000 feet of the center line of said Farnam Street, irrespective of the site of the commencement hereby recognized, subject to the approval of the War Department and the approval of either of the Highway Departments of the States of Iowa or Nebraska, all in accordance with and subject to the provisions of said act approved June 10, 1930, as extended, and as amended by this act.

"SEC. 2. Any bridge constructed or to be constructed or owned and operated by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees under said act of 1930, as herein amended, shall be deemed a Federal instrumentality for facilitating interstate commerce, improving the Postal Service, and providing for military and other governmental purposes.

"SEC. 3. That in addition to the powers granted by said act of 1930, said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees may acquire and purchase and thereafter operate any other bridge or bridges (including approaches) over the Missouri River which (including approaches) abuts upon or enters into the corporate limits of either or both the cities of Omaha, Nebr., and Council Bluffs, Iowa, all in the manner provided by this act and said act of 1930, it being contemplated that all bridges owned and operated by said board will be so financed that the obligations incurred will be amortized and the travel over such bridge or bridges will be made free of tolls at the same time. It shall be obligatory upon said board that all toll revenues after paying the reasonable and proper charges of operation and maintenance and the accruing interest on the outstanding indebtedness be applied to the retirement of such indebtedness. The rate or rates of toll for crossing any bridge now or hereafter constructed which abuts upon or enters into the corporate limits of both the present cities of Omaha, Nebr., and Council Bluffs, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said board for the account of any bridge or bridges shall be outstanding and unpaid. To pay the cost of any such bridge or bridges so purchased the board may either separately, or in conjunction with the financing of any other bridge, issue bonds as provided in said act of 1930 as herein amended: *Provided*, That said board shall operate each of the bridges under its control and charge and collect such rates of toll for transit over same as will not reflect upon or impair the earnings of any other bridge operated by said board, or of which the construction was financed in whole or in part by a loan and a grant from the United States of America, or any agency or instrumentality thereof, to such extent as to adversely affect any outstanding bonds which may have been issued for account of such other bridge: *Provided further*, That the power granted in this section with respect to the acquisition and purchase of any other bridge shall not be exercised

by said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees until all terms of the proposed acquisition and purchase of any such bridge shall have been approved by the Highway Departments of the States of Iowa and Nebraska. The construction of no competing bridge shall hereafter be authorized, the operation of which will adversely affect such outstanding bonds, unless provision is otherwise made for the payment thereof: *Provided further*, That the rates of toll to be charged for transit over bridges operated by said board shall at all times be subject to regulation by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. That either the State of Nebraska and the State of Iowa, separately or jointly, or the cities of Omaha and Council Bluffs, separately or jointly, or the counties of Douglas, Nebr., and Pottawattamie, Iowa, separately or jointly, may at any time acquire and take over all right, title, and interest in all of the bridges, including approaches, and including any interest in real property necessary therefor, then owned and operated by said board. It shall not be necessary to condemn or expropriate such property, but the said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, shall deliver same by proper instrument of conveyance; and no damages or compensation whatsoever shall be allowed for any such right, title, and interest, but such conveyance shall be made and taken subject to the bonds, debentures, or other instruments of indebtedness of said board then outstanding, including accrued interest thereon. Such instrument of conveyance shall be executed and delivered within a period of 30 days after a written notice of such intention to take over such property.

"SEC. 5. That in addition to the powers granted by said act of 1930, as extended, said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, are hereby granted power and authority to acquire, condemn, occupy, and possess and use real estate and other property acquired for or devoted to a public use for park or other purposes by the State of Nebraska or the State of Iowa, or any governmental or political subdivision thereof, or any person or corporation which real estate or other property may be required for the location, construction, operation, and maintenance of such bridge and its approaches and highways leading thereto, 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 condemnation or expropriation of property for public purposes in such State.

"SEC. 6. Said bridge may be constructed with the aid of any Federal funds appropriated and apportioned to the States of Iowa and Nebraska, or either of them, 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 controlled for transit over bridges so constructed and operated shall not be applicable to the tolls authorized to be charged under the provision of this act.

"SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved."

The amendment was agreed to.

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.

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WEARIN. Mr. Speaker and Members of the House, it was of the utmost importance that the House of Representatives consider the bill now before Congress extending the right of franchise for the building of a free bridge between Council Bluffs, Iowa, and Omaha, Nebr. It has been a great pleasure to cooperate with Senator EDWARD R. BURKE, of Nebraska, and Congressman MCLAUGHLIN, as well as the two mayors of the cities interested, the Governor of Nebraska, the chairman of the present bridge board, Mr. Henry Kieser, and all interested parties in bringing this matter to a successful conclusion. It was my pleasure to introduce and obtain passage of an extension of the same franchise at one of the earlier sessions of Congress of which I was a Member.

It is very fine indeed that all groups in the two cities of Council Bluffs and Omaha have united in an agreement under which they can proceed toward the construction of a bridge, and I believe that the erection of such a structure is nearer to a realization today than it has been for many years.

As has already been explained, the necessity for haste with reference to the pending bill is due to the fact that unless it passes this House, in addition to the approval that has already been given to the bill in the Senate, we will be unable to utilize certain Federal funds now available in the State of Nebraska. The fact that the legislation will have practically completed its passage through Congress upon its approval here today will indicate definitely to the authorities now in charge of the funds that the franchise is to be extended. The cooperation of the Speaker of the House [Mr. BANKHEAD] and the Members with reference to this particular matter is, I am sure, greatly appreciated by the citizens of Council Bluffs and southwest Iowa, whom I represent.

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein the statement of Mr. Donald Richberg before the Joint Labor Committee on Wages and Hours.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

FARM-TENANCY BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7562, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Chairman, I understand that the first section of the bill has been read.

The CHAIRMAN. The first paragraph of the bill has been read.

Mr. BOILEAU. Is it proper to offer an amendment at this time?

The CHAIRMAN. An amendment is in order at this time if it is germane.

Mr. BOILEAU. Mr. Chairman, I offer the following amendment, which I send to the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk proceeded to report the amendment.

Mr. BOILEAU (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with—it is rather long—and that it be printed in the RECORD at this point.

Mr. JONES. Mr. Chairman, I reserve all points of order on the amendment, and ask the gentleman to explain the amendment before making the point of order.

The CHAIRMAN. The gentleman asks unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the RECORD at this point? Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Texas reserves all points of order against the amendment.

The amendment referred to is as follows:

Substitute amendment offered by Mr. BOILEAU: Page 1, line 3, strike out all of section 1 and insert in lieu thereof the following:

"That this act may be cited as the 'Farmers' Security Act of 1937.'

"TITLE I—FARM TENANT PROVISIONS

"SECTION 1. (a) There is hereby established a corporation to be known as the Farmers' Security Corporation (hereinafter in this act referred to as the Corporation), which is hereby declared to be an agency and instrumentality of the United States. The principal office of the Corporation shall be located in the District of Columbia. The management of the Corporation shall be vested in a board of directors composed of five members, not less than two of whom, at the time of their appointment, are farm tenants or sharecroppers. The directors shall be appointed by the President, by and with the advice and consent of the Senate. Each director shall receive a salary at the rate of $7,500, together with actual necessary traveling and subsistence expenses when engaged in the business of the Corporation outside of the District of Columbia, and shall hold office for a term of 5 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the term of office of the members first taking office after the date of the enactment of this act shall expire as designated by the President at the time of appointment, one at the end of 1 year, one at the end of 2 years, one at the end of 3 years, one at the end of 4 years, and one at the end of 5 years after the date of the enactment of this act. In submitting the names of such nominees to the Senate for confirmation, the President shall certify that, in his opinion, each of such persons has demonstrated that he will exert every effort to improve the status of those who qualify for loans or grants under the provisions of this act and is in sympathy with the efforts of farm tenants, farm laborers, and sharecroppers to become farm owners. Before the President submits the names of nominees for membership on the board of directors of the Corporation, he shall give a reasonable opportunity to the national representatives of the various organizations composed primarily of farm tenants or sharecroppers to recommend persons for such positions. The Corporation shall annually make a full report of its activities to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

"(b) The board of directors shall have power (1) to select from its members a chairman and a vice chairman; (2) to determine and prescribe the manner in which the obligations and expenses of the Corporation shall be incurred, allowed, and paid; and (3) to adopt such bylaws and to promulgate such rules and regulations, not inconsistent with the provisions of this act, as may be necessary or convenient for the proper conduct of the affairs of the Corporation or to carry out the purposes of this act.

"(c) The capital of the Corporation shall be in the sum of $500,000,000, subscribed by the United States of America, payment for which shall be subject to call, in whole or in part, by the board of directors of the Corporation. The Corporation shall issue to the Secretary of the Treasury receipts for payments for such stock subscriptions and such receipts shall evidence the stock ownership of the United States. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum not in excess of $500,000,000 for the purpose of subscription to the capital stock of the Corporation. In addition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each year succeeding the first fiscal year for which an appropriation is made under the preceding sentence, such sums as may be necessary to carry out the purposes of this act, and the sums appropriated in pursuance of this authorization shall be available to the Corporation for the purposes of this act.

"(d) The Corporation, including its property, franchise, capital, reserves, surplus, and other funds, and its loans and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipal, or other local taxing authority, except as hereinafter provided. Mortgages, notes, and other lien and credit instruments executed to, or held by, the Corporation and any obligation issued or executed by it shall be deemed and held to be instrumentalities of the United States. The Corporation, when designated for that purpose by the Secretary of the Treasury, shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and may also be employed as a financial agent of the Government; and shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it. The Corporation may also function as an agent of the United States with respect to lands in the public domain to the extent and in the manner prescribed by the Secretary of the Interior, or by the Commissioner of the General Land Office with the approval of the Secretary of the Interior. The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof in carrying out the provisions of this act.

"(e) The Corporation shall have power to employ, to fix the compensation, and to prescribe the powers and duties of such officers, examiners, attorneys, other experts, and employees and agents as may be necessary to carry out the powers and duties conferred upon the Corporation by this act, to require bonds of them and fix the penalties thereof. The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government.

"(f) All books, records, and accounts of the Corporation and of all county committees shall be open for inspection, under such regulations as the Corporation may prescribe, by any officer of the Corporation or any member of a county committee, or by any person who has applied for or received assistance under this act.

"(g) The Comptroller General of the United States is hereby authorized and directed to audit at least once each governmental fiscal year, and at such other times as he may prescribe, the books, records, and accounts of the Corporation. Such audit shall be for the sole purpose of making a report to the President of the United States and the Congress, together with such recommendations thereon as the Comptroller General deems advisable.

"SEC. 2. The Corporation shall have the power, and it shall be its duty, to establish, and to assist in the establishment of, farms and farm homes, for the purpose of encouraging the ownership of farm homes and improving the situation of farm tenants, sharecroppers, and farm laborers.

"ACQUISITION AND IMPROVEMENT OF PROPERTY

"SEC. 3. The Corporation shall have power, in order to carry out the purposes of section 2, to—

"(a) Acquire by purchase, gift, devise, condemnation, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, real property, and options to purchase real property, suitable for use for farming and for farm homes. Real property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Corporation determines will not interfere with the utilization of such property for the purposes of this title.

"(b) Construct and maintain necessary buildings and improvements on property acquired under this section. No building shall be constructed under this subsection unless the county committee has certified to the Corporation the necessity therefor and has approved the type of building and the amount proposed to be expended for the construction thereof.

"(c) Improve, develop, maintain, and insure property acquired under this section.

"COUNTY COMMITTEES AND LAND PURCHASE

"SEC. 4. The county committee established under section 32 shall—

"(a) Receive applications of persons desiring to sell real property in the county to the Corporation for the purposes of this title.

"(b) Make inquiries in the county as to real property which may be suitable and available in such county for purchase for the purposes of this title.

"(c) Examine and appraise real property in the county when required by the Corporation or with respect to which application to sell is made.

"If the committee determines that any such real property in the county is of such character that there is a reasonable likelihood that its purchase and lease would carry out the purposes of this title, it shall so certify to the Corporation and it shall certify the amount which the committee finds is a reasonable purchase price, taking into consideration land values in the county. No real property shall be purchased by the Corporation unless certified by the county committee in which such real property is situated, nor shall the Corporation pay for any such real property an amount in excess of its value as so certified by the county committee. No certification shall be made with respect to land in which any member of the committee has any property interest, direct or indirect.

"ELIGIBLE BENEFICIARIES

"SEC. 5. (a) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible individually or cooperatively to receive the benefits of this title; but no such person shall be eligible if his income is sufficient to maintain his family, pay operating expenses and taxes on and maintain property owned by him, and discharge the interest and principal payments on any indebtedness secured by such property. In making available the benefits of this title, the Corporation shall give preference to persons who are married or who have dependent families, and who are most in need.

"(b) The recommendations of prospective lessees by the county committee provided for in section 32 shall be considered in selecting lessees of land within that county, and no lease of land shall be made in a county to any person until the county committee has had an opportunity to report its opinion with respect to the ability of such person to carry out undertakings which may be required of him under this title. The county committee established under section 32 shall make inquiries in the county as to prospective lessees who are eligible to receive the benefits of this title and shall receive applications of prospective lessees. If the committee finds that any person is so eligible and that such person by reason of his character, ability, and experience is likely successfully to carry out undertakings required of him under a lease which may be made under this title, it shall so certify to the Corporation. No lease of any land in the county shall be made under this title to any person unless such person has been so certified by the county committee.

LEASES TO TENANTS

"SEC. 6. (a) The Corporation shall lease farms acquired by it under this title to persons or cooperatives eligible for its benefits.

"(b) Farms leased shall be of such size as the county committee with the approval of the Corporation determines to be sufficient to constitute an efficient farm-management unit and to enable one or more diligent farm families, either individually or cooperatively, to carry on farming of a type which the county committee deems can be successfully carried on in the locality in which the farm is situated, which gives reasonable indication of providing minimum standards of health and decency for such family or families as established by the Bureau of Home Economics of the Department of Agriculture or other Government agencies.

"(c) Each lease shall be for a term not in excess of 5 years, and the Corporation may renew any such lease for a term not in excess of 5 years.

"(d) The lease shall provide for payments which the Corporation determines to be fair and reasonable, and such payments shall not be in excess of the prevailing rentals in the locality in which the farm is situated as certified by the county committee. No lease shall prohibit the prepayment of any sum due under it.

"(e) The lease shall provide that the lessee will conform to such requirements as the Corporation shall prescribe in order that the property may be maintained in repair, and waste and exhaustion of the farm prevented.

"(f) The lease shall provide for its termination upon default of any obligation thereunder or upon assignment, without the consent of the Corporation, by the lessee of this interest.

"(g) The Corporation shall have power to prescribe such additional terms (not inconsistent with this title) in the lease as it deems necessary to carry out the provisions of this title.

"(h) Amounts paid under subsection (d), diminished by such amounts as the Corporation determines are necessary to reimburse it for insurance paid on the farm and for amounts paid under section 13 with respect to the farm, shall be applied to the purchase price of the farm if the Corporation enters into a contract for the purchase of the farm by the lessee.

"LESSEE PARTICIPATION

"SEC. 7. (a) Wherever practicable, in the administration of this title, the prospective lessee shall be consulted respecting the farm which is to be made available to him and respecting the construction, remodeling, extension, or repair of any building on the farm.

"(b) No building shall be constructed, remodeled, extended, or repaired by the Corporation on any farm during the period during which a lease is in effect unless with the consent of the lessee.

"PURCHASE BY LESSEE

"SEC. 8. (a) The Corporation is authorized, at any time not later than the termination of the lease, to enter into a contract with the lessee under which the lessee agrees to purchase the farm and pay the price agreed upon (minus amounts applied to such price in pursuance of section 6 (h)). The term of each such contract shall be 40 years from the time of the making of the contract. The term of any such contract may be extended in the case of a purchaser who has not paid the entire amount due by reason of the provisions for reduced payments of subsection (b) if the purchaser is not in default on any other provision of the contract. The extension in such case shall be for such period as the Corporation determines will be necessary to enable the purchaser to pay the amount due, together with interest thereon at the rate of 1½ percent per annum, in annual installments equal to the average annual payment made by him during the last 10 years of the term of the 40-year contract.

"(b) The contract shall provide for payment of the unpaid balance of the price agreed upon, together with interest thereon at the rate of 1½ percent per annum in annual installments in accordance with uniform amortization schedules prescribed by the Corporation. The contract shall provide that if, on any installment date, one-fourth of the cash value of the farm products produced on the farm for sale during the period since the due date of the previous installment is less than the installment due, the purchaser shall be permitted to pay on account on such installment an amount equal to but not less than one-fourth of the cash value of such farm products. The contract shall also provide that if, on any installment date, one-fourth of the cash value of the farm products, produced on the farm for sale during the period since the due date of the previous installment, is more than the installment due, the purchaser shall be permitted to pay in addition to such installment an amount not more than the amount by which one-fourth of the cash value of such farm products exceeds such installment, except that, in addition, an amount equal to the whole or part of accumulated deficiencies in payment by reason of payments permitted under the preceding sentence may be accepted.

"(c) The contract shall be in such form and contain such covenants as the Corporation shall prescribe to secure the payment of the unpaid balance of the price agreed upon, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

"(d) The contract shall provide that the purchaser shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on the farm buildings.

"(e) No contract shall be assigned except with the consent of the Corporation.

"(f) Upon satisfaction of the purchaser's obligation under the contract, he shall be entitled to the farm free of any estate or property interest retained by the Corporation to secure the satisfaction of the obligation.

"(g) For the purposes of this section, in computing the amount paid on the agreed purchase price (1) there shall be included amounts paid (pursuant to sec. 6 (d)) under a lease, diminished by such amounts as the Corporation finds are necessary to reimburse it for any insurance paid on the farm and for amounts paid under section 13 with respect to the farm, but (2) there shall be excluded such portions of amounts paid under a contract to purchase as the Corporation determines are properly allocable to interest paid under the contract.

"REPURCHASE BY CORPORATION

"SEC. 9. At any time during which a contract, under section 8, is in effect, the Corporation, with the consent of the purchaser and upon recommendation of the county committee, shall purchase the interest of the purchaser in the farm at a price which shall not exceed an amount equal to the current appraised value of the farm diminished by the amount unpaid under the contract.

"RELIEF LABOR COSTS

"SEC. 10. In any case in which improvements on any property acquired under this title have been made by relief labor, the price at which such property is sold to a purchaser shall include only so much of the cost of such labor as is not in excess of the amount which the county committee determines would be the cost of similar labor other than relief labor.

"DEATH OF PURCHASER

"SEC. 11. If the purchaser under a contract made under section 8 dies, the law of the State or Territory in which the farm is situated shall govern in determining the person who shall exercise the rights and be subject to the liabilities under the contract and such person shall be entitled to exercise the same rights and shall be subject to the same liabilities as the purchaser. The Corporation, at the request and with the consent of the person so determined, is authorized to terminate the contract and purchase the interest of such person at a price which shall not exceed an amount equal to the current appraised value of the farm diminished by the amount unpaid under the contract. The contract shall contain such provisions as the Corporation shall prescribe to carry out this section.

"STATE JURISDICTION

"SEC. 12. The acquisition by the Corporation of any real property to carry out the provisions of this title shall not deprive any State, Territory, or political subdivision of its civil and criminal jurisdiction in and over such property, or over persons resident thereon, or impair the civil or political rights, under the law of the State, Territory, or political subdivision, of such persons.

"TAXATION

"SEC. 13. Except in the case of property with respect to which a contract under section 8 is in effect, the property acquired, held, or leased by the Corporation under this title shall be exempt from taxation by any State, Territory, or political subdivision, but the Corporation shall pay, in respect of such property (except property used solely for administrative purposes), to the State, Territory, or political subdivision concerned, an amount which the Corporation determines to be fair and reasonable but not more than the property taxes (including special and other assessments) which would be payable to such State, Territory, or political subdivision if such property were owned by a private individual. The payment of such amount shall be made on the day upon which such taxes would otherwise be due and payable.

"EQUITABLE DIVISION OF FUNDS

"SEC. 14. In the expenditure of funds for the purchase of land under this title, the amount which is devoted to such purpose during any fiscal year shall be expended equitably among the several States and Territories on the basis of the prevalence of farm tenancy and farm population, as determined by the Corporation, on the basis of the latest available United States census.

"TITLE II—REHABILITATION LOANS

"BORROWERS AND TERMS

"SECTION 21. (a) The Corporation shall have power to make loans to eligible individuals or cooperatives only upon the recommendation of the county committee for the purchase of livestock, farm equipment, supplies, seed, feed, fertilizer, and for other farm needs, and for the refinancing of indebtedness, and for family subsistence.

"(b) Loans made under this section shall bear interest at a rate not in excess of 1½ percent per annum, and shall have maturities not in excess of 5 years. Such loans shall be payable in such installments as the Corporation may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"(c) Only farm owners, farm tenants, sharecroppers, farm laborers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, shall be eligible, individually or cooperatively, for loans under this section.

"PURCHASE OF PERSONAL PROPERTY AND SALES TO TENANTS

"SEC. 22. The Corporation shall have power to purchase, out of funds appropriated pursuant to the provisions of this title, livestock, farm equipment and supplies, seed, feed, fertilizer, and

other farm personal property, for sale to any individual or cooperative leasing, any farm from the Corporation pursuant to the provisions of section 6 of this act. Every contract for the sale of such property shall provide for the payment therefor within such time (not to exceed 5 years) and in such installments as the Corporation may prescribe. Any unpaid balance of the agreed purchase price shall bear interest at such rate, not in excess of 1½ percent per annum, as may be agreed upon, and shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"SEC. 23. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary of Agriculture for resettlement which are unimpended on June 30, 1937, are authorized to be appropriated and are hereby transferred to the Corporation to carry out the provisions of this act.

"(b) In addition to other sums made available by this act, or otherwise, the President is authorized to allot to the Corporation out of appropriations hereafter made for relief or work relief for any fiscal year, such sums as he determines to be necessary to carry out the provisions of sections 21 and 22 and to enable the Corporation to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

"TITLE III—GENERAL PROVISIONS

"SECTION 31. The Corporation shall have succession in its corporate name until dissolved by act of Congress, and shall have power—

"(a) To sue and be sued in its corporate name in any court of competent jurisdiction, Federal or State.

"(b) To lease such real estate as may be necessary for the transaction of its business.

"(c) To make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this act.

"(d) To adopt and use a corporate seal which shall be judicially noticed.

"(e) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than $300.

"(f) Make payments prior to audit and settlement by the General Accounting Office.

"(g) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended (relating to restrictions on the acquisition of land by the United States).

"(h) Compromise claims and obligations arising under, and adjust and modify the terms of contracts and agreements entered into pursuant to, this act, as circumstances may require.

"(i) Pursue to final collection, in any court, State or Federal, all claims arising under this act, or under any contract or agreement entered into pursuant to this act.

"(j) To establish and maintain such branch and local offices as it may deem necessary.

"(k) To exercise all such incidental powers as may be necessary or appropriate to the carrying out of its powers and duties.

"(l) To exercise and perform such other powers and duties as may be conferred or imposed upon it by or pursuant to any act of Congress.

"(m) Make such rules and regulations as it deems necessary to carry out this act.

"SEC. 32. (a) The President, by proclamation, shall fix a date, not more than 30 days after the passage of this act, and shall designate the places within each county or parish of the United States for a meeting of the working farmers, farm tenants, and sharecroppers of such county or parish. A majority of all the working farmers, farm tenants, and sharecroppers within the county or parish shall constitute a quorum at such meeting. If no quorum is present at any meeting the same may be adjourned to a later date not to exceed 30 days from the date originally set, and for like periods thereafter until such time as a quorum is present. The President shall appoint an organizer for each such county or parish meeting whose duty it shall be to act as temporary chairman thereof.

"(b) Each working farmer, farm tenant, and sharecropper personally present at any such county or parish meeting shall be entitled to one vote in any election, and upon any other question which may properly come before such meeting.

"(c) As used in this section a 'working farmer' is defined as a farmer who by his own labor works the land on which he lives and shall not include corporations, banks, insurance companies, or absentee owners or their representatives, except that nothing herein contained shall exclude any bona-fide farm tenant or sharecropper from exercising the right to attend and participate in every respect at such meeting.

"(d) Each county or parish meeting shall elect by secret ballot a president, vice president, secretary and treasurer, and two additional committeemen, all of whom shall constitute the 'county committee' for such county or parish: *Provided*, That a majority of members of the committee shall at all times be farm tenants or sharecroppers, working farms within the county or parish. All members of said committee shall be elected for a period of 1 year, and it shall be the duty of such committee from year to year to call annual meetings of working farmers, farm tenants, and sharecroppers residing within the county or parish for the purpose of electing members of the committee and for the transaction of such other business as shall properly come before the meeting, except that at all meetings subsequent to the first meeting a quorum shall consist of 30 percent of those who are eligible to participate in said meeting.

"(e) Any person who is leasing any real property or who is under contract to purchase property from the Corporation under the provisions of title I of this act, shall so long as he remains in that status be, for the purpose of determining his qualifications as a member of the county committee, considered a farm tenant or sharecropper.

"(f) No person shall be disqualified from attending and participating in a county or parish meeting, or from membership in the committee by reason of race, religion, nationality, political affiliation, or union membership.

"(g) Any vacancies occurring prior to 60 days before the next annual meeting shall be filled by appointment of qualified persons by the remaining members of the committee.

"(h) No person who is otherwise eligible shall be deprived of the benefits of this act by reason of his being a member of any county committee.

"(i) Immediately after the first meeting, the organizer appointed by the President and the members of the committee shall certify the names of said county committee to the Corporation, and thereafter the said committee shall be recognized by the Corporation for all intents and purposes under this act as the duly elected county committee of the county or parish. At all annual meetings after the first county or parish meeting, such certification shall be made by the county committee.

"(j) Each member of the county committee shall be allowed compensation at the rate of $3 per day while engaged in the performance of duties under this act, but no compensation shall be allowed with respect to more than 10 days in a month. In addition there shall be allowed such amounts as the Corporation may prescribe as necessary traveling and subsistence expenses.

"(k) The committee shall meet at least once in each month and three members shall constitute a quorum. The Corporation shall prescribe rules governing all procedure of the committee, furnish forms and equipment necessary for the performance of their duties and authorize and provide for the compensation of such clerical assistance as it deems may be required by the committee. Committee established under this act shall, in addition to the duties specifically imposed under this act, perform such other duties under this act as the Corporation may require of them.

"GENERAL PROVISIONS APPLICABLE TO SALE

"SEC. 33. The sale of any property acquired by the Corporation pursuant to the provisions of this act, or any interest therein, shall be subject to the following provisions:

"(a) The conveyance in the case of real property shall be by quitclaim deed.

"(b) Except as otherwise provided in title I or title II of this act, the purchaser shall be required to pay the entire purchase price at the time title is transferred to him.

"(c) In the case of real property, the Corporation shall reserve on its behalf not less than an undivided half-interest in all coal, oil, gas, and other minerals in or under such property.

"SURVEYS AND RESEARCH

"SEC. 34. The Corporation is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this act, and may publish and disseminate information pertinent to the various aspects of its activities.

"TECHNICAL ASSISTANCE

"SEC. 35. The Corporation is authorized to furnish, without cost, to persons who are indebted to the Corporation under this act technical assistance relating to farm management and practices.

"VARIABLE PAYMENTS

"SEC. 36. The Corporation may provide for the payment of any obligation or indebtedness to it under title II in farm products or from the receipts from the sale thereof, on a share or absolute basis, and may provide for variable payments under which a surplus above the required payment will be collected in periods of above-normal production and employed to reduce payments below the required payments in periods of subnormal production. Section 321 of the Legislative Appropriation Act, fiscal year 1933 (U. S. C., 1934 edition, title 40, sec. 303b) (prohibiting rentals in kind and improvement of rented property), shall not apply with respect to any lease made under this act.

"BID AT FORECLOSURE

"SEC. 37. The Corporation is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged to secure any loan or other indebtedness owing under this act; to accept title to any property so purchased or acquired in the name of the Corporation; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and sell or otherwise dispose of such property so purchased or acquired subject to the conditions enumerated in section 33, upon such terms and for such considerations as the Corporation shall determine to be reasonable.

"STATE COOPERATION

"SEC. 38. The Corporation shall not acquire or dispose of real or personal property or make any loans or in any other manner perform any of its functions within any State or Territory that has not by proper legislation provided—

"(a) That all contracts between landlords and farm tenants or sharecroppers shall be in writing.

"(b) That farm tenants and sharecroppers shall have the right to remove or be compensated for all improvements to the leased property upon the termination of the lease.

"(c) That farm tenants and sharecroppers shall have the right to quit the leased premises upon reasonable notice to the landlord.

"(d) Such further guaranties as the Corporation may determine are necessary to insure the security and civil rights of farm tenants, sharecroppers, and farm laborers.

"SEC. 39. The Corporation, the county committees, and all other persons administering this act shall at all times maintain a balance between ethnic groups, within each county or parish, receiving benefits hereunder so that benefits to the members of any such group shall approximate in value as nearly as may be a proportion of the total benefits extended in such county or parish determined by the relation between the members of such group in such county or parish eligible to benefits hereunder and all persons therein so eligible.

"OFFENSES ON PROPERTY

"SEC. 40. Nothing in this act shall be construed to prevent the application, in respect of property acquired or held by the Corporation under this act, of sections 35, 46, 47, 48, 49, 51, 52, and 56 (relating to certain offenses in respect of property of the United States) of the Criminal Code, as amended (U. S. C., 1934 ed., title 18, secs. 82, 99, 100, 101, 103, 105, 106, and 110), or of the act entitled "An act to define trespass on coal land of the United States and to provide a penalty therefor", approved July 3, 1926 (U. S. C., 1934 ed., title 18, sec. 103a).

"FEES AND COMMISSIONS PROHIBITED

"SEC. 41. No officer, attorney, or employee of the United States shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business of the United States under this act other than such salary, fee, or other compensation as he may receive from the United States. Any person violating the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

"EXTENSION TO TERRITORIES

"SEC. 42. The provisions of this act shall extend to the Territories of Alaska and Hawaii.

"SEPARABILITY

"SEC. 43. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby."

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for 10 minutes. Is there objection

There was no objection.

Mr. BOILEAU. Mr. Chairman, I have offered as a substitute the provisions of a bill which I introduced some time ago on this same subject. The bill is known as H. R. 6836. It deals with the same subject matter dealt with in the bill now before the Committee. Sometime ago it will be recalled the President's special committee on farm tenancy submitted a report to this House. I believe the bill I have introduced more clearly follows out the recommendations of the President's special committee than does any bill that was introduced in this session of Congress. The bill differs in some respect, but the substance is the same as the recommendations of the President's committee. In making that statement I want to make it clear that no member of the President's special committee had anything to do with the drafting of this bill. I was assisted by many men and women in this country who are vitally interested in farm tenancy and the sharecropper problem. Men and women who have been devoting their lives to this problem have assisted me in drafting this bill. The bill first provides for the creation of a corporation, the capital stock of which shall be subscribed by the Treasury of the United States, in the amount of $500,000,000. That sounds like a lot of money, and more than is carried in this bill before the Committee, but I call attention to the fact that the $500,000,000 will care not only for the purchase of land, to put tenants on, but will also provide for rehabilitation so that it will not be necessary to allocate money out of the relief fund for this purpose, and my bill does not contain provisions requiring the President to do so.

The $500,000,000 will be turned over to this corporation the first fiscal year with authorization for subsequent fiscal years in such amount as the Congress shall from year to year authoize for that purpose. The bill goes upon the theory that the Federal Government through this corporation should purchase suitable farm lands, and after having purchased those farm lands, sell the land back to sharecroppers and farm tenants on reasonable terms over a long amortization period, with interest at the rate of 1½ percent. I emphasize the fact that the $500,000,000 authorized this first fiscal year is in no sense of the word a gift to the sharecroppers or to farm tenants, but is merely a loan with interest rates at 1½ percent. The money is loaned for the purpose of rehabilitating this vast number of people in this country who are now working on farms, living on farms, but who are not farm owners, and have no ownership rights in the land they till. The bill provides for the creation of a board which shall be the executive board of this corporation, consisting of five members, and two at least of the five members shall at the time of their appointment be sharecroppers or farm tenants, not the majority, but only two of them. Many men and women have developed in these farm-tenant organizations real ability and they can be of help to serve on this board. All names must be certified by the President to the Senate, and there must be a recommendation that these men have been in the past very sympathetic to the needs of farm tenants and sharecroppers in this country.

Then in each county there is an election. Each county in the entire United States holds an election, at which all working farmers, whether he be the owner of his farm, a sharecropper, or a tenant, shall have one vote. That county convention shall elect a county committee of five members—a president, a secretary-treasurer, a vice president, and two additional members. Three of those five must actually be farm tenants or sharecroppers, and they are elected by the working farmers of that particular county. Those men have no authority to loan the money, but before the corporation can buy any land in a community for its purposes it must first have the approval of the county committee. That will prevent this corporation from buying lands that are valueless, buying farms upon which these sharecroppers or farmers cannot rehabilitate themselves. In addition to that the county committee will have authority to recommend to the corporation the names of those people who are suitable, those people who would make good farmers, who would probably be able to carry this load and finally become farm owners. If the county committee submits a name to a corporation, that does not mean that the corporation must of necessity loan money to those farmers, but they cannot loan it to any farmer, any tenant, or sharecropper who has not been first approved by this local committee that is democratically elected. That would insure not control by the county committees of sharecroppers or tenants but it would insure sympathetic administration of the act. It will also provide insurance against waste, because the people in the various localities who are vitally interested in the success of the bill will have a great deal of responsibility to guide the destinies of the program and to assist the corporation.

Now, the first step is a lease. The corporation will lease this land to the tenant or sharecropper for a period not to exceed 5 years, with the provision that an extension of an additional 5 years can be granted if the corporation sees fit. That is a lease. It is a trying-out period. If the sharecropper or tenant shows during that period of time that he is competent, that there is likelihood of his carrying out his obligations, then he can become a purchaser, provided the corporation sees fit to sell the land to him. The county committee has no jurisdiction there. That insures the operation of the program from a Federal standpoint. They can sell the land to a farmer on a 40-year contract, bearing 1½-percent interest. They amortize the loan over this 40-year period, including principal payments and interest, and a definite amount is fixed that the purchaser shall pay

to the corporation. His contract provides for a definite payment in amounts of money, with the provision, however, that in no year shall the farmer be obliged to pay more than 25 percent of the cash value of the crop produced for sale upon his farm. So that if there should be, on account of a drought or pestilence or for some other reason, a very small crop, in no one year will the purchaser be obliged to pay more than 25 percent of the crop produced for sale upon that farm.

You may say, "Well, how do you know you are going to finally pay off this indebtedness?" The bill provides that, if with these variable payments of not to exceed 25 percent, at the end of 40 years the purchaser has not paid all of the money he is obliged to pay under his contract, an additional period of time will be given, during which period he shall pay the average amount that he paid to this corporation during the preceding 10 years. So that it may extend this period of 40 years for a few years more.

This bill will give security to the farmers who are put upon these lands for at least 45 or 50 years. During that period of time they can acquire ownership. During that period of time they cannot be dispossessed if they comply with the terms of their contract. During that time they will have an opportunity to rehabilitate themselves and their families.

I submit to you that with the growing tenancy problem in this country, with the increase of tenancy year after year, such as we have seen in the last 25 or 50 years, there is need for tackling this problem, not in a peanut way, not in a drop-in-the-bucket way, but in the same proportion as the problem exists in this country.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. JONES. Mr. Chairman, in the interest of saving time I am not going to press the point of order. I will withdraw the point of order, although I think it is very doubtful. The gentleman from Missouri [Mr. NELSON] desires recognition.

The CHAIRMAN. The gentleman from Texas withdraws the point of order reserved.

Mr. NELSON. Mr. Chairman, I rise in opposition to the amendment. No one who knows my colleague from Wisconsin [Mr. BOILEAU], who has just offered this amendment, doubts his sincerity or his real heart interest in this cause. The question, as I see it, is not what we want but what we can reasonably hope to get.

The bill now being considered, and which represents months of study on the part of our committee, is not a perfect measure. It is, though, much better than was the original. It is no "cure-all." Frankly, it represents but an experiment, an experiment which all hope may prove successful but about which many entertain justifiable doubts. In the beginning it can, at best, benefit but few. But it is worth a trial.

In the first place, tenancy is not a disease but only evidence of the disorder which we are now attacking, in the hope that, after due time, we shall discover a cure. The trouble, to discontinue the figure of speech, is that farming has not been profitable. In agriculture, as in any other business—and farming is a business—prosperity is properly measured by the purchasing power of the profit. If there is no profit, there can be no permanent purchasing power. Make the farmer secure. Give him the cost of production and a little more for what he has to sell, year after year, and the farm-tenancy problem will largely be a thing of the past.

As a member of the subcommittee which gave long study to this bill, I fully appreciate the difficulties encountered in framing a measure that will apply with equal fairness and desirability to all sections of the country. However, as this measure, carrying an appropriation representing only a fractional part of the $500,000,000 suggested by my colleague from Wisconsin [Mr. BOILEAU], can justly be looked upon only as an experiment, the committee felt proper that all sections of our country should be included in the trial. So in section 4 equitable distribution of loans is provided, the requirement being that the amounts available be distributed among the States and Territories on the basis of farm population and prevalence of tenancy. This is fair to all the States.

As I have said, conditions differ, as do terms. In Missouri, for instance, I do not recall that in any talk between farmers, of whom I am one, I have ever heard another referred to as a "tenant." We speak of "renters", never of "tenants" or "sharecroppers."

From some of the discussions heard on this bill, one might gain the impression that the tenant, or, let us say, renter, is a man of less than ordinary ability, incapable of succeeding without a great deal of guidance and direction. This may be true of some, but it in no sense applies to the rank and file of renters in Missouri. Some of the best farmers I have ever known have been renters. In this class are many who a few years ago were prosperous farm owners, but who because of economic conditions, especially during the latter part of the Hoover administration, and through no fault of their own, lost their farms. Afforded an opportunity to again acquire these same farms or others, they will demonstrate their fitness to farm and ability to succeed under ordinary conditions. Men of this type deserve the utmost consideration in any farm-tenancy bill. It is not enough to put a man on a farm. It is more to keep him there. Generally speaking, one experienced farmer who knows and loves the land is worth a dozen inexperienced men who might be taken out of the big cities and placed on farms.

I do not agree with the suggestion that where a tenant of the right type is selected it will be necessary to provide greater safeguards than are contained in paragraph 4 of section 3 of the bill, "to assure that the farm will be maintained in repair and waste and exhaustion of the farm prevented." If the right farmer is selected by the county committee of three farmers, as provided in the bill, and after this selection has been approved by the final authorities there is little doubt but that he will succeed without having to follow a book of instructions or heeding expert advice from Washington or elsewhere. The big job is to select the right man with whom to begin. I have every confidence that this can be done. Speaking for the 15 counties of the Second Missouri Congressional District, which I have the honor to represent, I know that in each county there is at least one farmer—of course, there are many—who will make a go of a farm to be secured under the loan provision of this bill.

A word about the county committee to pass upon the farm and the tenant. This committee is to be made up of practical farmers, who will know the man and the land. For their services, members will receive $3 per day but for not more than 5 days in any 1 month.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. MILLS. How will these three men on the county boards be appointed?

Mr. NELSON. My understanding is that they will be appointed by the Secretary of Agriculture.

[Here the gavel fell.]

Mr. NELSON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. WITHROW. Reserving the right to object, Mr. Chairman, I think, in fairness to the amendment, that the gentleman should direct his remarks in opposition to it. I think the amendment is very important. Thus far, during the first 5 minutes, the gentleman's only opposition to the amendment is on the ground that it is not what we want but what we can get. I think, in all fairness to this amendment, the gentleman should direct his remarks to it. I think it is of sufficient importance to warrant that objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. NELSON. My thought is: Is it possible to go as far as my colleague, for whom I have very great respect, wishes us to go? If not, then we must make a choice between his plan and the plan which comes to us from the committee.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. BOILEAU. The gentleman said that under the committee's plan one tenant farmer in each county would be taken care of. Does not the gentleman think that, if we are going to take care of this problem, we should try to care for at least 50 in each county, as my bill provides?

Mr. NELSON. I would be very glad if it were possible to take care of more farmers.

Mr. BOILEAU. I know the gentleman feels that way; on the other hand, it seems to me that we should go ahead and solve this problem now.

Mr. NELSON. I look upon this as in the nature of an experiment.

Mr. BOILEAU. I do not doubt that.

Mr. NELSON. Insofar as possible, the so-called expert—and sometimes I feel that I should like to see this much-abused word stricken from the dictionary—is not given the place of greatest prominence in this measure, but more thought has been given to experience and to the practical. I would add that the excessive use of the word "expert" is unjust to the comparatively few who are really entitled to be so designated.

As to title 1 of the bill, dealing with the farm-tenant problem, I agree that changes would have been desirable, but as it is, there is much to commend. For instance, variable payments are provided for, so that in "fat" years, years of good crops, extra payment may be made to take care of "lean" years, years of poor yields, which might follow. This provision, if generally adopted in the matter of farm loans, would prevent many foreclosures. Unlike the original bill, this one merely makes provision for loans directly to farmers. It does not put the Government deeper into the land-buying business. There can be no "Tugwelltowns" or any such set-ups.

Another thing that I like about this bill, and it was at my suggestion that it was so drafted, is that there are no authorizations for vast and ever-increasing sums which, like Tennyson's babbling brook, would go on forever. Continuing appropriations, which begin at gimlet size and grow to auger appropriations, are largely responsible for Government waste and extravagance. If the experiment under the present plan, which limits authorizations to 3 years, is successful, a future Congress will, of course, make provision for continuing the program. If the plan proves a failure, many millions of dollars may be saved because no further continuing authorizations have been written in. This is good business and common sense.

Getting back to the importance of selecting the right farmer, and in the beginning there will be less than an average of one for each of the 3,000 counties in the United States, my thought is that he should be given a deed to the land as soon as he is able to make proper payment and when he has demonstrated his ability to succeed. To my way of thinking, it is unfair to the purchaser to require him to live for many years on the land before he can actually own it and really call it his home. To postpone delivery of the deed for 20 or 30 years would mean merely that the tenant had exchanged landlords, substituting Uncle Sam for the one who had previously owned the acres.

Just here, I digress in the brief time remaining to refer to title 2 of the bill, dealing with rehabilitation loans, and which provision is, in some respects, most important. Loans under this section are to bear interest not in excess of 3 percent and may run for 5 years. The object is to provide credit for farm owners and others, so that they may be able to carry on and not lose their homes. I am especially pleased with the debt-adjustment feature of this section, as carried in section 22, where machinery is set up for voluntary adjustment of indebtedness between farm debtors and their creditors. Title 3 deals entirely with the retirement of submarginal lands. To carry out provisions as shown in section 34, an appropriation of not to exceed $10,000,000 is authorized for the first fiscal year and not to exceed $20,000,000 for each of the two fiscal years thereafter.

America needs home owners. If this bill does not have this as its objective, there is no reason why it should be approved. Yesterday our beloved Speaker, in one of the most impressive addresses ever heard in the House, quoted, in matchless manner, lines from The Man with the Hoe, by Edwin Markham. This bill, I hope, once it has been approved by both Houses of Congress and signed by the President, the greatest home saver in the history of America, will in time mean that the man with a "hoe" will become the man with a "home." [Applause.]

Mr. STARNES. Mr. Chairman, I move to strike out the last word.

