establishment of a semimilitary camp at Southbury, Conn.; to the Committee on Immigration and Naturalization.

3629. By Mr. KRAMER: Resolution of the Madera County Farm Bureau, pertaining to train-limit legislation, etc.; to the Committee on Interstate and Foreign Commerce.

3630. Also, resolution of the Merced County Farm Bureau, relative to House bill 8024; to the Committee on Interstate and Foreign Commerce.

3631. By Mr. DELANEY: Petition of the New York Clothing Cutters Union, urging the immediate passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3632. Also, petition of the executive board of Local 802, American Federation of Musicians, New York City, endorsing the wage and hour bill and urging its passage during the present special session of Congress; to the Committee on Labor.

3633. By Mr. MEAD: Petition of the Associated School Boards of Niagara and Orleans Counties of New York State, urging continuation of Public Works Administration construction; to the Committee on Appropriations.

3634. By Mrs. ROGERS of Massachusetts: Petition of the Massachusetts Federation of Taxpayers Associations, urging that every effort be made to balance the Budget by a cessation of wasteful and extravagant expenditures; to the Committee on Appropriations.

3635. By Mr. BOYLAN of New York: Memorial of the New York Board of Trade, unanimously adopted by the members of the board at a meeting December 8, 1937; to the Committee on Appropriations.

3636. By Mr. FITZPATRICK: Petition of the Utility Workers' Union, Local 1212, of the United Electrical, Radio, and Machine Workers of America, urging the passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3637. By Mr. THOMAS of New Jersey: Resolution adopted by the New Jersey Association of Real Estate Boards, Newark, N. J., at its twenty-first annual convention, protesting against the continuance of the present high tax rates on capital gains and undistributed surplus; to the Committee on Ways and Means.

3638. By Mr. KENNEY: Petition of Branch No. 3540, National Association of Letter Carriers, Teaneck, N. J., favoring the passage of House bill 8334, providing for salary increases for regular and substitute letter carriers, etc.; to the Committee on the Post Office and Post Roads.

3639. By Mr. ANDREWS: Petition of residents of Buffalo, N. Y., protesting against any levying of taxes which would increase cost of food; to the Committee on Ways and Means.

3640. By Mr. KENNEY: Petition of the New Jersey Association of Real Estate Boards, protesting against the surplus tax; to the Committee on Ways and Means.

SENATE

THURSDAY, DECEMBER 16, 1937

(Legislative day of Tuesday, November 16, 1937)

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

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 15, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Arkansas [Mrs. CARAWAY] is detained on important public business.

The Senator from Tennessee [Mr. BERRY], the Senator from Missouri [Mr. CLARK], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained.

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

LIMITATION OF FUNDS FOR NATIONAL-PARK ROADS AND TRAILS, ETC.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior transmitting a draft of proposed legislation to repeal certain authorizations of appropriations contained in the act approved June 16, 1936, amending the Federal Aid Highway Act, and for other purposes, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram embodying a resolution of the executive committee of the Washington Savings and Loan League, Centralia, Wash., favoring certain amendments to pending housing legislation designed to promote the construction of homes and furnish employment to labor, as proposed in the program of the United States Building and Loan League, which was referred to the Committee on Banking and Currency.

Mr. COPELAND presented a resolution adopted by members of the New York and New Jersey Dry Dock Association, protesting against the enactment of legislation to transfer the work performed by the Corps of Engineers of the Army to another governmental department with civilian supervision, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Home Owners and Taxpayers Association, of Staten Island, N. Y., favoring the inclusion of low interest and low amortization rates in proposed housing legislation, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dutchess County (N. Y.) League of Women Voters, protesting against the enactment of the bill (S. 3022) to amend the law relating to appointment of postmasters, which was ordered to lie on the table.

He also presented resolutions adopted by the twentieth annual meeting of the Columbia County (N. Y.) Farm Bureau Association, protesting against the enactment of pending wage and hour legislation, which were ordered to lie on the table.

He also presented a resolution adopted by Stockton Grange, No. 316, Patrons of Husbandry, Stockton, N. Y., protesting against the enactment of the so-called Black-Connery wage and hour bill, which was ordered to lie on the table.

BILLS INTRODUCED

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

By Mr. JOHNSON of Colorado:

A bill (S. 3143) for the relief of George O. Wills; to the Committee on Claims.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

By Mr. CAPPER:

A bill (S. 3144) for the relief of Harry Hume Ainsworth (with accompanying papers); to the Committee on Military Affairs.

By Mr. McADOO:

A bill (S. 3145) to provide for the appointment of an additional district judge for the southern district of California; to the Committee on the Judiciary.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess last evening, the amendment in the nature of a substitute offered by the Senator from Oklahoma [Mr. LEE] was the pending amendment. The question is on agreeing to the amendment in the nature of a substitute.

Mr. RUSSELL. Mr. President, the amendment offered by the Senator from Oklahoma [Mr. LEE] seeks to apply what is commonly known as the domestic-allotment plan to the production of cotton, and to substitute this plan for the committee provision respecting cotton.

The amendment proposes that the amount of cotton domestically consumed each year within the United States shall be apportioned between the cotton farmers of the United States on very much the same basis that is provided for the allocation of cotton under the provisions of the pending bill. It seeks to establish machinery which will assure to the cotton farmer either parity or 20 cents per pound for such of his cotton as is consumed domestically within the United States. Inasmuch as the domestic consumption usually amounts to about one-half of the total amount of cotton produced, this plan would assure 20 cents a pound to each farmer on about half of his normal production.

Mr. President, I do not claim that the substitute proposed by the Senator from Oklahoma is perfect in all its details I do know that it submits a philosophy for the solution of our critical cotton problem that is wholly at variance with that contained in the committee bill. The committee proposes to apply a policy of restriction of production to limit the crop next year to about 10,000,000 bales, and to sell in the world market in competition with the world and at the world prices the cotton that is produced. The substitute offered by the Senator from Oklahoma proposes to establish what is known as the two-price system for cotton—one price for the cotton domestically consumed and another price for the cotton that is to move in the channels of world commerce.

The domestic allotment substitute will return to the farmer the penalties he has paid under our unequal tariff system. Only that cotton which brings him 20 cents per pound or parity can be processed, spun, or woven within the United States. It leaves to the individual farmer the question of production, and if the farmer does not desire to compete in the world market he can produce the amount of his domestic allotment knowing that he will receive a fair price for the cotton allotted to him.

The distress of the cotton farmer today is due to the fact that he is competing with the lowest-paid labor in the world—those who produce cotton in India, Russia, Mexico, and Brazil—and that for 100 years he has been compelled to bear the burden of the tariff.

Believing as I do that the eventual solution of the cotton problem depends upon establishing the two-price system for the benefit of the cotton farmer, I am supporting the substitute amendment offered by the Senator from Oklahoma.

I realize that there is very vigorous opposition to giving the farmer the two-price system in the United States. However, I was amazed this morning to see the Secretary of Agriculture quoted in the press as saying that the two-price system in the United States as applied to the cotton producer would lead us into fascism. Why, for more than 100 years we have had a two-price system in this country for everything the cotton farmer has had to buy; and yet when it is proposed to apply the same rule to help the cotton farmer, to raise him up from his present misery and distress and despair caused by buying in a protected market and competing in the sale of his product with peons and coolies and slave labor in every corner of the world, we are now told that the rule which industry has had applied to it for all these years cannot be applied to the farmer without bringing about fascism in the United States.

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

Mr. RUSSELL. I have only a few minutes, but I yield to the Senator from Oregon.

Mr. McNARY. I was greatly surprised by the statement which the Senator says the Secretary of Agriculture made. When was it made?

Mr. RUSSELL. I said that the Secretary was quoted in this morning's press—and I have read only one of the Washington newspapers—as saying that the two-price system as applied to agriculture in this country would lead to fascism.

Mr. President, talk about fascism and regimentation. We all realize that this bill as it is presented by the committee constitutes more regimentation than any two-price system could possibly do. It invades the farmer's farm, and tells him how much cotton he may grow and how much he may sell. It tells the producer of wheat how much he may sell in any one year, and how much he is compelled to store. It is regimentation and fascism to a far greater degree than the plan embraced in the amendment which is proposed by the Senator from Oklahoma.

The domestic allotment plan is really a system of voluntary control. The farmer will know exactly how much he will be able to market for parity, or 20 cents a pound, and you may be sure that he will not greatly exceed this if he is compelled to sell his cotton in the world trade at a loss, as he is being compelled to do this year under existing legislation, and is likely to experience next year under the committee bill.

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

Mr. RUSSELL. I have such a little time that I regret not to be able to yield to my friend from Idaho. However, I yield for a question.

Mr. POPE. I desire to ask the Senator if he attaches any significance or importance to the joint resolution which was passed by this Congress at the last session, on the basis of which loans on cotton were made?

Mr. RUSSELL. I was not present in the Senate at the time the joint resolution was passed. I was absent in the discharge of official duties at that time, and I certainly am not bound by the joint resolution, inasmuch as I did not support it. I do not know what it provides, but I do not believe that the Senate has heretofore passed any joint resolution which would condemn a two-price system as applied to agriculture as being fascist in its tendencies.

Mr. POPE. Let me say to the Senator——

Mr. RUSSELL. I regret to be compelled to ask the Senator to make his statement in his own time.

Mr. President, I realize how earnestly the Committee on Agriculture and Forestry has approached this problem in seeking to solve it for the benefit of the cotton farmers of the country. I pay tribute to the distinguished Senator from Alabama [Mr. BANKHEAD], a man whose name is a household word in every home within the Cotton Belt for his long and tedious labor in perfecting the cotton title of this bill. I know he is wholly convinced that reduction in production of cotton is the solution of our problem in the South. I admit that when tried before in the Bankhead cotton bill it did help prices. But, Mr. President, I desire to point out that at the time we tried restriction in the production of cotton, which is an export crop, the world was not prepared to go ahead in producing vast quantities of cotton; but so soon as it was known throughout the world that we were to pursue a policy of curtailment of production in these United States we saw the world's production of cotton increase from 13,000,000 bales to 20,000,000 bales within 4 years.

Since we have embarked upon this program of limited production of cotton in the South, we have shifted the domination of the cotton markets of the world from our country to foreign lands. Never until the control plans were tried had all the combined nations of the world produced more cotton than we produced within the United States. Now, however, with the largest crop in our history, nearly 19,000,000 bales, our policies have so encouraged competition abroad that despite this immense crop the other cotton-growing countries of the world have produced more than we have. The committee plan proposes to increase the price of cotton all over the world every time it increases the price of American cotton. Every time a dollar is added to the income of the cotton farmer in Georgia by this program it will increase the income of the cotton farmer in Brazil, the coolie in China, and the regimented labor of Russia. I am not interested in increasing the income of any farmer outside of the United States.

The substitute proposes to help the cotton farmer of America by establishing the two-price system here, and whether it is accepted today or later, I believe the time will come when all will agree that it is the only permanent solution to our problem.

Even if the committee plan works as its advocates hope, it will benefit other countries more than our own, and will supply the farmers of other countries with the means of eliminating our last substantial agricultural export.

Put the farmer on the domestic-allotment plan, assure him at least the cost of production for that which he sells domestically, and then if he wishes to take his chance in the world market, it is his business and his grief if he does not make a profit. I am not opposed to some mild form of restriction of production in cotton. It might be necessary even if the domestic-allotment plan were adopted in this bill, but I do know if we continue to pursue our present policy of cutting down cotton production in this country it means inevitably the loss of our foreign markets, and even the supporters of the bill concede it will eventually mean that we will be limited to seven or eight million bales of cotton each year.

I believe the cotton farmers will be disappointed with the results attained from the policy of the committee bill. There is such a huge carry-over of cotton that we have no assurance whatever, even if we reduce the production of cotton in the United States to 10,000,000 bales, that it will mean any substantial increase in the price of that 10,000,000 bales. But conceding for the sake of the argument that it would increase the price of cotton in the United States, and I am quite sure those who believe the committee proposal is superior to the substitute offered by the Senator from Oklahoma [Mr. LEE], hope it will increase the price of cotton to 12 cents a pound next year on the basis of a 10,000,000-bale crop, what effect would that have if the world produces 20,000,000 bales next year? It would mean that we would have increased the price of cotton farmers of the world by $500,000,000, whereas by reason of curtailed production in this country we would not have any greater income for the cotton farmers of the United States.

I was interested when my distinguished friend from Alabama [Mr. BANKHEAD] presented charts and figures which showed how closely the price of world cotton followed American cotton in the market. He said that over a long period of years we had had the experience of Indian cotton and world cotton approximately 80 points below the price of American cotton, with Egyptian cotton slightly higher. If that is true, when we curtail production in the United States we are aiding the cotton of other producers of the world by increasing their prices to where it is inevitable they will put us out of the world markets and even invade the domestic cotton market.