One of the most perplexing national problems which challenges our interest and our best thought in an effort to bring about a proper solution is the farm-tenant situation. Too often in the past has the mistaken idea been advanced that farm tenancy is a local or regional problem. It is as national in its scope as is our rural life. We cannot expect an economy of abundance in a land wherein approximately one-half of our people devoted to the field of agriculture are tenants.

The land is our greatest natural resource. From its various elements we contrive shelter, food, and raiment. Practically every necessity and every luxury of life come from the land or the proper utilization of the land. It follows, therefore, the system of landholding and land use is of vital interest. Farm operators are designated as owners or landlords and tenants. For census purposes ownership is classed as "full" or "part", a full owner being one who owns all the lands he operates, while a part owner owns a part and rents a part. Other operators are classed as managers or tenants. The 1935 farm census reveals the number of farm operators was 6,812,350; of this number 3,210,224 were full owners, 688,867 part owners, 48,104 managers, and 2,865,155 were tenants. The percentage of tenants was 42.1, which is a slight decrease from the percentage in 1930. This marks the first decline in the proportion of all farms operated by tenants.

In 1880, 25.6 percent of farm operators were tenants. This percentage grew to 42.4 percent in 1930. While it is true the highest percentage of farm tenancy is in the Cotton Belt and the Corn Belt, yet the growth and spread of farm tenancy has reached every farm section in America. The 1935 farm census reveals the fact that farm tenancy actually decreased in the 16 States known as the South from 55.5 percent in 1930 to 53.5 percent in 1935. Outside of the South, farm tenancy increased in the other 32 States from 28.5 percent in 1930 to 30.6 percent in 1935.

There are a number of reasons why farm tenancy has increased during the past 50 years. These reasons are social and economic and their effect is not only social and economic but also political and spiritual.

The following are some of the causes of the growth of farm tenancy: (1) The gregarious instinct of mankind; (2) the better social and educational advantages offered by urban life; (3) the loss of income and purchasing power of the farmer; (4) the growth of industry; and (5) the advantage of varied employment in cities.

Man by nature and instinct is gregarious. He seldom likes solitude. He wants and seeks association with his peers. This natural instinct has led to a movement from the farm to the city. As landowners have moved from their farms they have left their farms to tenants for cultivation. Thus we have a beginning and an example of absentee landlords. In modern days we also have another form of absentee landowning in the large farms owned and operated by corporations. Then, too, certain lending agencies have acquired extensive landholdings by reason of mortgage foreclosures and possession of the mortgaged lands.

Educational opportunities in our urban centers were better than those afforded by rural schools. Longer school terms, modern and well-equipped buildings, a better trained and paid teaching corps—all had their appeal for the training of childhood. The theater, the movie, the literary guilds, parks, and recreational facilities offered entertainment and an outlet for social activities which held an alluring promise of happiness to the adult and youth alike.

The American farmer is not getting his share of the national income. There is a direct connection in the continued loss of the farmer's income and the rise in farm tenancy. In 1870, 53 percent of the gainfully employed in the Nation were in the field of agriculture and received 26.5 percent of the national income. In 1880 the percentage of farm tenancy was 25.6. In 1932 the percentage of farm income to the national income had fallen to an all-time low of 7.2, while in 1930 the percentage of farm tenancy had risen to 42.4.

The loss of farm income has been tragic in its consequences. The cash income of many tenant farmers is below $100 per year. This economic fact explains why so many farmers and farm tenants have deserted the field for the factory. To these people wages of $7.50 to $12.50 per week offered an irresistible appeal. This fact is illuminating in ascertaining why wages in the South are lower than in other sections of the country.

The growth of industry in the United States since the War between the States has been phenomenal. Naturally there has been a continual increase in the proportion of the income of industry as related to the national income. Attractive wages, community life, social advantages and opportunity for advancement caused a migration from the farm to the city in ever-increasing numbers until the recent debacle in business and industry changed the trend of the tide for the first time in more than 50 years.

The endless variety of our business and industrial life offered an infinite variety of employment to our people. Sons and daughters of the wealthier farmers after completing their educational training were immediately employed by business and industrial concerns of the urban centers and contributed their talents of energy and capacity for service to business and industry. Thus farm life was impoverished of vision and leadership as well as of its best labor.

After studying the causes of farm tenancy let us briefly review some of the effects of the system.

ECONOMIC

Some of the economic evils attendant upon farm tenancy are (1) loss of purchasing power by reason of reduction of cash income; (2) the decrease in land values, with a consequent loss to the individual farmers and loss of revenue to local and State governments; (3) a loss or drainage of soil fertility caused by improper farm methods and devoting the land to crops with immediate cash market values.

We have already discussed the loss of farm income as a cause of increase in farm tenancy. The loss of income means a decrease of purchasing power. This decrease of purchasing power of more than 31,000,000 people has a serious effect upon every walk of life and every phase of business and industry. It means fewer and fewer luxuries and a scantier supply of necessities for this vast portion of our population. Bank deposits shrink, market values fall, and fewer wheels of industry turn in direct response to the decrease of income and purchasing power of the farmer.

Farm lands and buildings in the United States decreased in value between April 1930 and January 1, 1935, by approximately one-third, or from $47,879,638,358 to $32,858,844,012. Proportionately the decline in the average value of lands and buildings per farm was from $8,200 to $5,217 for owners, and from $6,148 to $3,823 for tenants. These facts prove conclusively that operating farms by tenants decreases the value of the land.

Even more startling in its full consequences is the loss of revenue by ad-valorem taxation, with the increase of farm tenancy and the decrease of value of buildings and land. In a short period of 5 years we see a loss in taxable property of approximately $15,000,000,000. We are unable to comprehend what this means in terms of loss of revenue for local and State support for schools, roads, and other necessary governmental functions in our complex social system.

Small wonder, too, that public-health work has been curtailed and that many States are finding it difficult to raise revenues to carry their share of the social-security program.

The system of tenancy prevailing has drained our soil of its fertility. It is significant that in the South and Midwest, where the percentage of tenancy is highest, most of the land is devoted to crops of cotton, tobacco, corn, and wheat. All these crops are annuals and have a cash market value at all times. They are also soil-depleting crops. Lands devoted to these crops continuously require fertilization in order to supply necessary plant-food elements. The tenant operates a farm under an annual renting system and therefore is unable to build up the soil by a well-regulated diversified farm program. His economic status will not permit; then, too, he would not reap any benefit because he does not fit in a long-range program for soil building and conservation. Work of this character indulged in by him would inure to the benefit of the landowner or to some tenant who would follow him.

The land is the capital of the owner. Constant depletion of soil fertility by use of a one-crop system and soil erosion means a constant depletion of the capital stock of the owner, and when continued leads from independence to a mortgage and from a mortgage to bankruptcy and the loss of his land. The owner then must join the ever-increasing tribe of the landless farmer—and economic paralysis grows apace.

SOCIAL LIFE

The farm tenant being essentially nomadic is unable to beautify and adorn his temporary home. It is not his. He is unable to contribute in a material manner to the support of schools and churches. He is, in fact, a man without a home and under the influences of a grinding, wasting system he becomes an economic fatalist. What is of striking import to me is that he loses his individuality. To me this means a loss of identity. Individuality distinguishes one from the mass. It carries the spark of virility and courage which, set aflame by vision, develops leadership and progress.

We have witnessed the designs of radical leaders in attempting to inflame the tenants. Their economic condition stifles social and mental development and makes fertile soil for communism and socialism. They are too easily led by shallow philosophies of government and religion.

A SOLUTION OF THE PROBLEM

Many of our tenant farmers are excellent citizens who desire to become home owners but do not have the financial means to acquire and develop land. These men are of excellent character. With proper assistance they could become home owners and self-sustaining units in society. With their status fixed we could then concentrate upon building the sharecropper and poorer tenant up to the level where he would be eligible for assistance. In this way we can restore the land to the people and leaven the loaf of rural life.

I introduced the first farm tenant bill in the House in March 1935. It was identical with and a companion bill with the original Bankhead farm-tenant bill. This bill sought to establish a fund to provide financial assistance for tenant farmers of good character and who were good credit risks to enable them to buy and operate a farm, thereby changing their status from tenants to landholders. The bill now introduced differs somewhat from the bill which I introduced but in my judgment is an excellent bill and will carry out the purposes sought to be attained by legislation of this type.

In the solution of this problem it is absolutely necessary for some agency to finance the farmers—first, in the purchase of land; second, in building and operating expenses until a return is made on the investment; and, third, adequate time and low interest rates to refund the obligations.

We ask for the wholehearted cooperation of every American citizen in bringing to this great group of deserving people an opportunity to improve their condition. In so doing those of us who have pioneered and have carried it forward feel that our efforts will not have been in vain if we can see a bold and stalwart farming class erected as a

barrier to the advancement of communism and atheism. Communism cannot grow in a land of social security and economic justice. A home, a well-filled granary, and a contented people are a part and parcel of a democracy. This great landholding group will become the core of a social and economic order which will not be subject to rapid changes which sweep old and established principles in the discard. It will hold fast to the truth and provide the anchor to which we must adhere in preserving the individuality of the citizen, restoring family life, creating confidence and new faith in a democracy and the opportunity for a better future.

Mr. JONES. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have a high regard for my distinguished colleague, and I want to pay him a tribute by saying he is helpful in connection with many matters in the committee. He is always an earnest and hard worker. But if the Members of the House will stop and think for a moment, they will realize how impractical it is at this time to talk about making an appropriation of $500,000,000 for the current fiscal year for this particular purpose.

I am going to urge that the House vote down the amendment for that reason. May I say further there have been one or two requests for extension of time to speak. There are a great many amendments to be offered, some by members of the committee and some by those who are not members of the committee, and I would like to have each Member given the opportunity to explain his particular amendment. I hope the Members will not ask for an extension of the speaking periods for that reason. Extensive speaking now will necessitate later in the afternoon cutting down time, and the opportunity will not then be given for legitimate amendments to be offered in regular order. This is a measure of great importance in which many Members are interested; in fact, I suspect practically all Members are interested in it. I ask for a vote on the amendment offered by the gentleman from Wisconsin.

Mr. WITHROW. Mr. Chairman, I move to strike out the last three words.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WITHROW. Mr. Chairman, I offer this pro-forma amendment for the purpose of calling to the attention of the House the fact that whenever it is proposed that we do in a constructive and an adequate way something which will really help the farmer, the leaders of the House, those in control of the machinery of the House, immediately become inoculated with economy poisoning.

In this amendment we are asking that $500,000,000 of Government credit be extended to deserving debtor farmers, who every one of us admits are in need and ought to be helped. There are any number of precedents which have been established by the Congress since we have been in this emergency that justify the adoption of the amendment now under consideration which would afford some measure of constructive relief. Take the R. F. C., for example, which was an experiment in every sense of the word. In 1931 we never batted an eye before making $2,000,000,000 of credit available to industry. What happened? The credit was extended to the small banks and the large industries of this country, with the result that when there was a loss it was because the large industries fell down. General Dawes and his bank in Chicago pilfered the Treasury to the extent of more than $50,000,000. However, in spite of the racketeering on the part of Mr. Dawes and his bank and other exploiting of the R. F. C., they have shown a profit, because every cent of the money lent to the small banks and small industrialists has been repaid. As a matter of fact, when an extension of the R. F. C. was asked at this session of Congress, it was shown the R. F. C. had made a profit of $141,000,000.

We are merely asking that you extend credit to people who need it, who will pay the money back, and who are not racketeers. Not one argument has been made against this amendment. One gentleman had his time extended, but he avoided presenting an argument against the amendment. He argued around the amendment and lauded the bill. The chairman of the committee did not argue against the amendment. He cannot attack the amendment in any way, shape, or form. The gentleman says it is not possible to accept the amendment at this time, but he does not give any substantial reason.

Some of my people are tenant farmers and need help. I think they should get help. Here we have a bill which is so inadequate it is a joke, and every one of you know it is entirely inadequate. You talk about helping one farmer in each county. You cannot buy a farm in any one of my counties for $3,500 unless it is a sand patch. You know you are not helping the people when you pass this type of legislation. We are asking you to give us something adequate. Why do you not do it? You do not do it because you say it cannot be done now. Just exactly why can it not be done now? I should like to have someone tell us. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 17, noes 50.

So the amendment was rejected.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been customary during the last few years for the House to give consideration, at least once in each session, to some legislation presumed to be of assistance to agriculture. The net result, however, is usually a testimonial meeting. On these occasions, it seems to be the proper thing for each Member representing an agricultural district to arise in his place, declare allegiance to, promise assistance to, and express sympathy for that forgotten one-third of our population commonly designated as the farmer. I ofttimes wonder if the good farmer and his wife do not become disgusted with these promises and excuses.

This bill is to be known as the Farm Security Act of 1937. The title is promising enough, but the bill itself in no way lives up to its name. Let us just take the bill apart in a general way and see what it is all about. The proposed law is divided into three titles or parts.

TITLE I—FARM TENANCY

Title I is presumed to be a provision for financing tenants in the purchase of farm homes.

Title II is presumed to provide rehabilitation loans for temporary aid to tenants and distressed landowners.

Title III is presumed to provide for the purchase of submarginal or other lands not suited to cultivation, and the utilizing of such land for various purposes.

The farm-tenancy provision of the bill is the one most talked about in the debate and the one intended to appeal most to the farmer. In short, the Secretary of Agriculture is authorized to make loans in the United States and in the Territories of Alaska and Hawaii to persons eligible under the act to enable them to acquire farms. Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain or who recently obtained the major portion of their income from farming operations are eligible. Subject to certain limitations, the Secretary of Agriculture is the judge of the eligibility.

The Secretary of Agriculture is authorized to appoint in each county in which activities are carried on a county committee composed of three farmers residing in the county. Each committeeman shall be allowed $3 per day while engaged in the performance of his duties, not to exceed 5 days a month. In addition, he shall be allowed "such amounts as the Secretary of Agriculture may prescribe for necessary

traveling and subsistence expenses." The Secretary shall also prescribe rules governing the procedure of the committee, furnish forms and equipment necessary for the performance of their duties, and provide for the compensation of "such clerical assistance as he deems may be required by the committee."

Now, any farm tenant desiring to get help under this act must make application to this county committee. The committee will examine and appraise the farm the tenant desires to purchase, and, if in the judgment of the committee, the tenant meets the requirements of the act, it shall so certify to the Secretary, including the recommendation of the committee as to the amount to be loaned to purchase the farm, and no loan shall be made by the Secretary unless approved by this committee.

Loans made under this act shall be in such amount "as may be necessary to enable the borrower to acquire the farm"—that means 100 percent of the purchase price—and shall be secured by first mortgage given by the purchaser to the Secretary of Agriculture.

The mortgage shall provide for the repayment of the loan in full within 30 years, with interest at the rate of 3 percent per annum, and the payments shall be made "in installments in accordance with amortization schedules prescribed by the Secretary." The purchaser must, in addition to interest and payment on principal, pay all taxes when due, maintain proper insurance on the buildings at all times, and also keep the buildings and fences in good repair.

In making loans under this title, the—

> Amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

To carry out the provisions of this title, the bill authorizes the appropriation of $10,000,000 for the fiscal year ending June 30, 1938; $25,000,000 for the fiscal year ending June 30, 1939; and $50,000,000 for the fiscal year ending June 30, 1940.

The first important observation I desire to make with reference to this so-called farm-tenancy title is that the Secretary of Agriculture in the final analysis makes all determinations. Of course, the Secretary himself cannot do all these things. Therefore some bureaucrat in the Department of Agriculture will in reality be the boss.

The 1935 census of agriculture shows that there are approximately 2,865,000 tenant farmers in the United States. These are farmers who rent all of the land they operate. They represent more than 42 percent of all the farms in the country, and it is interesting to note in which section of the country farm tenancy is most prevalent. In Mississippi 69.8 percent of the farmers are tenants, in Georgia 65.6 percent are tenants, in Louisiana 63.7 percent are tenants, in South Carolina 62.2 percent are tenants, in Oklahoma 61.2 percent are tenants, and in Arkansas 60 percent are tenants. In Maine 6.9 percent are tenants. In Michigan there are 196,517 farmers, the total number of tenants being 37,334, making 19 percent of the farmers tenants.

I again call attention to the wording of the bill requiring the Secretary of Agriculture to "distribute equitably among the States on the basis of farm population and the prevalence of tenancy." I do not want to view this matter in a sectional sense at all; but if the Secretary of Agriculture follows the mandate of the law, what relief will a State like Michigan, having 19 percent of farm tenancy, get when compared with the southern bloc of States, ranging in percentage up as high as 69.8 percent?

There are 3,200 counties in the United States, and if the Secretary were to disregard the law and furnish the assistance on the basis of counties alone he could loan money to one tenant farmer in each county to buy a $3,000 farm during the first year of operation under this proposed law, because only $10,000,000 is made available for overhead, loans and all. The next year there will be $25,000,000 to spend. That would mean two and one-half farms to each county. The third year there is $50,000,000 to spend, and that would mean five farms to a county, at a valuation of $3,000 each. Yet they call this a general farm relief bill.

The Second Congressional District of Michigan, which I have the honor to represent, is composed of four agricultural counties, and according to the 1935 census the number of farms, the number of farm tenants, and the percentage of tenancy in each county are as follows:

County	Number of farms	Number of tenants	Percent of tenancy
Jackson	3,579	718	20.1
Lenawee	4,661	1,322	28.4
Washtenaw	3,506	752	21.4
Monroe	4,315	1,043	24.2

The term "farm tenants" used in the national sense is most comprehensive. It is just as varied as is the term "farm." In California, when we talk about farmers, we possibly mean a grower of nuts or fruit, cultivating 10 acres. In Kansas we possible have in mind a wheat farmer, growing 1,000 or more acres of wheat. In Iowa it may be a corn farmer, with 200 or 300 acres of corn, while in one of the cotton States we may have in mind several hundred acres operated by sharecroppers, so-called. In my own section of Michigan we have in mind the operators of from 40 to 160 acres of diversified farming.

Those advocating this bill concede that the figures above given, as to the possible number of farm tenants to be helped during the first 3 years of the law, are as indicated. They cannot tell me, neither can they tell the intelligent farmers of my locality, that any genuine help is to be given where, at the most, one farmer in any one county in my district can borrow enough money to buy a $3,000 farm. In the first place, the farms that the right type of tenant would want to purchase will cost more than $3,000. All this is not denied, but it is insisted that the farmers have been promised something; therefore, a step in this direction should be taken. Some have even suggested that this is a laboratory experiment, and is for the purpose of testing the soundness of the plan. Well, I believe in laboratories and in experiments, but the farmer has been made the guinea pig so long that he will recognize an unsound experiment before the operation begins. We are told that this is beginning in a small way, but that at the expiration of the 3-year period we can then take care of all of the tenant farmers in the country. It will take $14,000,000,000, if this plan is followed, to buy a farm for all the tenant farmers in the country. This is unsound, it is impossible, and out of the question, if the Government is to issue its bonds to raise the money to take over the farm indebtedness of the Nation. The Frazier-Lemke bill was at least honest on its face. It contemplated the eventual printing of new money to purchase farms for farm tenants; but Mr. LEMKE, the author, recognized that it would not be sound to loan 100 percent on the value of the farm, and when his bill was before the Congress he offered an amendment making the amount 80 percent of the purchase price of the farm.

This bill contemplates loaning the farmer 100 percent. In other words, the purchaser will have no equity whatever in the farm. The Government will buy it, purchase the stock, the machinery, set the tenant up in business, and then tell him that he has a home, to go forward, and that the only person to whom he has to answer is the Secretary of Agriculture, but he must make sufficient profit off the farm each year to meet all the payments required in his mortgage. If the Government is to provide all of the tenant farmers and farm laborers with farms and homes, then it naturally follows that the same Government will be asked and required to do likewise for the city tenant, and, if carried to a logical conclusion, to the city laborer and all others who do not have homes as well. This philosophy might be applicable in Russia but it is not in keeping with American principles. The sad part of it is, however, that this legislation is not only a gesture but it is a cruel hoax on the tenant farmer who reads the newspaper headlines telling him that the Congress

is providing him with a farm and a home. I am not familiar with the sharecropper and the tenant in some sections of the country, but in my own territory we have no higher class farmers than a large percentage of our farm tenants, and they cannot be fooled.

There can be no security in farm ownership unless farming on the family-sized farm is profitable. Behind the tenant question is the problem of price and income. The real essential to successful agriculture is to maintain a fair and stable price for the products of the farm. Without that price no farmer can long succeed. That price must be the actual cost of production plus a reasonable profit, and worthwhile farm legislation must recognize that truth. There is no disputing the fact that as a general proposition the farmer has been operating at a loss during the last few years. Eliminate the subsidies paid by the Government and he is operating at a loss today. Are these subsidies to continue permanently, and if so, in what form? This question must be answered and a definite policy for agriculture must be established before we attempt anything like title I of this bill.

Who is there among you who would advise his son to go in debt 100 percent in any line of industry and be required to make a living for his family, pay taxes, insurance, and annual payments on the principal indebtedness, when he knew that the industry in which he was placing him was running at a loss and that his son could not possibly succeed unless something was done to make the industry prosperous? No; you would not do this because you think too much of that son. If this reasoning is right, then we would do an unkindness to the tenant farmers of this country even if we provided all of them with sufficient loans to permit them to engage in a losing industry. We must strike at the fundamentals. The cause of the disease must be discovered and the remedy applied. When we have succeeded in that particular, then we can conscientiously endeavor to make profitable owners out of worthy tenants.

Practically every speech made in this debate has extolled the virtues of home ownership and deplored the fact that there are so many farm tenants in our land. It is true that there has been a great increase in farm tenancy over a period of many years down to 1933. There has been no increase since that date. During this period many farms have been refinanced and payments through the A. A. A. and other temporary agencies have checked the increase. Many tenant farmers who understand the agricultural situation realize that it is impossible to buy a farm and pay for it without more stabilization in the industry. Again I say that stabilization is the objective which we must seek rather than a make-believe like this proposition. This bill is not endorsed by any of the large farm organizations.

Mr. LUCKEY of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Not just now. I am sorry.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. The gentleman from Nebraska has asked me to yield, but I do not want to yield for an observation.

Mr. BULWINKLE. This is just a question.

Mr. LUCKEY of Nebraska. I have a short question.

Mr. MICHENER. In courtesy I must yield first to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. May I ask the gentleman if he has the same feeling against a subsidy to the farmer as he has against newspapers using the second-class mail who are receiving $75,000,000, against the ship subsidy, and against the air-mail subsidy?

Mr. MICHENER. The gentleman's question is entirely irrelevant. We are discussing agriculture and farm relief and not the Post Office Department and ship subsidies and air mail. A discussion of the United States mails at this time is, however, very pertinent. I should like to have time to call the gentleman's attention to the fact that the C. I. O. has interfered with delivery of the United States mail, and it would seem that the administration might take some action to compel the Post Office Department to perform the functions for which it was established.

Mr. LUCKEY of Nebraska. How about the subsidy?

Mr. BULWINKLE. If the gentleman will yield for a short question, would the gentleman mind telling the Committee what plan he would pursue?

Mr. MICHENER. I say frankly that, like the gentleman from North Carolina and all other students of the agricultural problem, I have found it impossible to determine upon a positive, specific plan. I do not know just what should be done, and no one else does. I would only do real things and not make-believe things, if I wanted to help the farmer.

Mr. BULWINKLE. I thought the gentleman had given some consideration to this subject. What plan would the gentleman bring in?

Mr. MICHENER. Well, the first thing I would do if I had my way would be to give the farmer the American market. I would cut out those parts of the Canadian and other reciprocal trade agreements which militate against the American farmer. I would pass a law making it possible for this country to grow its own sugar, and protect all agriculture against imports from Canada and other countries where the cost of production is much less. I would at least attempt to do something to put the entire industry on a paying basis. I would do nothing that would put the farmer further in the red. I would stop this unnecessary spending on the part of the Government and reduce the farmers' taxes. I would make it possible for him to get his money at the lowest possible rate of interest consistent with sound business. The more consideration I give, the more I am convinced that eventually some plan will be worked out along the line of the equalization fee or the export debenture. Honest benefits paid for honest service to the farmer cannot be criticized. The philosophy of scarcity and the doctrine that we should pay the farmer to prevent Nature from producing is all wrong, and I am opposed to it. Consequently I do not want to give any more discretion to the present Secretary of Agriculture than necessary, because we all understand that the Secretary is an exponent of this philosophy of producing less and having more.

TITLE II—REHABILITATION LOANS

In short, this title authorizes the Secretary of Agriculture to make loans up to 100 percent of their cash value for the purchase of livestock, farm equipment, family subsistence, and so forth, to those qualified under title I to purchase farms. The interest is 3 percent, payable in 5 years, and is secured by chattel mortgage covering the things purchased.

It is unsound and unreasonable for the United States Government to loan these groups vast sums of money on livestock and crops when the borrower has no equity whatever in the property. The Government already has loan agencies to care for this group of farmers who must have assistance. I want to call attention, however, to the provision of subsection (b) of this title, which authorizes the President to allot out of appropriations made for relief such sums as he may determine to be necessary to carry out the provisions of the title and "to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment." I am opposed to giving the Executive any additional power. If the Congress appropriates for relief, that money should be used for relief, and the President should not have the money to spend in such places and at such times as he may think advisable to serve his purposes, be they political or otherwise.

TITLE III—RETIREMENT OF SUBMARGINAL LANDS

In this title the Secretary of Agriculture is authorized to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not suitable for cultivation. This purpose is laudable, and I have much sympathy with any law making it possible to retire some of this land on which farmers never can even make a living. We are doing the farmer a better service by

getting him off of this land than loaning him money to live on it or to buy more of it.

The powers granted to the Secretary go too far, however. In reality the Secretary is authorized to do about anything he sees fit to reach the objectives. For instance, he is authorized "to sell, exchange, lease, or otherwise dispose of, with or without consideration, any property so acquired under such terms and conditions as he deems will best accomplish the purposes of the title." These are broad powers, and I do not like to give them to any department without more specific limitations. The Secretary is even given authority to "disseminate information concerning these activities." Now we have had considerable experience during the last 4 years with these information bureaus; and, believe me, they can spend the people's money and propagandize the country in behalf of any projects undertaken by the Secretary.

I am bitterly opposed to granting a bureaucrat the right to make rules and regulations having the force and effect of laws, where a serious penalty is attached, when there is no notice given to the public other than the Executive order setting up the rule. In this title the Secretary of Agriculture can make such rules and regulations and "any violation of such rules and regulations shall be punished by a fine of not more than $500 or 1 year in the penitentiary, or both." We had enough of these rules and regulations under the recent N. R. A. and Potato Control Act, both of which were held unconstitutional by the Supreme Court. I do not want to pass any law making it possible for any Secretary of Agriculture to write some rule or regulation in Washington for the violation of which one of my farmer constituents might be sent to the penitentiary, unless that rule is embodied in a law found in our statute books.

TITLE IV

This title provides the machinery for carrying out titles I, II, and III. In the first place, it sets up another bureau within the Department of Agriculture, to be known as the Farm Security Administration. Here, again, the Secretary is given authority to employ such persons and appoint such agents as are necessary, in his judgment, to carry out the terms of the law. As is usual with these new agencies, the Secretary may make political appointments, and "without regard to the civil-service laws and regulations." He is also given the right to fix the compensation of these officers and employees. I believe thoroughly in the civil service, and if we are going to set up agencies of this kind, let us remove them as far as possible from all political patronage.

I think this title gives authority to the Secretary to do anything he may desire and create almost unlimited expense in connection with his duties. A new provision, however, is listed among many other things he may do, and that is he may "purchase, operate, and maintain at the seat of government and elsewhere motor-propelled passenger-carrying and other vehicles" for the use of the swarm of investigators and agents that will be put to work if this law becomes effective. For my part, I have felt that these agents could get about the country from place to place often enough by using the railroads and other methods of transportation, but here the taxpayers' money may be used to purchase flying machines in addition to motorcars, and all this in the interest of the farmer.

The Resettlement Administration expires on June 30, 1937, and the understanding is that many of the Resettlement officials will be given new jobs under this act. Now, from a business standpoint, many Resettlement projects have been a stench in the nostrils of the sound-thinking public. Witness the project at Beltsville as an example, where homes costing from ten to sixteen thousand dollars have been erected to rent to laborers and persons with low incomes, and all this out of the taxpayers' money. The Alaskan colony is another example of Tugwellian dreams. It is true that Professor Tugwell, the head of Resettlement, is no longer connected with the Government, but his trainees, those who operated with him and who are still carrying on his policies, are the people, we are told, who will be largely charged with the administration of this new set-up.

While I believe thoroughly in legislation making it possible to return submarginal land to the Government rather than continue contributing annually to the support of the people who are trying to eke out an existence on that land, at the same time I want to eliminate a lot of the half-baked theories of this new school of social uplifters which has cost our people so much money during the last few years.

CONCLUSION

We are told by members of the Agriculture Committee that the committee devoted 11 weeks to consideration of farm tenancy. The House will pass this bill and with very few of its Members knowing anything about the details of the proposal. The bill will then go to the Senate. The Senate will pass the Bankhead farm tenancy bill, and we will find the real legislation written in the conference committee. The Bankhead bill provides that the Government go into the land-purchasing business. The Government would buy tracts of land in tenant sections and resell farms to selected tenants. This bill would be a great help to those who find themselves in possession of large holdings of land of little value. I cannot see where it would be any help to the small farmer in my section of the country. This plan contemplates the supervision of tenants by a bureau in Washington. We have too much Washington regulation already, and any plan that makes the independent owners of small farms subject to the dictates of some theorist in Washington is just simply un-American. While we have had considerable experience along this line during the last 4 years, yet we are not converted. If the Bankhead bill is accepted by the House and becomes a law, there is no question in my mind but that the Federal Government will eventually own large sections of this tenant farm land. It will be impossible for the tenant to ever comply with the terms of the regulations, and he will in reality become a peasant as the term is accepted in foreign countries.

If 42 percent of the farmers of the country are tenants, and if this 42 percent is brought under the domination and control of a Washington bureau, then truly regimentation of agriculture has gone a long way. My farmers are opposed to regimentation. They want to own their own farms. They want to regulate their own families. They want to work out their own problems, and all they ask is a fair show and a square deal in comparison with all other industries.

This discussion is necessarily somewhat technical because I have attempted to explain just what the bill embraces. It is somewhat lengthy because I could not say to you these things in less time. For the reasons herein stated, I am unwilling to be a party to the enactment of this law. The $10,000,000 provided for the first year must be borrowed, and a large part of it will be wasted in overhead. As I said in the beginning, the farm question is not going to be solved until the farmer is assured of a parity price with other industries.

[Here the gavel fell.]

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I have listened during the last 2 days with a great deal of interest to the lamentations of the great on both sides of the aisle as they bemoaned the hopeless plight of the American farmer; and as their wails of woe have gone from this Hall I have been constrained to think of the conduct of the scribes and Pharisees.

It is startling to me to find that men who are supposed to have dedicated long years of their lives to the problem of the American farmer and who have witnessed during the last 20 years the continuing depressed condition of the American farmer are now bringing before the American people a piece of legislation which, at its most, can be considered nothing but a hypocritical pretense. [Applause.]

I have studied this measure to the best of my ability, and I refer in particular to title I. I do not find therein one single idea or thought or word which in any manner advo-

cates or presents a policy which will lead the American farmers out of their present hopeless plight and place them again in a position of economic independence.

The gentleman from North Carolina [Mr. BULWINKLE] has just asked a very pertinent question, "What will you offer?" I will say to the gentleman from North Carolina and to this House that there is now pending before this body a measure which incorporates the very fundamental principles of Jeffersonian democracy and which offers a means and a pathway by which the 6,000,000 farm families of America and the 30,000,000 farm population will be granted an opportunity to get out of this wilderness of economic despair and be placed in a condition of economic independence.

Why, Mr. Chairman, the pending bill is a farce, and you know it is a farce. It offers no remedy for the diseased condition of agriculture. Why, the only thing it does for the few farmers who will receive the so-called benefits is to place them 100 percent in debt, and the very next day they are eligible to go into the bankruptcy courts of America.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Georgia. I yield.

Mr. LUCAS. Will the gentleman explain to the House the major features of his bill?

Mr. PETERSON of Georgia. I may state to the gentleman I am sorry he has not been on the floor when I have explained it on at least two occasions, and in the 5 minutes now allotted to me I will not have an opportunity to explain it, but a complete explanation of the measure is available, and I hope before the day is over, if I can obtain recognition and get enough time, to give the membership the essence of the measure which is now before them; and if the gentleman has an open mind and is really interested in the welfare of the American farmer, I should like for him to listen to what I have to say on this measure during the remainder of the day. [Applause.]

[Here the gavel fell.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

TITLE I

POWER OF SECRETARY

SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make loans in the United States and in the Territories of Alaska and Hawaii to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

(b) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

Mr. MAHON of Texas. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: On page 1, line 6, strike out "Power of Secretary" and insert in lieu thereof the following: "Power of Farm Credit Administration."

On page 1, lines 7 and 8, strike out the following: "The Secretary of Agriculture (hereinafter referred to as the 'Secretary')" and insert in lieu thereof the following: "The Farm Credit Administration."

Mr. MAHON of Texas. Mr. Chairman, the amendment which I offer is an amendment which simply turns over the administration of this act to the Farm Credit Administration. The present bill places the administration of the act in the hands of the Secretary of Agriculture, but the Secretary of Agriculture and the bureaus operating under him are not skilled in the business of lending money to farmers on farm land, and my amendment provides that we shall turn over this credit measure—and this is a credit bill—to the Farm Credit Administration. Indeed, it was said yesterday on the floor that Governor Myers, Administrator of the Farm Credit Administration, is the ablest administrator in any department of the Government; and I say to you frankly that this is the hardest credit problem before the Congress and before the American people, and it requires the ablest and most experienced hands available. We ought to lay down proper rules and regulations and turn over the administration of this act to the Farm Credit Administration.

That agency has already lent during the past 4 years to 3,000,000 American farmers more than $4,000,000,000. It has already lent on farm land about $3,000,000,000, and about $2,800,000,000 is now outstanding, and of the Federal land-bank loans about 87 percent are in good standing at this time.

Here we have an experienced agency. It is well oiled. It is operating in all of the 3,059 agricultural counties in this country. And in view of the difficulty of this credit problem I think we had better turn it over to this agency, because if we make a big blunder in the administration of this act and bring down the contempt of the American people upon this experiment, a great stumbling block may be placed in the way of a proper program for the tenant farmers of the country in the years to come. Therefore I hope that the members of the Committee will agree with me in turning over the money authorized to be appropriated in this bill to an organization that is already set up; to an organization that can begin work immediately after the passage of the bill, to the end that those loans which may be made can be made promptly and on a sound basis.

Mr. CRAWFORD. Has the gentleman given any thought to the practical problem the Farm Credit Administration will be up against, lending money to farmer A at 3 percent under the gentleman's proposal, as set forth in this bill and lending money to farmer B at 3½ or 4 percent?

Mr. MAHON of Texas. I certainly have. The Farm Credit Administration is doing that today. The Land Bank Commissioner loans draw 5 percent and the land-bank loans 4 percent. Of course, we have had an emergency rate of 3½ percent for some time. I propose that no one should be eligible for one of these tenancy loans unless he is unable to secure a loan under the Federal land bank and the Land Bank Commissioner. As I said yesterday, a national farm-loan association of five directors and a secretary-treasurer is now operating in every agricultural county of the country. They know how to cooperate in a program such as we propose in this bill. I hope this amendment will be adopted.

The appropriation provided for in this bill is so small no very material accomplishment can be expected from the passage of this measure. Under amendments which I have proposed, if we handle this program through the Farm Credit Administration, we will be able to secure much more readily adequate money to finance it. Under the bill as drawn a direct appropriation from the Treasury is required.

Mr. Chairman, I should like to present some general facts and ideas on the subject of farm tenancy. We cannot appropriately forget the facts of the problem until we have achieved a solution.

We had no serious problem of farm tenancy until about 50 years ago. Beginning with 13 colonies, this Nation has expanded at intervals until now it embraces a vast empire with 1,903,337,600 acres. Formerly the farmer could secure land under the homestead laws of the United States for nothing. A farmer who became heavily indebted on one farm could surrender it to his creditors and go into new and fertile territory and homestead another farm. There was not very much in those days to provoke farm tenancy. Even when free land became scarce it was still possible for a farmer to buy much of the most fertile farm land in America for only a few cents or a few dollars an acre. The time of free land and good land that can be bought cheaply has passed and we have come into the evil days of pronounced and pernicious farm tenancy.

The record reads about like this: In 1880 only 25 percent of farmers were tenants; in 1900 the percentage had increased to 35 percent, and by 1935 the percentage had increased to 42 percent. Farm tenancy is greatest in the South and West and least in New England. In Massachusetts and Maine only about 6 percent of the farmers are tenants, while in Mississippi more than 70 percent of the farmers are tenants. These are the two extremes, but all the Southern and Western States present a bad situation in regard to this question. Mr. H. A. Turner, of the Bureau of Agricultural Economics, states that, in 1930, 73 percent of all cotton farmers were tenant farmers.

My distinguished colleague [Mr. SOUTH] sometime ago pointed out the figures which are applicable to my own State of Texas. In 1880 only 30 percent of our farmers were tenants. By 1900 the number had increased to 49 percent, and in 1935, 57 percent of the farmers in Texas were tenants. In 1935, 286,000 farm families in Texas, representing about 1,400,000 people, were tenants.

The casual student of farm tenancy might say that since 42 percent of the farmers of America are tenants, it necessarily follows that 58 percent of all farmers are land owners. Unfortunately this is far from the truth. About 58 percent of the farmers do have legal title to their land, but only slightly more than one-half of these own their lands, free of mortgage. That reduces the percentage of actual farm owners in the United States to less than 30 percent. In other words, not one farmer out of three in the United States actually owns his farm. These figures represent the average and take into consideration the almost total lack of farm tenancy in some States. The figures indicate that in the South considerably less than one farmer out of every four actually owns his farm free of debt.

In 1930 the average farm mortgage was approximately $3,500. It is a well-known fact that many farmers who are so-called farm owners are worse off than tenants because they owe more on their land than the land is worth.

The real cause for so much farm tenancy is low and inadequate farm income. Our farm-tenancy problem will largely vanish when we have established a system which will give the farmer an adequate price for his labor and products.

Washington is a city of many monuments. It is being proposed that there be erected here a $3,000,000 monument to the memory of Thomas Jefferson. If we build any more after that, I think we ought to build one to the memory of the farm family who has traveled the rocky and perilous road from farm tenancy to farm ownership during the adverse conditions which have prevailed during the last 25 years. I am not talking about farmers who have inherited farm lands or who have bought and paid for farms out of an independent income.

I am talking about real dirt farmers who have gone on the land and paid for it out of the sweat of their brow. Such a monument would symbolize more acts of heroism, self-sacrifice, and unheralded courage on the part of thousands of fathers and mothers and their children than could be recorded in the Appendix of the CONGRESSIONAL RECORD during the next several sessions. Such a monument would symbolize the fact that in order to become farm owners and cease to be tenants thousands of farm families had followed a course of self-sacrifice which would read about like this:

No bathtub, no kitchen sink, no water even piped to the house, no rugs on the floor, no daily newspapers; younger children rarely having anything new, but being required to wear clothing which the older children had outgrown; a lot of heartaches because the children cannot dress as well as neighbors and wear prettier graduation dresses when the school closed in the month of May; a little cobbler's shop where the family could sole its shoes; on rainy days, no vacation, the time being devoted to working over the chicken house or doing a little wood hauling, fence building, or ditch digging; no radio; no automobile at all, or no new one—work all week from sun to sun, and often continuation of work on Saturday afternoon while the neighbor's children had gone to town or to the ball game—a very modest diet, sometimes not balanced and usually devoid of store-bought fruit; no haircuts at the barber shop, the father or mother or one of the sons doing the family haircutting; no doctor nor dentist in many cases when the services of doctors and dentists were absolutely necessary for the health of the family.

Such is a brief description of a few of the minor hardships on the road that many have followed and must follow if farm ownership is to be achieved under present conditions. The great Champ Clark, former Speaker of the House, once said that his life could be condensed into these words: "Fifty-odd years of unremitting toil." Unremitting toil and much good luck is the price of farm ownership under the present system. It is not a matter of unremitting toil and self-sacrifice for a year only; it is often prolonged for a score of years or more before the goal is attained. No one knows very much about farm tenancy who does not know by experience something about "the short and simple annals of the poor." Farm ownership has been in the grasp of many farm families only to be snatched away by serious illness, death, accident, drought, flood, storm, or any one of a score of other factors beyond the control of the farmer. Those who have no patience with the problems of the farmer and the farm tenant and denounce him for his position of economic insecurity are unfaithful to the Nation's welfare and grossly ignorant of conditions prevailing among 30,000,000 American farm people. But, referring to the monument to the memory of the unknown farmer, I am not in favor of appropriating the money for it until we have supplanted farm tenancy with wholesome farm ownership.

I think it is well to point out in discussing this subject that the solution of the problem of farm tenancy will be a step forward in the reduction of relief expenditures.

We have spent billions of dollars for relief in recent years, and there is a very definite relationship between relief and the collapse of agriculture, especially in the South and West. To do nothing about farm tenancy and to continue to appropriate billions of dollars for relief is to be inconsistent and uneconomic.

If much of that relief money had been spent in the South and West on a wise farm-ownership program, it would have accomplished greater good, and permanent good, in putting many farm families in a position to support themselves, who are now on relief. Much relief is of temporary value, but money wisely spent in the interest of farm ownership will bear good fruit for generations.

If more of the boys and girls of the future are born on farms owned by their fathers and mothers, they will have a better chance in the world than those who go from farm to farm, from year to year or at frequent intervals, but never finding a home.

We are spending about a billion dollars per year on our Army and Navy for purpose of national defense, but guns and ammunition are not the only elements to be considered in forming a policy of national defense. The morale—the spirit and solidarity of the people—is the more important thing. Before a nation can fight very successfully it must have something to fight on and something to fight for, and a citizenry of home owners and farm owners is the most necessary bulwark in national defense.

Many men love their own farm lands so much they have been known in hundreds of cases, in their misguided and intemperate zeal, to kill a neighbor over a boundary-line dispute. You will recall the story of Naboth, the Jezreelite who suffered himself to be stoned to death through the machinations of the wife of King Ahab of Samaria rather than give up a little farm which he owned and loved. Those who are interested in the reduction of relief expenditures and those who are interested in national defense cannot in good judgment withhold assistance in the attack on farm tenancy. We have begun the attack and those who love the institutions of this country will not give up until success is achieved.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment. I think everyone agrees, surely everyone who is

familiar at all with agriculture, that the tenancy problem in this Nation is a big one at the present time. I think we all realize that probably the United States needs a new crop of landlords on the farms of this Nation as badly as anything else. I think I shall support this bill, but I am not supporting it, lulled into a feeling of security that the bill will accomplish any major good for the farm tenants of the country. The only reason I do support it is because I am in hopes that even though we spend $10,000,000 to do it, the experience derived from the expenditure of that money will teach the leadership of this Congress and teach this administration that this problem cannot be met in this way. I doubt that you could get Congress to appropriate enough money to adequately deal with the tenancy problem in this country on this basis. I think there is an adequate way, and it is a very simple one, a proven way, by which this can be handled. A few years ago we set up under the Congress what is known as the Federal Housing Administration. That Administration used private capital and the credit of the Government to build homes in this Nation. That Administration has had remarkable success. It is just as feasible to make landlords out of tenants under a plan similar to the Federal Housing Administration, using the Government's credit and private capital, as it was to carry on a home-building program under the Federal Housing Administration.

If this bill will do what one gentleman of the committee says it will do—buy a farm for one farmer in every county in the United States—and I presume it will, and if that purpose is accomplished 100 percent, what, then, have we done toward solving the tenant problem in this Nation? What would we have accomplished had we adopted the amendment of the gentleman from Wisconsin a moment ago for $500,000,000? Under that you would have put 50 tenants on farms that they own in every county of the United States; but what then would you have accomplished? I shall support this bill for another reason, because I am happy to find that the Congress has finally become conscious of the fact that farm tenancy is a real problem in this Nation; but it is not going to help the situation except that it may teach the proponents of the plan the absolute unfeasibility of their plan, and then we might be able to enlist them, because of their experience of failure under this plan, to give their support to a plan that will adequately take care of the tenant problem in this Nation; and it can be done, and there is no need to break or bankrupt the Government in accomplishing it.

I come from an agricultural country and my district is one in which the tenancy situation is very bad. Statistics taken by the farm census of 1935 showed that between 80 and 90 percent of the farms were being operated by tenants. It further showed that of these tenants, more than half of them moved every year.

Think what this means. A move every other year by 80 to 90 percent of our farmers. They have no chance of success under such conditions. They cannot get acquainted with the soil they are attempting to till. They have no incentive to improve fences or buildings. Why should they cooperate to preserve the fertility by terracing or doing any of the other things that we are attempting to teach them under the Soil Conservation Service.

This bill cannot solve our problem in the Second District of Oklahoma in a hundred years. We must devise a program which will give more of our tenants a chance.

But I am glad that we are recognizing the problem and the necessity for a solution. We cannot walk until we have taken the first step.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. LUCKEY of Nebraska. Mr. Chairman, I move to strike out the last two words to support the amendment of my good friend from Texas [Mr. MAHON]. I rise to call attention to the statements made by my good friend from Michigan [Mr. MICHENER], who said that this measure is unworkable because it is a subsidy to the farmers. That is remarkable. It is remarkable that a subsidy to the farmers will not work. I call attention to the fact that in 1916 we established what we called the Shipping Board. The Shipping Board granted to the merchant marine up to the time it went out of existence a subsidy of over $3,000,000,000, yet today we do not have any merchant marine. I wonder if the gentleman from Michigan has considered that?

Furthermore, the United States Government sold to the Dollar Steamship Co. on the Pacific coast, vessels at 10 and 20 cents on the dollar. They loaned them the money to buy those ships at that remarkably low price, and then loaned them money for 20 years' time at less than 1 percent interest. If that is not a subsidy I would like to know what it is.

Furthermore, we are subsidizing the newspapers and magazines of this country to the tune of $75,000,000 a year, and the Postal Department is footing the bill. We do that through low second-class mail rates. Your constituents and mine have to meet that subsidy.

Not only that, but we have subsidized the great business industries on the Atlantic coast and in the East, the great industrial centers, by a protective tariff; but the protective tariff does not work for the farmer unless he has nothing to sell. Then it works.

The great commoner, the statesman from Nebraska, William Jennings Bryan, often used to say, "Destroy our farms and grass will grow in the city streets." This is a measure that is of tremendous importance not only from an economic standpoint but from a sociological standpoint. If this country ever gets into trouble, your safest bet will be on those people who live on the farms, who have a knowledge of real values in life.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LUCKEY of Nebraska. I yield.

Mr. ANDRESEN of Minnesota. The gentleman from Michigan may have indicated that this was a subsidy. It might be a subsidy for a large number of landowners at the present time who might like to sell their land to the Federal Government.

Mr. LUCKEY of Nebraska. It is not a subsidy to the man who buys. He pays it back, and that is something that the big businesses we have subsidized have never done. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I was glad to hear the remarks made by the gentleman from Texas a few minutes ago regarding the fact that this measure, and I refer particularly to title I, is in reality a duplication of agencies which now exist in our Federal Government.

The Federal land bank was organized about 20 years ago for almost the identical purpose that this proposal is here made today, but here you are setting up an entirely new agency, with its headquarters in Washington, with thousands of employees throughout America. I understand there will be an effort made to put those employees under civil service, so as to be sure it is a permanent agency. And for what purpose? To proceed in the most expensive possible way, in my opinion, to deal with the farm problem of America. According to the most conservative figures that have yet been brought out on this floor, it will cost approximately $7,500 per farm family to get them into title ownership of a farm home. Are they in ownership? Why, that is an absurdity. They have theoretical title, but to carry this bill to its ultimate conclusion means that you will have an increased farm-mortgage indebtedness in America of approximately $20,000,000,000. Add this $20,000,000,000 to the approximately $8,000,000,000 present farm-mortgage indebtedness and you have a farm-mortgage indebtedness of $28,000,000,000. The interest alone, Mr. Chairman, will amount to approximately one-fifth of the present total gross cash income of the entire farm products of this country.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Georgia. I yield.

Mr. COOLEY. Does the gentleman intend to vote for this measure?

Mr. PETERSON of Georgia. I wish to state to the gentleman that I do not know how this measure will finally be amended, but at present I am opposed to the measure. I believe that the members of this committee have brought here a measure which is a travesty and an insult to the intelligence of the 30,000,000 farm population of America.

Mr. COOLEY. Would the gentleman be kind enough to point out the particular section to which he so vigorously objects?

Mr. PETERSON of Georgia. I have not heard one word from the gentleman from North Carolina [Mr. COOLEY] on this floor which in any manner showed that he was offering a measure which will place the farm families of America in a position of economic independence.

Mr. COOLEY. Does the gentleman understand that we are not talking now about the general farm program but about a specific measure for relief of farm tenants?

Mr. PETERSON of Georgia. I am glad the gentleman has mentioned that fact, because in the report of the committee, of which the gentleman is a member, he himself admits that this bill cannot succeed unless there is passed other legislation in support of it, and I will read to the gentleman his own report.

Mr. COOLEY. That is the position, I think, all of the members of the committee entertain—that we must have additional legislation.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. MILLS. Mr. Chairman, I object to that. I have an amendment at the desk.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 11 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PETERSON of Georgia. Mr. Chairman, reserving the right to object, I insist that inasmuch as this is a measure of tremendous importance not only to the farm population but to the entire population of America, the Chairman should permit full opportunity to discuss the bill.

Mr. LANZETTA. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Texas, the chairman of the committee, if time will be allowed for the consideration of the amendment introduced by the Commissioner from Puerto Rico.

Mr. JONES. Yes, the amendment is satisfactory to the committee.

The CHAIRMAN. The gentleman from Texas is merely asking unanimous consent to limit debate on this amendment.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. MILLS] for 3 minutes.

Mr. MILLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLS: Page 2, line 4, after the second word "who", strike out "recently" and insert the words "has ever."

Mr. MILLS. Mr. Chairman and colleagues, I am very happy to rise at this time in support of farm-tenant legislation. Being a southern farmer, and my ancestry on both sides having been tillers of the soil for more than 100 years, I naturally have acquired a sympathetic interest in the farming industry of this country as a whole. Therefore, I am deeply gratified that this Government has come to the realization that the welfare of a citizenry must look for legislation that will help to cure the many evils that are now existing and growing in this great land of plenty.

Mr. Chairman, on page 2, in line 4, the committee has seen fit to use the word "recently." I ask that the committee strike out the word "recently" and insert in lieu thereof the two words "has ever."

The purpose of the amendment is to take care of those farmers who have moved into towns or cities but who wish to return to the farms.

First, I wish to furnish you with some specific facts as presently exist generally throughout the country on this subject. First, at present we have about 6,000,000 farms with millions of people making a livelihood from the soil out of 3,059 counties in this country, and of the total farmers, 2,800,000 are tenant farmers, with an increase of 40,000 each year. The appalling condition is an ever-increasing condition, in that 40 years ago only 1 in every 4 were farm tenants, whereas today more than 40 percent of the farm population are tenant farmers.

I readily agree that the appropriation of only $10,000,000 for the fiscal year 1938, $25,000,000 in 1939, and $50,000,000 in 1940 is only a miniature set-up, to allow farm tenants to purchase farms, but I had rather for this Government to make a success, even though it is small in the beginning, than to make too large an appropriation and at the end prove that such an undertaking is a failure.

My friends, I hesitate on the floor of this House to paint an appalling picture as exists in certain sections of this great land, where there is too much to eat, too much to wear, and too much of everything to supply the demands, for people to go hungry or undernourished, poorly clad, and without shelter. Therefore we must come to the rescue of our unfortunate members of society and show them that Congress has an interest, that they all may enjoy some of the pleasures and happiness that God intended for them to enjoy. It is an unfair situation for a selected few in a democratic form of government to enjoy the advantages of life in a land of too much to eat and too much to wear and the unfortunate group to go hungry, begging for food, sleepy and no place to sleep, clothesless and no money to buy clothes. Therefore this legislation is pointing toward the greatest humanitarian move, the greatest act that I have seen this Congress begin to undertake in my short period of association, and I contend, if more of such legislation was adopted, the country as a whole would decline in looking upon this body as one that has more often shown discrimination in favor of a selected few. This type of legislation affords a greater possibility for the greater percentage of the masses becoming better independent citizens, enabling them to make a livelihood permanently. Further, this type of legislation is nothing new, as it was advocated by the early philosophers, also the Pilgrim and Puritan forefathers, as well as the Bible itself.

I have heard numbers of speeches on this floor and over the radio by Congressmen advocating pro and con various plans of legislation that will help solve the now existing conditions, but I believe passage of this bill will be going a long way toward a greater redistribution of wealth, in that it has a tendency to tax the more well-to-do and guarantee something to the smaller people.

I readily accept the sneers from some of the Members of this House when I say that this is pointing toward the ticket I was elected on—the share-our-wealth—although I desire at this time to give you to understand where the share-our-wealth meaning was first used, but not the words. I will read from the President's acceptance speech in Chicago, page 388 of the proceedings of the Democratic National Convention of 1932, and I am quoting from Mr. Roosevelt:

Throughout the Nation, men and women, forgotten in the political philosophy of the Government of the last years look to us here for guidance and for more equitable opportunity to share.

I want you to understand the idea of the share-our-wealth phrase was a phrase of Senator Huey P. Long, who is now deceased, but yet today even though he is deceased, those words ring in the hearts of every American citizen and they believe this Government, as originally founded, so well de-

clared in the Declaration of Independence, is supposed to guarantee life, liberty, and the pursuit of happiness to all its citizens, and I contend that this body should adopt more of such legislation that will afford the masses an opportunity to make a livelihood; inasmuch as that is the great cry throughout the land in preference of relief.

Senator Huey P. Long in his share-the-wealth reply to General Johnson stated:

> That 1 percent of Americans own 59 percent of America's wealth, while 4 percent own between 85 percent and 95 percent of the wealth.

Therefore, the cry began throughout the land that the demagogue Long is incorrect. Therefore, the New York Daily News of April 11, 1935, intimated and added that somebody ought to look into this question and get the true figures on America's wealth in order to refute Long. The News then assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures, so Limpus came to Washington and worked for weeks here in the Library of Congress and elsewhere, to rout up the true figures, with which to deny Senator Long, and, therefore, the results of that research showed Senator Long had essentially the correct information, especially where the money power is lodged in this country.

I shall herewith set forth Mr. Limpus' findings:

> More than 96 percent of the workers in the United States receive less than $2,000 a year, which is regarded as sufficient only for basic necessity.

According to the United States Federal Trade Commission in 1926, 1 percent of the people dying did not own as much as 59 percent of the wealth reported, and since that time the rich have been getting richer in proportion and the poor poorer, so stated Mr. Limpus' findings; therefore, my colleagues, this investigation by the New York Daily News shows specifically that Senator Huey P. Long had underestimated the wealth holders in America and that 1 percent owned a great deal more than 59 percent of all the property. After Mr. Limpus had discussed these facts it was decided, after some deliberation, to publish them, inasmuch as they were afraid by not publishing the uncovered truths it would be very harmful and cause a large increase of share-our-wealth believers throughout the land.

This big newspaper of the United States further stated that America has got to redistribute the wealth in the land one way or the other. Therefore, my colleagues, this is one of the safest ways, through farm tenancy and old-age pensions, that this wealth may be distributed, and I am proud this Congress is coming to the realization of the truth; and if we do not adopt the truth I am afraid eventually it will be too late.

My colleagues, in part, the language in section B, title I, reads as follows:

> Only farm tenants, farm laborers, sharecroppers, who have recently obtained a livelihood from farming, shall be eligible to receive benefits from this title.

I believe the language should be changed and be sufficiently wide to allow people in towns who have not recently farmed the privilege to borrow money to buy farms, as we have thousands of families in towns who would be proud to move on a farm if ways and means could be provided for them to purchase a place. I am sure some of you will disagree by stating if too many are allowed to farm we will have an overproduction. No; we must go further and adopt the share-our-wealth way of dealing with farming by allowing the lands to lay idle every seventh year, as taught in the Bible, and Government guaranteeing to our farmers a price for their raw products equal basically to the manufacturing price. Thereby I contend buying power will be increased among the farming class and a greater demand for the farm commodities will exist. Further, as long as mass purchasing power stays down and continues to shrink, there will be an overproduction of bathtubs, cars, radios, and so forth, which we like to think are elements in the American standard of living.

There is not any overproduction in the United States of cotton, corn, wheat, rice, beans, or cattle, and have not been; there is an underproduction of those things. However, the farmers of Louisiana, Texas, Iowa, and all of the States are gradually being stamped out of existence; they are gradually having to resort to the W. P. A. rolls and various other relief agencies.

Is it because there is an overproduction? No. It is because the people do not have the money with which to buy the things they need and must consume if they are to live in a reasonable or respectable way. Farmers are not overproducing, yet those poor farmers are being told that.

My colleagues, after the New York Daily News in 1935 undertook to refute the statements of Senator Huey P. Long relative to concentration of wealth in the hands of a few and was unsuccessful, this Congress has done little toward curing that evil. Here are the multimillionaire families that found out the truth, yet this Congress and the preceding ones have undertaken very little, if anything, along this line other than this bill. It reminds me of the rich man who allowed Lazarus to stay outside the gate, with the dogs licking his sores, begging for the crumbs that fell from the rich man's table. When Lazarus died and the rich man died, and the rich man looked afar off and saw Abraham with Lazarus in his bosom, the rich man cried and said, "Father Abraham, send Lazarus that he may pour water and cool my tongue." Abraham said, "It cannot be done." The rich man said, "Then send Lazarus back to earth that he may tell my four brothers there of the torments with which I am afflicted that they may avoid this place." Abraham said, "There is not a bit of use. They have Moses and the prophets; they will not believe one who has risen from the dead and has come back to earth."

This Congress stands here today neglecting to accept so many great truths that, if adopted, would solve a great economic condition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 15, noes 61.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the Delegate from Puerto Rico for 4 minutes.

Mr. IGLESIAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. IGLESIAS: On page 2, line 1, after the word "Hawaii", insert "and in Puerto Rico."

Mr. IGLESIAS. The chairman of the Committee on Agriculture has agreed to this amendment, and I request that it be voted on.

Mr. JONES. Mr. Chairman, I have no objection.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Puerto Rico.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. JONES] is recognized for 4 minutes.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment offered by my colleague the gentleman from Texas [Mr. MAHON]. I share his regard for the Farm Credit Administration and its activity. I think that Governor Myers under the rules of his administration has done a wonderful work, but the principle underlying this bill removes it from the purview of his work. Several of us thought that perhaps it ought to go to that organization. Governor Myers came before our committee, making the statement that unless we wanted to change the whole set-up it would tend to injure very greatly the accomplishments of his administration. Under that administration he must sell the obligations of the Federal land banks in the open market, he must sell the obligations of the intermediate credit banks in financing the current credit of those organizations. Whether you believe in the system or not, that is the basis on which it is built. When he began, land-bank bonds were selling in the 80's and in many instances were not selling at all. They

are now selling above par and the farmer is getting the lowest interest rates that have ever prevailed in the United States—the lowest rates that have ever prevailed on such a large scale anywhere in the history of the world. The system has been well administered. Questionable things have been kept out of it and only adequately secured credit has been accepted. Do you want to jeopardize that by taking a different type of credit that one who purchased bonds, one who purchased the obligations of the intermediate credit bank, might feel should not have been included? I do not believe you do.

This goes a little further than that. I hope the House will not accept the amendment because this bill follows the pattern that has been proved and tested in many other countries. It is a starting point. It is fair and I think we would do better if we started on a moderate scale.

Mr. DIES. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Texas.

Mr. DIES. Is it not a fact that the bonds issued by the Farm Credit Administration are guaranteed by the Federal Government?

Mr. JONES. No. The bonds of the land banks are not guaranteed by the Government, either as to principal or interest; yet they are selling about par. If we tack this on, I do not believe that condition will continue. Governor Myers, whose administration we are complimenting, feels that it might materially injure the sale of those bonds.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The Clerk read as follows:

COUNTY COMMITTEES AND LOANS

SEC. 2. (a) The county committee established under section 42 shall—

(1) Receive applications of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm in which any member of the committee has any property interest, direct or indirect.

(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

Mr. TARVER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 3, line 16, after the word "committee", insert "or any person related to such Member within the third degree of consanguinity or affinity."

Mr. JONES. Mr. Chairman, I have consulted with as many members of the Committee on Agriculture as I could contact and they have all agreed this is a good amendment. Therefore, there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was agreed to.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN: Page 3, at the end of line 16, strike out the period, insert a comma and add thereto the following: "or in which they or either of them have had such interest within 1 year prior to the date of certification."

Mr. JONES. Mr. Chairman, I shall be glad to agree to the amendment.

Mr. McCLELLAN. Mr. Chairman, I thank the gentleman for accepting the amendment. Since the amendment is accepted, I should like, Mr. Chairman to address my remarks briefly to the merits of the bill. Yesterday in general debate the time was so limited that many of us who are anxious to see this legislation adopted did not have an opportunity to express our views; therefore, we must secure time under the 5-minute rule.

Mr. Chairman, I do not believe there is anyone in this House who has keener sympathy for or deeper interest in the class of people for whose benefit we are undertaking to legislate today than I have. I speak from personal experience and not as one who might have read of or who may have heard about the plight of the tenant farmers. I was reared the son of a tenant farmer and I know how hard the struggle is and how difficult it is for one in that class under present economic conditions to acquire a farm of his own. They have not the power to give themselves a start, and this bill is at least the adoption of a policy whereby the Federal Government recognizes the tenant farmer and offers some aid and assistance in his ambition to become a home owner.

Mr. Chairman, the committee is being criticized for not bringing in a better bill. Certainly this measure is not all that was hoped for. Everyone, perhaps, would like to see more money appropriated, more people benefited, and more people aided, but unfortunately we cannot do that at this time. Here is the important thing about this program. We are starting. Everybody agrees that this is a good policy. No one criticizes the policy of trying to help this class of people. As we start out I think it is important that we proceed cautiously in order to make this experiment a success, because, God pity the tenant farmers of America if this experiment fails. We must make it succeed, and the only way to make it succeed is to place it on as high a plane as possible and undertake to administer the law without financial loss to the Government.

If those charged with administering the provisions of this law will use precaution in selecting tenants most deserving and best suited to receive Government aid and proceed under a program of this kind, in a year or two, even with this meager start, the program will begin to bear fruit, and we will have gained some experience and will better understand how to develop and expand and extend this aid to larger numbers. When we have set up an organization to carry out the provisions of this act and have created the machinery to deal with this problem effectively we can then increase the appropriation and extend this aid to larger numbers of those worthy to receive it.

True, Mr. Chairman, we will never be able to lift all the share croppers and tenant farmers to a higher level and standard of living. There are those, of course, who would not take proper advantage of this opportunity if it were extended to them, but there are many who will and who will become the owners of homes and farms of their own and thus make better citizens by reason of this assistance and the program we are launching by the enactment of this legislation.

Tenant farming and sharecropping has practically doubled in my State within the past half century. We cannot close our eyes to this unhealthy condition in our agricultural industry. This trend must be checked, and the number steadily reduced. It is going to take time. It cannot be done at one session of Congress.

No doubt we will find it necessary to adopt many amendments to this legislation from time to time, but we have started and I want to join with many others in expressing thanks to the Committee on Agriculture for its work in reporting out this bill. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the amendment and I do this for the purpose of asking a question of the chairman of the Committee on Agriculture.

This part of the bill we are considering undertakes to establish certain limitations with reference to the conduct of this committee. In turning to the penal provision of the bill, I do not find anything, from a hurried examination, which

makes the penal provisions of the bill applicable to the doing of things by this committee which it is intended by the provisions of the bill to prevent them from doing. There is a provision here with reference to what employees may do, and I refer to section 49.

Mr. JONES. Section 42, as we understand it, makes these county committees employees of the Federal Government and, therefore, they would be subject to the penalty provisions.

Mr. SUMNERS of Texas. I direct the attention of the gentleman to the fact that section 49 is not a blanket provision which seeks to punish persons who do the things prohibited by the provisions of this bill, as I read this hurriedly.

The penal provision has to do with gifts, fees, and so forth, but not false certificates. I suggest to the chairman that before we conclude the bill this be given consideration.

Mr. JONES. I should like to have the help of the gentleman. If the gentleman has an amendment to suggest, I shall be pleased to consider it when we reach that point. I do not have time now to go into the question, but I thank the gentleman for calling my attention to it.

Mr. SUMNERS of Texas. I shall be glad to look into the matter.

The CHAIRMAN. The question is on the amendment of the gentleman from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

Mr. PETERSON of Georgia. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentleman from North Carolina a few minutes ago asked a very pertinent question in regard to whether or not I thought this measure was a piece of separate and independent legislation. It is very evident it is not. The committee in its report, which is now available, states on page 3 the following:

> The program here contemplated must be founded upon the principle that farming will be profitable enough to make the objectives of the bill realizable.

Above that it states:

> Neither the landlord nor the tenant has had sufficient income, and the landholder who hires farm laborers has not had enough income.

In addition to this, it is evident there is now in the making a measure which proposes to place in a strait jacket every farmer of America, just as this bill does. Under this proposed legislation, if it is enacted into law, the Secretary of Agriculture can actually prevent the farmer from hitching his mule to the wagon and taking his family to church on Sunday. The Secretary has absolute and complete control and domination over the farm family which is supposed to receive these so-called benefits, yet you say this is placing the American farm family in a condition of economic independence. The farm mortgages are what got us into our present trouble. The average farm mortgage in America today is only approximately $3,500, but here you are going to create a farm mortgage of approximately $7,500.

Mr. COOLEY. Does the gentleman oppose the granting of Federal aid to the most destitute people in America—those on the farms?

Mr. PETERSON of Georgia. No; but I do propose that instead of placing them in a condition not of tenancy but of serfdom and bondage to the so-called economic royalists that we place them in a condition of economic independence.

Mr. COOLEY. What plan does the gentleman have to offer?

Mr. PETERSON of Georgia. I may say to the gentleman there is a plan now before Congress which, for approximately $1,500 per farm family, will completely restore the farm population of America to a condition of economic independence.

Mr. COOLEY. What is the plan?

Mr. PETERSON of Georgia. The plan is the bill, H. R. 6748. Has the gentleman read it?

Mr. COOLEY. No; I have not.

Mr. PETERSON of Georgia. Has the gentleman read the report of the subcommittee of the Committee on Public Lands, which has gone into this matter very extensively?

Mr. COOLEY. No; I have not.

Mr. PETERSON of Georgia. Let me tell the gentleman what the condition is in North Carolina?

Mr. COOLEY. Whose bill is it?

Mr. PETERSON of Georgia. It is the bill of the gentleman from Georgia who is now speaking.

Mr. COOLEY. Did the gentleman from Georgia ask permission to appear before the House Committee on Agriculture to express or offer any constructive suggestions about the pending legislation?

Mr. PETERSON of Georgia. No, I did not; but the bill is now before the Committee on the Public Lands, of which the gentleman from Georgia is a member, where the bill rightfully belongs. This, my friend, is a national land-policy program, not one which would place the farmers of America in complete bondage forever. [Applause.]

Mr. COOLEY. Then, why does the gentleman blame the Committee on Agriculture for failure to act?

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 8 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LAMBERTSON. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I rise at this time to talk a little out of order, with the permission of the Committee, while the Members cool off enough to do some sober thinking on the announcement I am going to make.

The subcommittee of the Committee on Appropriations which is handling the Department of the Interior appropriation bill is meeting at 2 o'clock to consider the 134 amendments made to the Interior Department appropriation bill by the Senate. Anything which pertains to the Interior has some contact with soil conservation, and soil conservation has some contact with tenancy, so I am speaking on the subject.

The Senate committee made 134 amendments to the Interior Department appropriation bill. In only 5 of these amendments the amounts were decreased, a dozen of the amendments were provisional, but in over 100 of the 134 amendments the Senate committee recommended increased amounts and the Senate agreed to such increases. There is over a $13,000,000 increase on the face of it, not to say anything about the babies born which are going to cost hundreds of millions in time to come. One amendment inserted by the Senate gives birth to a baby which will cost $41,000,000 before it is matured. The committee is going to meet now, and the bill must be passed by tomorrow night. We spent 30 days in hearings, and the other body spent 10 hours last week considering the bill.

Here are the names of the six leading majority conferees on the part of the Senate: Senators HAYDEN, McKELLAR, THOMAS of Oklahoma, ADAMS, BANKHEAD, and O'MAHONEY. These administration leaders increased the amounts carried in the bill as it passed the House in 100 amendments out of the 134, and decreased the amounts in only 5 amendments. I could say something about what some of these things are, but I shall do so a little later. However, this is what these leaders who have just come from Jefferson Island have done under instructions to balance the Budget.

[Here the gavel fell.]

The Clerk read as follows:

TERMS OF LOANS

SEC. 3. (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the county committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) Provide for the repayment of the loan within an agreed period of not more than 30 years from the making of the loan.

(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 percent per annum.

(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

(c) No instrument provided for in this section shall prohibit the prepayment of any sum due under it.

Mr. BIERMANN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 5, line 3, insert:

"(7) Be in such form and contain such provisions, conditions, and limitations as may be necessary to assure that the borrower will conform to such farming practices and methods as the Secretary may prescribe, in order that, during the first 5 years the loan is in effect, the borrower's farming operations may be sufficiently profitable to enable him to carry out successfully the responsibilities of ownership and his undertakings under the loan agreement."

Mr. BIERMANN. Mr. Chairman, the amendment which I propose is in line with the report of the farm tenancy committee appointed by the President. You will find this provision on page 12 of their report.

The philosophy of the amendment is this: We are not solving the problem of turning a tenant into a successful owner-operator by merely lending the man 100 percent of the value of the farm he wants to buy. Sometimes we would be making him worse off than he was before. We provide in this bill for the lending of money to a great variety of people, tenants, sharecroppers, and people who recently got a major part of their living from farming, and we are lending 100 percent of the value of the farm. It is not everyone who can pay out on such a loan. These people, as I said yesterday, are of two kinds. They are either men who never owned farms or they are men who, having owned farms, have lost them. It is reasonable to suppose that these people, generally speaking, do not know everything about operating farms successfully. They may be just as able to plow, they may be just as able to do the manual work on the farm, but that is not all that is required to make a successful farmer-operator. Management and planning are essential to success.

In this amendment we propose that the Secretary of Agriculture, out of the experience accumulated in that Department, for which we appropriate millions of dollars, and out of the experience of the Extension Bureau and the State agricultural colleges, shall supply the beneficiaries of this bill for a period of 5 years with advice and supervision, so that they may have the best opportunity possible to succeed in the operation of their farms.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Kansas.

Mr. HOPE. Is it the gentleman's intention that this supervision shall be given only during the first 5 years?

Mr. BIERMANN. Yes.

Mr. HOPE. It seems to me the gentleman ought to change the form of his amendment so as to make that more specific, because it is not clear, the way I read the amendment, whether it is during the first 5 years or during the entire period.

Mr. RANKIN. Does the gentleman want to give him a life sentence?

Mr. HOPE. No; I want to limit it to 5 years, but I do not believe the amendment does that.

Mr. RANKIN. Why give him a 5-year sentence?

Mr. BIERMANN. I have no pride of authorship in the amendment. The wording is immaterial to me.

Mr. HOPE. The suggestion I would make would be that the gentleman's amendment should read that the borrower will conform to such farming practices and methods as the Secretary may prescribe during the first 5 years the loan is in effect. It seems to me the phrase "in order that" ought to come after, instead of before, the words "the first 5 years."

Mr. BIERMANN. I am perfectly willing to adopt that suggestion and, Mr. Chairman, I ask unanimous consent that the amendment may be changed to conform with the language suggested by the gentleman from Kansas.

Mr. RANKIN. I object to that, Mr. Chairman. I am going to oppose the gentleman's amendment when the gentleman gets through; and if he is through now, I will rise in opposition to the amendment.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. From the discussion of this bill it appears there will be about one of these farms for each county throughout the country.

Mr. BIERMANN. That would be true if they were divided evenly, but there is nothing in the bill that requires that.

Mr. ZIMMERMAN. Does the gentleman think it is wise at this time to establish a bureau to furnish an expert adviser for one farm in each county in this country? Does not the gentleman think we should wait until the plan is developed further?

Mr. BIERMANN. My amendment does not provide for that at all, and the bill does not provide for one beneficiary in each county. The bill simply provides for starting this plan slowly and carefully and sensibly with a $10,000,000 appropriation instead of going into it on a big scale, and my amendment provides that these men be given the advice and the help that is certainly necessary to the majority of them in order that they may have a Chinaman's chance of paying off the 100-percent loans on their farms.

Mr. ZIMMERMAN. Do you not think it will require an adviser for a number of counties?

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. O'CONNOR of Montana. Does not the bill provide that the money is to be distributed on the basis of population?

Mr. BIERMANN. Population and prevalence of farm tenancy per State, but not per county.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes; I yield to the gentleman from Mississippi.

Mr. RANKIN. Why turn these farmers over to somebody else who could not make a living on the farm himself? The gentleman underestimates the intelligence of the average tenant farmer.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa to amend the pending amendment?

Mr. RANKIN. Mr. Chairman, I objected to that request, and I ask recognition in opposition to the amendment of the gentleman from Iowa.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from North Carolina, a member of the committee, is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, it seems we are in a right unique situation here. One Member of the House has just taken the position with reference to this bill that the House Committee on Agriculture has proposed a measure which will, in effect, put the American tenant farmer into a complete, governmental strait jacket. Now we have another gentleman, a very distinguished member of the committee, taking the position that the bill which we have reported places insufficient regulations around the person whom we are seeking to help. I believe if the Members of the House will look on page 4, section 4, they will see that the committee has reached what might be called a happy medium. Section 4 of the bill provides, among other things:

Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Not now. The amendment proposed uses in place of the word "covenants" the words "provisions, conditions, and limitations." I believe that the language of the bill is sufficiently broad in its scope to authorize the Secretary of Agriculture to require the tenant whom we are seeking to aid to use modern farm methods, and to comply with the soil-conservation program and to protect the soil fertility.

Mr. PETERSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Not at this point. With further reference to the suggestion that there should be some supervision, apparently my distinguished friend from Iowa [Mr. BIERMANN] overlooks the fact that in practically every agricultural county in the United States we have a county agent, and I suppose that most, if not all of them, are graduates of agricultural colleges. We have the extension service, which is rendering a fine service to the agricultural people of the Nation. Could it be wished that the Federal Government would add to this great list of governmental employees, and, as my distinguished friend from Missouri has suggested, employ another corps of governmental experts to go on a man's farm every day and direct the activities around his farm and around his household? I believe the Secretary in the deed of trust or mortgage which he will accept upon the granting of a loan, could place certain broad conditions laying down certain requirements with reference to the farm, and if that is done we will accomplish what we want to accomplish.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. KLEBERG. Mr. Chairman, if we are going to provide, in addition to credit, for the purpose of enabling the tenant farmer to acquire a farm and become a farm owner, certain restrictions with reference to eligibility, if we are going to carry on a school for farming, admitting those whom you are going to admit to credit, does not the gentleman believe that we should open the whole bill and let some of the city folk, who would like to own farms, come under the bill also?

Mr. COOLEY. I quite agree with the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RANKIN. Mr. Chairman, it is my desire to make it possible for every farmer who wishes to do so to be able to own his home. But while we are attempting to cure the land-tenant situation by making landholders out of tenants we should also do something to reverse the policy that is now making tenants out of landowners by foreclosing mortgages on their homes and rendering it impossible for them to make a living on their own lands and pay their debts and taxes.

While it is said that this measure would only provide for purchasing land for one tenant a year in each county, on an average, it is the beginning of a policy which if properly carried out, may result in enabling large numbers of people to own homes who have never been able to do so before. I believe, however, that we should remove some of the restrictions contained in this measure so as to enable the purchaser to get full title to his land just as soon as he can pay it out and free himself from any kind of governmental supervision as early as possible.

For that reason I am opposing the amendment offered by the gentleman from Iowa [Mr. BIERMANN]. I fear he underestimates the intelligence of the average tenant farmer in this country. He certainly underestimates the intelligence of the white tenant farmers in the South. Those tenants, when they become landowners, do not need guardians to tell them what to do, when to sow and when to reap, or how to plow and hoe. It would be useless to send some Government agent who could not make a living farming on the best land in the South to interfere with these people and constantly harass them in their endeavors to earn a livelihood on this land. I do not believe you could send one man from the Department of Agriculture who could teach one of these farmers in my district how to raise cotton. I remember one time we had the members of the Bureau of Agricultural Economics before a committee here and someone asked them what kind of cotton bore red blooms and what kind bore white blooms. Not one of them could answer the question, although some of them pretended to be experienced in growing cotton. Any 10-year-old boy living in the cotton States could have told them that all cotton blooms are white the first day and red the next. How far do you think these men would get teaching southern farmers how to grow cotton? I doubt if one of them could go into the State of Iowa and teach those farmers how to raise corn, or into Kansas and teach them how to raise wheat. The trouble with these agricultural experts is that too many of them are over-educated and undertrained.

I feel that we are approaching this farm problem from the wrong angle. While, as I said, this measure will help as far as it goes, it certainly does not reach the farmers' trouble. We make a landowner of one tenant a year in each county, while large numbers of landowners are made tenants by having their farms sold under mortgage. This shows that there is something wrong with our economic policies—something that goes far deeper than we can hope to reach by passing legislation of this kind.

I will tell you what some of those troubles are. One of them is our taxing system. We hear a great deal about burdensome taxes here in the House. People with large incomes protest that their income taxes are too high. People who inherit enormous estates protest against paying an inheritance tax. Manufacturers of luxuries protest against high taxes on luxuries. But the highest taxes paid by anybody in America, according to his income, is that paid by the farmer who tries to own his home. He has to pay it whether he makes any income or not, or else lose his home—or both. If a man owns a farm worth, we will say, $5,000 and he owes $4,500 on it, he has to pay interest on the $4,500 and pay taxes, not on the $500 equity which he has in the farm, if it is an equity, but he has to pay taxes on the entire farm, valued at $5,000, even if his crops fail and his stock die of starvation, as has happened in some of the drought-stricken areas in the last few years.

That is the reason some tenants tell you frankly that they do not want to own land; that it is less expensive to rent a farm than it is to own one.

The farmer also pays the highest interest rate of anybody in the United States and invariably pays a bonus to get his loan through, and then has to hire someone to make him an abstract, or go through court to clear a title that has never been questioned. If we could get the interest rate to the farmer down to the very minimum and spread his payments out over a long term of years, and relieve him of these additional charges, it would do more to help people who now own farms to hold them than this bill will do, I fear, to help somebody else buy them back, after the owners have lost them. That would make home owning more desirable and cause the more enterprising tenants to strive to purchase homes.

Again, the farmer is taxed indirectly through the high protective tariff system, which has come down from former administrations and which we have not been able to entirely get rid of. A tariff is an indirect tax, a burden upon the producers on those materials for which they get nothing in return. The farmer has all this to pay. Hundreds of millions of dollars are thus wrung from the farmers of this country annually through this method of indirect taxation that levies a tribute upon everything he buys, from the swaddling clothes of infancy to the lining of his coffin.

The farmer is the victim of the manipulation of our monetary system. We call it an elastic system, because under it our monetary supply can be expanded or contracted

at the will of the Federal Reserve Board. They respond to the requests or demands of private banking institutions, and therefore expand or contract the currency to meet the demands of great financial institutions without regard to its disastrous effect upon the Nation's unprotected farmers.

They are selling wheat and cotton today at practically the same price they sold it during the Taft administration, when conditions became so bad in the agricultural States that the farmers in the West revolted and drove that administration from power. Yet they are paying two or three times as much for manufactured articles now as they paid at that time.

What is the cause of this? It is the manipulation of our elastic currency. In 1913, the year that President Taft went out of office, there were approximately $34 per capita in money in circulation, or on the books of the Treasury. The Federal Reserve System was created, and they expanded that currency until by 1920 it had reached $53 per capita, with the result that wheat, cotton, corn, and other agricultural commodities rose to the highest levels they have reached since the Civil War. Then the Federal Reserve Board raised the rediscount rate, called its loans, contracted the currency, and drove commodity prices down to where they swept away the homes of thousands of farmers who were unable to pay the debts they had contracted while prices were high. They never can pay them on the present price levels.

They are now required to pay the taxes and other obligations that were made on those high prices of 20-cent cotton and $2 wheat with 11-cent cotton and $1 wheat. It cannot be done, and this bill will not reach the trouble.

If we would help the farmer to hold his home and help enterprising tenants to purchase homes, we should force a reexpansion of that currency, to raise farm prices high enough to make home owning safe and profitable. That would do more good than all the farm-tenancy laws this Congress could pass.

Another thing, our transportation system penalizes the farmer to an unconscionable degree. The average farmer, the average human being in an agricultural State, and especially in the small towns, and in the rural communities, pays the highest freight rates known on earth, and instead of helping to reduce those freight rates, Congress has recently gone on record for the so-called Pettengill bill that would pile those burdens higher. No wonder tenants are being made out of landowners in every State in the Union infinitely more rapidly than this proposed measure would make landowners out of tenants.

Again, we find the farmer is bled white by monopolies. It is a significant coincidence that where monopolies have grown and expanded the prosperity of the farmer has diminished and farm tenancy has increased. These vast monopolies raise the prices of everything the farmer has to buy and then turn around and fix the prices of the things the farmer has to sell below the cost of production.

Take the dairy farmers, for instance, and you will find that practically all the processors of dairy products are in some kind of combination that enables monopolies to control the price of milk as it leaves the farmers' hands, with the exception of the cooperative creameries and cooperative cheese plants and other farm cooperatives which the farmers control themselves.

Look at the cottonseed industry and see how it is controlled by a vast monopoly. Measured in bushels, the cottonseed crop of the South amounts to about two-thirds of the wheat crop of the entire United States. A bushel of cottonseed has more food value than a bushel of wheat, yet the processors of cottonseed products are controlled by great monopolies that fix the price of cottonseed far below their economic value, thus robbing the cotton farmers of millions of dollars every year, and making tenants out of landowners by the thousands, while we pass a bill here to make one landowner out of one tenant in each county each year.

Look at your wheat and corn farmers and see how they are plundered by the great monopolies that control the processing agencies of those commodities. A man in Kansas looks out of his window over a vast field of wheat, while he eats shredded wheat prepared in Chicago. A tomato grower in south Mississippi sits down to a meal and eats tomato catsup invariably put up in Pittsburgh, Pa., while a corn farmer in Nebraska or Iowa eats cornflakes processed in Battle Creek, Mich.; and all of them pay at least 10 times and often 100 times or 500 times as much for the processed product as they received when they sold the raw material.

These processing establishments are controlled by vast monopolies over which sprawl gigantic holding companies, all of which reach down into the farmer's pocket with one tentacle and take from him the pennies he should receive for the raw material, while with the other they reach into the homes of the ultimate consumers and exact their enormous tributes in overcharges for the finished products in order to maintain and fatten these gigantic monopolies and the influences that control them.

In addition to all that, the farmer pays the highest utility rates that can be imposed, limited only by the amount the traffic will bear, unprotected by his Government or his State. Telephone rates have become so high that the average farmer has long since abandoned the use of a telephone. Electric light and power rates have been so high that, as a rule, it is like paying rent on his farm if the farmer even secures enough electricity to furnish lights for his home, depriving him of the use of a sufficient amount of it to operate those appliances which make his income pleasant, profitable, and attractive. If we would electrify every farmhouse in America at the standard T. V. A. rates, it would do the farmers more good than any other one thing that has ever been done or attempted.

These are the farm problems with which we must deal. We cannot cure the trouble by inducing a few tenants to buy farms on credit when the farmers who own land are unable to hold it and make a living for themselves and their families.

We can cure this trouble, but it will take a major operation. This mild ointment will not cure the cancer; we must go deeper and reach the very root of the trouble.

This is the richest country in all the world. We have the richest lands, the finest soils, an abundant rainfall, a gentle climate, and the finest rural population to be found in all the world. Yet we find that in this twentieth century, this age of education and progress, when mankind has gained the greatest ascendency over the forces of nature ever known in all the ages—with all these advantages, we see our farmers driven from their farms by abnormal prices for what they must buy, depressed prices for what they sell, exorbitant taxes compared with their meager incomes, interest rates all out of proportion, indirect taxes on everything they purchase, and their very lives regulated by remote control.

We cannot cure this situation by inducing a few people to buy farms on credit, but we must go to the root of the trouble and take from the back of the farmer those burdens which selfish interests have placed upon him and give him the benefits made possible by our modern civilization, protect him from oppressive monopolies, and permit him to share in the use of our natural resources. Then the farmer will become prosperous and independent. We will then stop making tenants out of landowners by impoverishing the man who toils, but we will make it possible for the present landowners to retain their homes and for the enterprising tenants to acquire land of their own. [Applause.]

Mr. GRAY of Indiana. Mr. Chairman, we hear men talk very assuringly about giving economic security to the farmers who are in debt. But there is no economic security for the farmers in debt under existing conditions today.

We hear men holding out the hope to the farmers, laboring under mortgage debts, of independence as home owners, but there is and can be no such independence with the farmers in debt under existing conditions.

The gentleman from Iowa [Mr. BIERMANN] has offered an amendment to hold the farmers in debt on their farms by

preventing the farmers from selling their property and giving them wholesome counsel and advice. But there is no way under which, by giving advice, encouragement, or otherwise to hold farmers who are in debt on their farms.

There was a farmer in my district with only a debt of two-thirds on his farm. He disappeared one dark night when love and innocence sleeps and when found later in another State, explaining the cause of his secret departure, said he was afraid that he would be made to keep his farm.

To give the farmer economic security and independence as a home owner, we must go back to fundamentals. We must go back to first principles. We must go back to the source of the evil and remedy the cause of farm tenancy, the cause which drove the farmer from his farm.

First, we must go back to 1921–22, when, in the course of less than 18 months over 2,000,000 farmers lost their farms and either became tenants on their own land or were compelled to move and to live under strange landlords.

Then following this wholesale movement of farmers leaving their farms to become wandering farm tenants, hundreds of thousands of other farmers lost their farms annually until the army of tenancy had become a threatening menace to the peace and order of the country.

It was in 1924 that the loaning insurance companies, becoming landlords of their mortgaged farms, applied to the Agriculture Department to create a farm-manager bureau to educate men as farm managers to manage 20,000-acre farms or tracts with former farm landowners as their tenants.

Then, following this and between 1924 and 1929, farm conditions became relaxed and relieved and many existing mortgages were changed, not by payment but by renewal of the old debt. And following 1929 mortgages were again foreclosed and other millions of farmers were dispossessed as owners and became tenants on their own land.