We boast of our high standards of living in this country and the fact that our wages are higher and our people enjoy more of the good things of life than in any other land. Despite the wealth of this Nation which the cotton farmer has dug out of the ground, his income is lower and his standard of living is poorer than that enjoyed by those engaged in any other vocation. This is not his fault. It is due to the fact that he has been left in competition with the lowest-paid labor in the world while sending his goods abroad to bring back the wealth and products of other lands, which, due to the tariff, has not benefited him but has increased the wealth of the industrial sections. American manufacturers of farm machinery, of clothing, of shoes, of household utensils, in fact, of every article that the farmer is compelled to buy, enjoy the benefits of the two-price system due to the tariff. The industrialist sells abroad for much less than the domestic price fixed on his product. One Senator related on the floor the other day that a citizen of his State had bought either a reaper or a binder in Norway, which was manufactured in the United States, shipped across the ocean to Norway, and that he saved money by purchasing the implement in Norway and shipping it back into the United States and across the continent. There is an illustration of the two-price system as applied to industry. In common justice the cotton farmer is entitled to the same system for his product.

It will be said by some of the economists in the Department of Agriculture that, if the income of India, Brazil, Mexico, Russia, and China is increased, it will increase world trade, and that therefore our industries would benefit by being permitted to sell more goods to those countries. It cannot have that effect on cotton, because the countries that sell the cotton will be required to trade and traffic with those who purchase the cotton.

Mr. President, we are seeking in this substitute to apply the philosophy of the tariff and the two-price system to the cotton farmers of the country. They are the poorest people in the United States today. They have less income than any class of farmers, and farmers generally have the lowest income of any class of people in the United States today. For 100 years they have been slaving at the most arduous and unremitting toil in the production of cotton. It is back-breaking work, as everyone knows who knows anything about it. But today we are told that we cannot have a two-price system for the farmer, such as is applied to those from whom he purchases his goods, because it would be a step in the direction of fascism. The cotton farmer is entitled to this two-price system. If it were given to him, we would see that a large part of the ills of the South will have been overcome.

Mr. President, I hope that the proposal can be taken to conference. We know the House has adopted a cotton section in the bill it passed, which is very similar to that which is found in the Senate bill. If the matter goes to conference, perhaps something can be worked out that will permit it to be submitted to the farmers of the South for a vote as to whether or not they prefer the committee plan as embraced in the bill or the proposal advanced by the Senator from Oklahoma [Mr. LEE].

I do not like to venture into the field of prophecy, but I believe as firmly as I believe I am standing here that the cotton farmers of the South would approve overwhelmingly a domestic allotment plan with a guaranteed price if they had an opportunity to vote on it. The only proposition to be submitted to them under the committee bill is some curtailment of the production of cotton.

We know that the bill proposes to reduce the production of cotton in the United States to 10,000,000 bales. We no longer dominate the world market in cotton. Only since we have started our program of reduction, which is the only thing we could do under the circumstances in 1933, the world production has far passed the production of the United States.

I say to Senators from the industrial States that they have a vital stake in maintaining the world market for American cotton.

The cotton farmer will consume the products of your factories and keep your labor employed if you will give him a living wage for his commodity.

For the past 100 years the balance of trade in favor of the United States has approximated $37,000,000,000. Thirty-five billion dollars of that is represented by cotton and cotton goods. Has the cotton farmer got that money today? He is the poorest class in the country today due to the iniquitous

tariff system imposed upon him. He has enriched the Nation and impoverished himself, and he comes now and asks for simple justice at the hands of the United States, that he be permitted to have at least a living price for the cotton that is domestically consumed within the United States.

Mr. President, I hope the Senate will consider the matter carefully. It also affects those Senators here representing wheat States, and States producing corn and other kinds of farm commodities, because there are sections of the cotton States where we can produce wheat and corn and livestock as profitably as anywhere in the world. If the cotton farmer is given a chance, if he is given anything approximating a living wage—and the substitute will only allow him 20 cents a pound for the cotton that is consumed domestically—if he is given any kind of a chance he will not invade the field of wheat and corn; but our people are not going to starve, and within a few years it will be found that taking away the world market from the cotton producer of the United States will have had a serious effect upon the prices of corn and wheat, hogs and cattle, because the cotton farmers will have been driven to producing those commodities through a policy that would curtail their production of cotton, does not guarantee to them a price that is a living wage, and which takes away from them the world market for the sale of American cotton which has made us a great commercial Nation.

Mr. BAILEY. Mr. President, it is a remarkable but, I think, a timely observation that the Congress of the United States appears to have assumed that what the Supreme Court said in the principal opinion by Mr. Justice Cardozo is an arrow flight to the left with the Secretary of Agriculture and the President of the United States. Just a few days ago the President courageously warned us against increasing the expenditure on account of this pending legislation beyond the $500,000,000 heretofore appropriated. But when the matter came before us by way of an amendment to limit the expenditure to $500,000,000, the Senate rejected it by an overwhelming vote.

In today's paper is a statement given to the press in a formal press interview by Secretary Wallace, which I think I should read to the Senate. Speaking of certain measures here, and I think speaking generally with reference to the measure now before us, the Secretary uttered these words as quoted in the daily papers:

> "These plans," said the Secretary, "in order to be carried out, involve licensing of all businessmen who purchase farm products. They involve licensing of all farmers. If the situation were absolutely desperate, it might be all right to do that, but if the situation gets that desperate, then you are in the gravest danger of having to take a step toward fascism, autocracy, and so forth."

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

Mr. BAILEY. I shall be glad to yield later. I am reading the Secretary's statement. I will yield when I get through reading the statement, but let me finish reading it.

> It is unusual that some people who profess the utmost horror toward fascism aren't joining us—

That "joining us," I take it, means joining the administration—

> to solve the problem in a reasonable way instead of making it as difficult as possible to solve it in a reasonable way. They make it possible for people who take an extreme view to launch on something which is quite out of step with the genius of our institutions.
>
> This is the situation as I sense it.

I am grateful to the Secretary of Agriculture for the warning he has given us and the warning he is giving the country.

Mr. POPE. Mr. President——

Mr. BAILEY. Not yet.

I express just a word of amazement that, whereas just a few years ago there was a tremendous protest here against the alleged radicalism of Mr. Secretary Wallace, the situation is such that Mr. Secretary Wallace has now publicly to warn and to rebuke us for our radicalism. I think the warning should go home to us and all the American people.

I know the bill we are about to pass is not going to be the law.

Mr. POPE. Mr. President——

Mr. BAILEY. I shall yield to the Senator in a moment.

But I rather suspect that nothing like it will be the law. I am inclined to think it would be useless at this stage to recommit it. I think if we recommitted the bill that not much could be done about it. The House has passed a bill. We are passing a bill. The conferees perhaps in the Christmas holidays—I do not think within the time that remains in the special session—may work out a proper bill; but the Senate conferees within the Christmas holidays I hope will take all of the Senate's proposals—and I should not object to them taking all the amendments offered from whatever source—take them to conference and sit down with the conferees on the part of the House and work out a proper bill for the Congress to pass.

I join with Mr. Secretary Wallace, and I am happy to join with him, in the warning, and it is a very plain warning, that the Congress of the United States at any rate now appears to be leading the way to fascism and autocracy, and I think it comes from the very man from whom it ought to come. Now I yield to the Senator from Idaho.

Mr. POPE. Mr. President, the Senator made a statement a few moments ago which I think is entirely erroneous, and I am sure he would not want to leave an erroneous impression.

Mr. BAILEY. I would not. I will be very glad to have any correction that may be justified.

Mr. POPE. The statement from which the Senator read in the newspaper relates, I am assured, to the price-fixing substitutes which are offered as amendments to the bill, and I will again call the attention of the Senator to the Secretary's letter, in which he stated:

> I have already made known to you, to the Agricultural Committees of the Congress, to the public, my support of the principles back of this legislation.

So I think I can safely say, and I have been assured this morning, that the reference which the Senator read has to do with the price-fixing substitutes offered as amendments to the pending measure.

Mr. BAILEY. I am perfectly willing to have it appear that Mr. Secretary Wallace did make the statement in the light of proposed amendments, and that he had in mind in part the amendment proposed by the junior Senator from Oklahoma [Mr. LEE] and also the amendment about to be proposed by the junior Senator from California [Mr. McADOO]. But Mr. Secretary Wallace has made two statements on this subject. One was in a formal letter to a Member of the Senate, and the letter was read here just a few days ago. In that letter the Secretary warned us against the expenditures under the proposed legislation before these amendments were proposed. The letter was interpreted here in my hearing by Senators as being a protest against the bill; and, if I am not mistaken, the letter also called attention to the fact that we were proposing to pass a bill which would cost the Government a billion dollars.

I take it that the statement the Secretary has issued, while it may have been induced by these amendments to which we have referred, is made in the light, first, of his letter; second, in the light of the amendments; and, third, in the light of the whole tenor of affairs. So I do not think it is necessary to say that I made an erroneous statement. I am interpreting the statement in the light of the Secretary's letter and of the whole situation.

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

Mr. BAILEY. I yield.

Mr. McGILL. I have no doubt the Senator from North Carolina has read accurately from what appeared in some newspaper. I do not know from which paper he may have read.

Mr. BAILEY. I read from the Herald Tribune, on the front page, and it was also in the New York Times.

Mr. McGILL. In the New York Times article I observe, if the Senator will yield, that this is the statement:

> These price-fixing programs, which sometimes are called domestic allotment plans, sometimes the two-price system, in order to be carried out, involve licensing all businessmen who purchase farm products. They also involve licensing all farmers.

I would take it from that the Secretary was discussing the amendments proposed by the Senator from Oklahoma [Mr. LEE] and the Senator from California [Mr. McADOO].

Mr. BAILEY. Mr. President, let me proceed and read the remainder of his statement:

This is the situation as I sense it.

These are Mr. Wallace's words:

There is a feeling that other groups use the Government's power to impose a type of scarcity for their own profit—

I now turn to page 21—

And farmers don't see any reason why I should frown on farmers using Government power to do the same. They say "Why not meet fire with fire? Why not have a showdown?" But just because other elements do these things I don't see why the farmers should.

If we began a program like that, we would have a downward spiral of scarcity. I don't see why the Government should stand for that kind of thing. As Secretary of Agriculture, my obligation is to see if something can't be worked out for farmers to cooperate in bringing about an ascending spiral of abundance instead of a descending spiral of scarcity.

There is the whole statement, and I let its interpretation rest upon the intellects of the Senate, and am perfectly willing to interpret it in the light of what any Senator may say. But I cannot read anything in that, especially in view of the letter the Secretary wrote, and which was the subject of a long debate, except that Mr. Wallace sees that there is grave danger that the Congress will go very far to his left. I am very grateful to have him give us the warning, and I wish fully to support it.

Mr. McGILL. Mr. President, will the Senator yield a moment?

Mr. BAILEY. I yield the floor, unless the Senator wishes to ask a question.

Mr. McGILL. Just for a question. The article the Senator has read is from the New York Herald Tribune. I was reading from the New York Times. I have read a similar statement in the Washington Post. I observe these statements do not exactly coincide one with the other, and I take it that whatever the Secretary may have said at a press conference was an oral statement, not prepared in writing, and that the various writers for newspapers have put different interpretations upon it.

Mr. BAILEY. Mr. President, that is the usual way of trying to minimize something one does not like. If any Senator wishes to do that, very well. The ostriches in Africa have always had the habit of sticking their heads in the sand when they got ready, but I never heard of one getting very far by that process.

The statement of the Secretary is before the Senate. Let Senators interpret it as they please. I interpret it as a protest and warning against radicalism in the Congress.

Mr. MINTON. Mr. President, I do not think we should be unduly alarmed about the observations of the Secretary of Agriculture that the Congress of the United States may be going Fascist. It is just possible that the Secretary of Agriculture has been reading the Vandenberg manifesto.

Mr. ADAMS. Mr. President, I have been reading the remarks of the junior Senator from Oklahoma [Mr. LEE], and I should be obliged to him if in my time he would give some additional information as to what his proposal would cost the United States. I gather from his remarks that he proposes that the Government shall lend 20 cents a pound on the prescribed amount of cotton. If that amount were 10,000,000 bales, there would be 5,000,000,000 pounds; that is, we would then have a loan of a billion dollars. I should like to know just how the Senator figures the cost to the Government.

Mr. LEE. Mr. President, I appreciate the opportunity to clarify that matter. In the first place, in regard to price-fixing being a step toward fascism, there is in the bill no licensing feature. The price-pegging is based on a loan device which we have used before, making it illegal to buy for processing in the United States cotton which is not tagged.

The loan device provides that the Commodity Credit Corporation shall lend to a farmer at parity, or 20 cents a pound, whichever is the smaller, only on the amount it is estimated we will consume in the United States, which will have to be announced previously. Let us say the farmer is allotted eight bales of cotton for the domestic market. After each farmer has been given his allotment the Secretary will then issue him eight bale tags, and it shall be illegal for a processor or miller or manufacturer of cotton goods to manufacture any cotton goods for use in the United States from cotton which is not tagged in the manner explained.

Suppose a farmer takes his cotton to town and it is tagged, and he desires to sell it, but no buyer appears. Then he can apply to the Commodity Credit Corporation for a loan on it. The processors will have to buy cotton from the Commodity Credit Corporation because the amount to be processed in the United States is limited to the amount we will use, so they cannot buy it anywhere else, and they will be forced to pay the Commodity Credit Corporation any interest that may have accumulated, any carrying charge, any warehousing charge.

The miller will, therefore, say to himself, "Why should I pay that extra charge? I will put a buyer down here in the market and buy the cotton directly from the farmer." That is the way it would work. If the Commodity Credit Corporation did have to advance money for a loan it would be only a temporary matter, because before the season ended the manufacturers would need cotton for manufacture in the United States.

The bill protects the manufacturer in his foreign trade by allowing him to buy the untagged cotton at the world-market price for the manufacture of goods he will sell abroad. In addition, through the sliding tariff scale, there is provided protection of his home market from importations from abroad.

If the Senator will be kind enough to allow me to go a little further——

Mr. ADAMS. I shall be glad to have the Senator do so.

Mr. LEE. As explained before, it takes a man-hour of labor to produce a pound of cotton. The figures as to that have been furnished by Colonel Westbrook, who for the years we have had the W. P. A. has been accustomed to figuring man-hour labor. He figures it takes 1 man-hour of labor to produce 1 pound of cotton. Therefore, the price we allow for cotton is the price per hour for raising it. It is the price per hour we are fixing for those who toil in the cottonfields.

If we cut off only 7,500,000 bales of cotton—and from the amount we produced this year it will take more than that to cut our production down to 10,000,000 bales, but let us figure that we cut off 7,500,000 bales of cotton next year—that will put out of employment a billion and a half man-hours of labor. Figure that billion and a half man-hours of labor at the price we pay relief labor, and it will mean that we will have to appropriate $600,000,000 to take care of the same people we put out of employment by cutting off seven and a half million bales.

Which would Senators rather vote, a price-pegging system or a loan that we have used before, to fix the price at 20 cents a pound or 20 cents an hour, whereas relief labor gets 40 cents? We fix our minimum wage at 40 cents. Is there a man here who represents the cotton section of the United States who can afford to vote against 20 cents a pound, 20 cents an hour, for the most degraded labor in the United States, of the poorest people? In the North and the East there are slums, and we voted money to correct slum conditions. There are the sweatshops, and we have tried through legislation to cure the conditions in the sweatshops. But we have a type of people in the South in a more deplorable condition than those in the sweatshops or in the slums, in my opinion.

As to the cost, I understand from an article by Colonel Westbrook that the peso will buy three times as much as the dollar. Therefore, when the peon gets a peso's worth of cotton production, he is three times better off than the man who produces a dollar's worth of cotton in this country.

But by the proposed device we can improve the buying power and that, on the part of Senators who represent the unaffected district, so far as cotton is concerned, will be bread cast upon the waters. It will come back to them with butter and jam smeared all over it, because those people will start spending and start buying with the money they get. Senators from these other districts cannot afford not to do something to help the farmer. His situation is the result of political action by virtue of the tariff, and by political action we can change it.

The result down there is not the result of God Almighty's doings. It is man-made, and man can correct it. We can correct it today. We can vote for this substitute today, and it will correct the condition next year. The cotton farmer will then begin buying in the United States markets, and those who represent other sections will benefit by it. By reason of what we do in trying to raise the price of cotton, by raising the price of production——

Mr. ELLENDER. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEE. Mr. President, a parliamentary question.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEE. Is what is now occurring to be taken out of the time of the Senator from Colorado [Mr. ADAMS]?

The PRESIDENT pro tempore. No; it is not.

Mr. ELLENDER. Mr. President, I make the point of order that the Senate has no right to consider the substitute at the present moment.

On page 9 of the substitute, section 36 provides:

SEC. 36. The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. ADAMS. Mr. President——

Mr. ELLENDER. Just a moment. The Constitution, in article I, section 7——

Mr. ADAMS. Mr. President, I have the floor. If a point of order is raised against my retaining the floor, that is one thing. However, the point of order that is raised now is against the consideration of an amendment. I have the floor, and I do not think the point of order should prevail against my right to ask a question and obtain information.

The PRESIDENT pro tempore. The occupant of the chair has held time and again that that sort of a parliamentary question cannot be raised without the consent of the Senator having the floor, and that a Senator cannot be taken off his feet for that purpose. Therefore, the point of order is not in order until the Senator from Colorado sees fit to yield the floor for that purpose.

Mr. ELLENDER. I thought the Senator from Oklahoma had the floor, Mr. President, and that he had yielded to me.

Mr. ADAMS. Mr. President, the Senator from Colorado has the floor.

The PRESIDENT pro tempore. The supposition of the Senator from Louisiana is a natural one; but, as a matter of fact, the Senator from Colorado has the floor.

Mr. LEE. Mr. President, will the Senator from Colorado yield to me for one final statement?

Mr. ADAMS. I yield.

Mr. LEE. I will say that our effort to raise the world market price by reducing our own production, having the result that when we reduce, others increase production, and when we go back they advance, is just about as effective as a billy goat butting at the end of a swinging rope.

Mr. ADAMS. Mr. President, a further question. In the Senator's statement last night, he said that his proposal would not require any appropriation from the Treasury. I am wondering how we are going to loan 20 cents a pound on cotton without an appropriation from the Treasury.

Mr. LEE. Mr. President, I understood that Mr. Jesse Jones talked to a number of Senators and told them that he had enough money now and could get enough money to buy the entire surplus crop. I presume the Commodity Credit Corporation has some money. As I pointed out, we shall not need to have enough money to loan 20 cents a pound on the entire crop, because the buyer will buy directly. The money used for loans in that case would not be in the form of an appropriation. The Corporation already has enough to carry out this program. Of course, the administration would cost money, but any program is going to cost money.

Mr. ADAMS. Does the Senator see any difference between costing the R. F. C. and costing the Treasury?

Mr. LEE. The R. F. C. has the money. It will not require an additional appropriation to put it in the hands of the R. F. C. If Mr. Jesse Jones can get it, as he stated to the Senators, without appropriation, then that makes my statement good. It is a loan, and not a gift, because it comes back, even though it is temporarily borrowed.

Mr. ADAMS. Mr. President, one further question: Under the Senator's substitute, he proposes to restrict the amount of cotton which may be sold upon the American market. The restriction in the available supply necessarily reflects the price. That is the operation of demand against supply. Could not the Senator accomplish the same result if he limited the American sale without lending 20 cents a pound? Suppose he provided for lending 12 cents or 12½ cents a pound. Could not the same results be accomplished without the strain on the Treasury or the R. F. C. which the Senator's plan involves?

Mr. LEE. It might be so; but the farmer would perhaps be confronted with a few weeks' or months' delay in selling his crop. He would not be assured that he could get it. Then we also should run into the direct price-fixing methods which I wish to avoid by doing it by the loan-device method.

Mr. ADAMS. Of course, it seems to some of us that a 20-cent loan represents almost a purchase of cotton—that is, when one thinks of the transaction in terms of the cotton price.

Mr. LEE. It would amount to that with respect to the Commodity Credit Corporation loan; but it would be for a very short time, because the millers would have to have that cotton to finish their season.

Mr. ADAMS. I will merely say that it would be a great deal easier for some of us if the Senator could reduce the 20-cent loan to somewhere within the range of cotton prices.

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

Mr. ADAMS. I yield.

Mr. POPE. Under the program suggested by the Senator from Oklahoma [Mr. LEE] of course a tariff would be necessary to protect the American markets and the producers of the domestic supply of cotton. That is contemplated and recognized in the bill. Then we have this provision, being section 36:

The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. ADAMS. It would be absolutely essential that there should be a tariff provided in some way in order to protect the farmers.

Mr. POPE. Let me ask the Senator from Colorado if he thinks this would be a proper legal and constitutional way to do it.

Mr. ADAMS. I ask the Senator from Idaho if he will, in my time, ask the same question of the Senator from Oklahoma [Mr. LEE] that he asked of me.

Mr. POPE. Mr. President, does the Senator think the President and the Tariff Commission can fix tariff duties under such a provision as this, and with the bill originating in the Senate?

Mr. LEE. I will say to the Senator that the tariff measure does not originate in the Senate. There is simply a reference to it in the substitute. The President and the Tariff Commission are already performing that function under the powers formerly granted to them. The provision simply is a direction to carry out the duty already conferred

upon them. As to the complication which it might involve as compared with the bill which the committee is supporting, it seems to me that would be a primer compared to calculus.

The PRESIDENT pro tempore. The time of the Senator from Colorado on the amendment has expired.

The Chair recognizes the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I desire to renew the point of order which I made a few moments ago.

I again desire to state that section 36 of the substitute provides:

> The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Article I, section 7, of the Constitution provides:

> All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

Mr. President, it is evident that section 36 of the substitute, to which I have just referred, attempts to raise revenue, or gives the power and the right to raise revenue, on cotton and cotton goods. I am informed that there is no tariff at all on cotton except on long-staple cotton. As to all cotton with which we are now dealing, as I understand section 36, the President would be given the right to fix a rate of a sufficient amount to carry out the purposes of this measure.

USE OF LETTERHEADS OF SENATE COMMITTEE ON THE JUDICIARY

Mr. ASHURST. Mr. President, I beg the pardon of the Senate for the presumption now displayed in asking the Senate to hear me for a moment on a subject important but not related to the pending bill. My purpose in arising is to——

The PRESIDENT pro tempore. Does the Senator from Arizona [Mr. ASHURST] desire to address himself to the point of order that was raised.

Mr. ASHURST. No, Mr. President.

The PRESIDENT pro tempore. If the Senator will yield for a moment. Under the rule, when a point of order is made involving the Constitution of the United States, it becomes the duty of the Chair to submit the question immediately to the Senate.

Mr. ASHURST. That point of order is now debatable, is it not?

The PRESIDENT pro tempore. It is debatable.

Mr. ASHURST. My thanks to the President pro tempore.

The PRESIDENT pro tempore. The question is now submitted to the Senate. The Senator from Arizona is recognized.

Mr. ASHURST. Again I ask the Senate to pardon me for presuming to make a very brief reference to a matter not at all related to the point of order or to the pending bill. My purpose in arising is to direct the attention of the Senate and the country to what appears to be a flagrant, unauthorized misuse of letterheads of the Senate Committee on the Judiciary. A certain organization calling itself the National Committee to Vindicate Tom Mooney, 1622 Nineteenth Street NW., Washington, D. C., has sent, presumably, to many Senators—certainly to one Senator who brought the subject to my notice—a circular letter. The matter underneath the letterheading is respectable and proper, but the circular letter bears the photograph or photostat of the letterhead of the Senate Committee on the Judiciary. The evident intent of the use of the letterhead is slyly, cunningly, adroitly, and in an underhanded fashion to make some simpleton believe that the Senate Committee on the Judiciary is in some way connected with this organization. I have no authority to speak for any of the other members of the Senate Committee on the Judiciary, but I shall presume far enough to say that no member of that committee has authorized the use of stationery of that committee for this or any other like purpose.

As is well known to every informed person, Washington, D. C., for a decade—yes, for more than a decade—has been engorged with oleaginous lobbyists, or if Senators prefer, "parliamentary solicitors", who by devious and cunning methods waylay Senators and Representatives; these lobbyists are not trying to add to the efficiency of our Government, but are trying to take something out of the Government. Notwithstanding that fact, these citizens, to wit, the National Committee to Vindicate Tom Mooney, have the right to organize themselves into lobbies. Citizens have as much right to form an organization to attempt to free Tom Mooney as they have to organize themselves in an attempt to secure a loan from the R. F. C.

Mr. President, I do not inveigh against this Mooney organization as such. In fact, there is now an organization being promoted to petition the proper powers in Great Britain to restore Edward VIII to the throne. Such organization might be offensive to a foreign government, but American citizens possess such rights. There is no law in the United States to prevent a man making a fool of himself if he chooses.

In my public career I have never looked with any degree of support or sympathy upon antilobbying bills. I doubt if I have ever voted for a bill against lobbyists, for this reason: The Senator himself must protect himself against a lobbyist. A Senator or other public man who is so weak that he must have a sentinel to guard him and protect him all the time against lobbyists is not worth the sentinel's pay. So I never have worried about antilobbying bills.

The members of the Senate Committee on the Judiciary are as follows: WILLIAM H. KING, M. M. NEELY, PATRICK MCCARRAN, FREDERICK VAN NUYS, M. M. LOGAN, WILLIAM H. DIETERICH, GEORGE MCGILL, CARL A. HATCH, EDWARD R. BURKE, KEY PITTMAN, TOM CONNALLY, JOSEPH C. O'MAHONEY, JAMES H. HUGHES, WILLIAM E. BORAH, GEORGE W. NORRIS, WARREN R. AUSTIN, FREDERICK STEIWER, and your humble servant as the chairman.

I have not talked with any member of the committee on this Mooney letter, but I am confident that not one of them has directly or indirectly authorized the use of the committee's letterhead in any such manner.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ASHURST. Will the Senator from Wyoming pardon me for just a minute?

There is before the Senate Committee on the Judiciary a resolution, submitted by the able Senator from Montana [Mr. MURRAY], memorializing Hon. Frank Merriam, Governor of California, to grant a full pardon to Thomas Mooney, and so forth. The Senator from Montana had a right to submit such a resolution. These resolutions are not without precedent. Such resolutions have been introduced before, though not on this particular subject. The resolution was by myself, as the chairman of the Senate Committee on the Judiciary, on June 7 last, referred to a subcommittee composed of Senators O'MAHONEY, chairman, NEELY, HUGHES, MCCARRAN, and STEIWER.

I shall, in a moment, yield to the able Senator from Wyoming [Mr. O'MAHONEY], because I am sure he will be able to give the Senate some information upon this subject.