These farmers became tenants not because the Government did not loan them money, nor because they could not meet and pay the amount of the mortgage they promised to pay, but because of the fall of values and the price level which compelled them to pay back to mortgagees with two, three, or four times the farm products they had promised and obligated themselves to pay.

The farm owners became tenants because under the farm values and prices their farms fell in value until the value of the farm home mortgaged to only one-half of its value was now less than the mortgage debt, or calling for two or three times the farm products and labor to pay.

Until farm values are made stable and unchanging it is folly to put farmers back on farms under mortgages equaling their full value and expect them to pay and become owners and regain so-called economic security and become independent home owners.

But restore farm values and the price level to their former and normal state and farm laborers will again save, buy themselves a farm of their own, and pay their mortgage debts and achieve economic security without Government or other aid.

I am supporting this bill, not in the hope of giving farmers economic security but to support the principle of farm relief and to hold the farmers on the land until Congress can recover the control of the public currency of the country and thereby stabilize values and prices.

The causes driving millions of farmers from their farms and country homes to become roving tenants must be first removed and overcome before we can restore farmers back upon the land and keep them there and rescue agriculture from the menace of tenancy.

But the evils of fluctuating money values, the evil of falling values and the price level, are not the only evils to be remedied to stop augmenting the army of farm tenants increasing now year by year and creating a greater menace than ever before.

Agricultural land in the United States is fast losing the fertility of the soil by erosion and water carrying the fertility from the land, until over 50,000,000 acres of land have become worthless for cultivation and have been deserted by the farmers to become tenants upon other land.

This is not a charge against farmers, nor against farmers as a class of people. It is only an oversight, overlooked by all, which could not have been seen in advance even by natural scientists and critical students in time to be warned against and remedied. And now the loss and waste have gone too far to be stopped except by Federal aid.

And even now, with the appalling loss and waste of the fertility of our rich farmland open to be observed by the world, the Nation is standing aghast, beholding the wasted and eroded fields, and is pausing to formulate a program for conservation and reclamation of once fertile land.

The farmers living upon these 50,000,000 acres have deserted the farm homes of their ancestors with hundreds of millions more acres doomed to go, with the coming of not to exceed 3 or 4 years, and the farm owners of these lands will be likewise forced to leave their homes to join the band of wandering farm tenants.

With these evil causes still operating to drive farmers from their land, declaring economic security for the farmers, independence for the farm home owners, and loaning them the full value of their farms with interest, upkeep, and taxes to pay will not solve the problem of farm tenancy.

And there are other causes contributing to farm tenancy which must be removed and overcome, and the farmers relieved from the burdens of which, before they can assume debt obligations equal to the whole value of their farms, and pay their way to economic recovery and independence.

One of these burdens bearing upon the farmer is the inequality of the prices he receives with the prices he is compelled to pay for his supplies and farm equipment, and materials for repairs and upkeep. He must have parity of prices for what he has to sell and buy.

It is folly to loan to a farmer the whole value of a farm and expect him to pay the debt and become an independent home owner when the same farmer could not pay the one-half mortgage on his farm and was compelled to suffer foreclosure under these same conditions.

To make this legislation a success in restoring farmers back on the farm they must first be given economic stability, must be safeguarded against fall of prices, must have Federal aid in reclaiming soil fertility, and must have equality of prices for what he has to sell and buy.

Without restoring normal farm values, without stabilizing farm prices under which to pay these farm debts, and without conserving the resources of eroding land and wasting soil fertility, loaning money to the farmers to buy a farm today will be only a vain gesture or maneuver, and farm tenancy will remain a growing evil tomorrow. [Applause.]

Mr. JONES. Mr. Chairman, I understand there will be several amendments to this section. I ask unanimous consent that all debate on the amendment offered by the gentleman from Iowa now close and that we have a vote on the amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the pending amendment do now close. Is there objection?

Mr. WADSWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. Did I understand the gentleman from Iowa had unanimous consent to amend his amendment?

The CHAIRMAN. That was objected to.

Is there objection to the request of the gentleman from Texas?

Mr. COLDEN. Mr. Chairman, reserving the right to object, can the chairman of the Committee on Agriculture inform us whether there is any possibility of amending the Federal Banking Act so as to permit these banks with huge reserves to lend money on land? This would somewhat meet the problem. The bankers could be protected by some method of insurance such as was used in the housing program. And may I say in this connection that the country

banker, more than any other individual, is usually familiar with the ability to pay and the character of the average man in his community. If we could open this great source of idle funds in this country it would help the situation very much, it seems to me.

Mr. JONES. There are, of course, various ways in which the Banking Act might be amended, but I would rather not pass judgment on that as it is within the jurisdiction of another committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent, inasmuch as so much debate has intervened since the amendment was reported, that the Clerk may again read the amendment for the information of the House.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The Clerk again read the Biermann amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 4, line 9, after the word "of" where it appears the second time, strike out "3" and insert in lieu thereof "1½."

Mr. BOILEAU. Mr. Chairman, the amendment is self-explanatory. It provides for reduction in interest rates from 3 percent down to 1½ percent. Many Members, especially those from agricultural sections have in recent years made speech after speech upon the stump in which they said that they believed that interest rates were too high, that the farmer was being obliged to pay too much in the form of interest; and a good many Members have said that they would support the provisions of the Frazier-Lemke bill. One of the important provisions of the Frazier-Lemke bill was that interest rates should be 1½ percent. I appeal to you Members who have made such statements in the campaign to take this opportunity, which may be the only one afforded you during this session of Congress, to reduce the interest rates. At least give this help to those who will be benefited under the provisions of this bill.

Then, too, in a recent message delivered to the Congress, the President of the United States said that one-third of our people were ill-housed, ill-nourished, and ill-clothed. He made the statement that a large percentage of our people were underprivileged. Here today we are attempting, in a very feeble way, it is true, to give some relief to a large part of that underprivileged class. If you subscribe to the President's views in that respect, if you subscribe to the theory that a large percentage of our people need this assistance and for that reason are going to vote for this bill, it seems to me you should be consistent and should support an amendment that would reduce the interest rates down to 1½ percent.

One and a half percent is enough interest to be paid to the Government to insure that the operations conducted under the bill will not cost the Federal Treasury one red cent. The Federal Treasury can get this money for less than 1½ percent, and I submit to you that they should lend this money to the farmers at this rate. If, perchance, the cost of administration should be proportionately unduly high because of our effort to do a big job with a little bit of money; if, perchance, the administrative cost is excessive, do not tie this additional cost around the necks of the people you are going to help. I submit to you that if we adopt a proper plan for the relief of sharecroppers and farm tenants, if we can do the job charging not more than 1½-percent interest, again referring to the statement of the President of the United States, the time to do that job is now.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. CRAWFORD. I think it is very interesting to observe that the man who has a first mortgage on his farm pays 4 percent; a second mortgage, 5 percent. The pending bill provides 3 percent on loans made under it. Other branches of organized industry get as low as three-fourths of 1 percent and 1 percent per annum. This is supposed to be social insurance, social lending, social rates. What do we call rates of interest such as one-fourth of 1 percent, one-half of 1 percent, and 1 percent?

Mr. BOILEAU. I submit to the gentleman that the cost should be 1½ percent. This bill if properly administered, as I hope it will be, can be carried out so there will not be any loss to the Treasury at that rate. I do not believe there is any justification for saddling around the necks of these people, who are practically destitute, an interest rate of 3 percent.

Oh, it will be said that these are lower than he can get almost any other place. I submit that it is lower than the farmers can get, but it is not as low as many of the privileged groups in this country can get. I submit, furthermore, that if we are going to give any help to these people it must be by way of reducing the interest rate that has been eating up all of the profits of agriculture for so many years.

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was delighted to hear the statement of the gentleman from Mississippi a few minutes ago that this bill does not touch the vital question that now affects the American farm population. In reply to questions asked me by other Members while I was speaking a few minutes ago, may I say that in reality from an economic standpoint, what this piece of legislation does to those who come under its influence and effect is to decrease rather than increase their cash net income.

Mr. LUCAS. Will the gentleman yield?

Mr. PETERSON of Georgia. I decline to yield.

Mr. Chairman, I call the attention of the Members of the House to a table that has been prepared from the census of 1930, which is the last complete farm census available, and I may say incidentally in that year the farm income only lacked about 4 percent of being upon a parity with the industrial income of this Nation. This census shows that during that year the average farm laborer who labored as a tenant had a monthly net cash income of $28 per month, while the average farm operator who owned his own farm and had a mortgage on it received an average net cash income of only $20 a month, or $8 less than the tenant.

In the State of North Carolina, from whence comes the gentleman who asked me questions previously, we find that the average net cash income of the tenants in 1930 was $11 per month, while the average net cash income of the owner-operator, whose land was mortgaged, was $7 per month, or $4 less than the tenant.

Mr. Chairman, we are not putting those farmers in a position of economic independence. We are simply pauperizing and putting them deeper into serfdom if this proposal is put into operation.

There has been mentioned during the debate on this proposal the great work that has been done in the nation of Denmark under a similar proposal. I may say to the membership that for over 30 years Denmark has been following a very similar, yea, an almost identical, program. I quote from a periodical that was prepared and issued by the United States Department of Agriculture:

Beginning in 1899, and at frequent intervals since that time, Denmark has passed laws providing for Government loans to individuals for the acquisition of land and construction of buildings. All the laws have permitted the loans to cover an unusually large part of the value of the property, usually up to 90 percent, and the interest rate has been consistently low.

What did they find after an exhaustive survey?—

One of the greatest draw-backs to profitable operation of farms in Denmark is the high price of land, caused principally by heavy encumbrances.

What did they find in their summary?

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MASSINGALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I find from the discussion of this bill that we must all be kinsfolk in America. Down in Oklahoma this is a most fertile field for oratory. I find that must be true all over this Union from remarks I have heard in the discussion of this bill.

Why is it, Mr. Chairman, that all of a sudden there is a flood of oratory in this House eulogizing the farmer? This Congress has been in existence for about 150 years and we have kept the farmer outside the pale during that time. Now he has become a kind of hero in Congress. I wonder if it is not due to the fact that we have just recently discovered that we are living in a land of sleeping giants who may suddenly awake and demand recognition of their rights before the Congress of the United States?

I live in a farming district, inhabited by the very pick of the men and women of America. These folks have been demanding recognition and we have not given it to them.

Mr. Chairman, I am going to support this bill, not because I believe it carries any worth-while recognition of the farmers, or gives them any real service, but because it makes a crack in the wall of exclusion that has held them out for these 150 years, in the hope that crack will grow larger and after a while something will be done of substantial worth to the farm class in America.

Let me tell you something further. You go up to Detroit and that manufacturing district and you have a citizenship that is torn asunder. You do not know whether that flag that floats there is in danger in the Detroit region or not. You go to the farmers of this Union, give them a new toehold, give them a place they may call home, and then protect them with something like cost of production and a decent farm program and you have an abiding faith for the flag of this Union and America will always be safe. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The amendment was rejected.

Mr. COFFEE of Nebraska. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: Page 3, line 23, after the word "excess", insert "of 90 percent."

Mr. COFFEE of Nebraska. Mr. Chairman, this amendment is offered for the serious consideration of the Members of the House. The amendment lost by a small vote in committee.

We are embarking on a new program that will involve this Government in the expenditure of millions, if not billions, of dollars. The question is, If we embark on this program, are we going on a reasonable basis, or on one that no one can defend as being sound from a lending standpoint?

Under the provisions of this bill it is proposed to loan 100 percent of the value of the farm. Bear in mind there are approximately 3,000 counties in the United States, and that at $5,000 per farm it would require $15,000,000 to finance just one tenant in each county. It would require about $14,000,000,000 to finance all the 2,860,000 tenant farmers in the United States. To finance 1 percent of them would require approximately $140,000,000.

Do you want to commit the United States Government to a program where it will lend 100 percent of the purchase price, or would you prefer a more sound program which will provide for lending only 90 percent of the purchase price thus requiring the tenant to put up a 10-percent down payment? Bear in mind you are not doing a tenant a favor when you load him down with 100-percent indebtedness. If the farm owners who today are farming with mortgages of only 50 and 75 percent of the value of their farms are having difficulty financing their farming operations, how do you expect a man to succeed with a 100-percent mortgage?

By the adoption of this amendment you will help protect the credit of the United States Government. The Federal Government has been looking after the distress needs of our people for the last few years, and it is now time for the people of the country to help look after distress needs of the Federal Government. [Applause.]

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I shall be pleased to yield when I finish my statement.

The farm tenants and sharecroppers in this country will soon realize that, even with $50,000,000 a year appropriated for this purpose, less than 1 percent of them could be financed to purchase a farm. I fully realize that very little of this money will reach Nebraska. My objective is to prevent, as far as I can, the inauguration of unsound experiments by the Federal Government that may in the future lead to such vast appropriations as to impair the credit of the Federal Government.

The farmers in my State are not asking for this legislation. They are more interested in farm prices. If farming is profitable, the owners and tenants alike are prosperous. There are in Nebraska today many tenants who, if they wanted to, could buy on reasonable terms the farms they are operating. Most of them are wise in not purchasing until they are financially able to assume the risk and responsibilities of ownership.

By requiring only a 10-percent payment, no one could contend that the Government was not offering a most liberal provision. Without this provision, many tenants will be encouraged to assume the responsibilities of ownership who will not be able to pay their taxes and interest and eventually will lose their farms through foreclosure. Had they remained as tenants until they had accumulated sufficient funds, stock, and equipment, they perhaps would have made a success of the venture. Some would undoubtedly be much better off renting the land on a share basis where the owner shared in the loss from drought, hail, grasshoppers, and other hazards that are always a threat to the farmer in many sections of this country.

There is no one more interested in assisting the farmers of this country than I am. Forty-nine percent of the farmers in Nebraska are tenants, but I am glad to say that the tenants are getting along just as well as the owners. If we make farming profitable, there will be no tenant problem in Nebraska. The tenants who want to buy a farm will be able to make the 10-percent down payment and take advantage of the liberal terms provided in this measure.

Mr. O'CONNOR or Montana. Will the gentleman yield for just a question?

Mr. COFFEE of Nebraska. I yield, briefly, for a question.

Mr. O'CONNOR of Montana. Is it not a fact the Federal land bank lends money on the basis of 75 percent of the valuation of the property?

Mr. COFFEE of Nebraska. The gentleman is correct, if the Federal land-bank loan and commissioner loan is combined. The Federal land bank is now selling to tenants most of the farms they had to take over. They will, however, not sell unless they have a substantial down payment.

In my judgment it is a mistake to authorize any Federal agency to loan 100 percent of the purchase price of a farm. We have provided under title II for rehabilitation loans which are justified. The money put into the purchase of one farm would perhaps take care of 10 rehabilitation clients.

I submit that if you want this tenant program to succeed without criticism and to have the support of the country in years to come, you will vote for my amendment. You cannot

justify authorizing a Federal agency to loan 100 percent of the purchase price, but you can justify your position in authorizing loans not to exceed 90 percent of the purchase price.

[Here the gavel fell.]

Mr. MAHON of Texas. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas to the amendment offered by Mr. COFFEE of Nebraska: After section 3, page 3, strike out "90 percent" and insert "95 percent."

Mr. MAHON of Texas. Mr. Chairman, like the gentleman from Nebraska [Mr. COFFEE], for whose judgment I have high regard, I represent an agricultural district. I represent 25 of the best farm counties in Texas. I cannot express too strongly my interest in helpful farm legislation and a wise farm program. I am especially interested in a farm-home-ownership program to combat the growth of farm tenancy. I regret to report that 61 percent of the farmers of my district have as yet been unable, largely because of adverse circumstances and low prices for farm products, to become owners of the farms they cultivate. It goes without saying that I would not favor anything I thought would be injurious to the farmers of my district. Such an attitude would be unfair to the people I represent and politically unwise.

My amendment provides that no applicant for a loan under this act shall receive a loan on land in excess of 95 percent of the value of the land. In other words, the farmer would put up 5 percent of the value of the farm which he proposed to purchase. This would be $250 on a $5,000 farm. I cannot see anything wrong with this principle of a down payment on the farm to be bought. Our farmers know the difficulties involved in buying land. They want to start out on a sound basis. They are not looking for a semirelief contract. They want a fair chance to become home owners in their own right.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON of Texas. Yes.

Mr. COOLEY. Does not the gentleman recognize that this is an experiment?

Mr. MAHON of Texas. I do.

Mr. COOLEY. Does the gentleman think, if it is an experiment, that we should undertake to put it on a sound financial basis rather than on an experimental basis?

Mr. MAHON of Texas. I think we ought to start out on the soundest basis we possibly can. If we want to invite disaster and pull the mountain down upon the tenant farmers of America, we are at liberty to do so, but if we want to start right in the beginning and build well the structure in which we are interested today, we will try to proceed cautiously and wisely in the beginning of the administration of this measure. If the tenant cannot pay $250 as a down payment, how is he going to pay interest at the rate of 3 percent, which will be $150 the next year, and the taxes on the land?

I do not want to see the tenant farmers in my district go into an undertaking which from its inception is bound to fail. There are many farm families in this country who are longing for a chance to buy a home with a small down payment and a guaranty of proper credit facilities. The aims of the Government could not be directed in more worthwhile channels.

Mr. COOLEY. Will the gentleman yield for a brief question?

Mr. MAHON of Texas. Yes.

Mr. COOLEY. Does the gentleman realize that under the provisions of this bill the person who is able to make an initial payment is to be given a preference? The provision is very specific.

Mr. MAHON of Texas. There is no mandatory provision in the bill to the effect that the man who can make a down payment shall get the farm.

Mr. COOLEY. Does the gentleman realize that many people might be able to make a down payment who would be otherwise objectionable?

Mr. MAHON of Texas. Certainly; and we provide that they must be first-class risks.

Mr. THOMASON of Texas. Mr. Chairman, will the gentleman yield?

Mr. MAHON of Texas. Yes.

Mr. THOMASON of Texas. Does not the gentleman think that if his amendment is adopted a down payment would represent some evidence of good faith on the part of the tenant and some evidence of a serious intention and purpose to make the farm a success?

Mr. MAHON of Texas. The gentleman is eminently correct.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

Mr. Chairman, this bill, of course, does not require that loans be made to the full value of the land. It permits loans up to that amount, but it specifically provides that preference shall be given to the farmer who is able to make a down payment.

Now, as has been said a number of times in the course of this discussion, this bill is an experiment, and if it is an experiment, I feel the Department of Agriculture ought to have an opportunity, under the provisions of the bill, to make it somewhat flexible. There may be some parts of the country in which it would be better and sounder to require a down payment of maybe more than 10 percent, and in other sections it might be desirable to make these loans without a down payment. I think the Department ought to have the opportunity to try out different methods and make loans on a different basis within the limits of the bill, in order to determine what policy we shall finally adopt if we find that this experiment is successful.

The greatest success that has been made in this type of project anywhere in the world has been in Ireland. They began back in 1870 in Ireland to solve their tenant problem by making loans to tenants to purchase land, and they began by making the loans on the basis of 66.7 percent, or two-thirds of the value. Then they raised it to 75 percent, but ever since 1881 they have made these loans on the basis of 100 percent. During this time they have loaned approximately $725,000,000 and have made owners or put on the road to ownership 547,000 tenants. So that whereas back in 1870, 97 percent of the farmers of Ireland were tenants and 3 percent were owners, now the percentage is just the reverse and 97 percent are owners and 3 percent are tenants. Practically all of this was done on the basis of loans at 100 percent of the value of the land.

Mr. JONES. Mr. Chairman, will the gentleman yield for a question?

Mr. HOPE. Yes.

Mr. JONES. The gentleman mentioned the fact that preference is given to the one who can make an initial payment, also preference is given to the one who has equipment and machinery, and is it not frequently a sounder loan to lend 100 percent to a man who has equipment and machinery to operate a farm than 95 percent to a man who does not have such equipment; and the adoption of either of these amendments would make it so that the man who had plenty of machinery and plenty of equipment to farm probably would be turned down for the man who had a 5-percent payment, even though he had no equipment whatever.

Mr. HOPE. I agree with the gentleman entirely.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to talk on this bill because of the fact that the State of Michigan is not faced with the problem of tenancy, because we only have about 19 percent of tenancy, but one of the previous speakers here today mentioned the fact that the flag of our country was being desecrated in the city of Detroit.

Let us go back a few years to the days when the I. W. W.'s were out in the wheat fields and went through the farming country and burned the barns and burned the wheat fields.

Did we consider that the farmers were desecrating the flag of the United States of America? No! That same element today is in the city of Detroit. This is the element that has worked its way into the labor movement in America and it is the element that labor leaders must take out of its ranks. The city of Detroit and the good people of Detroit are not desecrating the flag of America. It is the communistic element that has crept into labor that is desecrating the flag. It is bent on destroying not only the labor movement but the very principles upon which this democracy is founded.

I have always been a friend of labor, and I well remember when the United Mine Workers of America was a real organization—and I am weighing well my words—when John L. Lewis was at the head of that organization, and when he, in no uncertain terms, condemned certain communistic leaders and drove them out of that miners' organization because he said they were there for disruptive work from within, and now where are those very Communists he condemned? They are the first lieutenants of John L. Lewis in the C. I. O. today—Phil Murray, John Brophy, Powers Hapgood, and others. He cannot deny it. Why the change of heart?

Let me say to you that while I was back in my district some of the real, honest C. I. O. labor organizers came to me and begged me to use my influence to have the C. I. O. and its leaders take these Communists as organizers out of that organization. I am not opposed to the C. I. O. or to industrial organizations, but I am opposed to the communistic, anarchistic organization that is working from within, and that is going to disrupt labor if it is allowed to go on. Yes; disrupt this Nation, but only temporarily, because real Americans accept the challenge and will never bow to communistic, irreligious slavery.

As it has been mentioned here that the crack is open for the farmer to come in, let us open a crack for labor to come into this House of Representatives and be recognized. Let us pass laws outlawing the right of any employer or employee, engaged in the manufacture of goods that will go into interstate commerce, to arm his factory. Let me suggest that we may pass legislation that will make it a crime to transport men from one place to another or from one State to another, if you please, either for strikebreaking or strike picketing excepting troops authorized by lawful authority. Lawful picketing is the right of labor. The right to strike is their only weapon; but do not let some Communist, who has not the interest of labor at heart, direct that strike. The American Federation of Labor refuses to allow known Communists within their ranks, and I congratulate them for it. When the C. I. O. enforces such a rule they will gain the respect of the American people, but until then they will continue to lose in the eyes of public opinion, and public opinion rules in America.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I did not make the point of order to the remarks of the gentleman from Michigan [Mr. HOOK], but I shall hereafter when outside matters are discussed make the point of order, because we have a great many who want to discuss this particular measure. I want to see now if we cannot agree upon a time limit for discussion of this section. I ask unanimous consent that in the further discussion of this section, the speeches shall be limited to 3 minutes.

The CHAIRMAN. Is there objection?

Mr. FLANNAGAN. Mr. Chairman, I object.

Mr. JONES. Then, Mr. Chairman, I ask unanimous consent that each of the amendments that are to be offered to this section be read first for the information of the committee.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the amendments in the order in which they reach the desk.

The Clerk read as follows:

Amendment by Mr. WARREN: Amend section 3 on page 3, line 25, by inserting after the word "farm" the words "and for the necessary repairs and improvements thereon."

Mr. WARREN. Mr. Chairman, I rise merely to state that I do not wish any time on that particular amendment, because I understand it is entirely satisfactory to the gentleman from Texas [Mr. JONES]. While I have the floor, however, because of inquiry raised by many Members, I announce that I shall offer a very important clarifying amendment to section 43 later. I understand there is no objection to the pending amendment.

Mr. JONES. Mr. Chairman, I have no objection to the amendment, and I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by Mr. WARREN.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: Page 5, insert:

"(7) Contain a waiver by the borrower of all rights and benefits under the terms of the act approved August 28, 1935, commonly referred to as the Frazier-Lemke Act, as against the Secretary of Agriculture until he has paid as much as 15 percent of the reasonable value of the farm."

Mr. JONES. Mr. Chairman, I reserve the point of order upon that amendment.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 5, line 16, strike out the figures "$25,000,000" and insert "$15,000,000."

Mr. JONES. That is to the next section.

The CHAIRMAN. We have not reached that part of the bill.

The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas. Page 3, line 22, and page 4, lines 1 and 2, strike out all of paragraph (a) of section 3 and insert in lieu thereof the following:

"Loans made under this title shall not exceed $6,500 to any one applicant and shall not be in excess of the amount certified by the county committee to be the value of the farm, and shall not exceed the amount necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or deed of trust on the farm."

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 4, line 1, after the words "secured by", strike out the remainder of line 1 and line 2 and insert: "instruments vesting the legal title to the farm in the Secretary of Agriculture for the use and benefit of the United States as its interests may appear, and the acquisition of title to such farm or all rights and interest therein by the borrower shall be strictly in accordance with the terms of the instruments executed in connection with such loan."

The Clerk read as follows:

Another amendment offered by Mr. TARVER: Page 5, line 3, after the word "payable", strike out the period and insert a colon and the following proviso: "*Provided*, That the borrower shall not, for a period of 5 years after the loan is granted, nor at any time until 25 percent of the loan has been repaid, have an assignable interest in the farm unless the Secretary agrees that such interest shall vest in him, nor shall he have any equitable or other interest subject to levy and sale under process in favor of creditors under the laws of any State for such period of 5 years."

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 4, line 6, after the word "not", insert "less than twenty nor."

Page 4, strike out lines 24 and 25; and on page 5, strike out lines 1 to 3, inclusive, and insert:

"(6) Provide that the borrower shall not voluntarily assign, sell, or otherwise transfer the farm or any interest thereunder, without the consent of the Secretary, and provide that upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

"(7) Provide that upon satisfaction of the borrower's obligation but not less than 20 years after the making of the loan, he shall be entitled to the farm free of any estate or property interest retained by the Secretary to secure the satisfaction of the obligation."

Page 5, line 5, before the period, insert a comma and the following: "except that the final payment of any sum due shall not be

accepted if the effect of such acceptance would be to make ineffective the 20-year limitation provided in paragraph 1 of subsection (b) of this section."

Amendment offered by Mr. FLANNAGAN to amend the Biermann amendment: Strike out the word "twenty" where it appears in the Biermann amendment and insert the word "ten."

Mr. KLEBERG. Mr. Chairman, I move to strike out the last three words.

The discussion of this particular bill has taken a wide range, and I do not propose to go into a discussion of the bill in its entirety, but will confine my remarks to the record as it appears today, and to references which have been made to the Farm Credit Administration during this debate.

I want to call the attention of the House to the fact that despite every effort having been made to show that the farm tenants of America have been the forgotten people of this land, in the year 1936 this very Farm Credit Administration, which has been accused here of holding up the people and of ruthless foreclosures, put 20,000 farms into the hands of new farm owners. About 10,000 of those farms to which I refer came to the Farm Credit Administration following advances under mortgages created in 1920 under the Federal land bank. The particular 10,000 to which I refer were abandoned, and there was no real action in foreclosure, because the then owners of the farms had no interest whatsoever in retaining them, due to taxes and other matters.

In the case of the other 10,000 farms, money was advanced to the extent of over 75 percent of the value of the farms to those who could make the proper showing as proper credit risks under the Farm Credit Administration. The F. C. A., therefore, made advances of in the neighborhood of $50,000,000 toward the solution of the tenant problem in the United States. I think it is perfectly fair that this debate should keep the record clear as to the work of the Farm Credit Administration, both in refinancing and in bringing people back to farms which had no people on them, and farms that were then owned by the Government and held by the Farm Credit Administration. Those 20,000 farms bear the following ratio to the total credit extended by the Farm Credit Administration up until April 30 of this year:

Eight hundred and fifty thousand farms refinanced by the Farm Credit Administration; 10,000 of the farms sold came in by abandonment proceedings on the part of the owners, and in the case of the 10,000 other farms, credit was advanced in most instances to tenant farmers who had saved enough out of their operations to make the proper first payments and to meet the credit requirements of the Farm Credit Administration.

In connection with the amendment offered by the distinguished gentleman from Texas, we have rather definite evidence that there are many farm tenants in these United States, sharecroppers and tenants alike, men of sufficient ability and earnestness of desire to permit them to make a reasonable down payment, showing, first, good faith, and, second, placing the operation of this administration on a basis which would be reasonably sound and in accordance with the practice heretofore established by the present administration.

I feel very strongly about this matter. I propose to vote for the amendment offered by the gentleman from Nebraska [Mr. COFFEE], first, because I think 10 percent is not too much down payment to require during the administration of the early operations of this act, and, failing in that amendment, I will vote for the amendment offered by the gentleman from Texas [Mr. MAHON].

In summation, the bill under consideration will provide credit up to 100 percent of the value of the farm and will furnish finances sufficient to put about 2,000 farms in the hands of now tenant farmers.

We already have evidence that the F. C. A. has done well by 10 times that number in 1 year, and will continue so to do in a sound, orderly way.

None of the farms held by the Farm Credit Administration during the aforementioned operations were acquired after 1933.

The Farm Credit Administration now has about 28,321 farms evidenced by sheriff's certificates and a very, very few of these acquired by foreclosure.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KLEBERG] has expired.

Mr. TOBEY. Mr. Chairman, I rise in opposition to the pending amendments. My State of New Hampshire has about the lowest proportion of tenancy of any State in the Union. Nevertheless, I well understand this is a national problem and as such it commands my sympathetic interest and attention.

I want to say at the beginning of my remarks that I find myself not in accord with the gentleman from North Carolina, who by his interrogation of one of the Members a few moments ago suggested that matters of an experimental nature in government were justified in being based upon a basis which is not sound.

For either experimental or permanent legislation there is one fundamental requirement: It must be sound all the way through. Nothing will bring this country into evil days any more than setting up experimental legislation that is not sound in its provisions.

Some years ago I went to the Secretary of Agriculture and demanded the report made by Mary Connor Myers, a Government investigator, on the subject of farm tenancy. This report was made by her for the Department of Agriculture. It was not made public. It was ordered suppressed by the Department. I was granted an opportunity, however, of reading that report in its entirety and I became well aware of the terrible conditions of the tenant farmers and sharecroppers through the medium of that report.

I want to support this legislation, as a national experiment to try and do something to meet a serious situation, but I want to see it sound. To that end I would like to have the amendment of the gentleman from Nebraska adopted placing only a 90-percent burden on the Government.

Some time ago when our House Committee on Agriculture had under consideration the original bill H. R. 8, we finally repudiated the bill because it would put the Government into the business of buying and selling land. The committee took this action despite the fact that its members were put under great pressure from the administration and were subject to cajolery and threats.

It was to the everlasting credit of those who resisted such methods. That is now a matter of record.

Addressing myself now to the chairman of the Committee on Agriculture I need not have the gift of prophecy to realize that when this bill goes to the Senate, in all probability that body will put in the bill the original provision for the buying and selling of land by the Government. If the bill comes back to the House containing this provision, addressing myself to the chairman of my committee and to the gentleman from Nebraska, I ask them if they will support me in a resolution of the House instructing the conferees to stand against that provision for buying and selling land and to eliminate it from the bill. What do you say, Mr. Chairman?

Mr. JONES. We have not gotten this bill to conference yet. I am going to sustain the position of the House as best I can.

Mr. TOBEY. Coming events cast their shadows before them, however, sir.

Mr. JONES. I do not think the gentleman will expect me to make a commitment thus far in advance.

Mr. TOBEY. Give me a little friendly advice. What do you think, sub rosa?

Mr. JONES. I cannot see that what I might think would be governing in that respect. I know that the gentleman feels that I will do the best I can in working out the bill.

Mr. TOBEY. I want to go on record here and now that I on behalf of this House, to sustain the position of the House, will support a resolution instructing the conferees

to strike out such a provision if inserted in the bill by the Senate. Will you gentlemen support me?

Mr. COFFEE of Nebraska. I am for the gentleman.

Mr. TOBEY. One thing more, Mr. Chairman. We hear a lot of statistics these days about the number and activities of Government departments. This bill would add to our already topheavy bureaucracy. The bureaucrats are often in each other's way, stumbling over each other. Often their statements are at cross purposes one with the other. Here is a bill which aims to put thousands more people on the farms of America. Many other pieces of farm legislation have that import behind them through granting more credit, and lower rates of interest—trying to get more people on the farms. Listen, Mr. Chairman JONES, of Texas, while I read an amazing statement coming from no less a man than Dr. O. E. Baker, population authority for the United States Department of Agriculture. In an Associated Press article in the Washington Post today he is reported to have said in an address at Purdue University Institute on American Policy and Technology on June 28:

> Half of the Nation's farms now operating are not needed to feed and clothe the people.

Is that true in the gentleman's judgment?

Mr. JONES. I do not think so.

Mr. TOBEY. Then I submit to the chairman of the Committee on Agriculture that this is another bureaucratic incongruity.

Mr. JONES. You cannot prove a thing by newspaper statements.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Chairman, I want to express to the chairman of the committee and to its members my appreciation of the work they have done in bringing this bill to the floor of the House. I am sure that but for the devoted efforts of the chairman and the members of the committee we would not today have the opportunity of considering and passing this bill.

I was greatly impressed by the very able address of the gentleman from New York [Mr. WADSWORTH] on yesterday. I was impressed in the first place because we all recognize his outstanding ability. In the second place, we realize that he speaks with authority, having spent all of his life in the business of farming. In the third place there is perhaps no man in Congress who is a more devoted advocate of what we might term individualism, the individual liberty and individual rights of the people than the gentleman from New York. Yet, on yesterday he warned us that if the Government were to make a success out of this land purchase and farm-tenant program there had to be at least some direction by the Government of the farm tenants. I am fearful that the language in the House bill looking to that question is too indefinite and uncertain. The gentleman from New Hampshire has spoken of the conference committee. I believe that the language in the Senate bill takes care of this question in a much better way, and I hope that when this bill is in conference that some language will be worked out between the conferees that will insure the necessary direction and leadership for the tenants who are to be the beneficiaries of this act.

Mr. Chairman, I am opposed to the two pending amendments, one permitting a loan of 90 percent of the value of the farm, and the other a loan of 95 percent of the value of the farm.

We must bear in mind that the purchase of the farm is not the only expenditure that must be made if the farm tenant is to be put on a farm and then operate it successfully. As the chairman of the Agricultural Committee suggested in his question propounded to the gentleman from Kansas, there is farm machinery to be purchased, which is expensive in itself. There is seed to be bought. There is work stock, cows, hogs, and fertilizer to be acquired. There are all kinds of things that cost money that are essential to the operation of a farm in addition to the land itself.

Many of the farm tenants have today little money or property of any kind, and most of what little they have will be needed for these other essentials. Given the proper assistance and direction by the Government, it is astounding with what success they work out their welfare. The record of rehabilitation work by the Resettlement Administration shows interesting and worth-while accomplishments among the class of farmers that we would now make farm owners.

In 1935 there were 13,259 rehabilitation clients in Alabama. This year there are about 12,000. The average cash farm income of the clients in 1935 was $91 per family. In 1936 it was $226, a gain of 148 percent; and it is estimated that this year it will be about $460. If this estimate proves to be approximately accurate, it is evident that their incomes this year will be about five times what they were in 1935. Most of the gain in income which occurred between 1935 and 1936, and which is expected to occur again this year, results from better farm-management practices and better capital equipment in the hands of the farmer.

In 1935 the average net worth of the 13,259 rural rehabilitation clients was only $3.03. In other words, the families were practically destitute. They had nothing. Today the average net worth of the rehabilitation clients in Alabama is $362. This is still low, but it is more than 100 times larger than the 1935 figures. This is a tremendous increase. The total net worth of all these clients in Alabama in 1935 was only $40,175. Today it is $4,344,000. This is a total gain in the net worth of the clients during a 2-year period of $4,303,825. This accomplishment speaks for itself.

The bill before us does not go as far as I would like to see it go. I fear that it is far too short in its monetary provisions, but in this regard it is the best that we can get under conditions today. It is at least a beginning toward the solution of the farm-tenant problem, and we have waited all too long to attack this problem, one of the most important challenging the Nation.

During the past 50 years we have seen farm tenancy in this country increase from some 25 percent to some 42 percent. We cannot have an economy of security, not to say of abundance, in a land where nearly half of its agricultural people are tenants. The problem is not sectional, as is believed by some, for although it is most acute in the South, yet the census shows that Iowa has a greater degree of tenancy than Tennessee, Indiana has passed Florida, and Minnesota's tenancy ratio exceeds Virginia's. There is nothing that makes for idleness, ignorance, shiftlessness, insecurity, soil depletion, and poor citizenship like tenancy. There is nothing that so defeats a wise balanced plan of agriculture or is so destructive of land conservation as is tenancy. It was Arthur Young, one of the earliest of our agricultural economists, who, in his Travels in France, observed concerning the French peasant that "the magic of property turns sand to gold. Give a man the secure possession of a bleak rock and he will turn it into a garden, give him a 9-year lease of a garden and he will convert it into a desert."

The late Dr. E. C. Branson, who gave a large part of his life to a study of the problems of the tenant farmer, tells us that—

> The ownership of land tethers a man to law and order better than all the laws of the statute books. It breeds in him a sense of personal worth and family pride. It identifies him with the community he lives in and gives him a proprietary interest in the church, and school, and other organizations and enterprises of his home town or home community. It enables him to hold his family together, makes him a better father, a better neighbor, and a better citizen mainly because it makes him a stable, responsible member of society.

The bill will not only prove a benefit to the tenant capable of taking advantage of the opportunities offered by it but it will benefit the landowner in the form of good neighbors, stability of land values, decline of poverty as a public charge, and a wholesome and enlightened community life.

Our Nation was founded as a nation of farm-owning, farm-loving, and farm-living people, and it was on the

cornerstone of individual freedom and individual ownership that our free institutions were established. We know that Thomas Jefferson's faith in democracy was based not so much on his faith in people generally but rather on his faith in the home-owning agricultural class of the country. Farm tenancy is subversive of the American way of life. It is a type of economic serfdom which if permitted to continue and to grow will threaten and endanger our very form of government.

Other nations have attacked the tenant problem with definite success. As early as 1870 Ireland and as far back as 1899 Denmark undertook the task of reversing the tenant tide. As a result today Ireland is preponderantly a country of farm owners and Denmark has some 90 percent of its farmers owner-operators.

England, Scotland, Germany, Holland, Austria, Italy, Poland, and the Balkan countries are attempting in one way or the other to curb the evils of the problem. Surely the hour has come for us to make a beginning. Let us pass the pending bill that we may make a beginning, to the end that we may elevate the worth and the dignity of the individual, that we may recognize that property was created for man and not man for property, that we may contribute to the pursuit of the social good, that we may hold fast to the ideal of free men and free homes in which our Nation had its birth, and that commen men may own the land. [Applause.]

Mr. THOMASON of Texas. Mr. Chairman, I move to strike out the last nine words.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the amendment thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON of Texas. Mr. Chairman, I am very much in sympathy with the good purposes of this legislation and no Member of the House is more interested in its success than I. The bill has my active support but I want it to be sound and workable. No class of people in our country have been more neglected or need assistance so much as the tenant farmers. The living condition of many of them is pitiful.

I rise in support of the amendment offered by my colleague from Texas [Mr. MAHON]. I feel that the amendment offered by the gentleman from Nebraska places the amount that the tenant must pay too high, but I undertake to say, Mr. Chairman, that the tenant who is in good faith and who wants to show some evidence of his serious purpose and intention and of his determination to make a success out of his purchase, will be very happy to pay something in order that he may have that feeling and pride of ownership and responsibility. There are good tenants and sorry tenants, just like there are good and bad in every line of human endeavor.

There are some tenant farmers throughout the United States in the years since 1929 who have met with more success at farming than the landlords themselves and have not had the debts, worries, and responsibilities. If he has the animals, tools, and equipment necessary to start a farm, he can easily raise the 5 percent. That would be only $150 on a $3,000 farm and only $250 on a $5,000 farm. If he does not have it, his neighbor, his relative, his banker, his local merchant or somebody who has faith in him will assist. I claim you raise his feeling of pride, ownership, and responsibility when he makes the purchase on that sort of a basis. He will feel that it is his, that he already has some of his own money in it, that he is not on charity or relief. He will also have more incentive to work hard, economize, manage well, and pay it out.

It is stated that this is an experiment and, of course, it is an experiment, but look through the pages of the statutes of the United States and you will not find another single set-up where the Government has paid or loaned the full value for a home of any kind. Take the H. O. L. C., the Federal Farm Credit, or any Government organization, and you will not find that the Government has been Santa Claus for the full amount. It ought to be on a kind of partnership basis. There ought to be encouragement and a premium on thrift and good management. I suggest the amount of cash payment be very small, but it should be something. If the purchaser pays absolutely nothing and becomes discouraged at the end of the first year, he will throw up his hands and quit. He has no investment, nothing to lose, and has had free use of the land and improvements for a year. The thrifty, industrious, and determined tenant will not object to this. He is the kind who is entitled to preference, for he is the only kind that will make good.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON] to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 18, noes 37.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 42, noes 41.

Mr. JONES. Mr. Chairman, as close as that vote is, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. JONES and Mr. COFFEE of Nebraska to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 58, noes 62.

So the amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I rise in support of my amendment, which has been previously read.

Mr. Chairman, this bill has one purpose; in fact, it has only one excuse. We have not the right to lend the Government's money to the extent of 100 percent of the value of a piece of property at less than the cost of the money unless there is a very good purpose in view. The purpose, the only valid excuse, for these unusual loans is to make owner-operators of farms. But under the bill as it is now written that purpose is obscured by the ever-present menace of land speculation.

Under this bill a beneficiary, who has borrowed 100 percent of the value of the farm, can in 3 months or 6 months, if he can make money by turning the farm over, sell it and take his profit.

My amendment provides he cannot do that for 20 years. If the Government lends him 100 percent of the value of the farm and makes a mortgage extending over a term of 30 years, at an interest rate of 3 percent, which is less than the cost of the money in spite of what the counterfeiters may say regarding paper money, the Government has a right to ask in return that the beneficiaries of the act conform to the purpose for which this bill is written, that is, they, in truth and in fact, become owner-operators. My amendment simply provides that for 20 years after the contract has been entered into the beneficiary shall continue as an owner-operator and shall not become a speculator. In case of accident or any untoward event the Secretary has the right to allow the man to sell the farm. However, when things are going along normally we expect the man to conform to his part of the bargain and make an owner-operator out of himself, which is the purpose of this amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MICHENER. Suppose a man in good faith moves on a farm and does the best he can, thinking himself a farmer and a manager, but at the end of 10 years has demonstrated to himself and everybody else that he just is not the man for the farm; would the Secretary have discretion under this bill to permit him to sell the farm and go into something he can do?

Mr. BIERMANN. Yes; my amendment would not prevent that at all.

Mr. FLANNAGAN. Mr. Chairman, I rise in support of my amendment to the Biermann amendment.

Mr. Chairman, my amendment only reduces the period from 20 years to 10 years. I hope the membership of the House realizes the importance of the Biermann amendment. To my mind, it is fundamental. The object of this bill is to bring economic security to the farm tenants of America, yet under the terms of the bill we are simply picking a tenant up by the nape of the neck and the seat of his britches and putting him in the farmer-owner class by legislative fiat, without throwing around him those safeguards and protections prudent legislation demands. It cannot be done that way. If this Government is going to rehabilitate the tenants, it should throw around them every protection the Congress can give them. The tenant is not on the same footing with the farmer who has demonstrated his ability to cope with his fellow man under our economic system. The very fact the man is in the tenant class shows he has not been able under our economic system for some reason to cope with his fellow man. We are trying to rehabilitate this man, but we are leaving him at the mercy of the speculators.