Again I say that I find no fault with an organization to secure legislation petitioning for the release of Tom Mooney. I see no fault or violation of proprieties in citizens organizing themselves to equip an expedition to the moon, to fortify the moon against a warlike attack from Mars, if they desire to do so, and I again say that I wish it distinctly understood that I am not inveighing against this Mooney organization which, however, is certainly naive in assuming that it can make anybody believe that the Senate Committee on the Judiciary has aught to do with its organization other than to accord to it a respectful hearing. The Senate Committee on the Judiciary grants to all citizens a hearing on any subject pending before it on which any citizen wishes to be heard.

I now yield to the able Senator from Wyoming [Mr. O'MAHONEY], the chairman of the subcommittee, and before

I take my seat let me say that I cannot too highly commend the diligence, the assiduity, and the ability with which the chairman of the subcommittee has addressed himself to this Mooney resolution.

Mr. O'MAHONEY. The Senator overwhelms me.

Mr. ASHURST. One more word. It must not by any intendment be assumed that I think any criticism should come to the Senator who submitted the resolution; he is one of the ablest of our Senators. Again I say, such resolutions are not without precedent. They are usual, and no blame, no criticism, should fall upon any Senator for submitting such a resolution.

I yield the floor.

Mr. O'MAHONEY. Mr. President, I am sure it is altogether unnecessary to say in this body that no member of the Judiciary Committee, including the members of the subcommittee, would ever have thought of authorizing the use of the stationery of the committee for the purpose of raising funds for any activity, particularly for an activity concerning a matter pending before the members of the committee in their capacity as representatives of the Senate.

It ought to be made clear to the country, however, for the protection of persons who might be misled by this unauthorized use of the committee's stationery, that neither the subcommittee, the full committee, any member of the committee, nor any Member of the Senate has participated in this effort to collect funds by creating the impression that it is sponsored officially by the Senate or some of its Members.

As a matter of fact, I think this use of a photostatic copy of the letterhead of the Judiciary Committee has done more than any other thing possibly could have done to prejudice the case of Mr. Mooney as presented to the Senate in the resolution under consideration by our committee. I think I am not making any unauthorized statement or revealing any secret when I say that the members of the subcommittee have all indicated a very deep sympathy with Tom Mooney, and a desire to be helpful to him.

The question which has been under consideration by the subcommittee is whether or not Tom Mooney should be subpenaed to appear before the subcommittee. We allowed the representatives of Mr. Mooney to appear and make an argument in support of the contention that the committee has the power to summon him from his place of incarceration in California to Washington to present his cause here.

The members of the committee, I think, are unanimously of the opinion that inasmuch as the resolution which has been submitted to us constitutes merely a request to the Governor of California to exercise his jurisdiction, and is not in any sense a legislative matter, even though it were desired by the members of the committee to issue a subpena, the committee has not that authority, and the Senate has not that authority.

Mr. ASHURST. Mr. President, after the clear and, in my judgment, accurate statement of view from the able chairman of the subcommittee, I wish to pursue this matter no further, fearing that if I should pursue it further it might in some way react against the man incarcerated in prison, of whose case I know nothing. His case is purely a matter to be determined by the State of California, through her executive; and upon that authority I shall not trench. I know that if I were speaking for Arizona, Arizona would look with indignation and contempt upon any resolution from Congress asking her executive to do anything committed solely to his discretion. In Arizona we are a bold and a free people. We enforce the law and pay our debts, and take dictation from no one, not even Washington. I assume that California will do the same thing.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. BORAH. Mr. President, I understood that the Chair was about to submit the point of order to the Senate.

The PRESIDENT pro tempore. The Chair has submitted it, but will again state the question.

The Senator from Louisiana [Mr. ELLENDER] makes a point of order against section 36 of the substitute amendment on the ground that it contravenes section 7 of article I of the Constitution, providing that revenue bills shall originate in the House of Representatives. Under the rules of the Senate it is the duty of the Chair to submit the question to the Senate, which he has done. The question is, Will the Senate sustain the point of order or will it overrule the point of order? Those who are in favor of sustaining the point of order will vote "yea," and those who are opposed to sustaining it will vote "nay."

Mr. BORAH. Mr. President, the question with me is whether the point of order has not been prematurely raised. May a point of order be raised against a Senator debating a proposition of this kind in the Senate? Debate on this matter is now proceeding; and certainly I know of no rule which would prevent a discussion of a measure having in it a particular section of this kind.

It seems to me the objection comes prematurely. It could properly come only when it was undertaken to vote upon the matter which is the subject of the point of order.

Mr. BARKLEY. Mr. President, in reply to the Senator from Idaho, I suggest that a point of order is in order at any time after a proposition is offered to the Senate. A Senator discovering a fatal defect from the constitutional standpoint, and making the point, does not have to wait until all the argument on the merits of the question is exhausted. It seems to me the point of order could have been made immediately upon the offering of the substitute by the Senator from Oklahoma.

The PRESIDENT pro tempore. The Chair is of the opinion that when an amendment is tendered it is subject to a point of order, and the point of order may be made at that time.

Mr. LEE. Mr. President, I wish to discuss the point of order.

In the first place, I think no one would rule that this amendment is a revenue-raising amendment. The provision referred to is only incidental to the purpose of the amendment. It is not any more directly connected with revenue raising than the penalties provided in the committee bill, which would raise revenue; but they are incidental to the purposes of the bill. This likewise is incidental, and it is not the purpose of the amendment to raise money. It has been done before. Other bills have carried incidental penalties or provisions that no doubt would result in some income to the Treasury, such as the penalties in the committee bill; but no one would say that the purpose of that bill is to raise money.

I think no fair estimate of the amendment would say that the purpose of the amendment is to raise money. That is the purpose of a revenue bill. Therefore we are rather straining a point and putting a bridle on our own activities when we say that a penalty or a means of carrying out the purpose of the measure when it is purely incidental, as this is, is beyond the reach of our power.

Mr. BANKHEAD. Mr. President, is the question whether or not the section which is the subject of the point of order violates the provision of the Constitution which requires all bills raising revenue to originate in the House of Representatives?

The PRESIDENT pro tempore. That is the question which is raised by the point of order.

Mr. BANKHEAD. I merely desire to read the section in question:

> The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

Mr. President, I submit that of course that section provides for a tariff.

I have no more to say, and yield the floor.

Mr. LEE. Mr. President, I should like to modify the amendment by striking out that provision.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will please state it.

Mr. RUSSELL. If the Senate should sustain the point of order made by the Senator from Louisiana, would it go to the entire amendment or would it merely strike out the section which, it is charged, offends against the provision of the Constitution?

The PRESIDENT pro tempore. It would simply go to that portion of the amendment if the Senate held that that portion of the amendment constituted an unconstitutional amendment. If the Senator should strike out that section——

Mr. LEE. I have just asked that that be done.

The PRESIDENT pro tempore. Then the question would arise as to the rest of the amendment.

The Senator from Oklahoma desires to withdraw that section from his amendment. He has a right to do that before the question is submitted. Does the Senator from Oklahoma modify his amendment by withdrawing section 36 from it?

Mr. LEE. I do.

The PRESIDENT pro tempore. The amendment having been modified, and section 36 having been withdrawn, that being the subject of the point of order, there is no necessity of presenting the point of order to the Senate.

The question is on agreeing to the amendment of the Senator from Oklahoma, as modified, in the nature of a substitute for the amendment reported by the committee.

Mr. LEE. On that question I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. NYE (when his name was called). On this question I have a pair with the senior Senator from Illinois [Mr. LEWIS]. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. MINTON. I desire to announce that the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained. I am authorized to state that if he were present he would vote "nay."

Mr. GLASS. I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]. In his absence I withhold my vote.

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY] and the Senator from Ohio [Mr. DONAHEY] are unavoidably detained.

The Senator from North Carolina [Mr. BAILEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Utah [Mr. KING], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

On this question the Senator from Arkansas [Mrs. CARAWAY] is paired with the Senator from Michigan [Mr. VANDENBERG]. I am not advised how either Senator would vote if present.

The result was announced—yeas 26, nays 56, as follows:

YEAS—26

Austin	Frazier	Lodge	Thomas, Okla.
Borah	Gibson	McCarran	Townsend
Bridges	Hale	McNary	Truman
Capper	Hitchcock	Miller	Walsh
Chavez	Johnson, Calif.	Reynolds	White
Copeland	Johnson, Colo.	Russell	
Davis	Lee	Steiwer	

NAYS—56

Adams	Burke	Green	McAdoo
Andrews	Byrd	Guffey	McGill
Ashurst	Byrnes	Harrison	McKellar
Bankhead	Connally	Hatch	Maloney
Barkley	Dieterich	Hayden	Minton
Bilbo	Duffy	Herring	Moore
Bone	Ellender	Holt	Murray
Brown, Mich.	George	La Follette	Neely
Brown, N. H.	Gerry	Logan	Norris
Bulkley	Gillette	Lonergan	O'Mahoney
Bulow	Graves	Lundeen	Overton
Pepper	Schwartz	Smathers	Tydings
Pittman	Schwellenbach	Smith	Van Nuys
Pope	Sheppard	Thomas, Utah	Wagner

NOT VOTING—14

Bailey	Donahey	Lewis	Vandenberg
Berry	Glass	Nye	Wheeler
Caraway	Hughes	Radcliffe	
Clark	King	Shipstead	

So Mr. LEE's amendment, in the nature of a substitute, was rejected.

Mr. ELLENDER. Mr. President, I send to the desk an amendment to the committee amendment of the tobacco title, and ask that it may be stated.

The PRESIDENT pro tempore. May the Chair state there is another committee amendment which was passed over because of an amendment offered by the Senator from Oklahoma [Mr. THOMAS], on page 82, line 21. Does the Senator from Oklahoma desire to proceed with that amendment at this time?

Mr. THOMAS of Oklahoma. I ask that it be passed over temporarily.

The PRESIDENT pro tempore. It will be passed over. The clerk will state the amendment of the Senator from Louisiana [Mr. ELLENDER].

The LEGISLATIVE CLERK. On page 46, beginning in line 16, it is proposed to strike out the first sentence, as follows:

> Any person who knowingly acquires from a producer tobacco marketed by such producer from a farm in excess of the marketing quota for such farm shall be subject to a penalty of 50 percent of the market price of the tobacco on the date of such acquisition, or 3 cents per pound in the case of flue-cured, Maryland, or burley, or 2 cents per pound in the case of all other kinds of tobacco, whichever is the higher.

And insert in lieu thereof the following:

> The marketing of any tobacco in excess of the marketing quota for the farm on which the tobacco is produced, except the marketing of any such tobacco for nicotine or other byproduct uses, shall be subject to a penalty of 50 percent of the market price of such tobacco on the date of such marketing, or if the following rates are higher: 3 cents per pound in the case of flue-cured, Maryland, or burley, and 2 cents in the case of all other kinds of tobacco.

Mr. ELLENDER. I move to reconsider the vote by which section 44 was adopted a few days ago, so my amendment may be considered at this time.

The motion was agreed to.

The PRESIDENT pro tempore. The vote is reconsidered, and the amendment of the Senator from Louisiana is pending.

Mr. ELLENDER. The purpose of the amendment, as will be seen, is to exempt from the penalty provision such tobacco as may be used for the manufacture of nicotine.

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

Mr. ELLENDER. I yield.

Mr. McKELLAR. I am very happy that the Senator has offered the amendment. I approve it entirely. In this connection I should like to have published in the RECORD as a part of my remarks a telegram received from Tennessee in connection with the matter.

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

CLARKSVILLE, TENN., *December 15, 1937.*

Senator KENNETH D. McKELLAR:

> You are very familiar with conditions here and know that all lines of business depend on the prosperity of the tobacco grower. Will you use your good offices to have included in the pending farm bill an exemption for such tobacco as may be sold for manufacture into fertilizer, nicotine, tobacco extract, and other byproducts, and that such tobacco shall not be subject to penalty tax or penalty payment? This will allow farmers to dispose of excess at some price and render destruction of excess unnecessary on farm. Fruit growers, truck farmers, and poultry farmers require nicotine for preservation of their crops, and both nicotine and extract are increasing exports from this country. Deem most important that you do not close any existing outlet dark-tobacco grower has remaining.

FIRST NATIONAL BANK OF CLARKSVILLE.

Mr. ELLENDER. Mr. President, there is nothing else to be stated in explanation of the proposed amendment except what I have just said.

Mr. LOGAN. Mr. President, I am very much interested in the amendment. I understand its purpose is to exempt from the penalty provision the tobacco which is sold for the manufacture of nicotine?

Mr. ELLENDER. That is correct.

Mr. LOGAN. I think that is highly important and that it should be done, so I have no objection to the amendment.

Mr. BARKLEY. Mr. President, I ask unanimous consent in connection with the amendment to have printed in the RECORD a telegram which I received from Kentucky on yesterday supporting the proposal.

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

HENDERSON, KY., *December 14, 1937.*

Senator ALBEN W. BARKLEY,
Capitol, Washington, D. C.:

Please advise if Senate farm bill protects the tobacco byproducts industry. Highly important that farmer be protected to allow his selling excess tobacco beyond allotment to nicotine and other byproducts without payment of proposed tax on excess. Our understanding of proposed legislation makes it appear that conditions will be repeated which existed under old A. A. A. program and Kerr-Smith law, which carried prohibitive tax, preventing farmer receiving any income on excess which could have been disposed into byproducts. This resulted in two of the three nicotine companies closing down until Government diversion programs reestablished a supply of raw-material control legislation. Liable to curtail low-grade leaf marketed and at same time return excess to farm, forcing an established industry to stand idle because of such legislation. Please telephone, reverse charges, if you are not clear on this item. Stemming District Tobacco Association, a farmers' cooperative association at Henderson, Owensboro, and Madisonville, concur in the above.

C. SGONINA,
President, American Nicotine Co.
C. A. MITCHELL,
President, Stemming District Tobacco Association.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. POPE. Mr. President, I desire to offer an amendment to the original text of the bill. I send the amendment to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 23, after the word "market", it is proposed to insert a period and the words "in the case of corn such loans shall be", and on page 8, line 1, after the word "year" and the period, to insert:

In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year.

So as to read:

SEC. 5. (a) The Surplus Reserve Loan Corporation established by title VII of this act (hereinafter referred to as the Corporation) is directed to make available surplus reserve loans upon wheat or corn produced for market. In the case of corn such loans shall be at the loan rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year. In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year. Such loans shall be made only to cooperators and on the security solely of the stocks of the commodity insured and stored under seal, etc.

Mr. McNARY. Is it intended by the amendment to change the loan value as specified in schedule A?

Mr. POPE. Yes. It has been realized all during the consideration of the bill that the provisions of schedule A as to loans on wheat were too high and so rigid so as not to permit consideration of the world price or export price of wheat. The amendment would provide, instead of a schedule of rigid rates for making loans on wheat, that there shall be a flexible schedule for loans on wheat, using the same figure as is contained in the schedule, 52 percent and up to 75 percent, leaving it to the discretion of the corporation or whoever makes the loan to determine the amount of the loan, giving consideration at that time to the world market.

That is in line with the recommendation of the Secretary of Agriculture, and those who are particularly interested in wheat realize that that kind of an amendment is desirable unless we want to take the position that a loan must be made under schedule A that would take the wheat off the export market. That is the purpose of the amendment.

Mr. McNARY. Mr. President, I am inclined to think that is a commendable proposition. When the amendment was read it occurred to me that under it the grower of wheat could not obtain as large a loan as he could under the provisions of schedule A, but the flexibility as explained by the Senator, I think, makes the amendment satisfactory.

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

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Idaho.

The CHIEF CLERK. On page 8, line 1, after the period, it is proposed to insert the words:

In the case of wheat the rate of such loans shall be not less than 52 percent and not more than 75 percent of the parity price for wheat as proclaimed at the beginning of the marketing year.

Mr. McNARY. Mr. President, is this the same limitation as that contained in the bill as reported to the Senate, that a loan may be obtained on 75 percent of the value of the wheat?

Mr. POPE. No; instead of providing for an 85-percent ceiling, it is reduced to 75 percent. But the lower rate, 52 percent, is the same as in the amendment in schedule A of the original bill.

Mr. McNARY. Does that bear the same ratio as for cotton?

Mr. POPE. The Senator from Alabama is in the Chamber, and can more clearly explain the cotton provision; but there is a general provision as to cotton, under which loans will be made in an amount in the discretion of the lending organization. There are no maximum and minimum rates of loans in the case of cotton.

Mr. McNARY. That is what I recall. The Senator has heard me on many occasions voice an objection to what I call discrimination favorable to cotton as against wheat and corn. Why provide a ceiling on wheat, and reduce the rate from that contained in the original bill, so that the wheat farmer can obtain from the lending corporation a loan on only 75 percent of the value of the wheat, when in the bill the subcommittee took to the country, and about which we have heard so much, the figure was 85 percent? I believe the farmers were told they could borrow on 85 percent of the value from the corporation, were they not? Now, the Senator is asking us to limit that to 75 percent of the value of the wheat, if I understand the amendment. But we are asked to say to the cotton man, "Get all that you can." Why make that difference?

Mr. POPE. As a practical matter——

Mr. McNARY. What is the practical side of it?

Mr. POPE. The Senator knows that cotton is now and always has been at a lower percentage of parity than wheat or corn.

Mr. McNARY. I do not know that.

Mr. POPE. The necessity for placing exactly the same limit upon the loan percentages does not exist as to those commodities. However, if the Senator desires, I have no objection to making the ceiling in this amendment 85 percent instead of 75 percent.

Mr. McNARY. I do desire it, because the subcommittee told the boys down on the farm, when they went around with the bill, that they could borrow 85 percent of the value from the corporation to be set up.

Mr. POPE. If the bill should be passed.

Mr. McNARY. If they were told they could borrow 85 percent, let us keep the faith, and let them borrow on the

value of 85 percent. That is the reason why I object to the amendment.

Mr. POPE. Very well. I ask leave to modify the amendment which will appear on page 8, line 1, by changing 75 percent to 85 percent.

The PRESIDENT pro tempore. Without objection, the amendment will be modified by striking out "75" and inserting "85."

Mr. McNARY. Mr. President, I wish to express to the Senator from Idaho my appreciation on behalf of the wheat growers of the country.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho, as modified.

The amendment, as modified, was agreed to.

Mr. POPE. Mr. President, I desire to complete the amendment by moving to strike out, on page 21, in the first column of schedule A, the words "wheat and", in order to remove that commodity from the schedule. It is to make the schedule accord with the amendment already agreed to.

The PRESIDENT pro tempore. It will be necessary to reconsider the vote by which the amendment was agreed to. Is there objection to the reconsideration of the vote by which the amendment on page 21, line 1, was agreed to? The Chair hears none, and the vote is reconsidered.

The Senator from Idaho offers an amendment to the amendment, which will be stated.

The CHIEF CLERK. On page 21, in the first column of schedule A, it is proposed to strike out the words "wheat and."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BANKHEAD. Mr. President, I desire to call up an amendment I presented several days ago, and gave notice I would call up, defining "parity payments," as a result of the discussion about what those words meant. The amendment is to be inserted on page 73, after line 3, under "Definitions," and the amendment reads:

"Parity payments" means payments to producers which when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity.

Mr. McNARY. Mr. President, is this a proper approach? There is on page 65 a definition of "parity."

Mr. BANKHEAD. I am willing to have the amendment placed anywhere the Senator desires to have it, if he thinks there is some place preferable to the one I have indicated. I am merely trying to remove the difficulty and the objection and to meet the difference of opinion about what "parity payments" means, to show that it does not mean payment in full of parity, but merely payments on the parity price in addition to the market price of the commodity.

Mr. McNARY. Mr. President, I recall very vividly that we discussed this a few days ago, possibly on more than one occasion, and I am not at all displeased with the Senator's present attitude. I know the farmer is not to receive parity. I do not want the cotton people to believe they are to get parity, and I think it is very commendable upon the part of the Senator to offer the amendment. I am merely offering this suggestion in order to determine whether we are approaching this correction so that there will be no misunderstanding on account of the definition found on page 65, where it is provided:

"Parity," as applied to cotton, wheat, corn, tobacco, or rice, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the period from August 1909 to July 1914.

It includes interest charges, tax charges, and freight charges.

Mr. BANKHEAD. From what page is the Senator reading?

Mr. McNARY. Page 65. There is a complete definition of "parity."

Mr. BANKHEAD. But not of parity payments. This is to clear up what the expression "parity payments" means, and to show that as used in the bill it does not mean payment in full of parity, but means payments on parity.

Mr. McNARY. Let us look at that, too.

Mr. COPELAND. Payments toward parity.

Mr. BANKHEAD. Or payments toward parity, as the Senator from New York suggests.

Mr. McNARY. On page 10, section 5, there appeared mandatory language that the Secretary "shall" make parity payments.

Mr. BANKHEAD. That was changed.

Mr. McNARY. The Senator very properly changed the word "shall" to "may," making it discretionary with the Secretary. That brings us back to the provision on the declaration of policy which probably we ought to consider now.

Mr. BANKHEAD. The Senator will observe in line 10 the words "may make parity payments."

Mr. McNARY. Yes.

Mr. BANKHEAD. The question arose what "parity payments" meant, whether it meant parity payments in full, and I think the Senator took the view that it meant that.

Mr. McNARY. I took the view that when we told the farmer we were going to make parity payments and inserted this schedule indicating what they were, it was a declaration of policy, that it meant a full payment of the parity price. I think I used this illustration. If I said to the able Senator from Alabama that I was going to pay a debt to him, that would mean the complete debt, and not a partial payment. I am very happy that the Senator will tell the cotton farmer—and I know he wants to do that—exactly what he will receive.

Mr. BANKHEAD. It applies to the wheat and corn farmer just the same.

Mr. McNARY. Does this apply to all?

Mr. BANKHEAD. Yes. That is the reason why it is put under "Definitions" and not put under any commodity title.

Mr. McNARY. Let the amendment be again reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 73, after line 3, to insert the following:

29. "Parity payments" means payments to producers which when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity.

Mr. McNARY. Will the farmer understand that to mean simply that if there is enough money on hand, and we intend to carry out the parity payments, he will get a part of the amount available for that purpose, using another measuring stick?

Mr. BANKHEAD. We are using no measuring stick at all. We provide for the payment of certain money on parity payments. As I stated a while ago, the Senator raised the question that the words "parity payments" meant paying parity in full. We did not understand those words were ever intended to mean what the Senator from Oregon seemed to think they expressed, and in order to clear that misunderstanding or that difference in the construction of those words this definition is tendered. It means that if the market price of cotton, we will say, is 10 cents a pound, and the amount of money to be divided amounts to 2 cents a pound, when it is applied at 2 cents a pound, the "parity payment" will not pay parity in full, because parity is 16½ cents, but it will apply on the market price toward parity payment.

Mr. McNARY. I understand the illustration, and if that is what the language means I commend it.

Mr. BANKHEAD. I think that is what it means.

Mr. FRAZIER. Mr. President, it seems to me that this amendment is rather childish, just as are a lot of other statements in the bill. There are many references to parity in the bill, and now we are to define parity payments as meaning payments to producers which "when added to the market price of the commodity affords the producer a cash return for such commodity nearer, or equal to, parity price for such commodity."

Of course, if the producer gets any payment above the market price, it will be nearer to the so-called parity, and this seems to me a childish definition, just another provision

at the end of the bill to fool the farmer further, if that is possible. It seems to me that the definition is entirely unnecessary when parity is defined in section 61 of the bill, and if it is to be included, there should be an amendment to the bill, in my opinion, after the word "price", in the last line of the amendment, by the insertion of the words "as defined in section 61."

Mr. President, while I have the floor, inasmuch as some remarks have been made about the statement of Secretary Wallace which appears in the press this morning, I wish to quote from a speech Secretary Wallace made before he became Secretary of Agriculture. He made a speech at the Farmers' Union convention on September 19, 1928, in the State of Iowa. Apparently it was a sort of a political speech. It seems that he was out campaigning for Governor Smith, who at that time was candidate for President on the Democratic ticket. I am not going to read all of the speech, but shall read simply a few paragraphs from it. Among other things Mr. Wallace said:

Well, now, if Smith is elected the McNary-Haugen bill will go through, in my opinion, and it will be absolutely essential for such organizations as this—

That is the Farmers' Union—

and the Farm Bureau to be on their toes watching every little clause in the bill as it goes through Congress.

I read another paragraph. Mr. Wallace quotes from Mr. Hoover, who was candidate for President on the Republican ticket at that time. Mr. Wallace said:

If Hoover is elected President, what will you get? I would like to consider that a little while. In the first place, I want to pay this tribute to Mr. Hoover's Palo Alto speech. He put in words the very essence of the thing for which the farmers are fighting. He said the farmer's wife should have the same opportunities, the same standard of living, as the wives of the people in the towns and cities; that the farmer's children should have the same opportunities, the same education. In other words, he said that the farmers should have a fair share in the national income.

I read another paragraph from Mr. Wallace's speech:

Now, that is the very essence of the farm fight, and I think we can all thank Mr. Hoover for stating these ideals; and if he is elected we will remind him of these ideals again and again. In order to carry out these ideals it will be essential to transfer $6,000,000,000 every year—

Six billion dollars, Mr. President—

$6,000,000,000 every year from the people in the towns and cities to the people on the land. It will be necessary to give farmers $6,000,000,000 more annually if the farm housewives are to have the modern conveniences in their homes, if the farm children are to have the same kind of an education as the children in the cities have. All this would mean an increase in price of farm products—of wheat, corn, hogs, oats, etc.—of at least 60 or 70 percent. It would mean prices approaching the standard as set by the cost of production committee of the Farmers' Union. A fair share in the national income is just what the Farmers' Union definition of cost of production means. You can say you are going to have a fair share in the national income or you can say you are going to have the Farmers' Union definition of cost of production.

I read another paragraph from Mr. Wallace's speech in which, speaking of the Farmers' Union cost of production, he said:

I don't say the Farmers' Union figures are exactly right, but I say the principle employed is absolutely right, and I would challenge any experiment station or United States Department of Agriculture, or any other organization, to prove that the principles back of the Farmers' Union cost figures are unsound.