If this legislation is followed by a general farm bill which will raise the price level of farm products and give the American farmer at least a parity price for the products of his soil, then farm values are going to increase. What will be the result? Here is a tenant who has been rehabilitated through a 100-percent loan. He never had over $200 or $300 in cash in his life. Here comes a speculator and offers him a $100 or $200 profit. Under this bill, the tenant can sell his farm the day after he gets his loan. You know what will happen. He will fall under the temptation of the speculator and will sell his farm. Then he will be right out in the public road the next day with his wife and children, and with about $100 or $200 in his pocket, which will not last him for 6 weeks. He will then be right back in the tenant class.

If we are going to help the tenant, if we are going to rehabilitate him, when we rehabilitate him let us make him stay rehabilitated for a reasonable period of time, in order to see if he can be elevated from the tenant class to the farmer class.

This amendment is fundamental. We need not fool ourselves. We know farm values are going up. Farm values always have gone up and down. When they go up we are turning the tenants who have been rehabilitated over to the speculators and putting them right back in the tenant class. I think a period of 10 years is a reasonable period. Keep the tenant on the farm for 10 years and he will become more attached to the farm from year to year. If he does not demonstrate in 10 years the fact he is able to be made into a farmer, he never will.

I am only trying to help the tenant. I am only trying to aid him in keeping the land he has been able to acquire through the 100-percent assistance of a generous Government. I hope the amendment will be adopted.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a very high regard for the gentlemen who have offered both these amendments; in fact, I am very partial to all the members of my committee. I have listened with interest to what they have had to say. I do feel, however, that this amendment would be unfortunate. The fact is that no law is stronger than its penalty. All the penalty that is or can be attached by this amendment is that if the covenants are violated the Secretary may declare the payments due. You could write into this amendment that if the tenant violated the covenants he should go out and hang himself, but still all the Secretary could do when the tenant violated the covenants and refused to hang himself would be to declare the payments due and payable. We do that in the present bill.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I am sorry, but I cannot yield now.

The bill provides as follows:

> That upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

So long as there is a cent due the Government the tenant cannot transfer or mortgage the property without the Secretary's consent. When he has paid out the loan, if he works hard and pays it out in 5 years, for instance, why in the name of common sense not let him have the fee? [Applause.] I have seen people meet around the campfire and burn the mortgage, because they wanted to feel the deep sentiment of home ownership.

Mr. BIERMANN and Mr. FLANNAGAN rose.

Mr. JONES. I am sorry; I cannot yield. I do not have the time.

Let us look at this from a practical viewpoint. We have all the safeguards possible. The Secretary can take away every advantage. The man might just as well go out and buy an outside farm as buy this farm when the loan is declared due and payable. Therefore, if there is an increase in value, the tenant farmers can buy an outside farm and perhaps not have to pay for all of it.

Let me submit a practical proposition. Suppose a man thinks he can take one of these farms and pay it out. After he has worked on it about a year he decides he is not the man for it, and wants to let someone else pay it out. Are you going to keep him there 10 years, or let someone else who is interested in getting a farm and in owning a farm he can call his own have a chance at that farm?

We have every safeguard thrown around it. If a man gets sick and wants to give up his farm, or wants to sell it to a man who is acceptable to the Secretary, why not let him sell it?

We take away all the special privileges granted by the Government when he transfers the title, and that is all you can do, no matter what covenants you may put in the measure. Of course, if the Government bought the land they could levy conditions, but they cannot levy conditions on a loan, other than calling the loan, and we have that provision in the bill. [Applause.]

Mr. LUCAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very happy, indeed, to hear the distinguished chairman of the Committee on Agriculture of the House take such a firm and judicious position upon the question pending before the House in the Biermann amendment. I sincerely trust that when the conferees of the House go into session with the Senate conferees that the same type of argument and persuasion will be made in order to convince the Senate of the importance of the provisions found in title 1 of this bill.

Mr. Chairman, I am unalterably opposed to the amendments of the gentleman from Iowa and the gentleman from Virginia, which seek to restrict the alienation of the fee-simple title of this land for a period of 10 or 20 years. I think it wholly unfair, inequitable, and unjust to place a limitation of that kind upon the average thrifty tenant farmer of America who may desire to take advantage of the liberal provisions of this bill. I submit in all sincerity that the type of tenant we seek to impress with the importance of this legislation will not enter into a partnership with Uncle Sam if he is thoroughly familiar with the provisions of this amendment in the event it should become a law. I have more confidence and respect for the ability and industry of the tenants who can qualify under this act.

This amendment which seeks to restrict the alienation of the fee-simple title of land is placed before the House on the further theory that it will eliminate land speculation. That may be true insofar as the individual who has borrowed this money from the Government is concerned. But I ask in the name of common justice why should this man be penalized for making a profit on his farm when his neighbors surrounding him are making a profit on theirs

during a land boom? I know that the gentleman from Iowa is sincere in his fight on land speculation, but I submit in all sincerity that unless the entire field is covered we should not make fish out of one farm owner and fowl out of another.

It would seem to me that the unearned increment tax suggested by the President's committee on farm tenancy whereby a certain part of the profits on all lands sold within a given length of time would be the basic and fundamental way to cure this evil if one cares to accept the viewpoint of the gentleman from Iowa.

Again, Mr. Chairman, I am unalterably opposed to giving to the Secretary of Agriculture the power to control this land for a period of 20 years. In my judgment, this is the beginning of land socialization in America. This is the most important point in the bill, to my way of thinking. It is the initial step upon the part of the Government to ultimately acquire lands for the purpose of resale to tenants. This is the vital principle in the bill reported out by the Senate, and one which I hope will never be accepted by the conferees.

ALIENATION OF PROPERTY IS ONE OF THE INHERENT RIGHTS OF FREE GOVERNMENT

And, as I stated yesterday in a speech on the floor of this House, if this principle involved ultimately becomes the law of the land, within a period of 40 years a million tenants will be under the control and jurisdiction of the Federal Government. And when that time arrives it will be a short and decisive step to Government ownership of all the lands in this Nation. I trust that I shall never live to see the day arrive in this great country of ours when the American farmer is regimented in a way which compares with the regimentation of the farmers of the Old World. Remember well, if and when that happens, a different form of government will supplant the Government that you and I love. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN] to the amendment offered by the gentleman from Iowa [Mr. BIERMANN].

Mr. McLAUGHLIN. Mr. Chairman, may we have the amendments again reported?

Mr. BIERMANN. Mr. Chairman, a reading of the amendments does not give very much of an idea what they mean, and I therefore ask unanimous consent that I may address the Committee for 1 minute to make a brief statement in lieu of having the amendments read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Chairman, my amendment provides that the beneficiary of this act cannot pay out his loan in less than 20 years. He has to be an owner-operator for 20 years before he can get rid of his farm. The amendment of the gentleman from Virginia limits the time to 10 years, but, of course, under either amendment the Secretary of Agriculture may provide otherwise.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 4, line 1, after the words "shall be secured by", strike out the remainder of line 1 and line 2 and insert "instruments vesting the legal title to the farm in the Secretary of Agriculture for the use and benefit of the United States as its interests may appear and the acquisition of title to such farm or rights and interests therein by the borrower shall be strictly in accordance with the terms of the instruments executed in connection with such loan."

Mr. JONES. Mr. Chairman, if the gentleman from Georgia will permit, I ask unanimous consent that after the presentation by the gentleman from Georgia that all speeches for the remainder of the consideration of the bill may be limited to 3 minutes. I do this because we have been very generous, and I think amendments hereafter can be presented in 3 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all speeches on all amendments, following the remarks of the gentleman from Georgia [Mr. TARVER], be limited to 3 minutes on each amendment. Is there objection?

Mr. HOPE. Mr. Chairman, reserving the right to object, why does not the gentleman limit his request to the pending title, as this is the title to which most of the amendments will be offered.

Mr. JONES. I purposely have been liberal because there has not been a bill before the House where there has been so much interest manifested, and I wanted everyone to have an opportunity to express his views, but I believe the House now is very familiar with the bill and any amendments can be presented in 3 minutes, and in this way we will get through in a reasonable time.

Mr. HOPE. As the gentleman knows, there are some important provisions further on in the bill which may or may not cause some discussion. I do not like to object, but I shall have to object to a limitation of 3 minutes in the discussion of amendments to the other features of the bill. I have no objection to such a limitation with respect to title I, because that has been discussed.

I object, Mr. Chairman.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all speeches on this particular title and all amendments thereto, with the exception of the remarks of the gentleman from Georgia, be limited to 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. CRAWFORD. Mr. Chairman, I reserve the right to object. Some of us are a little more inclined to be modest and conserve the time and energy of the House. All yesterday afternoon I waited for 5 minutes to talk on the bill. I want to talk on this title, and under the circumstances I shall have to object.

The CHAIRMAN. The gentleman from Michigan objects.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Georgia is not germane to this section of the bill as it seeks to put the Government into the land business and secure the title in the Government by the provisions of this amendment.

The CHAIRMAN. The gentleman's point of order comes too late. The point of order is overruled. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I dislike to impose on the patience of this House at this hour of the day, especially since I realize that it is hardly possible that any amendment which does not receive the approval of the committee will be adopted. However, I am fortified in the intention that I have to present this amendment for consideration by my believe that the chairman of the committee at heart approves the principle of the amendment and that if he were not bound by the action of his committee he would agree to the amendment and ask you to agree to it.

The purpose of the amendment is to vest legal title to the lands that are to be sold to the sharecropper and the tenant in the Secretary of Agriculture for the use and benefit of the Government of the United States, and with no rights or equities therein to accrue to the tenant or sharecropper except in accordance with the terms of the instruments that may be executed or exchanged between him and the Secretary of Agriculture. The purpose, I think, is manifest. It is to enable the House of Representatives, should it desire to do so by a subsequent amendment, to attach conditions to the rights secured by the share cropper or the tenant, which it cannot attach, as has been explained by the chairman in his speech regarding the proposed Biermann amendment, unless the title of the land is vested in the Government itself. When that is done, then the Govern-

ment may attach to its contract with the sharecropper or the tenant such conditions as it may deem proper.

I am interested principally in providing by the amendment already offered, and which will be subsequently reached for consideration, that the equity of these tenants or sharecroppers shall not be subject to levy and sale by creditors at least for a period of 5 years, without the consent of the Secretary of Agriculture. Unless you insert a provision of that kind in the bill which now provides, in line 2, page 5, for involuntary transfer or sale, then under the laws of many States—at least, of my own State—the equity of the sharecropper or tenant in the course of a year or two, perhaps, after he buys the farm and after he has made some payments thereon, may be subjected to sale under civil process. I have explained this matter fully in my speech on yesterday and further discussion is perhaps unnecessary.

Mr. HILL of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes.

Mr. HILL of Oklahoma. Does not every State in the Union provide homestead exemption for farms, and every tenant who buys one of these farms immediately makes it his home, and it is already exempt?

Mr. TARVER. No.

Mr. HILL of Oklahoma. Unless the Government in the sale restricts it from exemption.

Mr. TARVER. No. My own State, for example, provides for a homestead, but provides further that the debtor may by written instrument waive his homestead rights except as to $300 worth of household and kitchen furniture, wearing apparel and provisions, so that the sharecropper buying land under this bill in my State, as to his equity thereunder, would have no protection whatever, if he had executed an instrument or promissory note in usual form to a creditor waiving his homestead rights, and that creditor for a preexisting indebtedness might come in and by civil process subject the sharecropper's equity at any time after he went into possession of the farm to levy and sale for the purpose of paying the antecedent debt, although, if a trust deed had been executed to the Government, the creditor would first have to pay or offer to pay the amount due the Government. I do not know whether the Committee of the Whole will adopt the restriction I propose in the next amendment or not. I shall not offer it unless this amendment is adopted. This amendment is necessary to give the House the right to provide for the attaching of such terms and conditions. If you adopt this amendment, then certainly you would have the right in subsequent portions of the section to consider whether or not you would attach restrictions of that kind, limiting the interest of the borrower so that it would not be subject to levy and sale for 5 years.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PETERSON of Georgia. Mr. Chairman, I desire for the membership of the House to understand that I am not speaking here today just to take the time of the Committee, but to impress upon you the fact that in my opinion this bill in no way offers a solution of the problem which today confronts the American farm tenant and farm population, and that there is before this House a bill (H. R. 6748) which does attack this problem in a sane, sound, and sensible manner, and which does provide a program that is in complete harmony with the fundamental principles of free government.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Georgia. Not at this time. Sometime ago, while I was speaking, I was showing to the membership the hopeless plight of the farmers of the nation of Denmark where a similar program has been in existence for over 30 years under which program farmers have been permitted to borrow up to approximately 90 percent of the value of their loans.

The United States Department of Agriculture, in summarizing the plight of the farmers of Denmark, states that—

> The land has been burdened with debt to the extent that interest charges and amortization are out of all proportion to its productive powers. This situation, aggravated by restrictions of market and world prices generally, has brought the Danish farmer to a condition of real distress, from which the Government is striving to lift him by various farm-aid schemes.

Instead of leading the farm family out of the wilderness of despair, you are attempting here today to drive him deeper into a condition of real distress, similar to that which exists in Denmark. The program in Denmark, as I understand, reduced tenancy to less than 8 percent of the total farm population, but it by no means solved the problem of the farm population of Denmark.

Now, there is a sensible way out. This is not the first time in America that this problem has been discussed in these Halls. For approximately 50 years the land problem was the center around which the political storms of this Nation raged, from approximately 1820 to 1860. Previous to that time there had always prevailed a policy of free land for free labor. American lawmakers attempted, when purchasing various acreages from foreign nations, to sell those acreages then, as you are today here attempting to sell acreages to farmers. The plan was a failure, and it was only after approximately 18 years of agitation of free land that in 1862 this Nation adopted the homestead plan, which has been recognized as one of the greatest laws that has ever been written by human hands.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that immediately following the remarks of the gentleman from Kansas [Mr. HOPE] all debate on this section and all amendments thereto be limited to 3 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that following the 5 minutes by the gentleman from Kansas [Mr. HOPE] all addresses on the pending amendment and all amendments to this section be limited to 3 minutes. Is there objection?

Mr. CRAWFORD. Reserving the right to object, is that only with reference to this section?

Mr. JONES. Just with reference to this section.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOPE. Mr. Chairman, the Committee has just recently voted down the amendment offered by the gentleman from Iowa [Mr. BIERMANN]. I am sure everyone recognizes that the amendment offered by the gentleman from Georgia [Mr. TARVER] seeks to do in another way exactly what the amendment offered by the gentleman from Iowa would have done had we adopted it. I do not believe it is the policy of this Committee or of the House to put the Government of the United States into the land business and to give the Secretary of Agriculture the power and authority to tie up the estate of anyone who becomes a purchaser under this bill in such a way that he has no right to alienate it except under certain circumstances and after a period of years.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. TARVER. Will the gentleman inform us whether or not he thinks that the equity of the tenant ought not to be subject to sale under civil process for a reasonable period of time after he acquires the farm?

Mr. HOPE. As the gentleman from Oklahoma remarked a while ago, most of the States of this Union protect the homestead. If the gentleman's State of Georgia will not protect the homestead of the farmers of his State, he ought not to come here and ask the Congress of the United States to do it.

Mr. TARVER. But why did the gentleman put in the bill in line 2, page 5, "or upon involuntary transfer or sale", unless it is intended to subject this equity to involuntary transfer or sale, which means sale under civil process?

Mr. HOPE. That has no application in any State which protects the right of the farmer to his homestead.

Mr. TARVER. The very bill provides for this thing which I am trying to protect the borrower against.

Mr. HOPE. If the State does not protect its citizens in their homestead rights, its Representatives should not come in here and ask the Congress of the United States to do so.

Now, Mr. Chairman, there appears to be a sentiment on the part of the gentleman from Georgia [Mr. PETERSON], and others who have spoken, to put the Government of the United States into business and furnish every farmer with a farm.

At least, I understand that is the idea of the gentleman from Georgia [Mr. PETERSON], although he has refrained from telling us exactly what his plan is this afternoon. But I just want to call attention to the fact that it has already been proven in this country that that is not the way to solve the tenant problem. Beginning in 1880 and during the period from 1880 to 1900 we had the greatest increase in number of tenants and in the percentage of tenancy in this country that we ever had during any similar period in our history. We had an increase of over 1,000,000 tenants during that period of time, yet during that time our homestead laws were operating and there was brought into the farm acreage of this country more than 300,000,000 acres of land. In 1880 the average value of the farms in this country was $3,000. Today the average value of the farms is $9,000.

If in the decade beginning in 1880 with 300,000,000 acres of free farm lands we could not solve the tenancy problem but instead saw it increase; if in 1880 when you could buy a farm for $3,000 we saw the tenancy problem increase, then I say that the indiscriminate giving away farms is not the way to cure the tenancy problem. This might indicate that we are proceeding along the wrong direction in this bill; and we may be. The bill is only an experiment. We do know that in other countries, notably in Denmark and in Ireland, a plan similar to this has succeeded. Success in those countries gives us some ground to hope that through experiment we may be able to work out a plan which will be successful in this country and which would justify this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. LUTHER A. JOHNSON. Mr. Chairman, this bill is designed to redeem, in a measure at least, two of the pledges contained in the national Democratic platform of 1936. One relates to the farm tenancy problem and the other to the purchase and retirement of submarginal lands of such a character as to be unproductive in agricultural pursuits.

As to the first, I quote from the platform:

> We recognize the gravity of the evils of farm tenancy, and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years.

The bill is composed of four titles. Title 1 relates to loans to enable tenant farmers to buy farm homes, and, due to my limited time, I shall only briefly discuss this one feature of the bill.

The number of farm tenants in the United States is so large, and their diminution is of such importance that the problem raises a question of national interest and importance.

The number of farm tenants has greatly increased in the whole country. Fifty years ago 25 percent of the farmers were tenants, while today approximately 42 percent of all the farmers are tenants.

In 1935 the farm tenants numbered 2,149,000, and in addition to this there were 716,000 farm tenants generally known in the Southern States as sharecroppers, making a total of 2,865,000 farm tenants in the United States.

These farm tenants are in all sections of the Nation, but New England and the North Atlantic States have fewer than the rest. The largest number of farm tenants reside in the Southern and the Central and Midwestern States of the North. According to statistics the "high tenancy area" includes seven Northern and nine Southern States. The Northern States being North and South Dakota, Nebraska, Kansas, Indiana, Illinois, and Iowa. The Southern States include Mississippi, North and South Carolina, Georgia, Alabama, Louisiana, Arkansas, Oklahoma, and Texas. There are many in all sections, and some in every State, but these States have the largest percentage according to population.

In my own State of Texas, 57 percent of all of the farmers are tenants. There are four other States, Mississippi, Arkansas, Louisiana, and Oklahoma, where the percentage of tenant farmers is greater than Texas.

One reason for this high percentage of farm tenancy in the South is due to insufficient capital and consequent high interest rates. The East and the North, and especially the Northeast, has had an ample supply of capital and resultant low interest rates, while in the South funds available for investment have been of lesser volume, and consequently loans brought higher interest, making it more difficult for tenants to borrow funds with which to buy farm homes.

At the beginning of the present session I introduced a bill (H. R. 3590) to promote the purchase of farms by farm tenants, and the bill now being considered has a number of the features contained in my bill. One of the chief differences, however, is that my bill would have made available a much larger sum for the aid of farm tenants than the bill under consideration. The bill we are now considering authorizes an amount not to exceed $10,000,000 for the first year, $25,000,000 for the second year, and $50,000,00 for the third year, or an aggregate of $85,000,000. My bill would have made available an amount about 12 times this large. My bill provided an interest rate of 2 percent, while this bill stipulates a 3-percent rate.

The chief disappointment about the bill now being considered is that it will furnish aid to only a very small number of tenant farmers. If the average loan to each individual farmer should be $6,000, this would give aid to only one-half of 1 percent of the tenant farmers. Some member of the committee, in discussing the bill, has stated that the present bill would only afford loans to about one tenant in each county of the United States. This is grossly inadequate, but the bill does inaugurate a policy which I hope may be developed and enlarged so that the Government will still further aid and encourage in a much larger way home ownership by tenant farmers by making available a greater sum for this laudable purpose.

The committee justifies the small amount on the ground that the bill is an experiment, and that if it is found that it is workable and affords relief, that the Government will then launch a program of greater magnitude, and which will be beneficial to a substantial number of the farm tenants of America.

Home ownership by the farmers of America is of vital importance not only to the tenant farmers, who will be permitted to borrow money from the Government at 3 percent with which to buy homes, but the beneficent effect in the reduction of the number of farm tenants will favorably affect the social and economic welfare of the Nation as a whole. Worthy tenants should be given a chance to buy homes, and every encouragement should be offered them to do so.

There is no class in greater need than the tenant farmers of America, and I am glad to vote for a bill which will give recognition to the need of this worthy class. I recognize that the bill will be a disappointment in the number of farmers aided, but I feel sure that its beneficent effects will at once be recognized, and at the next session of Congress I am hoping that a larger amount may be made available.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER——

Mr. TARVER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to withdraw this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment in order.

The Clerk read as follows:

Amendment offered by Mr. PACE: Page 5, after line 3, insert "and shall contain a waiver by the borrower of all rights and benefits under the terms of the act approved August 28, 1935, commonly referred to as the Frazier-Lemke Act, as against the Secretary of Agriculture until he has paid as much as 15 percent of the purchase price of the farm."

The CHAIRMAN. The gentleman from Georgia is recognized for 2 minutes.

Mr. PACE. Mr. Chairman, I am certainly concerned in doing something for the tenants of this Nation. The fact that there are 24,000 tenant farmers in the 24 counties which I am trying to serve gives you some idea of how important it is to my people. This bill has been described as an experiment. In the hope of making it more than a noble experiment merely, but rather a successful experiment, I think we should make the bill as practical as possible. You have voted to lend 100 percent of the value of the land. My amendment proposes that if you lend 100 percent of the value of the land, 100 percent of the value of the improvements, and in some cases 100 percent of the value of the stock and equipment, that certainly the Secretary of the Treasury—that is, the United States Government—should have some protection against those few who will try to take advantage of this law. It is therefore provided in this amendment that before a person can take advantage of the Frazier-Lemke law and stay the proceedings for 3 years, he must at least have an investment equal to 15 percent of the purchase price of the land.

This bill, of course, is designed to help the tenant. The Secretary of Agriculture will be in sympathy with the tenant, but there will be a few tenants not in sympathy with the Secretary of Agriculture, and certainly we should not permit a man to borrow 100 percent, use the land for a year, and then file a proceeding under the Frazier-Lemke Act and keep the place for an additional 3 years without one dollar invested. My amendment provides simply that he must have an equity to protect, which he would not have in a 100-percent loan, before he could take advantage of the Fraizer-Lemke Act and stay the proceedings for 3 years.

Mr. JONES. Mr. Chairman, may I be recognized for 1 minute at this time?

The CHAIRMAN. The gentleman from Texas is recognized for 1 minute.

Mr. JONES. Mr. Chairman, I have talked with a number of members of the committee about this amendment. They are not sure about it. I wonder if the gentleman would be willing for us to accept it for the purpose of study and then determine our position before we finally pass the bill? I am inclined to believe there is some force in what the gentleman says.

Mr. PACE. I think it is proper. If the gentleman does not, then I will ask that it be withdrawn when we get back in the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: Page 3, line 22, and page 4, lines 1 and 2, strike out all of paragraph (a) of section 3 and insert in lieu thereof the following:

"Loans made under this title shall not exceed $6,500 to any one applicant and shall not be in excess of the amount certified by the county committee to be the value of the farm and shall not exceed the amount necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or a deed of trust on the farm."

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The Clerk read as follows:

Amendment offered by Mr. HOBBS to the amendment offered by Mr. MAHON: Strike out "$6,500" and insert in lieu thereof "$3,500."

Mr. MAHON of Texas. Mr. Chairman, I so rarely ask the indulgence of the House that I am sure the membership will be willing to listen to me for a few minutes to explain an amendment which I think is very necessary to the successful administration of this bill.

I merely provide in the amendment that no loan for the purpose of purchasing a farm under this Farm Security Act shall be made in excess of $6,500 to any one applicant. Certainly that figure is high enough and certainly the Congress of the United States ought to exercise some jurisdiction over the money that it appropriates. We owe this to ourselves and to the taxpayers of the country.

Everyone seems to be calling this bill an experiment. I am afraid it is an experiment that is going to be very disappointing to the country and to the tenant farmers we represent. I should like to amend and perfect this bill and make it a successful experiment in the right direction. The fact that it is an experiment does not justify us in failing to lay down proper rules for the administration of the bill. The solution of the farm-tenancy problem is vitally important to the whole Nation, and we ought to spare no effort in our attempt to insure a proper beginning.

Every time a Member on the floor makes a speech and talks about the integrity of the Congress and the retention of our prerogatives, he gets a cheer. Here is an opportunity to vote for some control over public funds by Congress and assert our proper authority.

The easiest way to get a man into trouble is to lend him too much money. My amendment is right in principle, and certainly since we have so little to lend in each county under the appropriation provided for in this measure, we ought to adopt this amendment providing that no loan under this title shall exceed $6,500.

I have been in most of the States of the Union and I know that agricultural conditions and land prices vary in different localities, but I am compelled to say that if the Government is going to pay 100 percent of the purchase price of a farm and turn it over to an occupant without a down payment there ought to be a limit of cost fixed by the Government.

Mr. JONES. Mr. Chairman, I am in thorough accord with the purpose the gentleman has in mind, but we think we have a much lower limitation than suggested by the gentleman. We discussed that in the committee. We talked about $2,500 and $3,500, but we found that the size of the farms varied so greatly we could not put on a specific limitation, because what would be fair as applied to one section is not fair as applied to another. The three resident people may put on an upper limitation and the Secretary may put more in the farm. I believe with the limitations we have provided the limit will be much lower, and I may say to the gentleman I hope the average farm will be much lower than the figures suggested by him. In some places there are truck farms. In other places there are dairy farms, wheat farms, cotton farms, vegetable farms, and they vary in value so much in different communities that it is not practical to have a rigid limit.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. If the amendment is adopted, the provisions of this bill could not be made to operate in the northern section of this country.

Mr. JONES. I may say I had the same idea until we heard the testimony of the people who represented the various areas.

[Here the gavel fell.]

Mr. LUCAS rose.

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. LUCAS. Mr. Chairman, it is so obvious that my distinguished friend from Texas [Mr. MAHON] does not thoroughly appreciate the value of the Corn and Wheat Belt

lands in Illinois that I desire to revise and extend my remarks in the RECORD at this point, and I ask unanimous consent so to do.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LUCAS. Mr. Chairman, during the hearings upon the farm tenancy bill there were frequently injected into the testimony and discussion and statements which indicated that in certain sections of the country only a small amount of capital was necessary to transform hopeless and submerged tenants into happy, industrious, and contented landowners. As I recall, the gentleman from Tennesse [Mr. MITCHELL] asserted with confidence before the committee that many tenants in his section of the State with an operating base of $2,500 could conquer and hurdle the farm hazards of today and ultimately reach the peak of comfort, happiness, and prosperity.

The gentleman from Texas [Mr. MAHON], following in the wake of such unusual optimism offers an amendment to this bill limiting the loan that any one person should receive to $6,500. Mr. Chairman, I do not question the good faith of my distinguished colleague from Texas. The gentleman begs the question when he attempts to influence this House, citing the Home Owners' Loan Corporation loans and emergency crop loans upon which there is a loan limitation. You and I know those were emergency measures, designed to aid the little fellow in immediate and dire distress. The policy we pursue today is being followed under the theory that it will become a basic and fundamental part of our law, and the chances are that it will run the gamut of centuries.

I confess that I am not entirely familiar with all the conditions which exist in the various farming communities of America. No doubt, as the distinguished Speaker of this House said yesterday, that there is a great satisfaction in knowing that you own acres of ground or that you own a lot. It may be that there is a great satisfaction in going out and building a little log house to start with. In that picture there is a lot of sentiment; there is a lot of feeling that is worth while to the future of America. But at the same time this is a cold, hard, practical world, and unless there is something more than the little log house in the woods the man who is given the opportunity to build that house with the taxpayers' money will ultimately fail, and the Government will lose.

It is obvious that the gentleman from Texas is not familiar with the corn and wheat belt of Illinois. Let me remind my colleagues that the average size family farm in Illinois is 156 acres. If the $6,000 is the limit that any individual may borrow, the committee in my section of the country would be compelled to look for farm lands selling at approximately $35 per acre. That would mean the selection of a farm in my section of the State which would materially handicap payment in full by the prospective purchaser, and it would also eliminate a certain type of high-class tenant who would not care to till that kind of soil. Our rich productive lands sell from $75 to $150 per acre even in these days of economic distress.

The records of the hearings disclose that it will take from $12,000 to $16,000 to finance adequately the purchase of the average farm in my part of Illinois, as contemplated under this bill.

If the people of my section are to be foreclosed from participating in this fund, I prefer that the matter be done through the administration agency. Let it not be said here today that by adopting this amendment practically half of this Nation would be enjoined from participating in the benefits of this bill.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Chairman, the purpose of this amendment is manifest, of course, but in the light of the other provisions of the pending bill, that purpose means far more than is manifest upon its face.

This bill authorizes to be appropriated not to exceed $10,000,000 for the first year of the operation of the plan, not to exceed $25,000,000 for the second year, and not to exceed $50,000,000 for the third. The maximum that this could mean in appropriations would be $85,000,000, or less than $30 per tenant farmer.

There are 3,059 agricultural counties in the United States. Ten million dollars would not buy one farm in each of these counties at a cost of $3,500. Unless this bill means a start on the road to farm ownership for at least one tenant farmer in every agricultural county of the Nation, its blessings will be so rare as to be almost indiscernible. Three thousand tenant farmers benefited out of three million would be very few.

Naturally, those sections of the country where the prevailing prices of land are high, will contend that so low a ceiling as $3,500 per farm would not enable a tenant farmer to purchase many acres of their high-priced land. This would be perfectly true. But if their land prices can be justified upon the ground of real value, then a smaller number of such acres would be equal in productivity to a larger number of cheaper acres. The purpose of this bill is not to provide the tenant farmers of America with luxurious homes and splendidly improved farms. As I envision it, it is to bring to our tenant farmers the opportunity to work out their own salvation on good land, according to a fair plan, shot through with hope of independence and constantly improving surroundings and financial condition. [Applause.] With all of this I am in hearty accord, and wish to spread the benefits of the bill as widely as possible. The larger the investment in the individual project, the smaller the number of projects, is as inexorably true as mathematics.

While I am cordially in favor of the pending bill, I am not unmindful of the even greater need of the farmers of this Nation, owners and tenants alike, for a sure and ready market for their produce, at parity prices with the price curves of the commodities they must buy—prices which will assure them reasonable profit upon their investment of money, time, brawn, and brains. [Applause.]

This transcendent need of fair markets for farm products is to be taken care of in the general farm-relief bill which I hope will soon be brought before the House and passed. Without such a companion measure we will not be conferring a real benefit upon any person by giving him title to a farm. Without such provision, farms are liabilities, not assets. It is the absence of fair marketing facilities which has caused the present plight of agriculture.

Would you really help the farmer? Then insure fair prices for the products of the soil. In no other way can you enable him to buy the things he needs in a tariff-protected market, discriminated against as he is in the matter of freight rates, and paying tribute on every hand to those who demand and get high prices for the things and services the farmers must have. [Applause.]

Give the American farmer fair prices for all the things he can produce, and you have solved the farm problem. [Applause.]

In passing this bill, today, let us each and everyone resolve to hasten as much as possible the passage of the general farm-relief bill of 1937, without which the pending bill, as beneficent as its purposes are, will fail of their accomplishment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS] to the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The Clerk read as follows:

EQUITABLE DISTRIBUTION OF LOANS

SEC. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed

equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

Mr. PETERSON of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the gentleman from Kansas making the suggestion that I have not presented to the House today the provisions of the proposal which I am advocating for the relief of the farm population of America. I may say to the gentleman that instead of creating an entirely new agency with thousands of additional Government employees my proposal provides that the General Land Office, which is one of the oldest departments of the Government, shall proceed, not to buy new land as is provided in this bill to be given to especially favored farmers, but to buy liens on farm mortgages. It further provides that the Government shall in each instance proceed to liquidate these liens, with the consent and approval of the mortgagor. Mr. Chairman, I call attention of the membership of the House to the fact that the average farm mortgage today is approximately $3,500 and that the average size of the farm under mortgage is approximately 150 acres. Under my bill in every instance where the mortgagor so desires he may liquidate the farm mortgage and shall have the right to a free homestead.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. VOORHIS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is useless to try to speak adequately on a subject as broad as this in 3 minutes, so I shall confine my remarks to only two or three things.

In the first place, as has been stated so many times today, it is obvious that the problem of farm tenancy can never be solved until the general problem of agriculture is solved. The only contribution I want to make to this thought is that I doubt it will be solved until we take speculation out of the entire process of the marketing of farm products, so the gap between what the farmer receives and the consumer pays can be closed. So long as eggs, for example, sell for 15 cents or 18 cents a dozen during the heavy laying season when the poultrymen have plenty of eggs to sell and then climb to 28 cents or 30 cents a dozen wholesale when the commission men and cold-storage houses have already bought in most of the eggs—so long as this condition persists our farmers will have a hard time.

In the second place, I doubt if any class of people in this Nation has been so greatly harmed by the power of the financial interests of the Nation to create and then to destroy bank credit as the agricultural population. I believe something must be done about this question before the problem of the farmer will be solved.

In the third place, I shall vote for this bill and do it with some enthusiasm in spite of the fact it is literally only a mere drop in the bucket. I shall vote for it because it sets forth a principle of American Government, namely, that the American Government will not from this time forward be satisfied to see a large portion of our agricultural population forced out of the class of substantial owners of land into a subject class of tenants and kept there. We are, I trust, going to pursue this course until we have restored to the position of security on their own land our present tenant-farming population. It will be a big job.

Finally, for my part I shall not be sorry if the Senate bill should prevail over the bill we have before us. Since we are admittedly only making a start at this great problem it is most important that we do it right. The danger of speculation and a speculative rise in land values and the danger that the new farm owners will have a difficult time to discharge their indebtedness and make a success of their new venture must be faced. We cannot forget either the danger of the new owner being deprived of his land by action of speculators or former creditors before he has fairly got started. I cannot but believe that the straightforward way to avoid these dangers and to work out the problem with the greatest benefit to our hardest pressed people is by the simple process of direct purchase of land by the Government and resale to our tenant farmers on the easiest possible long-time terms with provisions for proper land use and the assistance of the Department should he need it. I think, at least, we should provide that all land now in the possession of the Government, and much of it is in the possession of the Government, should be disposed of on this basis, with a long-time payment at very easy terms to our tenant population.

Therefore I shall support the amendment of the gentleman from Iowa [Mr. WEARIN] when it is offered.

[Here the gavel fell.]

The Clerk read as follows:

APPROPRIATION

SEC. 5. To carry out the provisions of this title, there is authorized to be appropriated not to exceed $10,000,000 for the fiscal year ending June 30, 1938, not to exceed $25,000,000 for the fiscal year ending June 30, 1939, and not to exceed $50,000,000 for the fiscal year ending June 30, 1940.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 5, line 18, after the period add a new sentence, as follows: "*Provided*, That not in excess of 5 percent of the amount of money herein authorized to be appropriated may be used for administrative purposes."

Mr. COLMER. Mr. Chairman, I do not care to take the 5 minutes allotted to me in the discussion of this amendment but I call your attention to the fact that the amount of money appropriated is very limited, and that it has been estimated it will amount to only approximately $3,000 per county if distributed throughout the United States. Since we are going to have only $10,000,000 for the first year, I do not want to see any substantial proportion of this appropriation wiped out and dissipated in overhead expense.

Frankly, I do not know what it would cost to administer this bill. I have endeavored to get some information upon the subject without any success. However, I do want to limit the amount which can be expended for overhead and administration, so I address the amendment to your consideration. Certainly 5 percent is the maximum which should be expended under any circumstances. For that matter, I see no reason why 2 or 3 percent should not be sufficient.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Yes.

Mr. HEALEY. Is the gentleman's amendment worded "not to exceed 5 percent"?

Mr. COLMER. "Not to exceed 5 percent" is correct.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I reserve the right to object in order to ask the chairman of the committee a question. Is it anticipated the expense of administration of the first section will come out of this appropriation, or is there another appropriation for the administrative costs?

Mr. JONES. The administrative costs of the bill will come out of the funds appropriated in the bill. The bill is complete in that regard.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 5, line 16, strike out "$25,000,000" and insert "$15,000,000", and in line 17, after the word "exceed", strike out "$50,000,000" and insert "$25,000,000."

Mr. CRAWFORD. Mr. Chairman, this amendment is offered in all seriousness. I have had the privilege of studying the hearings, the report of the President's committee, and the bill. I am so much in accord with what the distinguished chairman of the committee said yesterday in his opening statement, and I feel so much that this is the creation of a laboratory for the purpose of studying a social land problem, that I do not desire to have $85,000,000 spent in the building of a laboratory. I think the bill which will have to come hereafter and which will come after some experimentation has been carried on should carry the big appropriations. When the tenant problem is adequately legislated, billions of dollars will be involved. This bill does not tackle the real factors involved.

In my State I have 37,000 farm tenants out of a total of 196,000 farmers. The greatest amount which the tenants can possibly hope to get under this bill is $60 per farm family. I have taken the floor here to indicate my willingness to go along with this bill to create the laboratory, although I disapprove of certain provisions in it, but it is only the creation of a laboratory. I do not want the people in my State, either the tenants or those who may be tenants hereafter, to get the idea that this bill is being enacted to give them relief, because it will not. That fact is too evident to claim otherwise. It is only the beginning of research.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. As I understand, this is to be a laboratory; but if it works, we have no money. We have got to get the money somewhere. Will it be the purpose then to adopt the Frazier-Lemke bill as a corollary to print the money to do the job which this bill contemplates?

Mr. CRAWFORD. I have no idea what a future Congress will do in passing legislation dealing with this problem when the experimental work has been carried on and when the economic conditions relating to agriculture forces that Congress to act, but I think this Committee on Agriculture has done one of the finest jobs in connection with creating a laboratory that has ever been performed by any House committee. I do believe sincerely that the amount of the appropriation in this section is entirely too much for the work that is to be carried on. I wish that this amendment could be adopted here today, and I offer it in all sincerity. The popular thing to do would be to offer an amendment asking for greater appropriations.

Suppose you were a board of directors, would you spend $85,000,000 on a laboratory, or would you spend a reasonable amount and after that laboratory works out the problem that is before you, then proceed to build a plant to carry on the job which has been demonstrated as practicable by the laboratory? These are the things that have been done by organized industry through years of experience, and I hope we will not go ahead and squander $25,000,000 or $35,000,000 unnecessarily, when we could proceed to spend a proper amount and then come along with a bill which would tackle the problem that is unravelled by reason of the demonstration of the laboratory. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent that title II and III be read as titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

TITLE II—REHABILITATION LOANS

BORROWERS AND TERMS

SECTION 21. (a) The Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs, and for the refinancing of indebtedness, and for family subsistence.

(b) Loans made under this section shall bear interest at a rate not in excess of 3 percent per annum, and shall have maturities not in excess of 5 years. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

DEBT ADJUSTMENT

SEC. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under this section shall be without charge to the debtor or creditor.

APPROPRIATION

SEC. 23. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order No. 7530 of December 31, 1936, as amended by Executive Order No. 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

Mr. MARTIN of Colorado. Mr. Chairman, this will be positively my first and last appearance today, but I must go on record on this important legislation. I shall support this bill, because it is said to be a step in the right direction, but I am afraid it will be a very short step in a very long direction.

Farm tenancy is not the cause—and I shall not attempt to state the cause—of the present predicament of agriculture in the United States. Mortgages are not the cause of it. Some gentleman remarked this afternoon that in his opinion the trouble with the farmers is that they are overmortgaged, but I believe that we could give every farm tenant in the United States a free farm and cancel every dollar's worth of farm mortgages in the United States, and if we leave in operation the causes which have bankrupted agriculture and made mortgages and tenants, history would repeat itself, and in a few years more we would be confronted with the same conditions with which we are confronted today.

I think one trouble with the farmer is that he is now, in a highly organized society, the last survivor of ragged individualism. He is not organized and apparently he does not believe in organization. I have dumbfounded farmers by saying that, in my judgment, they could take a leaf from the book of labor and organize like labor has and like every other interest has, and agriculture in this country would begin to get somewhere. The farmers built Chicago but they do not own it. They built a lot of New York but they do not own any of it. They toiled and produced that others might own cities. It is a singular anomaly that the people of the United States who produce all of its food cannot make a living out of it. Is not that a singular thing?

One hundred years ago it is said that it took about 80 percent of the people of the country to produce food for the entire population. Today it takes only 30 percent, and even that 30 percent apparently cannot make a living out of it. Agriculture was bankrupt before the depression. Agriculture in this country struck bottom during what is said to have been the most prosperous era in this or any other country in the world. It is incomprehensible. There must be a lot of causes. I am satisfied this bill does not touch it even if it were on a much larger scale than it is. We have to go deeper than this, and outside of this, before we can arrive at the causes and find a solution for

the incomprehensible thing presented in this country, that agriculture, the basic industry that produces all of the food of the people is in a condition of chronic bankruptcy and that hundreds of thousands of the farmers themselves must be fed out of the Federal Treasury.

Mr. Chairman, even if I cannot lay my finger on the trouble or name the remedy, I could if my voice reached far enough, do some good by showing what the trouble is not. I am afraid that this and other farm legislation focuses too much attention or gives too much weight to farm tenancy and farm debts as causes of the decline of agriculture in the economic scale and by comparison with industry.

Take for example the great farming State of Oklahoma—and it is a rich farming State. That State was virgin territory only 45 years ago when it was thrown open for settlement and the people were given free farms. They got a start from taw, so to speak, with a clean slate. It looked like the ideal situation for a great experiment. Yet the farm census of 1935 shows that more than 61 percent of the farmers of Oklahoma are tenants, and probably the majority of the rest of them are mortgaged. It is not much different in Kansas, one of the great bread-basket States. Kansas is a comparatively new State. It has practically all been settled in my lifetime, but 44 percent of the farmers of Kansas are tenants. In my own State, Colorado, a new State, the percentage of tenancy is 39. In Iowa, the great corn State, it is 49. These States and many others did not begin with tenants and mortgages. They began with the owners of free soil, and now what is to be done about them has become a major national question.

Another puzzling feature of the unfavorable situation of agriculture is that the growth of tenancy and debt among the farmers has been contemporaneous with a period of the greatest industrial expansion and increase in material wealth generally in the history of the world. On the surface it would seem inevitable that agriculture would benefit by the growth of such a market for its products. I have already mentioned the fact that a hundred years ago it took 80 percent of the people to produce the food supply of the country. If now that percentage has dwindled to 30 and the other 70 percent are in the consumers' class, that is seemingly another factor that ought to have contributed to the prosperity of agriculture.

Yet in the face of this highly favorable combination of conditions, the decline of agriculture has extended over a long period of time. For example, in 1880, 25 percent of the farmers were tenants. In 1900 the percentage had grown to 35. During that period of 20 years the number of tenant farmers increased by over 1,000,000, although during that time 300,000,000 acres of new free land were settled. Even the giving away by the Government of a vast rich public domain did not stop the growth of tenancy among the American farmers.

From 1900 to 1935 the percentage of tenancy increased to 42 and the total number of tenants in the United States as shown by the census of 1935 was 2,865,000 out of a grand total of 6,812,000 farmers.

So it appears that for nearly 60 years, and under what would appear to be the most favorable conditions in all history, the great basic industry of agriculture in the United States has steadily lost ground. It has been progressive and continuous under all changes and conditions and apparently it has affected agriculture alone. Putting out $85,000,000 over a period of 3 years will not make much of a dent in this situation.

The growth in farm indebtedness has been no less alarming. In March 1933 farm mortgages amounted to around $12,000,000,000. This administration has put out over $4,000,000,000 to relieve the farm-debt situation with interest as low as 3½ and 4 percent per annum.

In arguing that tenancy and debt are not responsible for the economic condition of agriculture, I am not to be understood as condoning or minimizing these conditions. On the contrary, I have supported every farm-aid measure which has come within my reach through the last five sessions of Congress, and some of these measures, in my opinion, embodied ideas which were at least partial solutions. I refer particularly to the Agricultural Adjustment Act and kindred separate measures for the control of production and increase in farm prices.

In the hearings before the Interstate Commerce Committee on a resolution directing the Federal Trade Commission to investigate farm-machinery prices, it developed that while production in farm machinery declined 80 percent at the depth of the depression the prices of farm machinery had only declined 6 percent. Translated into the terms used by the critics of crop control, the Farm Machinery Trust plowed under four rows out of five, by which means they were enabled to maintain prices. The farmers could take a leaf from that book.

Overspeculation in land prices, charged as one of the causes of the decline in agriculture, no doubt had some place, but, as I have pointed out, the process of decline has been continuous over a long period of time and when speculation could not have been a factor.

From my observation I would say that no one factor has contributed more than the inability of the farmer to protect himself from and against the markets and to successfully market his products. The major part of his crops are thrown on the market in a short period of time, overloading and breaking it down. The prices were always highest when he had the least to sell. Speculation in the price of his crops has cost him a lot more than speculation in the price of his land. Acting as an individual against the organized traders in his products he had no chance. Producing all the food in the country, he had no voice in the bargain. The buyer fixed the price of everything he sold and the seller fixed the price of everything he bought, and that tells a lot of the farmer's story in a sentence.

Surpluses, the mass-production of machinery, is another cause. Perhaps the ever normal granary would help some with the problem of fat years and lean years. In some way the farmer must handle surpluses. Marketing agreements in which he would have a voice in the distribution and the prices of his products, cooperative marketing, would help. His business must be regulated. That is the end toward which he must strive.

It is not disputed that some of the acts of Congress, like the Agricultural Adjustment Act, the cotton, tobacco, and sugar acts, did much to pull the basic farm commodities of the country out of the hole. It is a singular thing that measures which are good, which achieve such results, must be thrown in the discard. They were good for the emergency, but bad as permanent measures. I have never quite reconciled myself to that viewpoint. It is possible they required modifications, but I still have an unshaken conviction that in the farm legislation which was declared invalid by the Supreme Court, there was embodied practical methods for the regulation and stabilization of agriculture, and that no successful farm program hereafter can be wholly free from the influence of those measures.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this title and on all amendments thereto close in 5 minutes.

Mr. GREEVER. Mr. Chairman, I reserve the right to object, in order to ask the chairman of the committee one question with regard to the provisions of section 22, page 6, as to voluntary adjustment of indebtedness between farm debtors and their creditors. Does that include any class of farm debtors?

Mr. JONES. Yes; it is not limited to those involved in this bill. That is a general provision, a continuation of the present activity.

Mr. GREEVER. It means that any farm debtor who wants to compromise his debts will have the opportunity under the authority of this bill?

Mr. JONES. Yes; and some very fine work has been done along that line in adjusting farm mortgages.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate upon the title just read and all amendments thereto close in 5 minutes. Is there objection?

There was no objection.

Mr. PETERSON of Georgia. Mr. Chairman, the Federal Government at the present time is spending approximately $1,000 per person for each person who is on the relief rolls of this Nation. I contend that for a small amount additional this Nation, under a sound national land program, can completely rehabilitate upon a self-sustaining basis not one individual but an entire farm family. I contend that the bill now before this membership will require an expenditure of approximately $7,500 per farm family, and they will not be in a condition of complete economic independence after it has been expended, but will be $7,500, or 100 percent deeper in debt. Under my proposal, for every $3,500 or less expended, we will completely relieve one family of its entire farm-mortgage indebtedness, and will also give a farm to an additional family.

In other words, for less than $1,750 per family we are permitted to grant complete economic independence to a complete farm family unit of this Nation. In doing so we will be going in complete harmony with the traditional Jeffersonian policies which we all claim to hold in such high regard.

Mr. Chairman, I appreciate the indulgence of the Committee today. I have not done this deliberately to take your time, but to tell you I firmly believe that unless we do reestablish the farm population of this Nation to a condition of economic independence our free institutions cannot survive.

I am offering to you a program that is sound; a program that is right; a program that is in harmony with the true principles of free government; a program that is in harmony with the divine laws of God and the eternal laws of Nature. This bill H. R. 6748 and the committee reports which have been prepared after months and years of laborious study and thought are now before the Public Lands Committee of this House, where they rightfully belong. I sincerely trust that we will have the cooperation of the chairman and the membership of that committee in bringing that bill before this House, where it can receive the same consideration this bill has received during the last 2 days.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired. All time has expired.

The Clerk read as follows:

TITLE III—RETIREMENT OF SUBMARGINAL LAND

PROGRAM

SECTION 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

POWERS UNDER LAND PROGRAM

SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by or transferred to the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

PAYMENTS TO COUNTIES

SEC. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title 25 percent of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

APPROPRIATION

SEC. 34. To carry out the provisions of this title there is authorized to be appropriated not to exceed $10,000,000 for the fiscal year ending June 30, 1938, and not to exceed $20,000,000 for each of the 2 fiscal years thereafter.

Mr. LORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 10, strike out lines 3 to 14, inclusive, and insert:

"TAXATION

"SEC. 33. The property acquired by the Secretary to carry out the provisions of this title shall be exempt from taxation by any State or political subdivision thereof, but the Secretary shall pay, in respect of such property (except property used solely for administrative purposes), to the State or political subdivision thereof concerned, an amount which the Secretary determines to be fair and reasonable but not more than the property taxes (including special and other assessments) which would be payable to such State or political subdivision if such property were owned by a private individual. The payment of such amount shall be made on the day upon which taxes would otherwise be due and payable.

Mr. LORD. Mr. Chairman, I want to call the attention of the House to section 33, on page 10. This provides that 25 percent of the profits from the submarginal lands purchased by the Government shall go to the counties as taxes. The submarginal land as purchased will not pay any income whatever, but will take out of the tax rolls and from the school districts and the highway districts land that is now on the assessment roll and paying taxes.

It will add to the taxes of all other farm lands and all other property in the district. They will have to bear the burden of taxation that was formerly assessed on these particular lands.

In the State of New York the State buys land for reforestation. The State buys the land and it is assessed for what the State pays for it, and the State pays taxes for highways and schools on the same basis as other real property in the district. I do not propose to assess the land but I have taken this language from a bill which the Secretary presented to us. I propose that the Secretary decide what is the fair and equitable tax for the Government to pay to the various counties and school districts. On this basis they will receive payment, and the extra burden will not fall upon the taxpayers for these various purposes. In other words, in this bill we are trying to relieve farmers and at the same time we are adding on to the tax rate of all other farmers in the tax district in order to do it.

In addition, in most districts where the land is purchased there is bonded indebtedness and the balance of the taxpayers will have to bear the extra burden that has been assessed against the land purchased by the Government.

This is to my mind very unfair to the farmers and taxpayers of our Nation.

The CHAIRMAN. The time of the gentleman from New York [Mr. LORD] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 9 minutes, 3 minutes to be allowed each of the three gentlemen now seeking recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LORD].

The amendment was rejected.

Mr. WEARIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: On page 9, line 2, after the word "purposes", strike out the period and insert "or to tenants who can qualify as such under the terms of this act."

Mr. WEARIN. Mr. Chairman, I have offered this amendment to this particular title with the thought in mind that submarginal lands should be available for resale to tenants whenever the Secretary of Agriculture thinks that it is advisable that such action proceed. I do not expect to press the amendment; in fact, I intend to withdraw it because, by virtue of having discussed the situation with the distinguished chairman of the Committee on Agriculture [Mr. JONES] it is my understanding that in all probability legislation dealing with the disposition of submarginal land will be forthcoming. I do, however, expect, as I originally intended, to offer an amendment to title IV with reference to the transfer of lands now held by the Federal land banks to the Department of Agriculture for resale by the Secretary to purchasers on a contract basis; and when we reach that point I desire to call the matter to the attention of the members of the committee. I believe firmly that it constitutes one of two major plans by which we can solve the problem of tenancy in the United States. This particular procedure has been followed with some degree of success in other sections of the world, and this is especially true of the Free State of Ireland. I believe that when we are experimenting with a proposition so vast as this that we should incorporate in any model project, if such it can be called, the various provisions that might prove satisfactory with a view to advancing each of them to such a point that we can decide for ourselves after that experimental period which is the most satisfactory.

Keeping in mind the fact that I shall offer this amendment to title IV when we reach that particular juncture in the reading of the bill, I ask unanimous consent at this time, Mr. Chairman, to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 10, line 13, after the word "both", strike out the period, insert a semicolon and the words "or applied to sinking funds for the retirement of bonds or warrants legally issued and outstanding at the time of the passage of this act."

Mr. CASE of South Dakota. Mr. Chairman, this amendment is to page 10 of the bill. The sentence to be amended reads as follows:

Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both.

My amendment adds to that the authority for this money to be applied also to the sinking funds for retirement of bonds and warrants legally issued and outstanding at the time this act becomes law.

A good deal of the debate on this bill has been confined to the subject of the farm-tenancy program in title I. As far as I am concerned titles II and III are equally important in the Great Plains area.

Rehabilitation loans and the submarginal land buying program are equally important with the tenancy program. The rehabilitation grants have kept thousands of farmer families alive the past winter and the loans are giving them a chance to get going again. The marginal land-purchase program opens the way to a wiser land use. These things are continued under titles II and III and my desire is to have future operations in these fields profit from what experience has been had.

If we limit the use of this 25 percent of the revenue from these purchased lands to school and road purposes we are going to throw the entire burden of present bonds and warrants onto the remaining landholding taxpayers.

I have seen how that has worked out in two or three submarginal areas in my district. We have a constitutional limit on levies as well as total debt. In counties where those limits have been reached, it is not only unfair but impractical to throw onto remaining taxpayers the capital debts that have been based on an assessed valuation that included the lands this purchase program will remove.

It means an unbalanced tax structure that is unworkable. It will relieve the road and school funds, but where the limit has been reached on sinking fund levies, you cannot shift or adjust the situation. But if this revenue from the grazing areas or from this submarginal area can be applied to outstanding, legally issued bonds and warrants it will contribute much to the workability of the bill.

I hope the committee will accept the amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERGUSON] is recognized for 3 minutes.

Mr. FERGUSON. Mr. Chairman, as to the general philosophy of this bill, it is a "hope bill" in that we hope it will be administered in a manner that will work out beneficially to the farm-tenant class in this country.

As far as I am concerned I hope that the county committees devote their attention to the young, well-qualified people in the counties who will make good, and they do not spend too much time rehabilitating farmers who have spent 20 years as tenants and failed to make good. It seems strange to me that the Congress would authorize the loaning of this vast sum of money which admittedly will not scratch the surface of the tenant problem without first taking into consideration these things: First, the farmer who is still operating his own place and must have stable prices over a period of years to continue to operate. Second, the great number of farmers in the drought area who have been dispossessed of their property although they had demonstrated, without doubt, their ability to farm with favorable rainfall and prices. Third, sufficient and reasonable farm credit to those farmers who are able to put up margin both on the purchase of land and operation of their farm.

It seems to me that this class of farmer should receive first attention before we go into the business of setting up tenant farmers for whom the Government is required to pay the full purchase price of land and then loan the full amount necessary to start and operate the farm.

However, if the county committees pick out the best-trained and best-equipped young people in the counties to give them the advantage of this bill it can be of great benefit, because the boy and girl vocationally trained for life on the farm will make a success.

This, however, is not the reason for my taking the floor. Three years ago I started talking about the Dust Bowl and wind erosion in the panhandle of Oklahoma and in the Southwest. I introduced several bills on the subject—H. R. 5961 that provides for an appropriation for the Secretary of Agriculture to create a special "dust bowl" area in five Southwestern States and for the establishment of grass-breeding and experiment projects; H. R. 5959, authorizing the Secretary of Agriculture to create a special "dust bowl" area in Kansas, Oklahoma, Colorado, New Mexico, and Texas; H. R. 2286, making an appropriation for emergency relief in the stricken agricultural areas; H. R. 2287, that

would provide for a 10-year program of purchasing pasture land under the authority of the Soil Conservation and Domestic Allotment Act. The distinguished and able chairman of the Committee on Agriculture has also worked on this subject during this time. At last a bill that covers the subject of buying submarginal land is before this House. The provisions with reference to the submarginal land program are contained in title III. I hope the House realizes the importance of title III.

Unquestionably the Government policy of granting homesteads and establishing small units in the western plains area was the cause of economic distress to the homesteader and destruction of land. Many Members cannot yet distinguish between the dust storms of recent years and the sand storms we have always had in the West. Sand storms are caused by high winds. The dust storms are caused by fine silty soil that has been cultivated, then dried out by months of burning sun. This dust will rise miles in the air with even the slightest breeze, and when this soil is gone the bare subsoil in this country is worthless. Not only does it destroy the land that has been cultivated, but it is more unbearable than a flood or fire to the people for hundreds of miles around. The dust cannot be extinguished like a fire nor does it reach a peak and recede like a flood. It is a constant menace day after day and when the rain clears the atmosphere it is likely to return a few days after. So I have sought legislation from the Congress for 3 years to tackle this problem. A bill that would commit the Government to buy this land, restore it to its economic use of grazing and remove this land as a menace to surrounding land and the inhabitants of the country for a radius of several hundred miles. This area is a sore that has spread and is gradually increasing in spite of all private and Government efforts made so far to stop it. And within the course of our lifetime at its present rate of expansion we could see the area between the Rocky Mountains and the Mississippi change from the greatest agricultural area in the world to a desert.

The Assistant Secretary of Agriculture, Mr. M. L. Wilson, when testifying before the Committee on Flood Control, substantiated the necessity of this land-buying program. While the testimony is not available in printed form as yet, I may quote him, in substance, as saying that several million acres in this Southwest country were so badly eroded that there is no incentive for a private individual to restore this land to economic uses. He also agreed with me that in many instances, in spite of the amount of rainfall, the soil in this area is of a type, and the velocity of the wind is so high, that once the land is denuded, regardless of rainfall, nature alone will not cover this land with vegetation. The drifts of soil along the fence lines and in hummocks in the fields must be worked into the soil. The soil must be cultivated before any vegetation can start to grow. Once you have a crop started, a vegetative cover, then the regrassing process, which will take some 10 to 15 years, according to a statement made before the Flood Control Committee by Mr. H. H. Bennett, Director of the Soil Conservation Service, can begin in earnest.

In summary, this land must be purchased by the Government under the provisions of this section of the bill: First, to save the eroded land itself; second, to save adjacent farm land that has been carefully farmed, that is now being carefully farmed, but will be ruined if these fields are not properly cared for; third, to save the people for a radius of several hundred miles from the discomfort and economic loss caused by repeated dust storms; fourth, to check the constant threat of turning a vast area between the Rocky Mountains and the Mississippi River into a desert.

This section of the bill to me is the most important not only to my district but to the Nation. I hope that it will be in the final bill as passed by the Congress and that appropriations will be made immediately to carry out the program as authorized.

Mr. Chairman, let me, in closing, urge my colleagues to support this bill containing this program of land purchased by the Government to obtain the proper utilization of land. From the wording of the section I know every effort will be made by the Department of Agriculture to cooperate with the State agencies such as have already been set up in my State of Oklahoma to carry out this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was rejected.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

FARM SECURITY ADMINISTRATION

SECTION 41. (a) The Secretary shall establish in the Department of Agriculture a Farm Security Administration to assist him in the exercise of the powers and duties conferred by this act.

(b) For the purposes of this act, the Secretary shall have power to—

(1) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person shall be appointed or transferred under this act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than 1 year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall appoint or transfer only persons who are residents of such portion of the State or Territory.

(2) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

(3) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this act.

(4) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than $300.

(5) Make payments prior to audit and settlement by the General Accounting Office.

(6) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended (relating to restrictions on the acquisition of land by the United States).

(7) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this act, as circumstances may require.

(8) Pursue to final collection, in any court, State or Federal, all claims arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this act.

(9) Make such rules and regulations as he deems necessary to carry out this act.

COUNTY COMMITTEE

SEC. 42. (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of $3 per day while engaged in the performance of duties under this act but such compensation shall not be allowed with respect to more than 5 days in a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

(c) The committee shall meet at least once in each month and two members shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

(d) Committees established under this act shall, in addition to the duties specifially imposed under this act, perform such other duties under this act as the Secretary may require of them.

RESETTLEMENT PROJECTS

SEC. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order No.

7530 of December 31, 1936, as amended by Executive Order No. 7557 of February 19, 1937, and pursuant to Public Act No. 845, approved June 29, 1936 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes.

GENERAL PROVISIONS APPLICABLE TO SALE

SEC. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this act, or any interest therein, shall be subject to the reservation by the Secretary on behalf of the United States of not less than an undivided half of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

SURVEYS AND RESEARCH

SEC. 45. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this act, and may publish and disseminate information pertinent to the various aspects of his activities.

VARIABLE PAYMENTS

SEC. 46. The Secretary may provide for the payment of any obligation or indebtedness to him under this act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

SET-OFF

SEC. 47. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this act.

BID AT FORECLOSURE

SEC. 48. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this act; to accept title to any property so purchased or acquired in the name of the United States; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of mineral rights provided for in section 44.

FEES AND COMMISSIONS PROHIBITED

SEC. 49. No officer, attorney, or employee of the United States shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business of the United States under this act other than such salary, fee, or other compensation as he may receive from the United States. Any person violating the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

EXTENSION TO TERRITORIES

SEC. 50. The provisions of this act shall extend to the Territories of Alaska and Hawaii.

SEPARABILITY

SEC. 51. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 11, line 5, after the word "appoint", strike out line 5 and all of line 6 down to and including the word "of."

Mr. BOILEAU. Mr. Chairman, this amendment would knock out of the bill that language which would suspend the operation of the civil-service and classification laws. In the bill as presented by the committee there is a provision to the effect that the Secretary will have power to appoint, without regard to civil-service laws and regulations, and fix the compensation of such officers and employees as may be necessary. The amendment I have offered would strike out the words "without regard to the civil-service laws and regulations and fix the compensation of"; so that the sentence would read as follows:

The Secretary would have the power to appoint such officers and employees as may be necessary.

The elimination of the language exempting the civil-service laws and regulations from applying to this section would mean all persons appointed and salaries paid them would be governed entirely by the civil-service laws and the Classification Act.

This amendment is the subject of a minority report signed by the minority members of the Committee on Agriculture, including the Republican members of that committee and myself. I submit there is no justification for knocking out the civil service so far as this bill is concerned. If you do not believe in the civil service, if you want to eliminate it entirely, then in the name of justice bring in a bill here that will eliminate it; but if you do believe in the civil service, or if you lack the courage to bring in a bill which would outlaw it, then in the name of fair play do not take potshots at the civil service every chance you get.

The civil service has not been perfect. No one who is interested in that system believes it has been. There is chance for improvement in the civil-service system, but the way to improve it is to perfect the system and not make it inapplicable to various bills as they come on the floor of this House for consideration from time to time.

I submit if you permit this bill to be passed in its present language, it means that the Democratic Party is against civil service, and the Democratic Party in all these years has never adopted a national platform in which it dared come out in opposition to the civil service. There was some justification a few years ago when emergency legislation was being brought before the Congress to provide that the civil-service laws should not apply, but there is no such justification now. The emergency has passed and there is no longer any justification whatsoever for providing that the civil-service laws and regulations shall not apply to this or any other bill which may be brought before the Congress.

In conclusion may I say that the American people have a right to believe because of the recent activities of the Congress that the Democratic Party is not very friendly toward civil service, and if we allow the language to remain in this bill, you cannot get away from the charge that you are not only unfriendly to the civil service but you may rightfully be charged with being an enemy of the civil service.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all speeches in connection with amendments to this title of the bill be limited to 3 minutes each.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HILL of Oklahoma. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] for the reason if we make it possible in this bill for the civil-service rules and regulations to apply that would result in sending out over the country to appraise farms and buy them for these tenant farmers some fellow who never saw a farm, who does not know anything about the value of land, and who is thoroughly incompetent. As a matter of fact, most of the civil-service employees are. They get in through some hocus-pocus and do not care very much for the Congress or the Government just so they can hold their jobs and we are kind enough to continue to make them appropriations. They are named all wrong. They are hardly civil, and for their actual service they are considerably overpaid. I think the more often we leave them out the better off we will be. So much for that, because I know the amendment will not be adopted.

Mr. Chairman, I am going to support this bill. Nearly every Member who has spoken on this bill has offered a

reason for so doing or a hope it might turn out good as his excuse for doing so.

You know this country has been in the habit of subsidizing some interest that gets into distress for a good many years. I remember over 20 years ago when I was a Member of this body we subsidized the shipping industry because it was said they were not self-sustaining and could not compete with the rest of the shipping countries of the world. Then in recent years when everybody and all business concerns went down on their knees and were begging for help and their very lives and were ready and willing to give up half of all they had if the President would save the other half, we commenced a free use of legislative subsidies. We subsidized all the banks in order that the poor, prostrate things might rise on both of their feet and open their doors in safety. We also subsidized the railroads of this country in order that they could roll their cars on the railroad tracks from one end to the other. We subsidized building and loan associations. We subsidized insurance companies in order that they could have the assurance they could insure you. We subsidized mines and factories. In fact we subsidized enterprises and businesses that came begging, crying, and kneeling at our feet.

Therefore, any time any industry in this country has become distressed financially, for a good many years we have just subsidized them. These industries are the comparatively small ones. The largest industry we have in the country is farming. There are something like 10,000,000 farmers in this country engaged in that business, which is a lot of stockholders. Approximately one-third of this number are tenant farmers.

Now we come in with some little peewee program and hope we may pry in and lend some money to subsidize the broken-down farmers who went broke for the same reason the banks, the railroads, and the insurance companies, and so forth, went broke, and for no other reason.

If we will just be as charitable and as liberal to these fellows who really want to farm, who really want to engage in the largest industry in the United States, one which is absolutely indispensable to the welfare of this country, maybe this bill will be an intervening wedge which will give us the right to do so.

Mr. Chairman, notwithstanding the apparent good purpose and intent of this bill, yet I am imbued with two very serious misgivings as to its complete satisfactory workability. In the first place, the amount of the appropriation in this bill is not sufficient for the farming industry to feel the entrance of this intervening wedge. I am also fearful that this may be the beginning of an expenditure that we do not here fathom, and one that at a future date we shall be called upon to check. At that time it may be difficult for us to legislate the check.

In the second place, I am not fully convinced but that this bill will call for the creation of an additional commission or bureau to administer the expenditure of the appropriation, although I was advised here on the floor today by our worthy and capable chairman, Mr. JONES, of Texas, that there would be no such expense, and I am trusting in the correctness and truthfulness of that advice.

We have heard a great deal today from the gentleman from Georgia [Mr. PETERSON] about a land bill in which he is interested and that he soon hopes to have before us for consideration—a bill which he says will provide for the already established Land Office of the Government to buy and sell the lands to tenant farmers with no necessity for an extra or additional bureau. That bill may do more and go farther than this one, and if so, when it comes on for consideration it may be that we shall be convinced it should supplant this one. If it does, let us not hesitate to adopt it in lieu of the present bill.

These are my misgivings, and may I now say I am unalterably opposed to the creation of any other commissions or bureaus. I should like to see this Congress abolish about 75 percent of all present existing commissions and bureaus and try to operate all the affairs of the Government at a tremendously great saving to the taxpayers. If we should now begin to conduct the business of the Government along the line and with some economy that a private individual or corporation operates his or its business, you would be surprised how quickly an out-of-balance Budget would begin to balance itself.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I wonder if the provision in this bill to destroy the civil service and merit system is one of the decisions made by the Democratic Party down on Jefferson Island the other day. Is this the kind of religion that sprung from that revival meeting? It is a complete change of front since the last election. I shall read to you what the Democratic national platform had to say about the merit system last year.

For the protection of Government itself and the promotion of its efficiency, we pledge the immediate extension of the merit system through the classified civil service—which was first established and fostered under Democratic auspices—to all nonpolicy-making positions in the Federal service.

We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempt from its operations.

This is pretty explicit and a definite pledge to the people. Now the Democrats come in here with a new civil-service policy. It seems to me either you are for civil service or you are against civil service. If this had been the first time and was merely the exception to the rule it would be a different matter, but bill after bill is coming from the Democratic majority that undermines and destroys the civil service, protection of which your party claims you had so much to do in establishing.

I submit the time has come for a record vote on the question of civil service. There are plenty of good men left even in the Democratic Party to fill these positions under civil service. There are plenty of honest men left in the Democratic Party under civil service to fill all these jobs. Why not have a record vote with respect to where we stand on this question of merit and the civil service instead of violating the civil-service system by subterfuge and not by a record vote of the Members of Congress. That is the issue before you. This provision is merely another one of the efforts of Democratic spoilsmen to grab the jobs and to seize upon all possible political plunder and patronage for deserving Democrats regardless of the merit system. Let us be honest with ourselves. Let us take a stand whether we are for the merit system or against it. The President repeatedly gives lip service to the merit system and just as often joins with the Democratic spoilsmen in Congress to undermine and destroy the civil-service system in violation of platform promises and campaign pledges. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 32, noes 81.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 10, line 23, after the word "Secretary", strike out the word "shall" and insert in lieu thereof the word "may."

Mr. JONES. Mr. Chairman, this amendment simply makes the establishment of the act discretionary. It is not a committee amendment. I think it is wise. If there is any objection to the amendment, I shall not insist on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 17, line 8, after the period, insert a colon and the following: "No member of a county committee established under section 42 shall knowingly make or join in making any certification prohibited by section 2 (c)."

Mr. JONES. Mr. Chairman, this amendment is simply to correct the oversight to which the gentleman from Texas [Mr. SUMNERS] called our attention.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Strike out lines 11 to 14, inclusive, on page 13 and insert in lieu thereof the following: "(8) Collect all claims arising under this act or under any mortgage, lease, contract, or agreement entered into pursuant to this act, and, if in his judgment, necessary and advisable, to pursue the same to final collection in any court, State or Federal, upon suits brought under the supervision of the Attorney General by the United States attorneys for the districts, respectively, in which such claims arise, or by such other attorney or attorneys as may under the law be designated by the Attorney General."

Mr. JONES. Mr. Chairman, this amendment, offered at the suggestion of the Department of Justice, simply provides that suits, when claims go to suit, shall be handled by the Department of Justice.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 11, line 8, before the word "shall", insert the following: "(except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within such area)", and in line 24, after the word "shall", insert the following: "except as provided above."

Mr. JONES. Mr. Chairman, I have shown this amendment to a number of members of the committee. This simply exempts the positions requiring technical training from the residential requirements.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. WARREN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WARREN: Amend section 43, page 15, line 4, by adding at the end of the section the following: "*Provided*, That any land held by the United States under the supervision of the Secretary of Agriculture pursuant to said Executive orders may, where suitable, be utilized for the purposes of title I of this act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title."

Mr. JONES. Mr. Chairman, I have consulted with the ranking minority member of the committee, and we have no objection to the amendment.

The amendment was agreed to.

Mr. BIERMANN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: On page 15, line 10, after the first word "of", strike out all the rest of line 10 and the first three words in line 11.

Mr. BIERMANN. Mr. Chairman, this amendment simply provides that when the United States Government sells any land, that it shall retain all the coal, all the oil, all the gas, and all other minerals in the property. It seems to me there ought to be no argument about this. This land, when sold, is sold for farming purposes and not for speculative purposes. It seems to me there can be only one side to this proposition. The Government ought to retain all the mineral rights.

Mr. JONES. Mr. Chairman, may I suggest to the gentleman that if he makes it three-fourths that it will be agreeable; otherwise, you could go on this land under a lease from the Government and destroy the surface value. There ought to be a part of such rights left in the owner of the land in some instances.

Mr. BIERMANN. No; this is the case of the Government selling the land to an individual.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. BIERMANN].

The question was taken; and on a division (demanded by Mr. BIERMANN) there were—ayes 27, noes 98.

So the amendment was rejected.

Mr. FULLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULLER: Page 14, lines 5 and 6, strike out the following: "The committee shall meet at least once in each month and two members" and insert "two members of the committee."

Mr. JONES. Mr. Chairman, I have talked with the ranking minority Member, and unless there is some objection, I have no objection to the amendment.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. WADSWORTH. It is a little difficult for us to understand just what this amendment does. May I ask this question, and perhaps it will be answered by the amendment. In view of the fact that under this bill for the first year no more than one case can be decided upon in each agricultural county of the United States, is it necessary under those circumstances that the committee in every county meet once every month?

Mr. JONES. The amendment does away with that necessity.

Mr. FULLER. That is to save $30,000 a month.

Mr. WADSWORTH. Congratulations.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 15, line 10, strike out the word "half" and insert "three-quarters."

Mr. COCHRAN. Mr. Chairman, my amendment meets the suggestion of the chairman of the Committee on Agriculture made at the time the gentleman from Iowa [Mr. BIERMANN] offered his amendment. If the framers of the Constitution had seen the wisdom of providing that all coal, oil, gas, and other minerals in or under all lands belonging to the Government at the time of the adoption of the Constitution would remain the property of the United States when the land was disposed of we would never have been bothered with taxes. The revenue derived from the sale of oil, coal, and so forth, would have supported the Government for all time. I hope the amendment will be adopted.

Mr. JONES. Mr. Chairman, I have no personal objection to that. I would like to have the House know what it is. The committee reported a reservation of one-half of the mineral rights, and this amendment would change that to three-fourths.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 52, noes 29.

So the amendment was agreed to.

Mr. WEARIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend title IV, section 41 (b), by inserting at the end of line 6, on page 13, the following: "(7) Acquire all real property in the United States that the Federal land banks now own outright without any redemption rights outstanding in former owners, which the said Federal land banks are hereby authorized and directed to transfer and convey to the Secretary of the Treasury, for which the said Federal land banks shall accept from the Secretary of the Treasury in exchange therefor Federal land-bank stock of equal value. In the same manner the Secretary of Agriculture shall acquire within 6 months real property against which the Federal land banks at the time of the adoption of this act hold sheriff's certificates or judgments. For the purposes of such exchanges, the value of such real property shall be the carrying value as it appears on the books of the said Federal land banks on the last day of the month next preceding the adoption of this act; and the Federal land-bank stock shall be valued at par. The Secretary of Agriculture shall acquire forthwith all real property so acquired by the Secretary of the Treasury: *Provided*, That the conveyance of such real property may be made under any procedure adopted by the Governor of the Farm Credit Administration, the Secretary of

the Treasury, and the Secretary of Agriculture direct from the Federal land banks to the said Secretary of Agriculture without any intermediate transfer through the Secretary of the Treasury. The provisions of section 355 of the Revised Statutes, as amended, relating to restrictions on the acquisition of land by the United States shall not apply to such transfers and conveyances. The Secretary of Agriculture shall administer and dispose of such real property as hereinafter prescribed in this act."

Mr. JONES. Mr. Chairman, I reserve all points of order on that amendment.

Mr. WEARIN. Mr. Chairman, a parliamentary inquiry. The gentleman from Texas reserves all points of order. I appreciate his doing that, but after I have discussed the amendment, then I presume I shall have have an opportunity to be heard on the point of order.

The CHAIRMAN. As a matter of course the gentleman would have that privilege.

Mr. WEARIN. Mr. Chairman, in brief this amendment does this: It takes approximately 8,000,000 acres of land now owned by the Federal land banks and transfers it to the United States Department of Agriculture, to be resold by the Secretary on a contract purchase agreement with certain reservations pertaining to title, and the manner in which the land is operated by the tenant purchaser. At the present time that land is carried on the books of the Federal land bank at a price of approximately $123,000,000. That includes the land owned by the Federal land bank and the land in process of foreclosure, the two groups amounting to a little over 8,000,000 acres.

At the present time the Federal Treasury owns approximately $124,000,000 worth of stock in the Federal land banks that would, in effect, offset the carrying value of the land, that 8,000,000 acres; so that an exchange could be made very nicely.

I realize the fact that there might be some opposition to the procedure, and naturally so, because, as I understand it and have been informed, the Federal land bank is not now paying any interest to the Treasury on the $124,000,000 worth of stock. I believe this transfer could be made and once the 8,000,000 acres were so transferred to the Secretary of Agriculture, he would have an opportunity to begin a land-purchase and resale program operated side by side with the loan program provided in this bill, so that at the end of a 2-year, 4-year, or 6-year period the United States Congress would be better able to decide which of them was working out the most satisfactorily as far as the tenant purchaser was concerned.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I desire to make a point of order against the amendment. It is clearly subject to a point of order. It would authorize acquiring land from the Federal land banks and the trading of stock in the banks. These are not involved in this bill. It also provides for the Treasury to accept this stock and turn land over to this organization. There are a number of different points on which it is subject to a point of order. It also makes the provisions of section 355 of the statute inapplicable. It provides that for the purpose of exchanges the value of such real property shall be that carried on the books of the land banks. It is not germane to this bill. It brings in new subjects. As I understand the rules of the House, if it is subject to a point of order on any ground, a point of order must be sustained.

The CHAIRMAN. Does the gentleman from Iowa [Mr. WEARIN] desire to be heard on the point of order?

Mr. WEARIN. I do, Mr. Chairman. I desire to call the attention of the Chair to the enacting clause of this bill, which specifies that it is an act to encourage and promote ownership of farm homes. It can be seen that the enacting clause itself, therefore, does not set out that this proposed act provides exclusively for loans. It says it is a provision to encourage and promote the ownership of farm lands, which is precisely what my amendment does.

Secondly, this bill already deals with three separate and distinct subject matters, one of which involves the purchase and resale of land, as does my amendment. The first of those separate and distinct features is the title that deals with rehabilitation loans, which have been discussed extensively today; another is the retirement of submarginal lands, and a third is an allocation of funds, or rather permission granted to the Secretary of Agriculture to use funds appropriated in this act to continue and complete projects now under operation in the Resettlement Administration, which I remind the Chair involves the purchase and resale of land, exactly as this provision in my amendment does.

I have in my hand a letter from the Resettlement Administration of the United States Department of Agriculture, setting out specifically that they have been proceeding in exactly that way; that they have been buying land and reselling that land to tenant purchasers. That is what I provide to do in this amendment, and therefore it is germane to a section of the measure under consideration.

Mr. Chairman, in view of the fact that this particular bill involves three separate and distinct subject matters it should be within the order of this committee to include a fourth, if it were a fourth separate and distinct matter, but I would remind the Chair of the fact that resettlement projects are included in title IV of this act under section 43, where the Secretary of Agriculture is permitted to use funds for a continuation of the land purchase and resale program on the part of the Federal Government, which is precisely what my amendment proposes to do. There is no doubt, Mr. Chairman, in the light of the above facts, that it is germane.

The CHAIRMAN (Mr. DRIVER). The gentleman from Iowa offers an amendment which contains the following language:

Acquire all real property in the United States that the Federal land banks now own outright, without any redemption rights outstanding in former owners, which the said Federal land banks are hereby authorized and directed to transfer and convey to the Secretary of the Treasury, for which the said Federal land bank shall accept from the Secretary of the Treasury in exchange therefor, Federal land-bank stock of equal value—

And so forth.

The measure under consideration has this provision in title I:

The Secretary of Agriculture, herein referred to as the Secretary, is authorized to make loans in the United States and in the Territories of Alaska and Hawaii, to persons eligible to receive the benefits of this title, to enable such persons to acquire farms.

It is true that this amendment seems to direct the thought to the same purpose, the acquisition of land for the purpose of placing the same in the hands of tenants, sharecroppers, and so forth, for the purpose of providing farm homes for that class of citizens; but there is a very distinct difference in the provision for the acquisition of such homes under the terms of this amendment and the provisions of the bill. One is the purchase of a home direct by the tenant and the furnishing of the money by the Secretary of Agriculture for the purpose of enabling him to acquire the title. In this amendment, however, new machinery is set up for the purpose of operating with property that was not considered at all in the bill under consideration. New machinery is brought into life and authorized to operate in connection with the use of properties owned by a separate and distinct agency of the Government.

The Chair, therefore, is of the opinion that this amendment is not germane to the provisions of the bill under consideration.

The point of order is sustained.

Mr. FADDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 11, line 25, after the word "Territory", strike out the period, insert a semicolon and the following:

"*Provided hereafter*, That appointment of persons to the Federal service for employment within the District of Columbia under the provisions of this act, whether such appointment be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

"In making separations from the Federal service or furloughs without pay to last as long as 3 months of persons employed

within the District of Columbia under the provisions of this act, the appointing power shall give preference in retention to appointees from States that have not received their share of appointments according to population: *Provided, however,* That soldiers, sailors, and marines, the widows of such, or the wives of injured soldiers, sailors, and marines who themselves are not qualified but whose wives are qualified to hold a position in the Government service, shall be given preference in retention in their several grades and classes where their ratings are good or better."

Mr. JONES. Mr. Chairman, I regret exceedingly to make a point of order against the amendment offered by my friend, with much of which I am in sympathy, but I think it ought to go to another committee.

Mr. Chairman, I make the point of order that the amendment is not germane to the paragraph or to the bill. The second paragraph of the amendment treats with making separations from the Federal service through furloughs and otherwise, it deals with employment in the District of Columbia, and so forth.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FADDIS. Mr. Chairman, I believe this amendment is germane to the bill. The portion of the amendment referred to by the gentleman from Texas as treating with separations refers to separations from the Federal service of those coming under the provisions of this bill.

The CHAIRMAN. The Chair is ready to rule.

The bill under consideration seeks to vest in the Secretary of Agriculture, by the language beginning in line 3, on page 11, authority to employ certain persons in connection with the operation of the business, the duties and responsibilities of making acquisitions of land, and making those lands available to the classes of persons embraced in the bill.

The amendment under consideration is nothing more nor less than a mere limitation on the authority granted by the bill.

The Chair therefore rules that the amendment is germane to the bill.

The point of order is overruled.

The gentleman from Pennsylvania is recognized for 3 minutes.

Mr. FADDIS. Mr. Chairman, I merely wish to state to the members of the committee that this is an amendment which provides that appointments in the District of Columbia shall be apportioned among the several States according to population. The amendment is fair in all respects and should not be controversial at all. I hope it is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 15, line 10, strike out "an undivided three-quarters" and insert in lieu thereof "nine-tenths."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment has been acted upon.

Mr. MARTIN of Colorado. Will the gentleman withhold his point of order for a half a minute?

Mr. JONES. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MARTIN of Colorado. Mr. Chairman, the Federal Government, as the gentleman from Texas well knows, reserves all mineral rights and has reserved all mineral rights on the public domain for more than 30 years, so that an entryman gets nothing by his patent but surface rights. I do not see any reason on earth why a tenant farmer, for whom the Government buys land, should be given one-half, as the bill originally proposed, or one-quarter of the mineral rights, as amended, and I offer the amendment if for no other purpose than to prevent this point passing unnoticed and to preserve the matter in the record for possible consideration in the other body. The absolute owner of the mineral rights gets only a one-tenth royalty and the Government should in no event surrender more than this.

Mr. JONES. Mr. Chairman, I renew my point of order that this undertakes to amend an amendment already adopted by the committee.

The CHAIRMAN. Does the gentleman from Colorado desire to be heard?

Mr. MARTIN of Colorado. Mr. Chairman, I regret very much I did not have the opportunity to offer the amendment when the matter was up for consideration before, because it ought to be in the law.

The CHAIRMAN. The point of order is sustained.

Mr. DIMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 17, line 14, after the period, insert: "In the case of Alaska and Puerto Rico ,the term 'county', as used in this act, shall be synonymous to 'Territory' or any subdivision thereof as may be designated by the Secretary, and payment under section 33 of this act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision."

Mr. JONES. Mr. Chairman, the gentleman from Alaska has explained this amendment to several members of the Committee on Agriculture. We think it is a desirable amendment and have no objection.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. DIMOND].

The amendment was agreed to.

Mr. IGLESIAS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. IGLESIAS: On page 17, line 14, after the word "Hawaii", insert "and to Puerto Rico."

Mr. JONES. Mr. Chairman, that amendment is all right and fits in with the other amendment.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Puerto Rico.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I promised the chairman of the steering committee, the gentleman from Oklahoma [Mr. JOHNSON], some time in general debate, but through oversight I neglected to reserve sufficient time for him. He has been very helpful in this matter, and I ask unanimous consent that the gentleman may proceed for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

HELP FOR LANDLESS FARMERS

Mr. JOHNSON of Oklahoma. Mr. Chairman, I deeply appreciate the request of the chairman of the Agricultural Committee that I be permitted to close this debate on the farm-tenant bill. I have not had the opportunity of hearing all of the discussion this afternoon, but I did hear some of it. Two of my committees have been in session most of the afternoon. However, I did hear the discussion on the pending measure yesterday. I heard some of the distinguished Members of this body make speeches against adoption of the rule to bring up the bill and then admit they were going to vote for it. I heard my distinguished friend, the gentleman from New York [Mr. FISH], make a very convincing speech against this measure, then he closed that address by stating he was going to support the bill.

The distinguished chairman of the Committee on Agriculture, my good friend from Texas [Mr. JONES], gave us a very interesting and detailed explanation of the provisions of the Farm Security Act of 1937 on yesterday, and I shall not take up the time of the House in going back over the ground that he covered so ably.

It is my feeling that in the years to come this legislation, regardless of what may be the final provisions of the law when finally enacted, will be remembered as the most important accomplishment of this session of Congress. We are making history here today. When this legislation is finally enacted the 3,000,000 landless farmers of America will have a new hope.

STEERING COMMITTEE ENDORSED BILL

The last time I addressed this House, on June 15, I gave a brief report of a very interesting meeting that the Democratic steering committee had just held. At that meeting we had the gentleman from Texas [Mr. JONES] and Senator JOHN H. BANKHEAD, author of the Bankhead farm-tenant bill. At that time it was my happy privilege to report to you that the committee found the gentleman from Texas and the Senator from Alabama anxious and willing to cooperate in getting farm-tenant legislation enacted at this session. I was also able to report to you that the steering committee had pledged its active and enthusiastic support to this legislation of such vital importance to nearly half of our farm population.

Permit me to congratulate the gentleman from Texas upon the courageous fight he has made for this legislation, and also to thank the Rules Committee for making it possible to bring the Farm Security Act up at this time.

BILL NOT ENTIRELY SATISFACTORY

This bill is by no means satisfactory to me. I am sure it is not altogether satisfactory to the chairman of the committee, to the Speaker, or others who are fighting for it. As our distinguished and beloved Speaker stated yesterday, it is freely admitted that this bill does not go very far. We are not going to accomplish much by appropriating $10,000,000 the first year, $25,000,000 the second year, and $50,000,000 the third year, as proposed in this bill. But it is an opening wedge—it is a start—and if properly administered this bill will convince us of the necessity of going ahead with a real, effective, and serious attack upon the farm-tenancy problem.