That is what Mr. Wallace said before he became Secretary of Agriculture.

I now read another paragraph which is of interest:

* * * Now I would like to talk just very briefly as to the way I think as to what can be done about getting a fair share of the national income for the farmer. You see the farmer today is only getting 10 percent and he should be getting 17 percent to be in relatively the same situation as he was before the war.

I take it Mr. Wallace means 17 percent of the national income. And in 1928 he said the farmer was getting only 10 percent. I continue quoting:

How is he going to get 17 percent of the national income? I I should not criticize Hoover if I didn't have something in my mind that I think will solve the problem. There are several things that can be done. First, you have got to realize the nature of the problem. Why is it we are worse off relatively than all the rest of the population? Why aren't we getting a fair share of the national income? The big reason is that our relation to the rest of the world has changed.

Then Mr. Wallace goes on with some history dating back to the Civil War as to how the farm situation has changed in comparison with that time, and then he goes on with some other statements which are very interesting. I quote:

When you get your fair share in the national income, you won't need to work your children so hard. We can teach them something about literature, music, artistic appreciation, and so forth. Oh, we can do lots of things when we get this money, and it isn't all foolishness. The farmers are not used to that sort of thing, but if we get our fair share of the national income, if we get to the place where the farmer's wife can live as the city man's wife, and his children can live as the city man's children, that makes it a mighty different proposition. And that is what we want. We don't want farmer folks to be peasants. We don't want to be a peculiar people. We want to be an integral part of this great Nation. That is what we want, and I think we can work toward that ideal no matter which man is elected.

I read one more paragraph from Mr. Wallace's speech:

But I want us to go ahead also and have some political ideals. Farmers have been kicked by both political parties on occasions. They are treated very nicely for about 3 months before election. Right now—

He is speaking of the campaign in the fall of 1928, on September 19 of that year:

Right now you are awfully popular. Right now they will promise you lots of things, but how about it a year from now, when you shove that bill through Congress?

Speaking of the McNary-Haugen bill:

We do want to develop some political intelligence. We don't want folks coming in from the outside trying to muddy the water, trying to draw red herrings across the trail and lead us off after false gods. I know that that kind of thing has happened.

Mr. President, if there is anything that is a red herring across the farmer's trail it is this farm bill in its present form. Mr. Wallace, before he became Secretary of Agriculture, warned those farmers against red-herring propositions that had been used in the past. He might have said that they would be brought up in the future. Red herrings have been drawn across the farmer's path many times, and the pending bill is another one. The amendment on parity payments is just another little red herring drawn across the end of the trail in this bill.

Mr. McNARY obtained the floor.

Mr. BORAH. Mr. President——

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

Mr. McNARY. I yield.

Mr. BORAH. I simply wish to ask the Senator from Oregan [Mr. McNARY] and the Senator from Alabama [Mr. BANKHEAD] a question. I do not know the effect of this measure. What is it designed to accomplish?

Mr. McNARY. Mr. President, I do not want the Senator from Alabama [Mr. BANKHEAD] to feel that I am at all captious in this matter. I am trying, as I think we all are, to apprise the farmer of what he may expect in the way of return when we are considering parity payments.

When the bill was studied, and hearings were had in the country, parity payments were defined, and the schedule on page 21 was set forth so that the farmer might see and understand what he would get in excess of the current average price. The matter has been discussed from time to time. Two weeks ago, I think, I discussed the subject, and stated that there was an obligation upon the part of Congress to pass legislation that would provide for paying a parity price so long as the declaration of policy remained as it now is. I called attention to the language on page 10, which says the Secretary shall pay parity prices. I then referred to the definition of parity prices and parity income. All of those things must be considered in connection with this amendment.

Mr. President, this amendment must be read, I think, in connection with section 6 on page 10. I should like to have the attention of the Senator from Alabama [Mr. BANKHEAD]. We are laboring along the same line.

Mr. BANKHEAD. Mr. President, I was speaking to the Senator from Mississippi about the same proposition. He asked me about it.

Mr. McNARY. I think the Senator probably is correct; and it is likely he can enlighten the Senator more than I can.

Mr. BANKHEAD. He was not trying to enlighten me.

Mr. McNARY. I am not, either. I am just discussing provisions in the bill for which I am not at all responsible.

Mr. BANKHEAD. If there is any objection to that declaration, I have no desire in the world to press it. It does not mean a thing in the world except notifying the farmers that "parity payments" mean payments on parity; that is all. It is no substantive thing; and if there is objection on the other side of the Chamber—that is where there is objection to it—I have no objection to its elimination. If you gentlemen want to resist it, I am willing that it be taken out even without a vote. We have done our part to endeavor to notify the farmer that that is what the language means.

Mr. McNARY. I do not want to see my excellent friend and companion disturbed. I think we should attempt to tell the farmer, and I think we owe the farmer an obligation to tell him, exactly the truth in this matter. That is the only interest I have in the matter; and I do not dismiss it as an incident or an argument because it happens to be troublesome.

Mr. President, I am not finding fault with this amendment. We may be able to improve upon it. The suggestion made by the Senator is that "parity payments" mean payments to producers which, when added to the market price of the commodity, afford the producer a cash return for the commodity at near or equal to the parity price of the commodity. The Senator's illustration was very frank and very clear, and I think it is something like this:

Let us say that cotton was worth 10 cents a pound and the Secretary did not have very much money; all he had was that which he attempted to get from the Soil Conservation Act, and that was 2 cents a pound. Then the farmer could not expect more than 12 cents a pound. If that is what it means, the amendment probably is all right. I am wondering, however, if it fits into this thing when we consider the various definitions of "parity" and "parity payments."

I am reading now from page 10, section 6, subdivision (a), as amended:

> Promptly following the close of each marketing year for cotton, wheat, or corn, the Secretary shall make parity payments to farmers engaged in the production of such commodity for market during such marketing year, provided, in case of wheat and corn, the farmer is a cooperator.

I think I mentioned the fact that in this case the farmer must be a cooperator if he raises wheat and corn, but he does not have to be a cooperator in order to get these benefits if he raises cotton.

Now:

> Such payments shall be computed at the parity-payment rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year just closed.

I now refer to page 75, where the bill provides:

> The Secretary shall, on the 1st day of each month * * *, ascertain and proclaim the parity price and the current average farm price.

When we read what the Secretary must do, referring to schedule A, which sets forth what the parity price is, can he function under that definition or under the language proposed by the Senator? I think we should add there, if we are not going to mislead the farmer under section 5, the words "notwithstanding the provisions of section 6", so that when the farmer reads section 6 and reads this definition he will see that section 6 does not mean anything.

I am offering that as a suggestion, because I think it is very, very important that we should let the farmer know what he may expect to get in his return when we call this an agricultural relief bill. I offer that as a suggestion to the able Senator, who does not seem to relish suggestions of any kind, especially from a man who does not represent a cotton section of the country.

Mr. SHIPSTEAD. Mr. President, I should like to ask the authors of the bill if there is any part of the machinery of the bill which will provide an opportunity for the farmer to receive, as the result of the application of the bill, parity income, except such machinery as will provide for him, as nearly as may be, parity payments.

Mr. McGILL. Mr. President, if the Senator is directing that inquiry to me, I should say there is machinery in the bill which will provide the possibility of the farmer receiving a parity income on the commodities of corn and wheat; but that would not necessarily mean a parity income to the farmer on all commodities he produces. He might not be receiving a parity income on other commodities. I feel that so far as those two commodities are concerned, the possibility is provided in the bill of obtaining a parity income on them.

Mr. SHIPSTEAD. What about cotton?

Mr. McGILL. I am not the author of the title dealing with cotton.

Mr. SHIPSTEAD. Let me ask the Senator whether there is any way by which the farmer raising wheat and corn can get parity income except through parity payments in addition to the market price.

Mr. McGILL. It can be accomplished through the production program.

Mr. SHIPSTEAD. Yes; I mean, through a production program which is the basis of the theory of parity price.

Mr. McGILL. I think that is the only method by which it can be done.

Mr. SHIPSTEAD. That is my understanding of the bill. It is my opinion that under those provisions of the bill, the farmer has so far to go to get parity income that this measure will not give him parity income. It evidently is the temper of the Congress that the appropriations necessary to give parity income, not only to the wheat and the corn and the cotton farmer but also to other farmers, cannot be made. I do not believe Congress is willing to levy the necessary taxes to do that. In view of that fact, is the declaration of policy that parity income is the aim of the bill anything more than a pious declaration of what we think ought to be done in order that the nonagricultural population shall pay the farmer the cost of the food which feeds them, while denying him that because we cannot afford it?

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

Mr. SHIPSTEAD. Yes.

Mr. POPE. Even a step in that direction certainly would be desirable. If we pass a bill which recognizes parity income as a goal, but this year, because of the temper of Congress, let us say, there would not be an appropriation to make the payments necessary to approach that goal—yet, since it is in the nature of permanent legislation, next year Congress might make a larger appropriation.

I wish I had the power to make now an appropriation which would assure to the farmers parity payments, and I am ready to vote for it at any time. I think that is vastly more important than a technical balancing of the Budget. We recognize, however, that Congress as a whole must determine that matter; and if they refuse to appropriate enough money to pay parity, let me ask the Senator if he does not think the declaration and the recognition by Congress that the farmer is entitled to a parity of income, and an aim in that direction, even though we may not accomplish it in this Congress, is still worth while as a recognition of what we ought to do, and what we will continue to fight for until we get it.

Mr. SHIPSTEAD. I realize the zeal and the integrity of the two authors of the bill. I consider that that declaration of policy—that the farmer is entitled to parity income—is the sole virtue of the bill, because the rest of it will not give parity income to the farmer, and it may possibly give a little bit along that line, which, it is generally agreed, is better than nothing.

We have been experimenting with the farm problem for 5 years. We have been experimenting in an effort to secure a more equitable distribution of national income. We have tried, or at least we have said we were trying, to give the farmer a greater share, or his just share, of the national income, to put him on a parity with industry. I am sure it has been done in good faith. After a period of 5 years,

however, we have the present unemployment situation; we have the unbalanced Budget of the individual and of the Government. We have, for instance, more to eat as a result of these large Government expenditures, but they still remain to be repaid. They will have to be returned to the Treasury.

It seems to me we have now come to a situation in which we cannot temporize any longer. I say this in all good faith to men who feel differently about the matter, and who are honest and sincere; but it seems to me we cannot go on with temporary palliatives. We must attack this unbalanced national economy in a more drastic manner and with a more drastic program in order to avoid even a more dangerous situation than that in which we now find ourselves.

I think it would help the situation if the Congress and the country would realize that we cannot continue the way we are going, and would pay the price necessary to put the farmer on a basis of equality with industry as to income, no matter how it is done, whether by restricting monopolistic practices or otherwise.

Mr. POPE. Mr. President, will the Senator yield at that point for a question?

Mr. SHIPSTEAD. Yes.

Mr. POPE. Just exactly what would the Senator from Minnesota do in order to meet the situation more fundamentally, as he now indicates? What would he do? I might go along with him.

Mr. SHIPSTEAD. I think it would help the situation if the Congress and the country would realize that we cannot continue the way we are going, and would pay the price necessary to put the farmer on a basis of equality with industry as to income, no matter how it is done, whether by restricting monopolistic practices or otherwise.

We hear a great deal about regimentation. The regimentation of industry and the price fixing of industry have had a great deal to do with putting the farmer in his present position. Labor is regimented; everything is regimented except the farmer.

I do not like regimentation. To give the farmer regimentation is to give him something of the inane or destructive policies which we have been following for the past 25 or 30 years in permitting industry to regulate and control production and prices. So it seems to me that no matter what we give the farmer, it is almost immediately taken away from him in high prices. As the farmer gets a little additional income, prices to him are raised. The same thing is true of the laborer, prices are raised. The regimentation which has so developed that it is exploiting the unregimented and the unorganized is in essence a fascistic program, although it is not initiated by the Government; but it is tolerated by the Government. I am looking to the result. Some wise man said that statesmen must be able to anticipate the future effect of policies they inaugurate today.

I think we have dismally failed to do that; and to the extent that we have failed to do that we have failed to inaugurate and put into effect policies that would keep the economic balance in the shape in which it is necessary to keep it in any country.

Mr. POPE. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. POPE. Does the Senator agree with me that starting the protective system more than 100 years ago was granting to a group special privileges which had a great deal to do with throwing our whole national economy out of balance?

Mr. SHIPSTEAD. The Senator undoubtedly is correct. That was one of the most dangerous policies to the farmer, because of the fact that he was a producer of surplus and must sell in a world market, which is a cheap market, and that policy made him buy in a protective market.

Mr. POPE. Since that is the situation, since our national economy is out of balance, the farmer is not getting his share of the national income. He is not getting parity with other industries.

Mr. SHIPSTEAD. That is true.

Mr. POPE. Then, since we cannot change the present situation, since we cannot reduce the tariffs—I think the Senator will agree with me that an effort uniformly to reduce tariffs on manufactured products, or tariffs from which manufacturers get a benefit, could not succeed—are we going to let the farmer stay in his present position, or shall we attempt to do for him in one way or another what has already been done for industry as a whole, and try to pull him up so as to get him on a parity with industry?

It seems to me the question we are facing is a practical question.