I was especially interested in what the Speaker told us about the early efforts of his distinguished father to get Federal aid for highways; how the idea was considered a dream, unconstitutional, and impossible, but how an experimental appropriation of $75,000 was finally made. I am pleased, also, that he reminded us that rural free mail delivery started as an experiment on a very short route.

Like the Speaker, I would prefer to have at least $50,000,000 appropriated now to start this farm-security program; but if that is impossible, I am willing to take what we can get and continue to fight for an adequate program. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the distinguished chairman with pleasure.

Mr. JONES. I want to express my appreciation for the gentleman's fine, unselfish work in connection with this measure, and I wish to say the gentleman has done exceptionally good work as chairman of the Democratic steering committee.

PROBLEM LONG NEGLECTED

Mr. JOHNSON of Oklahoma. I thank the gentleman. May I say that Congress needs more men of the caliber, vision, and courage of the gentleman from Texas.

Congress has not realized the seriousness of this problem nor considered where it is leading us, or something would have been done about it a long time ago, I am convinced.

Tenant farming is taking an alarming and costly yearly toll in human and natural resources. The 1935 farm census revealed that 52 percent of the farmers in the United States rent all or part of the land they farm. There were 2,865,000 tenant farmers in 1935. In the spring of 1935, 34.2 percent of the farmers had occupied their farms less than 1 year. This annual and continuous moving of farm families from farm to farm each year has a disintegrating influence upon rural social institutions—schools, churches, lodges, cooperatives, and various farmers' organizations.

A study published by the Oklahoma A. & M. College indicated that at least "half of this moving is of no economic or social benefit to the moving farmer, the owner of the land, or to the State." The report also states:

Children of the less-frequent movers averaged around one-fifth more educational progress per school-age year than did the children of more frequent movers.

SOIL RESOURCES THREATENED

This constant shifting from farm to farm is not only hampering the development of good rural schools and churches but it is destroying our soil. Tenant farmers are not in a position to maintain the soil and prevent erosion. Many times inestimable loss occurs from negligent farming. But how can this be prevented when the tenant has little or no permanent interest in his farm? Once a ton of soil is washed down into the sea, it is gone forever, and there is nothing this or any future Congress can do to get it back.

I want to warn Members from the industrial centers that they have a vital interest in this problem of farm tenantry and soil erosion also. If the day ever comes when the soil resources of this great land of ours are so depleted that we cannot produce enough to feed the Nation we shall all suffer, if not from scarcity, at least from a sharp increase in the cost of living.

I ask you to consider the alarming increase in the number of farm tenants in this country since the turn of the century. If you do this, I am sure that this bill will pass by an overwhelming majority.

FIGURES ARE ALARMING

The figures are alarming. The proportion of tenant farmers in Oklahoma, a new State, increased from less than 1 percent in 1890 to over 60 percent in 1935. At present some 130,000 tenants in Oklahoma operate almost 17,000,000 acres of land. Sixty-five percent of the farmers in the Sixth Congressional District of Oklahoma are tenants.

The following table indicates the importance of tenancy in the Sixth Congressional District in Oklahoma, which district I have the honor to represent in Congress. It shows the number of owners and tenants and the percentage of farm tenancy by counties for 1935.

Number and percent of tenants in the Sixth Congressional District of Oklahoma

County	All	Owners	Tenants	Percentage of tenancy
Blaine	2,709	1,210	1,492	55.1
Caddo	5,579	2,031	3,520	63.1
Canadian	2,704	1,297	1,392	51.5
Comanche	2,826	1,060	1,743	61.7
Cotton	2,052	693	1.357	66.1
Grady	4,812	1,736	3,061	63.6
Jefferson	1,994	591	1,395	70.0
Kingfisher	2,623	1,282	1,334	50.8
Stephens	3,023	912	2,102	69.5
Total	28,322	10,812	17,396	65.0

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that, the Committee having had under consideration the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, pursuant to House Resolution 261, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BOILEAU. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOILEAU. I cannot qualify in that respect, Mr. Speaker.

The SPEAKER. The Chair cannot recognize the gentleman to offer a motion to recommit.

Mr. MARTIN of Massachusetts. Mr. Speaker, I qualify, and offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARTIN of Massachusetts. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies, and the Clerk will report the motion to recommit.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. In the event a member of the minority or any other Member of the House desires to offer a motion to recommit and seeks recognition, in the absence of any statement that he is opposed to the bill, is not the Member who seeks recognition entitled to recognition for that purpose?

The SPEAKER. The rule is that a member of the minority is entitled to recognition to offer a motion to recommit. In order that the member of the minority may qualify, upon inquiry by the Chair he must state that he is opposed to the bill. The Chair inquired of the gentleman if he was opposed to the bill and the gentleman stated he could not qualify in that respect. The gentleman from Massachusetts [Mr. MARTIN] was on his feet seeking recognition as a member of the minority.

Mr. BOILEAU. I submit the gentleman from Massachusetts was not on his feet, Mr. Speaker. The gentleman from Massachusetts was preparing to offer a motion to recommit in the event I was not granted recognition.

The SPEAKER. The Chair will again qualify members of the minority who desire to offer a motion to recommit.

Is there any member of the minority who desires to offer a motion to recommit?

Mr. BOILEAU. Mr. Speaker, I desire to submit a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr BOILEAU. I cannot qualify in that respect, Mr. Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARTIN of Massachusetts. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit offered by the gentleman from Massachusetts.

The Clerk read as follows:

Mr. MARTIN of Massachusetts moves to recommit the bill to the Committee on Agriculture with instructions to report the same forthwith with the following amendment: Page 11, line 5, strike out the following: "(without regard to the civil-service laws and regulations) and fix the compensation of."

Mr. MAPES rose.

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. MAPES. Mr. Speaker, I should like to pursue a little further the parliamentary inquiry of the gentleman from Wisconsin [Mr. BOILEAU], inasmuch as the question has been raised.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MAPES. The gentleman from Wisconsin's inquiry had to do with a situation where no one asked for recognition who was opposed to the legislation. Would the gentleman from Wisconsin not have been entitled to make the motion to recommit if no one opposed to the bill had asked for recognition to make the motion?

The SPEAKER. The Chair thinks, in view of the present status, the gentleman's inquiry is a hypothetical one. The Chair undertook under the rules to qualify Members who were entitled under the rules to make a motion to recommit.

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. MAPES. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Inasmuch as this question has been raised, it seems to me that now is a good time to have the rule clarified. My own thought is that if no one else asks recognition, a person should be recognized to make a motion to recommit, although he does not qualify as being opposed to the entire legislation. I know the impression has got around the House that this cannot be done. I think this is a wrong impression. I think now is a good time, inasmuch as the question has been raised, when the Speaker might well clarify the atmosphere in that respect.

The SPEAKER. The gentleman will kindly state his point of order.

Mr. MAPES. I have stated a parliamentary inquiry.

The SPEAKER. The Chair has answered the gentleman's parliamentary inquiry.

Mr. MAPES. If the Chair will permit, I do not think it has been answered definitely.

The SPEAKER. The gentleman will kindly restate his parliamentary inquiry.

Mr. MAPES. Following up the inquiry of the gentleman from Wisconsin with respect to the situation where no one cared to ask for recognition who was prepared to say he was opposed to the bill, my inquiry is, Was not the gentleman from Wisconsin entitled to recognition to make a motion to recommit?

The SPEAKER. The Chair has undertaken clearly to state the rule with reference to qualification for offering a motion to recommit. The Chair is of the opinion the record made in this matter clearly states the proper position with reference to this parliamentary situation.

The Chair asked the gentleman from Wisconsin, who first arose and desired to offer a motion to recommit, if he was opposed to the bill. The gentleman stated he could not qualify in that he was not opposed to the bill. The Chair then inquired if there was any Member of the minority who desired to make a motion to recommit who was opposed to the bill. Thereupon the gentleman from Massachusetts [Mr. MARTIN] qualified and the Chair recognized the gentleman from Massachusetts, under the circumstances, for the purpose of submitting a motion to recommit.

The gentleman from Texas moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts and Mr. TOBEY), there were—ayes 62, noes 165.

Mr. BOILEAU. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 102, nays 231, not voting 99, as follows:

[Roll No. 98]

YEAS—102

Allen, Pa.	Eaton	Ludlow	Seger
Amlie	Eicher	Mapes	Shafer, Mich.
Andresen, Minn.	Engel	Martin, Mass.	Short
Arends	Englebright	Maverick	Smith, Conn.
Bacon	Ferguson	Michener	Smith, Maine
Bates	Fish	Millard	Smith, Wash.
Bigelow	Gearhart	Mott	Stefan
Boileau	Gehrmann	Oliver	Taber
Brewster	Guyer	Patterson	Teigan
Burdick	Gwynne	Pettengill	Thomas, N. J.
Carlson	Hancock, N. Y.	Plumley	Thomas, Tex.
Carter	Harter	Polk	Thurston
Case, S. Dak.	Higgins	Powers	Tinkham
Church	Hill, Wash.	Ramspeck	Tobey
Cochran	Holmes	Randolph	Towey
Coffee, Wash.	Hope	Reed, Ill.	Voorhis
Crawford	Hull	Reed, N. Y.	Wadsworth
Crosser	Jenkins, Ohio	Rees, Kans.	Welch
Culkin	Jenks, N. H.	Reilly	Wigglesworth
Dingell	Johnson, Minn.	Robinson, Utah	Withrow
Disney	Kenney	Robsion, Ky.	Wolcott
Ditter	Kinzer	Rogers, Mass.	Wolfenden
Dondero	Lambertson	Rutherford	Wolverton
Douglas	Lambeth	Ryan	Woodruff
Dowell	Lemke	Sauthoff	
Dunn	Lord	Schneider, Wis.	

NAYS—231

Aleshire	Doxey	Kee	Parsons
Allen, Del.	Drew, Pa.	Keller	Patman
Allen, La.	Driver	Kelly, Ill.	Patrick
Arnold	Duncan	Kelly, N. Y.	Pearson
Ashbrook	Eberharter	Kennedy, Md.	Peterson, Fla.
Atkinson	Eckert	Kennedy, N. Y.	Peterson, Ga.
Barden	Edmiston	Keogh	Pfeifer
Barry	Elliott	Kirwan	Phillips
Bell	Evans	Kitchens	Pierce
Biermann	Faddis	Kleberg	Poage
Binderup	Farley	Kniffin	Rabaut
Bland	Fitzgerald	Kocialkowski	Ramsay
Bloom	Fitzpatrick	Kramer	Rankin
Boland, Pa.	Flannagan	Lamneck	Rayburn
Boren	Flannery	Lanham	Richards
Boyer	Fleger	Lanzetta	Rigney
Boykin	Forand	Larrabee	Robertson
Boylan, N. Y.	Ford, Calif.	Leavy	Rogers, Okla.
Bradley	Ford, Miss.	Lewis, Colo.	Sanders
Brown	Frey, Pa.	Lucas	Schaefer, Ill.
Bulwinkle	Fries, Ill.	Luckey, Nebr.	Schulte
Burch	Fuller	Luecke, Mich.	Secrest
Caldwell	Garrett	McClellan	Shanley
Cannon, Mo.	Gasque	McFarlane	Shannon
Cartwright	Gavagan	McGehee	Sirovich
Celler	Gildea	McKeough	Smith, Va.
Champion	Gingery	McLaughlin	Snyder, Pa.
Chandler	Goldsborough	McMillan	South
Chapman	Gray, Ind.	McSweeney	Sparkman
Citron	Gray, Pa.	Magnuson	Spence
Clark, Idaho	Greenwood	Mahon, S. C.	Stack
Clark, N. C.	Greever	Mahon, Tex.	Starnes
Claypool	Gregory	Maloney	Sumners, Tex.
Coffee, Nebr.	Griffith	Martin, Colo.	Sutphin
Colden	Haines	Massingale	Swope
Cole, Md.	Hancock, N. C.	May	Tarver
Collins	Harlan	Mead	Taylor, S. C.
Colmer	Harrington	Meeks	Terry
Cooley	Hart	Merritt	Thom
Cooper	Havenner	Miller	Thomason, Tex.
Costello	Healey	Mitchell, Tenn.	Thompson, Ill.
Cox	Hendricks	Moser, Pa.	Tolan
Cravens	Hennings	Mosier, Ohio	Transue
Creal	Hill, Ala.	Murdock, Ariz.	Turner
Crosby	Hill, Okla.	Nelson	Umstead
Crowe	Hobbs	Nichols	Vincent, B. M.
Cullen	Honeyman	Norton	Vinson, Fred M.
Curley	Hook	O'Brien, Ill.	Walter
Deen	Houston	O'Brien, Mich.	Warren
Delaney	Imhoff	O'Connell, Mont.	Wearin
Dempsey	Izac	O'Connell, R. I.	Weaver
DeMuth	Jacobsen	O'Connor, Mont.	West
DeRouen	Jarman	O'Day	Whelchel
Dickstein	Jenckes, Ind.	O'Leary	Whittington
Dies	Johnson, Lyndon	O'Neill, N. J.	Wilcox
Dixon	Johnson, Okla.	O'Toole	Zimmerman
Dorsey	Johnson, W. Va.	Owen	The Speaker
Doughton	Jones	Pace	

NOT VOTING—99

Allen, Ill.	Fletcher	McAndrews	Sacks
Anderson, Mo.	Fulmer	McCormack	Sadowski
Andrews	Gambrill	McGranery	Schuetz
Beam	Gifford	McGrath	Scott
Beiter	Gilchrist	McGroarty	Scrugham
Bernard	Green	McLean	Sheppard
Boehne	Griswold	McReynolds	Simpson
Brooks	Halleck	Maas	Smith, W. Va.
Buck	Hamilton	Mansfield	Snell
Buckler, Minn.	Hartley	Mason	Somers, N. Y.
Buckley, N. Y.	Hildebrandt	Mills	Steagall
Byrne	Hoffman	Mitchell, Ill.	Sullivan
Cannon, Wis.	Hunter	Mouton	Sweeney
Casey, Mass.	Jarrett	Murdock, Utah	Taylor, Colo.
Clason	Johnson, Luther A.	O'Connor, N. Y.	Taylor, Tenn.
Cluett	Kerr	O'Malley	Treadway
Cole, N. Y.	Kloeb	O'Neal, Ky.	Vinson, Ga.
Crowther	Knutson	Palmisano	Wallgren
Cummings	Kopplemann	Patton	Wene
Daly	Kvale	Peyser	White, Idaho
Dirksen	Lea	Quinn	White, Ohio
Dockweiler	Lesinski	Reece, Tenn.	Williams
Drewry, Va.	Lewis, Md.	Rich	Wood
Ellenbogen	Long	Romjue	Woodrum
Fernandez	Luce	Sabath	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BANKHEAD, and he voted "no."

Mr. REILLY, Mr. BIGELOW, and Mr. DINGELL changed their votes from "no" to "aye."

Mr. O'CONNELL of Rhode Island, Mr. BRADLEY, and Mr. ARNOLD changed their votes from "aye" to "no."

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Snell (for) with Mr. Drewry (against).
Mr. Luce (for) with Mr. Beam (against).
Mr. Treadway (for) with Mr. Sullivan (against).
Mr. Maas (for) with Mr. Vinson of Georgia (against).
Mr. Knutson (for) with Mr. Wene (against).
Mr. Hartley (for) with Mr. Mouton (against).
Mr. Dirksen (for) with Mr. White of Idaho (against).
Mr. Crowther (for) with Mr. Patton (against).
Mr. Gifford (for) with Mr. Somers of New York (against).
Mr. McLean (for) with Mr. Murdock of Utah (against).
Mr. Mason (for) with Mr. Hunter (against).
Mr. Cole of New York (for) with Mr. McAndrews (against).
Mr. Andrews (for) with Mr. Schuetz (against).
Mr. Rich (for) with Mr. Steagall (against).
Mr. Halleck (for) with Mr. Fulmer (against).
Mr. Reece (for) with Mr. Byrne (against).
Mr. White of Ohio (for) with Mr. Bulkley (against).
Mr. Simpson (for) with Mr. McReynolds (against).
Mr. Taylor of Tennessee (for) with Mr. Sabath (against).
Mr. Kvale (for) with Mr. Sheppard (against).
Mr. Cluett (for) with Mr. Fernandez (against).
Mr. Buckler of Minnesota (for) with Mr. Mansfield (against).
Mr. Bernard (for) with Luther A. Johnson (against).
Mr. Hoffman (for) with Mr. Beiter (against).
Mr. Jarrett (for) with Mr. Mitchell of Illinois (against).
Mr. Clason (for) with Mr. Mills (against).

Until further notice:

Mr. O'Connor of New York with Mr. Gilchrist.
Mr. Taylor of Colorado with Mr. Hildebrandt.
Mr. Boehne with Mr. Allen of Illinois.
Mr. McCormack with Mr. Wallgren.
Mr. Brooks with Mr. McGrath.
Mr. McGroarty with Mr. Williams.
Mr. O'Malley with Mr. Lewis of Maryland.
Mr. Buck with Mr. Long.
Mr. O'Neal of Kentucky with Mr. Fletcher.
Mr. Green with Mr. Pettengill.
Mr. Hamilton with Mr. Sweeney.
Mr. Wood with Mr. McGranery.
Mr. Anderson of Missouri with Mr. Mills.
Mr. Gambrill with Mr. Quinn.
Mr. Palmisano with Mr. Scrugham.
Mr. Lesinski with Mr. Casey of Massachusetts.
Mr. Romjou with Mr. Kloeb.
Mr. Scott with Mr. Smith of West Virginia.
Mr. Kerr with Mr. Dockweiler.
Mr. Cummings with Mr. Ellenbogen.
Mr. Sadowski with Mr. Lea.
Mr. Daly with Mr. Cannon of Wisconsin.
Mr. Sacks with Mr. Peyser.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 275, noes 14.

Mr. PARSONS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 308, nays 25, not voting 99, as follows:

[Roll No. 99]

YEAS—308

Aleshire	Church	Duncan	Haines
Allen, Del.	Citron	Eaton	Hamilton
Allen, Ill.	Clark, Idaho	Eberharter	Hancock, N. C.
Allen, La.	Clark, N. C.	Eckert	Harlan
Allen, Pa.	Claypool	Edmiston	Harrington
Amlie	Cochran	Eicher	Hart
Andresen, Minn.	Coffee, Nebr.	Elliott	Harter
Arends	Coffee, Wash.	Engel	Havenner
Arnold	Colden	Englebright	Healey
Ashbrook	Cole, Md.	Evans	Hendricks
Atkinson	Collins	Faddis	Hennings
Barden	Colmer	Farley	Hildebrandt
Barry	Cooley	Ferguson	Hill, Ala.
Beam	Cooper	Fish	Hill, Okla.
Bell	Costello	Fitzgerald	Hill, Wash.
Biermann	Cox	Fitzpatrick	Hobbs
Bigelow	Cravens	Flannagan	Honeyman
Binderup	Crawford	Flannery	Hook
Bland	Creal	Fleger	Hope
Bloom	Crosby	Forand	Houston
Boileau	Crosser	Ford, Calif.	Hull
Boland, Pa.	Crowe	Ford, Miss.	Imhoff
Boren	Culkin	Frey, Pa.	Izac
Boyer	Cullen	Fries, Ill.	Jacobsen
Boykin	Curley	Fuller	Jenckes, Ind.
Boylan, N. Y.	Deen	Garrett	Jenkins, Ohio
Bradley	Delaney	Gasque	Jenks, N. H.
Brewster	Dempsey	Gavagan	Johnson, Lyndon
Brown	DeMuth	Gearhart	Johnson, Minn.
Bulwinkle	DeRouen	Gehrmann	Johnson, Okla.
Burch	Dickstein	Gildea	Johnson, W. Va.
Burdick	Dies	Gingery	Jones
Byrne	Dingell	Goldsborough	Kee
Caldwell	Dondero	Gray, Ind.	Keller
Cannon, Mo.	Dorsey	Gray, Pa.	Kelly, Ill.
Carter	Doughton	Greenwood	Kennedy, Md.
Cartwright	Douglas	Greever	Kennedy, N. Y.
Celler	Dowell	Gregory	Keogh
Champion	Doxey	Griffith	Kinzer
Chandler	Drew, Pa.	Guyer	Kirwan
Chapman	Driver	Gwynne	Kitchens

Kniffin	Mitchell, Tenn.	Rabaut	Sumners, Tex.
Kocialkowski	Moser, Pa.	Ramsay	Sutphin
Kramer	Mosier, Ohio	Ramspeck	Swope
Lambertson	Mott	Randolph	Tarver
Lambeth	Murdock, Ariz.	Rankin	Taylor, S. C.
Lanham	Nelson	Rayburn	Teigan
Lanzetta	Nichols	Reed, Ill.	Terry
Larrabee	Norton	Rees, Kans.	Thom
Leavy	O'Brien, Ill.	Reilly	Thomas, Tex.
Lemke	O'Brien, Mich.	Richards	Thomason, Tex.
Lewis, Colo.	O'Connell, Mont.	Robertson	Thompson, Ill.
Lord	O'Connell, R. I.	Robinson, Utah	Thurston
Lucas	O'Connor, Mont.	Robsion, Ky.	Tobey
Luckey, Nebr.	O'Day	Rogers, Okla.	Tolan
Ludlow	O'Leary	Rutherford	Transue
Luecke, Mich.	O'Neal, Ky.	Ryan	Turner
McClellan	O'Neill, N. J.	Sanders	Umstead
McFarlane	O'Toole	Sauthoff	Vincent, B. M.
McGehee	Oliver	Schaefer, Ill.	Vinson, Fred M.
McKeough	Owen	Schneider, Wis.	Voorhis
McLaughlin	Pace	Schulte	Wadsworth
McSweeney	Parsons	Secrest	Wallgren
Maas	Patman	Shafer, Mich.	Walter
Magnuson	Patrick	Shanley	Warren
Mahon, S. C.	Patterson	Shannon	Wearin
Mahon, Tex.	Patton	Short	Weaver
Maloney	Pearson	Sirovich	Welch
Mapes	Peterson, Fla.	Smith, Conn.	West
Martin, Colo.	Pettengill	Smith, Va.	Whelchel
Massingale	Pfeifer	Smith, Wash.	Whittington
Maverick	Phillips	Snyder, Pa.	Wilcox
May	Pierce	South	Withrow
Mead	Plumley	Sparkman	Wolverton
Meeks	Poage	Spence	Woodruff
Merritt	Polk	Starnes	Zimmerman
Miller	Powers	Stefan	The Speaker

NAYS—25

Bacon	Kleberg	Rogers, Mass.	White, Ohio
Bates	Lamneck	Seger	Wigglesworth
Crowther	McMillan	Simpson	Wolcott
Ditter	Martin, Mass.	Taber	Wolfenden
Hancock, N. Y.	Michener	Thomas, N. J.	
Higgins	Millard	Tinkham	
Kenney	Peterson, Ga.	Towey	

NOT VOTING—99

Anderson, Mo.	Fernandez	Long	Sabath
Andrews	Fletcher	Luce	Sacks
Beiter	Fulmer	McAndrews	Sadowski
Bernard	Gambrill	McCormack	Schuetz
Boehne	Gifford	McGranery	Scott
Brooks	Gilchrist	McGrath	Scrugham
Buck	Green	McGroarty	Sheppard
Buckler, Minn.	Griswold	McLean	Smith, Maine
Buckley, N. Y.	Halleck	McReynolds	Smith, W. Va.
Cannon, Wis.	Hartley	Mansfield	Snell
Carlson	Hoffman	Mason	Somers, N. Y.
Case, S. Dak.	Holmes	Mills	Stack
Casey, Mass.	Hunter	Mitchell, Ill.	Steagall
Clason	Jarman	Mouton	Sullivan
Cluett	Jarrett	Murdock, Utah	Sweeney
Cole, N. Y.	Johnson, Luther A.	O'Connor, N. Y.	Taylor, Colo.
Cummings	Kelly, N. Y.	O'Malley	Taylor, Tenn.
Daly	Kerr	Palmisano	Treadway
Dirksen	Kloeb	Peyser	Vinson, Ga.
Disney	Knutson	Quinn	Wene
Dixon	Kopplemann	Reece, Tenn.	White, Idaho
Dockweiler	Kvale	Reed, N. Y.	Williams
Drewry, Va.	Lea	Rich	Wood
Dunn	Lesinski	Rigney	Woodrum
Ellenbogen	Lewis, Md.	Romjue	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BANKHEAD, and he voted "aye."

So the bill was passed.

The Clerk announced the following additional pairs:

General pairs:

Mr. Drewry of Virginia with Mr. Snell.
Mr. Sullivan with Mr. Treadway.
Mr. Wene with Mr. Knutson.
Mr. Mouton with Mr. Hartley.
Mr. White of Idaho with Mr. Dirksen.
Mr. Somers of New York with Mr. Gifford.
Mr. Murdock of Utah with Mr. McLean.
Mr. Hunter with Mr. Mason.
Mr. McAndrews with Mr. Cole of New York.
Mr. Schuetz with Mr. Andrews.
Mr. Steagall with Mr. Rich.
Mr. Fulmer with Mr. Halleck.
Mr. Sabath with Mr. Taylor of Tennesee.
Mr. Sheppard with Mr. Kvale.
Mr. Fernandez with Mr. Cluett.
Mr. Mansfield with Mr. Buckler of Minnesota.
Mr. Luther A. Johnson with Mr. Bernard.
Mr. Beiter with Mr. Hoffman.
Mr. Mitchell of Illinois with Mr. Jarrett.
Mr. O'Connor of New York with Mr. Gilchrist.
Mr. Disney with Mr. Clason.
Mr. Kelly of New York with Mr. Luce.
Mr. Dixon with Mr. Reece of Tennessee.
Mr. Stack with Mr. Carlson.
Mr. Rigney with Mr. Holmes.
Mr. Jarman with Mr. Smith of Maine.
Mr. Romjue with Mr. Reed of New York.
Mr. Griswold with Mr. Case of South Dakota.
Mr. Kerr with Mr. Williams.
Mr. Buck with Mr. Fletcher.
Mr. Vinson of Georgia with Mr. Quinn.
Mr. Kloeb with Mr. Sweeney.
Mr. Wood with Mr. Casey of Massachusetts.
Mr. Taylor of Colorado with Mr. Lea.
Mr. Scrugham with Mr. Green.
Mr. Palmisano with Mr. Lesinski.
Mr. Ellenbogen with Mr. Anderson of Missouri.
Mr. Sacks with Mr. Lewis of Maryland.
Mr. Gambrill with Mr. Dockweiler.
Mr. O'Malley with Mr. Sadowski.
Mr. Daly with Mr. Scott.
Mr. Cummings with Mr. Smith of West Virginia.
Mr. McReynolds with Mr. Brooks.
Mr. McCormack with Mr. Long.
Mr. Boehne with Mr. Dunn.
Mr. McGrath with Mr. Buckley of New York.
Mr. Cannon of Wisconsin with Mr. McGranery.
Mr. Mills with Mr. McGroarty.

Mr. DISNEY. Mr. Speaker, I desire to be recorded as voting "yea", if possible.

The SPEAKER pro tempore (Mr. WARREN). Does the gentleman qualify? Was he present when his name was called?

Mr. DISNEY. I was not here.

The SPEAKER pro tempore. The gentleman does not qualify.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. DORSEY. Mr. Speaker, on Wednesday, July 7, after the reading of the Journal and the disposition of matters on the Speaker's table, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 6958) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, 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. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. NYE, and Mr. STEIWER, to be conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6763. An act to extend for 1 additional year the 3½-percent interest rate on certain Federal land-bank loans, to provide a 4-percent interest rate on such loans for the period July 1, 1938, to June 30, 1939, and to provide for a 4-percent interest rate on land-bank commissioner's loans for a period of 2 years.

APPROPRIATION FOR MILITARY ESTABLISHMENT, 1938—CONFERENCE REPORT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I present a conference report and statement upon the bill (H. R. 6692) making appropriations for the Military Establishment, for printing under the rule.

PERSONAL EXPLANATION

Mr. RANDOLPH. Mr. Speaker, on roll call 87, I was not present. Had I been on the floor, I would have voted "yea."

EXTENSION OF REMARKS

Mr. DEMUTH. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, I make the same request and ask to include therein an article written by Anthony Turano.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EICHER. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed and include a short tabulation showing the percentages of farm tenancy in the counties in my district.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the special order of the House the gentleman from Nebraska [Mr. LUCKEY] is recognized for 20 minutes.

Mr. LUCKEY of Nebraska. Mr. Speaker and colleagues, I want to address my remarks to this House in the interests of the American wheat grower. The general public and especially the city dweller is laboring under the misapprehension that the farmer is making stacks of money. They reason that, since food prices are high to the consumer, the farmer must be making huge profits.

That is not the case. The wheat growers of the United States are confronted today with a very serious situation. Within the last 60 days the wheat market has fluctuated about 30 cents per bushel entailing a loss to the farmers of more than $216,000,000. This will not redound to the benefit of the consumer. The processor will base his price of flour, bread, or breakfast cereals on the peak price of wheat, and the consumer will not benefit one penny by the loss the farmer is sustaining.

In view of the world wheat situation this huge drop in the wheat market is uncalled for and apparently is solely due to speculative influences. We have today the smallest wheat stocks in the history of this country. The present world crop prospects do not indicate that a huge surplus or carry-over is in sight. For the first time in many years domestic wheat prices are nearing world prices. Under these conditions we should be able to export our surpluses of the present crop.

This should be possible, especially in view of the fact that export subsidies for wheat have been practically eliminated in foreign countries. Poland, one of the normal wheat exporting countries has removed its subsidy on wheat exports and has actually placed an embargo on the export of wheat. Tariff barriers against imports of United States wheat have been removed or greatly lowered in many of our greater markets. The Irish Free State has abolished its tariff on wheat. Germany has reduced her tariff from 93 to 11 cents per bushel; Spain from $1.37 to 10 cents. Sweden and Belgium have reduced their license tax on wheat imports. Sweden from 10 to 3½ cents per bushel and Belgium from 9 cents to practically nothing. In Denmark the surtax on imported hard wheat and wheat flour has been abolished where formerly it amounted to 18 cents on a bushel of wheat and 84 cents on a barrel of flour. The Netherlands has reduced its monopoly tax on wheat from 30 to 15 cents per bushel.

The nationalistic efforts of many European countries to step up wheat production has fallen flatter than a pancake. The big push of the Russian Soviet to double their wheat production has collapsed. The efforts of the dictator countries, Germany and Italy, to force adequate domestic wheat production has increased costs of living in those countries so rapidly that they have been forced to abandon their policies.

At this point I wish to introduce a table showing the United States and world wheat production, carry-overs, and prices paid to American producers by crop years from 1922 to date.

United States and world wheat production, stocks, and price paid to producer in the United States

	Production		Stocks		Average price paid to producer in United States
	United States	World	United States (July 1)	World (July 1)	
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*	*Cents per bushel*
1922–23	847	3,203	107	588	98.0
1923–24	759	3,519	132	576	92.4
1924–25	842	3,127	137	719	126.6
1925–26	669	3,380	108	566	146.2

United States and world wheat production, stocks, and price paid to producer in the United States—Continued

	Production		Stocks		Average price paid to producer in United States
	United States	World	United States (July 1)	World (July 1)	
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*	*Cents per bushel*
1926–27	832	3,494	100	655	121.7
1927–28	875	3,673	110	687	119.0
1928–29	914	3,996	112	753	99.8
1929–30	823	3,584	228	1,027	103.4
1930–31	886	3,847	289	943	67.0
1931–32	937	3,860	313	1,055	39.0
1932–33	757	3,863	375	1,041	38.0
1933–34	552	3,837	378	1,142	74.1
1934–35	526	3,527	274	1,167	84.7
1935–36	626	3,571	148	922	83.8
1936–37 [1]	626	3,531	138	762	[2] 89.9
1937–38 [2]	825–850	3,800	90	530	

[1] Preliminary. [2] Estimate.

From those figures it is obvious that if the bumper world wheat crop of 3,800,000,000 bushels is produced this year it will not restore world supplies to the 1922–28 level. It is equally obvious that a domestic production of 825,000,000 bushels will not restore the American stocks to normalcy. The third conclusion to be drawn from those figures is the dependency of the price paid to the producer upon the world and domestic stocks on hand. Therefore it is with every reason that I say the current depression of wheat prices is not based upon supply and demand, but is obviously based upon speculative manipulation of the market.

All these factors should work to the benefit of our wheat growers. But what is the picture confronting the American wheat grower today? First, the farmer is heavily indebted and must sell his crop as soon as harvested. In the years when he did raise a fair crop he received ruinously low prices. Then he encountered a series of drought years, when he had little or nothing to sell. His overhead—taxes, interest, repairs, seed, and other fixed expenses—went on just the same. As a result he is now forced to sell his crops for whatever the speculator and processor are willing to pay him, and they are taking advantage of his predicament with a vengeance.

Within the short space of 2 months the price for wheat on the Chicago market dropped from a little over $1.30 a bushel to less than $1.06 per bushel. In cold figures, this means a loss to the wheat growers of this country of over $204,000,000. Just think what that decline means in loss of farm purchasing power. The farmers will buy fewer automobiles, less clothing, less farm equipment, less paint and repair material for his buildings, less of the things that contribute to the "more abundant life" about which we hear so much today. Yes, it will mean slowing down the production of factories and reducing the number of men employed to the extent required to manufacture the products which farmers would buy with that money. Do you know what a loss of 1 cent per bushel or a loss of 25 cents per bushel will mean to the wheat grower? I have prepared a table showing the loss in farm income suffered by each of the principal wheat-raising States.

Losses sustained by farmers in principal wheat-growing States due to decreases in the wheat market

[Losses figured upon the basis of average production, 1928–32]

State	Average production	Loss sustained in farm income by 1-cent wheat-market drop	Loss sustained in farm income by 25-cent wheat-market drop
	Bushels		
Kansas	177,431,000	$1,774,310	$44,357,750
North Dakota	102,903,000	1,029,030	25,725,750
Nebraska	56,538,000	565,380	14,134,500
Oklahoma	55,145,000	551,450	13,786,250
Montana	45,167,000	451,670	11,291,850
Washington	42,882,000	428,820	10,720,500
Texas	41,083,000	410,830	10,270,750
South Dakota	37,632,000	376,320	8,908,000
Illinois	32,532,000	325,320	7,133,000
Ohio	30,480,000	304,800	7,620,000
Idaho	27,028,000	270,280	6,757,000

Losses sustained by farmers in principal wheat-growing States due to decreases in the wheat market—Continued

State	Average production	Loss sustained in farm income by 1-cent wheat-market drop	Loss sustained in farm income by 25-cent wheat-market drop
	Bushels		
Indiana	26, 522, 000	$265, 220	$6, 630, 500
Oregon	21, 205, 000	212, 050	5, 301, 250
Minnesota	20, 946, 000	209, 460	5, 236, 500
Missouri	20, 362, 000	203, 620	5, 090, 500
Pennsylvania	17, 387, 000	173, 870	4, 346, 650
Colorado	17, 111, 000	171, 110	4, 277, 750
Michigan	15, 253, 000	155, 230	3, 880, 750
California	11, 046, 000	110, 460	2, 761, 500
Virginia	9, 220, 000	92, 200	2, 305, 000
Maryland	8, 648, 000	86, 480	2, 162, 000
Iowa	7, 445, 000	74, 450	1, 860, 750
Utah	5, 554, 000	55, 540	1, 388, 500
New York	4, 411, 000	44, 110	1, 102, 750
New Mexico	4, 148, 000	41, 480	1, 037, 000
United States total	860, 570, 000	8, 605, 700	215, 142, 500

According to the latest estimates the wheat production of this country will be between 825,000,000 and 850,000,000 bushels this year. That is just about the average production of wheat over the period from 1928 to 1932, inclusive. Upon the basis of that average production it is easy to figure the loss in farm income sustained by such a falling market. My native State, Nebraska, has sustained a loss of $14,134,500; the neighboring State of Kansas, $44,357,750; Oklahoma, a loss of $13,786,250; Texas, a loss of $10,270,750, and Ohio, a loss of $7,620,000. The loss by States is given on the chart. Just think what a loss that is for each individual State. Present indications are that the market will fall even further and every time it drops 1 cent per bushel it costs the American farmers $8,605,700. Each 1-cent drop costs the farmers of my own State $565,380. A falling market during the marketable period is truly an American tragedy. The bitter part of the whole thing is that it is unnecessary and can be avoided.

But I want to show you another phase of the picture that the general public and the consumer does not know. I refer to the cost of production and parity price of wheat. Right now the parity price of wheat is figured at $1.21 per bushel. The market price for wheat, July delivery, is at present $1.13 per bushel. That indicates that the farmer, if there is no further decline, would receive about $1.01 per bushel for his wheat. If the farmer receives $1.01 per bushel he receives 20 cents less than the parity price. Let me show you just how far we have failed to achieve cost of production and perhaps you can figure why the American farmers do not constitute the vast purchasing power that is necessary to keep factories and industrial production at peak outputs and thus keep American labor off the relief rolls. A table has been prepared which shows the 12 leading wheat States since 1930 with the cost of production and price received in each State for those years.

Wheat—Cost of production and price received by producers in 12 leading wheat States, 1930–35

	1930		1931		1932		1933		1934		1935	
	Cost of production per bushel	Price paid producer per bushel	Cost	Price	Cost	Price	Cost	Price	Cost	Price	Cost	Price
Kansas	$0. 92	$0. 56	$0. 56	$0. 33	$0. 69	$0. 33	$1. 00	$0. 71	$1. 19	$0. 84	$1. 46	$0. 89
North Dakota	. 92	. 51	2. 01	. 46	. 82	. 36	1. 18	. 70	2. 02	. 92	1. 40	. 91
Nebraska	. 92	. 53	. 64	. 34	. 75	. 36	1. 00	. 71	1. 19	. 84	1. 46	. 89
Oklahoma	1. 28	. 59	. 55	. 33	. 67	. 32	1. 00	. 61	1. 19	. 81	1. 46	. 86
Montana	1. 05	. 48	1. 51	. 50	. 65	. 34	1. 18	. 63	2. 03	. 86	1. 40	. 97
Washington	1. 05	. 56	1. 03	. 37	. 73	. 38	. 77	. 60	. 90	. 73	. 85	. 68
Texas	1. 23	. 70	. 60	. 36	. 75	. 32	1. 00	. 74	1. 19	. 78	1. 46	. 84
South Dakota	. 92	. 46	1. 58	. 43	. 58	. 34	1. 18	. 69	2. 03	. 92	1. 40	. 91
Illinois	1. 10	. 69	. 62	. 40	. 80	. 42	. 74	. 85	. 86	. 85	1. 05	. 83
Ohio	1. 00	. 76	. 65	. 45	. 72	. 47	. 76	. 88	. 88	. 89	. 93	. 77
Idaho	1. 05	. 52	1. 03	. 34	. 73	. 31	. 77	. 55	. 90	. 69	. 85	. 70
Indiana	1. 00	. 71	. 65	. 40	. 84	. 43	. 76	. 86	. 88	. 86	. 93	. 76

From that chart you will see that over a period of 5 years there were only three States—Illinois, Ohio, and Indiana—that were ever able to break even. Those three States did make cost of production in 1 year, 1933. The State of Ohio was the only State to make cost of production in 2 years during that period, and Ohio did it only in 1933 and 1934. This bare cost of production does not include anything to compensate the individual farmer for the labor he expended. On that chart you see 12 great States engaged in raising wheat, engaged in feeding the peoples of this country, and doing it at a loss. Now, after years of adversity, we have a wheat market collapsing again right at the very moment when the crop comes to the elevators. The chances of parity and cost of production, so nearly within reach of the farmer, go glimmering just when the goal is in sight.

The present decline of the wheat market is nothing new. It is the regular reenactment of that great American tragedy which forces the American farmer every year to sell his wheat on a falling market.

I have prepared a table and chart showing the monthly rise and fall of wheat prices during the calendar years of 1920 to 1935, inclusive:

Price paid to producer per bushel of wheat

Year	January	February	March	April	May	June	July	August	September	October	November	December
1920	233. 8	231. 2	230. 3	242. 6	250. 8	256. 0	242. 9	225. 4	216. 5	201. 2	165. 8	146. 4
1921	149. 2	148. 2	140. 4	122. 1	119. 0	119. 8	108. 5	103. 0	103. 4	99. 9	93. 4	93. 0
1922	95. 2	107. 0	117. 0	119. 0	118. 8	109. 6	99. 8	92. 6	89. 2	94. 1	99. 4	103. 2
1923	104. 6	104. 0	106. 0	108. 4	108. 2	100. 8	89. 6	86. 4	91. 0	94. 2	93. 7	94. 5
1924	96. 7	98. 0	98. 8	95. 8	96. 8	98. 5	105. 8	116. 8	114. 2	129. 7	133. 6	141. 4
1925	162. 1	169. 8	164. 0	140. 5	149. 1	152. 7	140. 3	150. 4	144. 4	136. 4	148. 8	153. 7
1926	158. 1	155. 8	146. 0	142. 2	142. 1	138. 9	127. 7	125. 1	117. 7	121. 4	123. 6	122. 8
1927	122. 8	122. 8	120. 9	117. 2	123. 2	130. 1	127. 3	123. 5	119. 2	113. 7	111. 4	113. 9
1928	115. 2	116. 2	121. 6	129. 2	144. 3	132. 0	118. 1	95. 2	94. 4	98. 7	97. 1	98. 2
1929	98. 5	104. 2	104. 7	99. 8	90. 1	86. 8	102. 4	110. 7	112. 1	111. 5	103. 4	108. 1
1930	107. 5	101. 3	91. 9	93. 4	87. 5	87. 9	70. 6	74. 0	70. 3	65. 6	60. 0	61. 3
1931	59. 1	58. 7	58. 3	59. 2	59. 9	51. 9	36. 3	35. 4	35. 7	36. 1	50. 5	44. 1
1932	44. 1	44. 0	44. 2	43. 1	42. 4	37. 3	35. 6	38. 5	37. 4	34. 6	32. 8	31. 6
1933	32. 9	32. 3	34. 5	44. 8	59. 0	58. 7	86. 9	74. 7	71. 1	63. 6	71. 1	67. 3
1934	69. 4	72. 0	70. 9	68. 7	69. 5	78. 9	78. 8	89. 6	92. 2	88. 5	88. 1	90. 6
1935	89. 3	87. 9	85. 5	90. 2	87. 8	77. 3	76. 4	81. 5	86. 1	96. 4	88. 8	90. 1
Average	108. 6	109. 4	108. 4	107. 9	109. 4	107. 3	102. 9	101. 4	99. 1	99. 1	97. 6	97. 5
1926–35 average	89. 7	89. 5	87. 8	88. 9	90. 6	88. 0	86. 0	84. 8	83. 6	83. 0	82. 7	82. 8

Those figures show that the highest prices paid to the producer are during the months of January to May, inclusive. By mid-June the decline is on in full force. Now, remember that wheat is a cash crop and finds its way to market from the time threshing begins until the end of the year; thus, during the months when the farmer has wheat to sell the price is low. When he no longer has wheat to sell the price skyrockets. That is a speculator's market. The consumer who buys the wheat, flour, and cereals 6 months later buys them at a cost based upon the peak of the market. Thus the farmer's cash income is slashed and the consumer's dollar buys a minimum of farm products.

There you have the picture of the farmer's predicament. It is a problem of tremendous importance, not only to the farmers but to the entire Nation. It has a far-reaching significance, both from an economic and sociological standpoint. When the income of 33,000,000 of our farm population is reduced, there is corresponding reduction in the purchasing power of the largest economic group in this country. A proper solution must be found if we are to have a balanced economy. We cannot enslave the farmer for the benefit of the speculator and the processor.

What are we going to do about it, and what are the approaches to the problem?

That question can be divided into two points: First, the course of immediate action to meet the existing situation; second, the long-range or permanent program to restore agriculture to a basis of equality with industry and labor.

There is only one possible way by which we can stabilize the price of this year's wheat crop and by which we can guarantee to the farmer at least a fair chance of securing an equitable price for his wheat. That is by the immediate inauguration of a system of wheat loans similar to those previously carried on by the Commodity Credit Corporation

and the Reconstruction Finance Corporation. These agencies, through the authority and powers vested in them and in pursuance of the provisions of the Agricultural Adjustment Act, the National Industrial Recovery Administration, the soil-conservation program, and the Domestic Allotment Act, are in a position to begin such a lending program immediately. The only thing necessary is for Congress or the President to give the necessary impulse to set the wheels in motion. Let us see that they are started and that these hundreds of millions of farm dollars are saved for the farmers and not allowed to fall into the hands of the speculators.

I have shown the market conditions for the present wheat crop. I have shown that this year we should be able to attain cost of production if we will only protect the farmers' rights. If we loan $1 or $1.10 per bushel to the farmer under terms similar to those made on the corn loans we will prevent the present harvest from becoming a glut on the market. We will establish a system of orderly marketing and we will maintain a fair-price level.

Some of you may say, "What if we make these loans and the market falls below $1.10? Won't that leave the Federal Government holding the bag?" Some may even raise the cry that this is a subsidy to the American farmer. My answers to you are simple. In the first place, due to the existing world and domestic market conditions, there is little likelihood that the price to the producer cannot be maintained at $1.10. In the second place, let me say that if the market should fall slightly below $1.10 to the producer, the ultimate good that would be attained by maintaining farm-purchasing power would far outweigh the material loss sustained. To those who raise the cry of subsidies, let me say that a subsidization of a large economic group is far better than the subsidization of a few powerful merchant princes and privileged operators of big business.

We have been and are now subsidizing everything under the sun in the way of special interest and groups. The big newspapers and publishing companies of this country are being subsidized to an extent of $75,000,000 per year through low postal rates on second-class mail. Air lines, railroads, shipbuilders, ship operators, and big businesses are being regularly subsidized. Certainly the farmer who has always been forced to pay the major portion of these subsidies should have an equal opportunity for assistance. Reciprocity is certainly nothing more than the fair and American way of doing things.

A permanent, long-range farm program is an absolute necessity. The American farmers do not want anything more than equality of opportunity with industry and labor. They have a right to such equality. For more than 2 years the legislation and policies of this administration have been concentrated upon the improvement of labor conditions and upon social security. Such legislation and policies inevitably increase the cost of industrial products, but they do not bring about an upward revision of farm prices. This legislation, worthy as it is, destroys any semblance of balance between farm and no farm income. Those of us who represent agricultural districts believe in labor legislation and in social-security legislation, but we do demand that the forgotten farmer be given equal aid and assistance.

There is no lack of proposed farm programs. Offhand I can think of five which have been submitted to this Congress. My good friends and distinguished colleagues, Mr. EICHER, of Iowa; Mr. MASSINGALE, of Oklahoma; and Mr. COFFEE, of Nebraska, have submitted measures designed to meet the existing needs. The American Farm Bureau has prepared an extensive program which has been given some study by our House Agricultural Committee. The able and distinguished Secretary of Agriculture, Mr. Henry A. Wallace, has submitted his ever-normal granary and general farm program.

At this time I do not wish to discuss the relative merits of the various proposals, nor do I wish to advocate one plan against the others. However, I do earnestly urge that the Members of this House insist that one or the other of these measures be brought out of committee and submitted to open discussion and amendment upon the floor. In that way the House of Representatives can express its views and can work out the best possible solution to the problem.

The opportunity for action is here, and we must avail ourselves of that opportunity if we are to have a balanced national economy and a free and prosperous farm population. [Applause.]

The SPEAKER. The gentleman from North Dakota [Mr. BURDICK] is recognized for 20 minutes.

PERMIT THE DISTRESSED MILLIONS TO RETURN TO A STATE OF SELF-HELP, INDEPENDENCE, AND FREEDOM

Mr. BURDICK. Mr. Speaker, there are 12,500,000 people out of employment who can work and want to work. Besides this, there are 40,000,000 people who, because of low wages or who work a few days per month, are eking out an existence by using up what savings and property they have accumulated during their lives. There are, in addition, about 8,000,000 aged and crippled people who ought not to be compelled to enter the ranks of the laboring class to supplant younger people but who are destitute. There are 20,000,000 more people who today are making ends barely meet but who are in constant fear of falling into the class with the 40,000,000 who are using up their savings to live. In all, there are 80,000,000 people either in actual distress or living on the borderline of distress. About 40,000,000 have enough or too much.

The following table may be of interest on the question of employment and wages:

Number of possible workers in Nation	48,250,000
Number now employed	35,750,000
Number unemployed	12,500,000

Average wage is less than $500 yearly, or 25 cents an hour.
Lowest wage recorded is $1 a week (for a 63-hour week).
The legal annual interest rate is as high as 42 percent.
The United States Government itself has borrowed money at 43 different rates of interest, ranging from three-fourths of 1 percent to 4 percent. (See U. S. Treasury daily reports.)

Let us see the other side of the picture. This is a great Nation. Our natural resources of soil, the forests, the mines, and the fisheries are inexhaustible. Properly managed, we are capable of supporting 500,000,000 in this country. Bread, meat, clothing, cotton, and wool, we have in abundance. We have so much of all of the staple necessities of life that this administration has put forward a program to limit our production of foodstuffs. This program is in operation in spite of the fact that we have millions without proper food, proper clothing, and proper homes.

On one side of this imaginary line we have hungry, unclothed, unhoused millions; on the other we have in abundance or the possibilities of the things they need. These millions cannot get the things they need and of which, we, as a Nation, can produce more than enough for all.

The job to bring relief to these millions is so simple that we have failed to understand what to do. We have been looking for some complicated formula; we have absolutely shut our eyes to the evidence all around us. The solution of relief is right before us, and still we either do not have any ability to perceive and interpret, or we purposely do not want to admit that we have blundered so long.

The whole solution is simply this: Permit the distressed millions on the one side of the line to obtain their share of the necessities of life we have on the other. In other words, connect the hungry, the poorly clad, the homeless, with food, clothing, and homes. Give them a chance to consume, and when that day arrives we will not have to curtail production. Let them wear shoes, and in 6 months every shoe factory will be busy instead of closed; let them have enough to eat, and in 6 months we will not have to drive our farmers to cut down production of bread and meat; let them be clad, and the cotton and wool crops will find purchasers; let them live in decent homes, and the lumber mills, the steel mills, and the tradesmen will find work, and manufacturing plants will reopen. Yes; more than that will happen; new industries will spring up and the Nation as a whole will begin to produce goods to an extent never known before.

In applying this remedy, I am presupposing, of course, that every patriotic citizen in this Republic, is willing to do

his share—yes; more than his share—to bring about this program not only of relief but of actual prosperity of the country. If that be our purpose and our aim, then no citizen should want to make profits out of a situation that has reduced two-thirds of our population to poverty, but all should be willing to forego some of their activities in the past that has been the proximate cause of the suffering in this country.

All these distressed millions need to again assume a position of self-support is credit. They must be permitted to use the millions and millions of acres of land which is now owned, but not used. They must be allowed to attach themselves to the soil and there produce the necessities of life. Not only that, but the efforts of their toil must not be taken from them in interest charges and by confiscatory taxation. Those who once owned land, with infinistesimal exceptions, would still own that land if they had never had more than they could use, and the interest sharks had all been executed. Let us try this again, profiting by our sad experience of the past.

Mr. Louis F. Post, in his book entitled "Ethics of Democracy", published in 1903, has given the best analysis of the relations between labor and land as the foundation of all prosperity that I have had occasion to examine. I quote here from that book:

> Human labor is the rock bottom of economic research. It supports all the super-incumbent layers—artificial objects, serviceability, value, trade, and money.
>
> But labor can produce nothing without natural resources. Tools it does not need. For labor, considered as a cooperative whole, makes all its own tools. They are artificial objects—wealth. But it does need raw materials and working places upon the earth. To use the inclusive economic term, it does need "land."
>
> Labor is fundamental and land is fundamental. They are the prime factors of all economic processes; labor being the initial or active force and land the responsive or passive condition. Thus labor produces wealth from land, and land yields wealth to labor.
>
> Land is the natural storehouse from which man draws all his supplies, and the one foundation upon which he rests all his structures. It includes everything except the human family, and such objects as the human family have altered in condition so as to adapt them to human desires. Not only the soil, but the water, the atmosphere, the sunlight, building sites, railway sites, mineral deposits, forests, and even the birds of the air, the fishes of the sea, and the wild animals that roam the earth, are included in this economic category.
>
> Without labor, however, land would yield no artificial thing. Labor is the other indispensable factor. As land is the passive economic condition, so labor is the initial economic force. It is labor applied to and operating upon and in conjunction with land that causes every other economic process.

Private enterprise, the champion of interest, cannot help these millions because when interest is demanded, it must be made secure, and the people, or at least these 80,000,000 people, have no security. They have lost all they had under our present interest system. They have been cast aside by private business as unworthy of any more credit. They have fallen victims of the interest system that now, in their extremity, says that they have nothing to offer to make secure not only the principal, but above all else, the interest.

I am sure we are all convinced that private business will not extend credit to these millions; I am also sure private business would rather see every business plant in America close because of relief taxation before it would consent to begin business operation with all interest barred. If businessmen would just stop and think for one moment, they would realize that they themselves have been victimized by the same institution of interest.

Since private business will not help those millions who have no security and no credit, then this Government, in the interest of the general welfare of all the people, must extend this credit. No nation can continue to hand out the billions annually for relief purposes. The people must become self-supporting, and it therefore becomes the duty of this Government to act. The Supreme Court has made it very certain that the general-welfare clause of the Constitution means what it says.

The need for credit has been fully established and that credit must be extended by the Government. The next step is important. What shall be done with this money we are about to loan the people? Where will we get it, and what will be the cost? When will it be repaid, and what risks are we taking? When I have answered these questions I will assume that I have thought this entire program through to a completion, and that it will appeal to those who have steadfastly insisted that private business interests will provide for the people if this Congress will leave them alone. The glaring fact is that through our faith in private business enterprise and willingness to submit to that system we have landed where we are today.

There are 50,000,000 homeless people in the United States. Taking the average in a family of five, it would require 10,000,000 homes in the United States to accommodate these people.

As a matter of principle, every man who is willing to work is entitled to a home. We went on that theory when we created the homestead law and the people started out all right, but we did not provide them protection against interest. Our slogan now, or at least the progressive Republican slogan, will be in the next election "A home for all; work for all who want work."

In the building and repair of homes for 50,000,000 people, it will require the labor for the next 5 years of 5,000,000 workers who can constantly, during that period, find work. This is valuable and self-liquidating work, which will cost the taxpayers of this country not one cent. From this it will be seen, that with this program in operation, emergency work paid by taxes will disappear as fast as this home-building program can be developed. In 6 months there should be no emergency work.

When these homes are completed, the entire cost will be spread over a period of years, not as long as the debts due us from foreign nations, and without interest the cost will be paid back to the Government. A service charge of not over one-half of 1 percent will be sufficient to cover the cost of extending this credit.

One hears many objections to this program, the principal one being that land cannot be obtained. As a fundamental proposition, no one has the right to own land who cannot use it or permit others to do so. Let us take a look at the insurance companies in this country and see if they, perchance, have any land.

The following is a list of the land holdings in 1936 of insurance companies according to the Insurance Year Book:

Real-estate mortgages and real estate owned by life insurance companies in the United States for the years 1924 to 1935, inclusive

Year	Real estate owned	Real-estate mortgages
1924	$238, 652, 544	$4, 174, 768, 771
1925	265, 937, 751	4, 799, 216, 486
1926	303, 417, 616	5, 564, 257, 488
1927	350, 365, 637	6, 183, 591, 304
1928	402, 549, 695	6, 760, 792, 001
1929	463, 864, 187	7, 297, 308, 606
1930	547, 462, 161	7, 577, 943, 941
1931	683, 234, 746	7, 652, 287, 150
1932	933, 947, 996	7, 316, 093, 037
1933	1, 264, 389, 006	6, 681, 652, 321
1934	1, 689, 083, 484	5, 856, 609, 934
1935	1 986, 132, 729	5, 339, 860, 364

Source: The Insurance Year Book—Life Insurance Volume (The Spectator), 1935-36, pp. 414-415; 1936-1937, pp. 438-439.

Real estate and sheriffs' certificates owned May 31, 1937, and acquired January 1, 1933, through May 31, 1937

Item	Number of farms	Acres	Investment
Real estate and sheriffs' certificates owned May 31, 1937:			
Federal land banks	28, 315	6, 230, 490	$126, 305, 720. 83
Land Bank Commissioner	3, 678	(1)	[2] 16, 646, 441. 68
Real estate and sheriffs' certificates acquired Jan. 1, 1933, through May 31, 1937:			
Federal land banks	46, 241	(1)	177, 147, 455. 99
Land Bank Commissioner	4, 695	(1)	[2] 19, 150, 865. 62

[1] Not available.
[2] Including the amount of prior liens not assumed.

This ownership has gotten away from those who occupy and use our agricultural lands. Of those who till the soil, only a small percentage of them in many States actually own the land. The following is a list of States showing actual ownership of those who occupy and use the lands:

	Percent
North Dakota	23
South Dakota	23
Minnesota	24
Iowa	38
Kansas	34
Nebraska	33
Missouri	30
Oklahoma	39
Colorado	40
Illinois	37
Ohio	60

No one will question but what there is an abundance of land which can be obtained for the purpose of a home-building program. When all the lands owned by the Government, States, and municipalities, already belonging to the people, have been utilized, private lands can be obtained through purchase and condemnation proceedings. There is not the shadow of a doubt but what insurance companies and other corporations and individuals owning large tracts of land (usually obtained through foreclosure) will be glad to sell these lands to the Government. In case they refuse, these lands can be condemned for public use by right of eminent domain. If a railroad, a city, or State can condemn private land for public use, then the people have the right to condemn land for the same public use. The general welfare clause of the Constitution provides plenty of authority, and the Supreme Court has come forward in support of that principle.

The next proposition to which objection is offered is this: These people have nothing; their property is gone; their credit has been entirely wiped out. Let us examine this objection in the light of the ultimate goal of this plan of "a home for everyone who desires to work and is able to work." The aged and the incapacitated will be given a home as a matter of right under a sane social-security program. These people have a great latent asset. They will work. There are only two fundamental elements of prosperity—land and labor. In fact, life itself depends upon these two factors. Land is valueless without labor, and labor cannot attach itself unless there is land. No force in any free government should be permitted another day to prevent labor from attaching itself to land. Land in a country like ours is the most common thing we have. It is all around us, and as we look we find it unoccupied or partly occupied with millions of acres idle and undeveloped capable of sustaining millions of people. The State of Maryland alone is capable of supplying homes for 2 million more people without in the slightest degree interfering with those who now occupy it. The Southern States can supply homes for 30 million people without the slightest degree of interference with the rights of those who now inhabit that area. Everywhere we turn we find the same condition.

The next objection is one which the objectors to this program announce with a satisfied emphasis. Where are we going to get the money? The answer is simple. We are not obtaining it from borrowing it and paying interest on it. We have come to the end of the interest road. We will issue the money by stamping the Government's promise to pay on paper that we call currency, and issue enough to do the business we need to do. It will circulate, and while circulating, will cost the people nothing. It will not be delivered until labor is performed for it. Hence, every dollar in circulation is backed by labor already performed. We have in the past been slaves to a standard of money called the gold standard. Everything we do, everything we want is measured in terms of gold. The results of this blind folly ought to be plain to all. Over half of our population has nothing, not even credit, which has been privately controlled since the Civil War.

Until we discard all spurious standards of money and base our circulating medium on the very basis of all prosperity—labor, we will not accomplish the release of millions from the bondage of "money." When an hour's labor means a dollar and every dollar means an hour of labor, never changing, but eternal, and all commodities measured in terms of labor, there can be no financial disarrangement in this country.

To give just a glimpse of the situation developed in this country, through our ignorant and blind financial policy, let me here insert the wages paid for labor in this country today:

Approximate 1936 wage rates—Estimated number of workers	
Idle (no wages)	12,500,000
Wage rate:	
5 cents an hour or less (farmers)	1,500,000
6 to 10 cents an hour	3,500,000
11 to 15 cents an hour	6,000,000
16 to 25 cents an hour	10,000,000
26 to 50 cents an hour	8,000,000
51 cents to $1 an hour	3,250,000
Above $1 an hour	3,500,000

Glancing at this table, you are not surprised that our purchasing power has disappeared and people go hungry, ragged, and poorly housed, while, in fact, we cannot dispose of our mountains of food, our cotton, and our mills are shut down which are capable of manufacturing clothing, building material, tools, and instruments of trade.

There are not too many factories in this country—there are not nearly enough. The fact that many of them are idle is not because we do not need the products, but because we cannot buy them. This table shows why we cannot.

There are many who say that to fix labor itself as the basis for issuance of money cannot be done, but that the basis or standard should be the results of labor, the commodities produced. That standard, obviously, is better than a metal standard, but if it is logical to fix commodities as a money standard, it is equally as logical to go a step further and fix the labor hour as the standard. There is an added reason why this should be done, and that reason comes home to us with added force just at this time. We must stop labor troubles. Strikes must be eliminated, and they cannot be as long as private industry can fix the standard of wages. This program fixes a Government standard of wages, and while the Government is not primarily interested in engaging in private industry, it is concerned with fixing a standard of wages which private industry must meet. If it does not meet this standard, the workers will continue in Government work. This will eliminate every strike because there will be no reason to strike.

Private industry has just about ruined the Nation with its standard of wages and has been the proximate cause of bringing the country to the verge of civil war.

Then, again, if in these strikes organized labor was granted every demand it makes, that would not put the millions to work who are not now working. We must think of the men and women who are not the beneficiaries of any income whatever. As each year passes those who are now working in the trades will find less of that work to do on account of inventions and the progress of science. They must turn to other fields and when they want work this Government must be in a position to furnish it if private industry cannot.

When private industry fails to furnish work, what right has it to say that the Government shall not engage in business? This Government was not established to protect business—it was established to protect people, and when the rights of the people to life, liberty, and the pursuit of happiness comes in conflict with the proceedings of private business, then the public concern is paramount. The general welfare of all the people is of more Government concern than the success of any individual. Stated in another way, the individual has the right under the Constitution to proceed in any lawful enterprise in a way that best suits him until his right to individual direction conflicts with the general welfare of all the people. When that point is reached the private right ceases and the public interest begins.

Under these general principles, with a monetary system based upon labor, and operating under the larger duty of

Government as herein set forth, it must be apparent to all that this Republic can restore its citizens to the greatest era of prosperity ever known in the history of the country. Finally, the greatest self-defense a country can have is the prosperity and happiness of its citizens. Make a country worth fighting for, and its defenders will rise again as they did at Concord and Lexington. Spend billions on national defense and leave our citizens in want, suffering, and embroiled with strikes, and it will take more to preserve internal peace and feed the hungry than it will to defend this Nation against all the powers of the earth combined.

Under the provisions of H. R. 3297, providing for the issuance of money based upon a labor hour, many hold that this plan would offer an opportunity for a period of wild inflation. Obviously, they do not know what inflation means. There never was and there never can be any inflation when money is issued and delivered only when labor has been performed for it. Inflation only operates when created by a debt, or a mortgaging of the future. When every dollar of money in circulation has been paid for in labor, it becomes good money. The possessor of it knows that it has already been paid for before he received it and that, while he holds it, no interest is being charged against it.

What about our money today? It is highly inflationary. It is based entirely upon a debt. The Government issues bonds for it—the Government goes in debt—obligated to pay principal and interest. As long as it circulates, interest is being charged on it. While I hold $20 in my pocket, the interest goes right on and will keep on until retired.

How will this labor-hour money be retired? The emergency-work currency, issued to carry on emergency work, will be retired through taxation, the same way that relief funds are paid for today. The only difference on that score is as follows:

First, no interest will attach to this money.

Second, it will not be issued at all as soon as the general works program of building homes and necessary public works can be inaugurated, or until private industry can take on more labor. No degree of guesswork is necessary to satisfy the worst conservative in the country that, as soon as buying power is returned to the people, private industry will revive—not only that, but it will actually increase. The more private industry is forced to live up to a Government standard of wages, the more buying power will be put in the hands of the people, and the more business private industry will do. In other words, private industry must be forced, apparently, to pay a Government standard of wages in order to be saved itself.

Permanent improvement work will be paid for from returns from the work itself. The 50,000,000 people who will own homes under this bill, will pay for them over a period of years. Trees planted will be harvested in the forests; work on dams will be paid for in the sale of hydroelectric power.

As this bill operates, there can be no inflation and no one need be alarmed at the amount of circulation. Not a dollar will circulate that is not paid for, and every dollar will be retired—in fact, must be retired as the income from the enterprise comes into being. Time is of no vital consequence, since interest is to be eliminated. Time alone gives vitality to interest. Time and interest will wreck any civilization. History demonstrates this beyond argument. When any civilization reaches a point where the people are in want and endure suffering to the breaking point, that civilization has always been destroyed. Every debt wiped out—every development destroyed, and the people begin over again from the bottom.

After this great democracy has continued 150 years with the most marvelous development in the world's history, have we developed sufficient intelligence to direct our ship of state through the dangerous waters that has brought disaster to nation after nation through all the history of the world? Every ship of state, thus far, has been wrecked upon the rocks of debt and interest. Will we profit by the experience of mankind in the past? Will we now chart our course through the known waters ahead and save for the people of this great Republic the blessings of liberty, and the right to continue to live in a land of the free, or will we shut our eyes to all that is known and permit this greatest experiment of free government to perish from the earth?

The SPEAKER. The gentleman from Ohio [Mr. BIGELOW] is recognized for 10 minutes.

Mr. BIGELOW. Mr. Speaker, a Member of this House yesterday rebuked the Secretary of Labor for calling on the Governor of Ohio to institute certain allegedly high-handed proceedings against one Tom Girdler, forcing this person into a conference with certain labor leaders.

According to a newspaper story, the Ohio Governor was shocked at the proposal of Mme. Perkins and characterized the requested action as a species of kidnapping.

Now, the truth is that in the year 1913, when I was a member of the Ohio Legislature, the Industrial Commission of Ohio was created, which was to absorb the function of a preexisting board for the arbitration and settlement of industrial disputes.

On page 102 of the Ohio Laws of 1913 there is this language of section 8 of this act, enumerating the duties of the commission:

> SEC. 8. To do all in its power to promote the voluntary arbitration, mediation, and conciliation of disputes between employees and employers and to avoid the necessity of resorting to lockouts, boycots, blacklists, discrimination, and legal proceedings in matters of employment.
>
> In pursuance of this duty it may appoint temporary boards of arbitration, provide the necessary expenses of such boards, * * * conduct investigations and hearings—

And so forth.

On page 106, section 30 of this act reads as follows:

> Each of the commissioners and the secretary of the Commission for the purposes mentioned in this act shall have power to administer oaths * * * issue subpoenas, compel the attendance of witnesses and the production of papers, books, accounts, documents, and testimony.

The section proceeds to define the manner in which persons refusing to respond to subpoenas shall be dealt with by the court of common pleas.

Obviously what Mme. Perkins did was to ask the Governor of Ohio to invoke this law, in the attempt to bring about a settlement of the steel strike.

It was for just such occasions that the law was passed. The Governor might well have deemed it hopeless, in view of what is now known of the brutal bully type of person representing capital in this controversy. But I should say that, if the situation was serious enough to send troops to Youngstown, it was serious enough to try out every legal means of settlement that the law provides.

If a Republican had presented this episode in an unfavorable light, it might have been discounted as politics. But it is surprising to find such detractors among Democrats. To hear some of us Democrats talk, one might suppose that we had come in on a Landon landslide.

Conservatives on both sides of this House have been vocalizing on the strike situation, and Democrats have joined Republicans in their attacks on the course the administration has pursued. Some of these attacks have been excited and emotional to the point of hysteria. I would like to interpose a few sober comments on the situation.

Organized employers are trying to keep labor in a helpless state of disorganization. I not only believe that labor has the same right of organization as employers of labor, but that the democratic organization of labor is in the interest of the general public, and is especially important in the case of the mass-production industries.

We owe something to the frankness of the Tom Girdlers. Their spokesman has said that they buy labor as they buy scrap iron, and that the only kind of labor organization they propose to tolerate is the kept kind, that will eat out of their hand. This attitude is bad enough in the case of an employer of a small labor force, when personal relationships are possible, but in the case of the management of a plant

of thousands of workers, this dictatorial attitude is intolerable. Such industrial feudalism fairly swears at political democracy.

Political democracy and industrial feudalism cannot exist side by side; one or the other must go.

I want to thank President Roosevelt and Governor Murphy, of Michigan, especially, for their patience and moderation in meeting the critical situations that have arisen. I hope the administration will continue, in spite of attacks from the Democratic and Republican Members of this House, to show its sympathy for the toiling masses, as against the blustering economic royalists who declare, between oaths, their undying hostility to union recognition. I am glad that not all employers are of this ilk; that there are employers who are wise enough to encourage organization and who are pursuing this better American way of industrial democracy and good will.

As a Member of Congress I would vote to use the last limit of constitutional authority in the attempt to compel the large employers of labor to concede the right of organization and to treat with free and independent unions of labor.

And, were I governor of a State, I would go just as far as the law and Constitution would permit, in so directing the civil and military power of the State, as to help labor in extending to these great industrial plants the same democracy that we practice in the State itself. These plants, with thousands of employees, are vested with a public interest. The day is past when the hard-boiled industrialist should be permitted to say: "This plant is mine, and I will do with it as I please." These plants are ours, and we the public have a right to say that they shall be operated with due regard to the rights of labor and to the public welfare.

I invite you to recall the words of the message which Abraham Lincoln, in the year 1865, sent to this House:

> It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else owning capital, somehow by the use of it, induces him to labor. Labor is prior to and independent of capital. Capital is only the fruit of labor and could not have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration. I bid the laboring people beware of surrendering the power which they possess, and which, if surrendered, will surely be used to shut the door of advancement for such as they, and fix new disabilities and burdens upon them until all of their liberty shall be lost.

Mr. Speaker, this labor struggle is the present phase of the age-old struggle to substitute democracy for arrogance and autocracy. We have a long way to go to get rid of our master-slave implications.

It is one of the deep mysteries of life that men can be so blind to the glaring stupidities of society and so indulgent of glorified wrongs.

I honor a certain Englishman of my acquaintance for his scorn of the coronation shams for which our would-be American royalists crossed the ocean and donned knee breeches to see. I had asked this English correspondent of mine what he thought of the coronation, and here is his answer:

> You wondered what I thought about the coronation show? Well, I wondered what God thought of it all. For rarely, if ever, can He have looked down upon human imbecilities and canting hypocrisies so efficiently massed and organized. I am proud, in many ways, of my heritage as an Englishman and count myself fortunate that my earthly pilgrimage has been spent in "England's green and pleasant land."
>
> But because I am proud of my heritage, I blush with shame when I ponder upon the blots and stains which mar the pages of my Nation's history.
>
> We have the worst land system of any of the leading nations. Indeed, it was the manner in which England's soil was stolen from the many by the few which gave birth, in the minds of the cunning, to the idea of stealing, through the might of right, other Nation's territories. And we rewarded them, or rather we allowed them to reward themselves, with hereditary peerships, who, until but a few years ago possessed the right, at their pleasure, to veto the people's will as expressed by the members of the House of Commons.
>
> Thus we have not only the throne occupied by the accident of birth, but also the barons of the soil, and let us look at the cost. The land barons take somewhere between 300,000,000 and 400,000,000 sterling. The new estimates for the succor of the royal family (small "r" please) is 410,000 pounds sterling for the King and his houses, and 70,000 pounds sterling for his Queen, 40,000 pounds sterling for his mother, 35,000 pounds sterling for his brother (the Duke of Gloucester), 25,000 pounds sterling for the Duke of Kent, 6,000 pounds each to the King's eldest child (a girl not yet in her teens) and several uncles and aunts—a total of over 600,000 pounds sterling per annum, for figure-heads who may only say, "yea" and "nay", according to the instructions from the Cabinet Ministers of the Government and who only recite parrot-like speeches made by his Ministers.

I wish more Americans had the gift to see through the absurdities of our own society. One of our millionaires, by taking advantage of the loopholes in our tax laws, will cheat our Government out of enough tax money in a single year to support all these royal paupers of England.

Some of us Americans may laugh at this puppet show of English royalty, but can we see what "fools we be" on our side of the ocean?

Our own economic history may be reduced to allegory. There was a shipwrecked crew that sought refuge on an unknown island. They found but one inhabitant of the island. He claimed to be the owner of the island. The owner met the survivors and said: "This is my island. You cannot land, except on my terms." Right here these immigrants made a fatal mistake. They should have challenged this claim to a monopoly of the island. But they had lived in such countries as England and America and their minds were perverted by unsound property laws. So they said: "Of course the island is yours. What are your terms?"

"You may land", said the monopolist, "if you will till the island and give me in rent all your produce beyond what you must have to sustain your own life."

That wage scale was agreed to. At first, however, their tools were so crude and their labor so unproductive that they needed all they earned to keep themselves alive. So there was little or no rent for the monopolist—or, in other words, the island had not begun to take on value.

But these foolish people said: "We are poor because we are not productive enough." So they invented tools and became more productive. But the bargain was that all beyond their absolute necessities was to go to the monopolist. Consequently, their increased productiveness, intsead of abolishing their poverty, merely raised the rent that the monopolist got, or, in other words, they did not grow richer but the island grew in value.

The time came when these people became so productive that the value of the island became worth $200,000,000,000, but 40,000,000 of the workers were in poverty.

In fact, the workers with their splendid tools became so productive that some two-thirds of them could work the whole island and the other third became permanently unemployed and had to live on charity or die of hunger and disease.

This is the allegorical description of the economic history of America. This is the law of wages that prevails. The fruits of progress go to rising land values and to the dividends of other forms of monopoly.

I am all for organized labor, but one thing I hope from organized labor is that, through the self-education that labor will get in its unions, it will come to see that organizing a labor monopoly against a monopoly of capital is not enough. We must have an intelligent democracy that will liquidate our vast economic illiteracy and learn the meaning of economic freedom to be gained by observance of economic law.

I want labor organized into self-respecting unions, because labor unions are schools of democracy.

Organized labor is not the final answer. An intelligent democracy is the final answer.

But labor disorganized, labor eating out of the hand of capital, labor heedless and incapable of any sense of solidarity, such labor cannot make its contribution to democracy. Such labor is meat for exploitation in time of peace, and

cannon fodder in time of war, pawns of the princes of privilege, door mats for the autocrats.

Labor organized, disciplined, schooled in unions, more than the churches, more certainly than chambers of commerce, or boards of trade, is the hope of democracy.

Brothers of toil, I salute you. Courage to you and victory.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that notwithstanding that tomorrow is Calendar Wednesday, the conference reports on the appropriation bill for the C. C. C., also for appropriations under the Railroad Retirement Act, and on the War Department appropriation bill may be in order.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER pro tempore. Under special order the gentleman from Texas [Mr. MAVERICK] is recognized for 5 minutes.

Mr. MAVERICK. Mr. Speaker, in view of the lateness of the hour, I will not take the time of the House.

I ask unanimous consent that on Friday I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. The gentleman from Texas [Mr. MAVERICK] asks unanimous consent that on Friday next, after the disposition of all legislative matters, he may be permitted to address the House for 15 minutes. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KOPPLEMANN (at the request of Mr. SHANLEY), for 1 day, on account of urgent business.

To Mr. SHEPPARD, for 10 days, on account of business.

To Mr. GREENWOOD, indefinitely, on account of illness.

To Mr. BUCK, for 2 days, on account of illness.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rules, referred as follows:

S. Con. Res. 17. Concurrent resolution authorizing the printing of additional copies of Senate Report No. 711, Seventy-fifth Congress, on the bill (S. 1392) to reorganize the judicial branch of the Government; to the Committee on Printing.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2291. An act to amend the act of May 25, 1933 (48 Stat. 73);

H. R. 5996. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1938, and for other purposes;

H. R. 6523. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1938, and for other purposes;

H. R. 7206. An act to permit the temporary entry into the United States under certain conditions of alien participants and officials of the World Association of Girl Guides and Girl Scouts Silver Jubilee Camp to be held in the United States in 1937;

H. R. 7589. An act to levy an excise tax upon carriers and certain other employers and an income tax upon their employees, and for other purposes;

H. J. Res. 361. Joint resolution making appropriations for relief purposes.

H. J. Res. 375. Joint resolution to provide revenue, and for other purposes; and

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 2291. An act to amend the act of May 25, 1933 (48 Stat. 73);

H. R. 5996. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1938, and for other purposes;

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H. R. 7589. An act to levy an excise tax upon carriers and certain other employers and an income tax upon their employees, and for other purposes;

H. J. Res. 361. Joint resolution making appropriations for relief purposes; and

H. J. Res. 375. Joint resolution to provide revenue, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 30, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs in Room 1310, New House Office Building, at 10:30 a. m., Wednesday, June 30, 1937, for further consideration of H. R. 7494, "To amend the act entitled 'An act to amend the act entitled "An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes."'"

COMMITTEE ON NAVAL AFFAIRS

The Committee on Naval Affairs will meet on Wednesday, June 30, 1937, at 10:30 o'clock for the consideration of H. R. 7216. Resume hearings.

COMMITTEE ON THE DISPOSITION OF EXECUTIVE PAPERS

The Committee on the Disposition of Executive Papers will hold a public hearing in room 246, known as the Civil Service Committee room, in the House Office Building, at 10:30 a. m., Thursday, July 1, 1937, on H. R. 7504, to provide for the disposition of certain records of the United States Government.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Wednesday, July 7, 1937, at 10 a. m., on H. R. 7158, to except yachts, tugs, towboats, and unrigged vessels from certain provisions of the act of June 25, 1936, as amended.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, July 7, 1937, on H. R. 5182 and H. R. 6917—textile bills.

COMMITTEE ON IRRIGATION AND RECLAMATION

There will be a meeting of the Committee on Irrigation and Reclamation in room 128, House Office Building, at

10 a. m., Wednesday, June 30, 1937, for the consideration of S. 2681, to authorize the construction of the Grand Lake-Big Thompson Transmountain water-diversion project as a Federal reclamation project, and H. R. 7680, to authorize appropriations for the construction of the Arch Hurley Conservancy District in New Mexico.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

691. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed amendment to H. R. 7562, extending its provisions to Puerto Rico; to the Committee on Agriculture.

692. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of the activities and expenditures of the Reconstruction Finance Corporation for the month of May 1937 (H. Doc. No. 278); to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLY of New York: Committee on Interstate and Foreign Commerce. H. R. 7514. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; without amendment (Rept. No. 1128). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H. R. 7542. A bill granting the consent of Congress to a compact entered into by the States of Maine and New Hampshire for the creation of the Maine-New Hampshire Interstate Bridge Authority; without amendment (Rept. No. 1129). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H. R. 7543. A bill authorizing the Maine-New Hampshire Interstate Bridge Authority to construct, maintain, and operate a toll bridge across the Piscataqua River at or near Portsmouth, State of New Hampshire; without amendment (Rept. No. 1130). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 7405. A bill to amend the act relating to the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, approved June 10, 1930, and for other purposes; with amendment (Rept. No. 1131). Referred to the House Calendar.

Mr. WEAVER: Committee on the Judiciary. H. R. 7092. A bill to provide for the transfer of Scotland County to the middle judicial district of North Carolina; with amendment (Rept. No. 1132). Referred to the House Calendar.

Mr. SWOPE: Committee on the Territories. S. 2254. An act to amend section 460, chapter 44, title II, of the act entitled "An act to define and punish crimes in the District of Alaska, and to provide a code of criminal procedure for said district", approved March 3, 1899, as amended; with amendment (Rept. No. 1137). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Territories. H. R. 7374. A bill to amend the Hawaiian Homes Commission Act, 1920; with amendment (Rept. No. 1138). Referred to the Committee of the Whole House on the state of the Union.

Mr. WENE: Committee on the Territories. H. R. 7377. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; without amendment (Rept. No. 1139). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROWE: Committee on the Territories. H. R. 7490. A bill to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes; without amendment (Rept. No. 1140). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 5975. A bill establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington; with amendment (Rept. No. 1141). Referred to the Committee of the Whole House on the state of the Union.

Mr. IZAC: Committee on Foreign Affairs. Senate Joint Resolution 88. Joint resolution providing for the participation of the United States in the world's fair to be held by the San Francisco Bay Exposition, Inc., in the city of San Francisco during the year 1939, and for other purposes; with amendment (Rept. No. 1142). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 142. Joint resolution authorizing the erection of an equestrian statue of Gen. Robert E. Lee in the Arlington National Cemetery; with amendment (Rept. No. 1143). 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. DEEN: Committee on War Claims. H. R. 2345. A bill for the relief of Joseph Noel Roberts, without amendment (Rept. No. 1133). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. H. R. 3960. A bill for the relief of the Southern Overall Co.; with amendment (Rept. No. 1134). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 4571. A bill for the relief of Helen Mahar Johnson; without amendment (Rept. No. 1135). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 6784. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation; without amendment (Rept. No. 1136). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHANDLER: A bill (H. R. 7709) to incorporate the American Chemical Society; to the Committee on the Judiciary.

By Mrs. JENCKES of Indiana: A bill (H. R. 7710) to provide shorter hours of duty for members of the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCORMACK (by request): A bill (H. R. 7711) to amend the act approved June 19, 1934, entitled the "Communications Act of 1934"; to the Committee on Interstate and Foreign Commerce.

By Mr. HAINES: A bill (H. R. 7712) to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg to be held at Gettysburg, Adams County, Pa., from June 29 to July 4, 1938; to the Committee on Military Affairs.

By Mr. HILL of Alabama: A bill (H. R. 7713) to transfer the control and jurisdiction of the Park Field Military Reservation, Shelby County, Tenn., from the War Department to the Department of Agriculture; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 7714) to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, Island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes

under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.; to the Committee on Merchant Marine and Fisheries.

By Mr. CANNON of Missouri: A bill (H. R. 7726) making appropriations for the first half of the month of July 1937, for certain operations of the Federal Government which remain unprovided for on July 1, 1937, through the failure of enactment of the supply bills customarily providing for such operations; to the Committee on Appropriations.

By Mr. MILLARD: Joint resolution (H. J. Res. 432) declaring Inauguration Day to be a legal public holiday; to the Committee on the Judiciary.

By Mr. WOODRUM: Joint resolution (H. J. Res. 433) making appropriations for the fiscal year ending June 30, 1938, for the Civilian Conservation Corps, the railroad retirement account, and other activities, and for other purposes; to the Committee on Appropriations.

By Mr. BLAND: Joint resolution (H. J. Res. 434) to amend the act entitled "An act to amend section 4471 of the Revised Statutes of the United States, as amended"; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 11, 1937, concerning the appreciation and gratitude of the people of Maryland extended to the Honorable Franklin Delano Roosevelt, President of the United States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maryland memorializing the President and the Congress of the United States to consider their Joint Resolution No. 23 of the acts of 1937 concerning tax on gasoline in the District of Columbia; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDREWS: A bill (H. R. 7715) for the relief of Frank E. Holly; to the Committee on Military Affairs.

By Mr. BURDICK: A bill (H. R. 7716) to provide for admission into the United States of Clarence Joseph Ferguson, an alien; to the Committee on Immigration and Naturalization.

By Mr. CHANDLER: A bill (H. R. 7717) for the relief of Mr. and Mrs. S. A. Felsenthal, Mr. and Mrs. Sam Friedlander, and Mrs. Gus Levy; to the Committee on Claims.

By Mr. DELANEY: A bill (H. R. 7718) for the relief of Angelo Degl' Innocenti, also known as Angelo Innocenti; to the Committee on Immigration and Naturalization.

By Mrs. JENCKES of Indiana: A bill (H. R. 7719) to set aside the action of general court martial provided under the authority of Special Order No. 233, dated at Manila, P. I., September 22, 1902, insofar as it pertained to cause no. 16, against Pvt. William F. Boyer, Company B, Twenty-sixth Regiment, United States Infantry; to the Committee on Military Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 7720) granting a pension to Alice Omundson; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 7721) granting a pension to Theresa Donaldson; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 7722) for the relief of George Church; to the Committee on War Claims.

By Mr. STACK: A bill (H. R. 7723) for the relief of Pete E. Simon; to the Committee on Naval Affairs.

By Mr. THOMASON of Texas: A bill (H. R. 7724) for the relief of Elizabeth Davis; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 7725) granting a pension to Helen Bornstein; 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:

2804. By Mr. ANDREWS: Resolution adopted by the Common Council of the City of Buffalo, N. Y., protesting against a levy of 40 percent of the labor cost of Works Progress Administration projects against the sponsor of the projects; to the Committee on Banking and Currency.

2805. By Mr. COFFEE of Washington: Resolution of the Fruitland Grange, No. 99, C. W. Lunsford, secretary, Puyallup, Wash., setting forth that there are many abuses of the standards of health in food and drug preparation and that there are but inadequate laws to deal with the subject and that the Copeland bill is not as enforceable as is the present law, and therefore urging that the Congress should promptly enact into law House bill 5286, introduced by Mr. COFFEE of Washington, known as the Consumers' Union pure food and drug bill; to the Committee on Interstate and Foreign Commerce.

2806. By Mr. CURLEY: Petition of the Travelers' Aid Society of New Orleans, La., endorsing Senate Joint Resolution 85; to the Committee on Labor.

2807. Also, petition of the New York branch of the National Customs Service Association, urging support and enactment of House bill 3, introduced by Congressman McCORMACK, of Massachusetts, authorizing automatic promotions for satisfactory and meritorious service for every customs employee in the field service; to the Committee on Ways and Means.

2808. Also, petition of the New York Women's Trade Union League of New York City, urging the passage of House bill 3408, introduced by Congressman CELLER; to the Committe on the Judiciary.

2809. By Mr. DOWELL: Petition of citizens of Des Moines, Iowa, relative to House bill 2257; to the Committee on Ways and Means.

2810. By Mr. KEOGH: Petition of Edward G. Sperry, Manhattan Bridge Plaza, Brooklyn, N. Y., concerning the Black-Connery bills (S. 2475 and H. R. 7200); to the Committee on Labor.

2811. By Mr. KRAMER: Resolution of the Los Angeles County Board of Supervisors, relative to Works Progress Administration relief; to the Committee on Ways and Means.

2812. Also, resolution of the Senate and Assembly of the State of California, relative to memorializing Congress to protect the rights of the State of California to its tidelands and the coastal area lying seaward of the State of California; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 30, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who givest us the blessings that make life joyous and rich, we acknowledge with grateful hearts Thy goodness and mercy. As Thou art the author of truth and wisdom, we entreat Thy most gracious mercies upon our President, our Speaker, and all Members of this legislative body. We beseech Thee to bestow upon them enduring health, strength, and grace. Oh, come, Eternal Presence, and create within our souls a vital, strong, religious life; make convictions deep about the overshadowing and the all-embracing God, until we shall experience an irresistible urge after the finest and richest things to which the immortal soul can attain.

Let the people praise Thee, O God; let all the people praise Thee.

In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.