Mr. SHIPSTEAD. Yes; that is the tragedy of it. Of course, special privilege is the root of evil in government. We have not only given to industry but we have tolerated, on the part of industry, special privilege. We have tolerated special privilege that they themselves have usurped, and the economic power used to obtain special privilege. If we are going to give special privilege to the farmer, if we give it in the same proportion that industry and finance have enjoyed it, then we eliminate privilege, because we treat everyone on the same basis.

Mr. POPE. It may interest the Senator to find that those who oppose doing this sort of thing for the farmer—trying to supplement his income and bring it up to something like parity with other lines of industry—are the very persons who represent industry which during all these years has been the beneficiary of the protective tariff system. They are generally the ones who oppose any effort to bring the farmer up to parity with them. Has the Senator observed that that is the case?

Mr. SHIPSTEAD. Oh, of course, it has been very apparent to me for many years. The trouble with our farm legislation has been——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator from Minnesota on the amendment has expired.

Mr. POPE. Mr. President, may I ask the Senator from Minnesota in my time to complete his statement?

Mr. SHIPSTEAD. I thank the Senator. In my opinion, industry itself is suffering from a policy of scarcity, and the whole Nation is suffering from scarcity. The trouble with farm legislation has been that we have taken a defeatist attitude and have been satisfied to get whatever they were willing to give us. They have been willing to give us a little something better than nothing. They have been adopting a form of policy not only to depress the farmer but to depress agriculture and industry of the Nation as well. They would take a man who is dying of starvation and say, "We will give him something to eat so he can live a little longer, but we cannot afford to give him enough to keep him from dying." A family who would treat the breadwinner of the family in that way, it seems to me, may permit the breadwinner to die, the man who furnishes them something to eat, because they cannot afford to keep him alive.

That is the position taken by industry and those who are opposed to giving the farmer his share of the national income and his fair position in the economic life of the Nation. It is not necessary to make long speeches to point out what history shows has happened. If we will give the matter a little thought, we can see the effect in the country today after 5 years of experimentation with legislation to help the farmer. We have always given him something a little better than nothing. The farmer has tried to get along and tried to be satisfied with a starvation wage. The country is heading for a change. It has been admitted since 1930 that we got into the depression because of maladjustment of national income and a lack of balancing the budget of the farmer, and as a result everybody else's budget is unbalanced.

Mr. POPE. I thank the Senator. One of the surprising things to me is that those men who benefit most from the welfare of the farmer, from the fact that he has purchasing power, are those who generally oppose any effort to obtain for the farmer a place of substantial equality in our economic system. It seems to me that it is a short-sighted policy which does not recognize that it is to the benefit of business-

men and of the manufacturers of the country to have the farmer prosperous and with ample purchasing power to purchase the products which are manufactured. That short-sighted policy has been a matter of surprise to me.

It has seemed to me the American businessmen are probably the shrewdest and generally the most far-seeing group in our country, and yet they utterly fail to see that point. It seems to me that they have adopted a short-sighted policy, one that is bound to work to their detriment, instead of the policy of encouraging the farmer and of furthering legislation to give him equality with industry, which would seem to me to be the kind of a policy one would expect far-seeing, clear-headed businessmen to adopt. However, generally they have adopted a contrary policy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to the amendment of the Senator from Alabama.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BARKLEY. Mr. President, may I inquire what other committee amendments have been passed over that have not yet been acted on?

The PRESIDING OFFICER. The only one is an amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. BARKLEY. I understood the Senator from Oklahoma is unable to speak because of throat trouble this morning, and I do not know whether he intends to offer his amendment or not. He has just indicated to me that he desires to withdraw his amendment.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. THOMAS] withdraws his amendment.

Mr. POPE. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 77, between lines 13 and 14, it is proposed to insert the following new subsection:

(g) The Secretary may furnish reproductions of such aerial or other photographs, mosaics, and maps as have been obtained in connection with the authorized work of the Department of Agriculture to farmers and governmental agencies at the estimated cost of furnishing such reproductions, and to persons other than farmers at such prices (not less than estimated cost of furnishing such reproductions) as the Secretary may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation charged with the cost of making such reproductions. This provision shall not affect the power of the Secretary to make other disposition of such or similar materials under any other provisions of existing law.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. POPE. Mr. President, I desire to offer the dairy amendment which has been referred to a number of times in the debate.

Mr. DUFFY. Mr. President, before the Senator does that, will he yield to enable me to suggest the absence of a quorum?

Mr. POPE. I yield for that purpose.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present. The Senator from Idaho [Mr. POPE] has offered an amendment, which will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert a new section, section 66, as follows:

SEC. 66. Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the supply for market of livestock or livestock products arising as a result of programs carried out under this act, or under sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, he shall make an investigation with respect to the existence of such facts. If upon investigation the Secretary finds that the income of producers of livestock and livestock products in any area from such sources is being adversely affected by such increases, he shall, as soon as practicable, make such provisions under adjustment contracts or other offers as he determines may be required with respect to the growing of conserving crops which he finds necessary to protect the interests of producers of livestock or livestock products in the affected area, and the authority of the Secretary under this section shall be expressly reserved in all adjustment contracts or other offers.

Mr. BARKLEY. Mr. President, may I submit a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Have we now disposed of all amendments passed over, or is this an amendment to an amendment passed over, or is it an amendment to the text?

Mr. POPE. It is a new amendment.

Mr. BARKLEY. Then we have disposed of all amendments passed over?

The PRESIDING OFFICER. All amendments passed over have been disposed of.

Mr. BARKLEY. Are amendments to the text now in order?

The PRESIDING OFFICER. They are in order.

Mr. POPE. Mr. President, yesterday the Senator from Wyoming [Mr. O'MAHONEY] introduced an amendment to the original amendment which I had offered. The amendment which has just been read by the clerk is a combination of the amendment which I sent to the desk yesterday and the amendment offered by the Senator from Wyoming. I am authorized to say, as he will undoubtedly say for himself later, that this is entirely satisfactory to him.

It will be recalled that several times during the discussion of the bill both Senators from Wyoming raised a question with reference to the effect of the bill on livestock. Of course, at different times those interested particularly in dairying have raised the question as to the effect of the operations of the bill upon the dairy industry.

The Senator from New York [Mr. COPELAND] has offered two or three amendments relating to the matter of silage. Those are satisfactory to the authors of the bill, and those amendments, together with the amendment which I now offer, it seems to me, afford dairying very ample protection.

Mr. COPELAND. Mr. President, the amendments which I offered have already been adopted by the Senate.

Mr. POPE. They have been.

Mr. AUSTIN. Mr. President, do the words "or other offers" contained in the proposed amendment refer to offers under the existing law, the Soil Conservation Act?

Mr. POPE. Yes. So that if the Secretary finds that the dairy interests are being adversely affected, he may make such provisions in the contract as will tend to remedy the situation.

Mr. CONNALLY. Mr. President, is this a farm bill or a dairy bill?

Mr. POPE. It is a farm bill.

Mr. CONNALLY. It is a farm bill to help the farmer.

Mr. POPE. It will help the farmer, but some of the dairy people indicate it may have some adverse effect upon the dairy industry; and, besides, I think dairying is farming.

Mr. SCHWELLENBACH. Let me inquire of the Senator from Idaho whether the Senator from Texas does not believe that the man who is a dairy farmer is a farmer.

Mr. POPE. The Senator from Texas appears to be occupied.

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

Mr. POPE. Without any doubt the Senator from Texas does think that a dairy farmer is a real farmer, and would naturally be interested in a farm bill.

Mr. CONNALLY. I do not think he is the only farmer on the face of the earth.

Mr. SCHWELLENBACH. I do not believe anyone contends that the dairy farmer is the only farmer on the face of the earth, but certainly this body is entitled to consider the problems of the dairy farmer, and I personally do not very much like the idea of criticizing the fact that those of us who represent States in which dairying is of interest have some desire to protect the dairy farmer along with the rest of the farmers of the country.

Mr. BRIDGES. Mr. President, will the Senator from Idaho explain the meaning of the term "livestock"? Does it include poultry, for example?

Mr. POPE. It does not. Livestock does not include poultry, and the term "poultry" was stricken from the bill earlier in the consideration of the measure.

Mr. BRIDGES. May I ask the Senator from Idaho, as the framer of the bill, why it was stricken out?

Mr. POPE. It was stricken out upon an amendment offered by the Senator from Vermont, to which I interposed no objection, for the reason that as a whole the amount of feed consumed by poultry would not be a serious matter in the administration of the law.

Mr. BRIDGES. Of course, it would be a very serious item in the administration of the law from the point of view of the poultry farmers of this country.

I think we have completely lost sight of the fact that there are 48 States in the Union and there are some dairy farmers and some poultry farmers and others who deserve consideration. I am surprised at the suggestion of the Senator from Texas that the dairy farmer is not a farmer.

Mr. CONNALLY. Mr. President——

Mr. POPE. I call the attention of the Senator to the fact that poultry generally does not eat conserving crops. Poultry does not usually eat grass and hay to the same extent that it eats corn and wheat, which are dealt with specifically in the bill.

Mr. BRIDGES. I think we ought to take in the whole picture.

Mr. SHIPSTEAD. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. SHIPSTEAD. I take it the Senator's intention in the amendment is to prevent the dairy farmer from having forced upon him a competition which he does not now have or suffer by preventing people not now engaged in dairying from turning to the dairy business and the feeding of stock on soil-conserving acres. Is that the purpose?

Mr. POPE. That is the purpose of the amendment. I am very frank to say to the Senator from Minnesota, and to others, that the records of administration of the Agricultural Adjustment Act and the Soil Conservation Act do not bear out the theory that when their acres are curtailed and the prices of their products go up farmers go into dairying. When the amendment of the Senator from Oregon shall be presented I will give the figures to prove that statement.

The theory that when acres were curtailed, which would usually result in an increased price, and those acres put into conserving crops, which would cause the farmer to go into the dairy business, and increase dairy herds in competition with those engaged in dairying, does not happen. As a matter of experience, under the Agricultural Adjustment Act the opposite has occurred, which I shall emphasize in the event the Senator from Oregon shall offer the amendment he has given notice he intends to present.

At this point, however, to relieve the fears of those who do think that the increase of soil-conserving acres will increase competition in the dairy business, we will give the Secretary power to deal with that situation.

Mr. SHIPSTEAD. I take it that the Senator is suspicious that such a thing might occur. Would it not be better to have an amendment in the form of a preventive, rather than in the form of a cure which may be found necessary after the fact?

Mr. POPE. I have no suspicions in that respect. There are those here who do, and who desire at least to have that protection, and I can see no harm in adopting such a provision as that, so that if competition should increase by reason of these diverted acres, there would be a way to deal with the matter.

I say again to the Senator from Minnesota that under the Agricultural Adjustment Act, which did curtail acres, just exactly the opposite happened. The people who plant corn and wheat and cotton will continue to plant it if the price is up, but when the price goes down which is a result of increased acreage and increased supply, the records show just as clearly as the noonday sun that people go into the dairy business in order to supplement their income, ship out more dairy products, and really do enter into competition with established dairy interests. Those are the facts as, I will show at the proper time to prove the point.

Mr. SHIPSTEAD. Mr. President, the Senator does not mean to state that the farmers raise wheat and corn when prices are high on soil-conservation acres?

Mr. POPE. No; I mean to say that when the price is high it generally means a balanced production and less acreage, or a smaller supply of the commodity. If reducing acres brings about that result, which means increased prices for the commodity, then farmers will not go into the dairy business.

Mr. SHIPSTEAD. Does the Senator mean to say they make so much money that they do not bother about it?

Mr. POPE. That may not be true, but they can make more money generally in raising corn, wheat, and cotton at fair prices than they can by dairying. Otherwise they would have been in the dairying business before.

Mr. SHIPSTEAD. I understand this amendment refers to soil-conservation acres.

Mr. POPE. Those acres which have been diverted to soil-conserving crops.

Mr. SHIPSTEAD. It seems to me there should be an amendment to prevent anything of the kind that is feared happening. The dairy farmer has no protection in the bill unless he gets the protection now sought. If the price of wheat goes up, the price will be raised on middlings and bran, things which the farmer feeds his cows, and he will suffer that handicap.

Mr. O'MAHONEY. Mr. President——

Mr. POPE. Unless the Senator from Wyoming desires to ask me a question, I will yield the floor to him.

Mr. O'MAHONEY. I was merely about to reply to the question raised by the Senator from Minnesota. An examination of the amendment which has just been offered will, I think, indicate to the Senator that there is at least a suggestion of a preventive in the concluding phrase of the amendment. Perhaps the Senator would better take the copy I have instead of the one which was sent forward.

The concluding provision of the amendment is to the effect that the right of the Secretary to make these modifications shall be expressly reserved in the contract which is signed by every cooperator. Each cooperator, therefore, will know that it is the intention of the law that if the diverted acreage is to be used for the production of commodities which are not directly benefited by the act, provision will be made to protect the producers of livestock and of livestock products from that increase. This is much broader than merely protecting the dairy interests. It is intended to protect the livestock industry, that is to say, the raising of cattle and sheep upon the range.

It was the feeling of those of us who drafted the amendment that in all the circumstances it probably would be the most effective way of handling that matter, because if we should authorize or direct or command the Secretary to supervise the immediate activities of every cooperator it would probably require the employment of an army of agents so great that it would be practically impossible to enforce the act, and if it were enforced, it would produce

a degree of regimentation far beyond that which is provided for in the bill.

Mr. SHIPSTEAD. Does not the Senator think we have enough of such an army now so that they could carry this, too, without a new draft?

Mr. O'MAHONEY. I doubt very much whether it could be done.

Mr. McNARY. Mr. President, I cannot attach much importance to the provisions referred to by the Senator. That is at the end of the proposal offered by the Senator from Idaho. It says the Secretary may include in the contract a provision that there shall be some control over diverted acres, but the Senator must know that adjustment contracts are limited to the producers of corn and wheat, and have no relation whatsoever to cotton, tobacco, and rice.

Mr. O'MAHONEY. It applies, of course, to offers as well as to contracts, and the language is that this right shall be expressly reserved in the contract or in the offer; so that there can be no possible doubt what the intention is.

I quite agree with the general objective of the Senator from Oregon with respect to the end to be served, but I feel it is likely to be a very difficult task at best, and that the object is much more likely to be achieved in this manner than by any that has yet been suggested.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield that I may ask a question of the Senator from Idaho?

Mr. O'MAHONEY. I yield.

Mr. SCHWELLENBACH. The idea of the Senator from Idaho, as I understand, was that the acres which have been diverted were not, under the Triple A, used for the purpose of the maintenance of dairy cattle, and that therefore there was no necessity for the amendment. If it is true that they were not so used, what danger is there in the adoption of an amendment which expressly provides that it shall be the duty of the Secretary to require such provision in the contract?

Mr. POPE. I am glad the Senator asked that question, which, of course, anticipates an amendment which the Senator from Oregon, I understand, expects to offer. In that amendment it is provided that payments shall be—

> Conditioned upon the utilization of the land with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil.

In other words, it means that if cattle or poultry feed upon these acres that have been diverted and are presumably in soil-conserving crops—if they stray and feed upon them, then the housewife cannot sell a dozen eggs and cannot sell the products of the cattle without foregoing the right to these soil-conservation payments.

Throughout the discussion of this bill I have tried to be entirely reasonable in this matter of regulating the farmer. If this sort of an amendment, suggested by the Senator from Oregon [Mr. McNARY], were to be adopted it would require the Secretary completely to police every farm, for the reason that if a chicken strayed over and scratched in the ground being cultivated to these soil-conserving acres, or if cattle escaped and wandered over into these lands, then the Secretary must know it and refuse to make payments.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. TYDINGS. The Senator stated a moment ago that these acres taken out of the production of wheat and corn were put in non-soil-depleting crops, such as hay, grass, clover, alfalfa, and what not.

Mr. POPE. Yes.

Mr. TYDINGS. And from these fields put in non-soil-depleting crops, such as hay, clover, alfalfa, and what not, can the Senator tell whether or not the crop—that is, the cutting of the hay or the cutting of the alfalfa—was used to increase the dairy herd?

Mr. POPE. It cannot be done. That is just the point I am making.

Mr. TYDINGS. Then how could the Senator say that it had been the experience under the A. A. A., for example, and the Soil Conservation Act, that fields heretofore planted in corn or wheat and under those acts planted in nonsoil-depleting crops did not increase the dairy business?

Mr. POPE. Because, as a matter of fact, it did not. It was used by the farmer in home consumption and used in various other ways. It was disclosed that the production of milk and milk products actually decreased, or at any rate the shipments of those products decreased, during the operation of the old Agricultural Adjustment Act.

For instance, in the States where wheat farmers could most easily shift to dairy products—Minnesota, Iowa, Missouri, Nebraska, Kansas, and North Dakota—the production of milk decreased from 27,000,000,000 pounds to twenty-four and one-half billion pounds from 1933 to 1937.

Mr. TYDINGS. Was not some of that land in the drought area?

Mr. POPE. Oh, yes.

Mr. TYDINGS. Does not the Senator feel that a great deal of the reduction was due to the fact that not only were some of these farms in the drought area, but the feed supply in that immediate area which would reflect itself in freight rates likewise contributed to a reduction in the production of milk.

Mr. POPE. Let us take States outside of the drought area. The cotton farmers were similarly driven into increased competition with northern dairymen with cotton prices declining, but this competition eased when cotton prices advanced. Following is a table showing the butter shipments from the seven cotton States of Alabama, Arkansas, Mississippi, North Carolina, Tennessee, Texas, and Georgia to markets in New York, Boston, Philadelphia, and Chicago.

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

Mr. POPE. I yield.

Mr. TYDINGS. Mr. President, let me give the Senator an observation, of course, confined to a small territory.

Mr. POPE. Let me finish my answer.

Mr. TYDINGS. But I do not think the Senator can make his answer without his covering the point I am now going to raise. I have watched a good many fields which were formerly planted in soil-depleting crops and thereafter planted in non-soil-depleting crops, such as hay, grass, alfalfa, and so forth. There has been an enormous harvest of hay and alfalfa in that area, which in turn has brought down the price of hay and alfalfa in that area, which in turn has encouraged farmers with small herds or no herds to go into the dairy business, because feed has been plentiful. I am not criticizing the evolution of the program, but I am pointing out that the net result is that you encourage dairy farmers to increase their herds and others to go into the dairy business.

Mr. POPE. First, let me answer the Senator in this way: We heard no less than a dozen witnesses, as I recall, at New York on that very point. They raised the question and suggested that these curtailment programs and the diversion of acres to the soil-conserving crops would have an adverse effect upon dairying. Then I asked each one separately if that effect had been noticeable under the Agricultural Adjustment Act, and everyone said, "No; it did not happen." That immediately raised my interest, so I decided to look into the matter and see what the figures were with reference to that.

Mr. TYDINGS. How about the soil conservation?

Mr. POPE. The soil conservation was the same. They had observed no adverse effect at all under the Soil Conservation Act. I want to challenge anyone now to find one witness who will testify that in actual fact it ever has affected his dairy interests. There will be talk about it; there will be fears expressed; but not one witness who was asked about it said that it affected his dairy interests.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. LA FOLLETTE. Is it not a fact that all the Agricultural Adjustment Act contracts had a provision in them preventing the person who signed the contract from producing nationally sold commodities, and was there not a provision, not quite as stringent, but somewhat similar, and seeking the same objective, in the so-called Bankhead Cotton Act? Is not that the reason why, under these programs the Senator has been discussing, there was not the increase in these other commodities that the Senator has referred to?

Mr. POPE. I will say that there was a provision along the line of that mentioned by the Senator from Wisconsin. But that is the provision that we propose to make under the amendment I have offered.

Let me go on and complete the statement that I made a moment ago.

Mr. LA FOLLETTE. I do not wish to trespass on the Senator's time, but I submit that there is a very great difference between providing specifically in a contract that the person signing it shall not do a certain thing, and the amendment which the Senator from Idaho and the Senator from Wyoming have proposed, which provides that there may be incorporated in the contract a provision that at some later date, if the Secretary finds certain facts to his satisfaction, that he may then proceed to incorporate something in the contract.

Mr. POPE. I wish to give some figures with reference to the statement I made a few minutes ago, that during the time of decline in prices of corn, cotton, or wheat, or any of the other commodities, that is the time when the farmers go into the dairying business, and that when the price goes up on those commodities they stay out of the dairy business.

For instance, in 1928, cotton was 16.8 cents a pound on an average during the year. There was produced and shipped 11,813,000 pounds of butter from the States I mentioned a while ago—a number of Southern States—and in 1931 the price of cotton went down to 9½ cents a pound, and that year there were 12,476,000 pounds of butter shipped.

In 1932 the price of cotton went down to 5.7 cents a pound. That year there was 14,072,000 pounds of butter shipped out of those Southern States to these large central markets.

Let us go on. In 1933 the price of cotton went up to 6.5 cents a pound from 5.7 cents the year before. Then you had practically the same——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator from Idaho on the amendment has expired.

Mr. POPE. I will take time on the bill. I have not taken any time on the bill, and I should like to finish this matter while I am at it. In 1933 we had about the same amount, 14,429,000 pounds of butter shipped from those States.

Let us look at 1934, when the price of cotton went up to 10.2 cents. The shipment of dairy products or of butter went down to 6,645,000 pounds from 14,429,000 pounds.

The next year the price of cotton went up a little higher. In 1935 it went to 12.4 cents a pound. And the dairy shipments decreased to 5,200,000 pounds.

In 1936 cotton went down from 12.4 cents a pound to 11.1 cents a pound, and then the shipment of butter went up to 6,490,000 pounds.

That can be followed through in the matter of wheat or corn or cotton, and the figures absolutely demonstate the point I have made.

Let me give the Senate some data with reference to wheat to show how that works. In the States which I mentioned a few minutes ago, Minnesota, Iowa, Missouri, Nebraska, Kansas, and North Dakota, the production of milk decreased from 1933 to 1937 from 27,000,000,000 to twenty-four and a half billion pounds. That was the very time when acres were being reduced under the Agricultural Adjustment Act and the Soil Conservation Act.

Let us take the cotton farmer generally. In 1933 to 1936, inclusive, milk production increased a little in each of the following States: Texas, Alabama, Mississippi, Arkansas, Tennessee, Louisiana, Florida, North Carolina, and South Carolina. It decreased a little in Georgia, Kentucky, and Oklahoma. The little increase in some of the States about equaled the decrease in other States. For the South Central group of States preliminary figures indicate a possible increase for 1937, but from 1933 to 1936 there was a net decrease from 14,394,000,000 pounds to 14,209,000,000 pounds.

Under these curtailment programs, if you please, there was a reduction in those States.

The preliminary figures for the South Central region for 1937 is 14,850,000,000 pounds. This indicates that the increase of 456,000,000 pounds for the entire southern region is less than half the increase for the single State of Wisconsin.

The interesting thing is that under the operation of the Agricultural Adjustment Act increases are found in those purely dairy States. Take, for instance, the State of Wisconsin. Let me give to the Senator from Wisconsin this statement again. This indicated increase of 456,000,000 pounds for the entire southern region is less than half the increase for the single State of Wisconsin during that period, and only about one-half of the increase in the North Atlantic region. As will be shown later, it was accompanied by a decrease of dairy shipments to the big eastern markets, that is, less competition with northern dairymen.

Now, let us take the case of the corn farmers. Since the A. A. A. the corn farmers have not increased the competition with dairymen. Note this: Since 1933, when the curtailment programs have been in effect, milk production has decreased in the States of Iowa, Minnesota, Missouri, South Dakota, Nebraska, Kansas, Indiana, and Illinois. An increase has occurred in Ohio alone of all the Corn Belt States.

A shift from feed grain to pasture materially reduces the production of feed in terms of total digestible nutrients. The lands taken out of cotton reduce the production of cottonseed meal and cake.

Now, get the point: Putting these lands into legumes and grass actually does not increase the food to the cattle. It decreases it as a whole, because the corn, the wheat, and the cottonseed-meal cake actually furnish more food value than the crops into which the diverted acres are put. Hence while the program might in some cases lead to increases in cattle numbers it does not lead to an increase in the total production either of beef or of dairy products.

After carefully studying the changes in farming which would be encouraged by the farm programs, and balancing off the different factors against each other, the Bureau of Agricultural Economics has come to a conclusion directly contradictory to the philosophy of the amendment to which the Senator from Oregon has referred and to which the Senator from Washington referred a few minutes ago.

In the period of decline and collapse of wheat prices—that is, 1929–33—milk production jumped in important wheat States as follows:

North Dakota increased 203,000,000 pounds.

Idaho increased 124,000,000 pounds.

Mind you, that was at the time of decline in the price of wheat.

Texas jumped 292,000,000 pounds.

Oklahoma jumped 272,000,000 pounds.

Kansas jumped nearly half a million pounds.

When the prices were low and surpluses were great, that was the result.

In the same period, when falling corn prices forced corn growers to milk cows, milk production increased substantially in the Corn Belt States of Ohio, Indiana, Illinois, Iowa, Missouri, and Kansas.

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

Mr. POPE. Just let me finish the sentence. In these States alone the annual production of milk jumped more than 2,000,000,000 pounds in this period, because corn growers were compelled by low prices to turn to dairying for supplemental income.

I now yield to the Senator from Washington.

Mr. BONE. Mr. President, assuming that the conclusions of the Department of Agriculture to which the Senator has referred are accurate, and that that is the case, why should the Department object to an arbitrary provision in the con-

tract so as to settle this question, just put it at rest and repose right now?

There can be no harm in adopting the amendment suggested by the Senator from Oregon. It merely accomplishes what the Senator says is an actual fact. Why leave it to conjecture? The amendment the Senator has offered merely allows the Secretary to do it or not to do it, as he sees fit; and I do not like that sort of a provision.

Mr. POPE. That is a very fair question. Now let us see what the amendment does propose to do.

The amendment to which the Senator from Washington referred would call for a degree of regulation and policing not contemplated by any other provision in the entire bill. There is the utmost inconsistency in proposing the McNary amendment while criticizing the bill on the ground that it involves regimentation. The amendment would necessitate inquiry to determine the use finally made of products such as milk and butter from animals and eggs from chickens grazed or fed on forage from particular fields. A multiplicity of regulations would be needed to assure that animals or poultry producing milk or eggs for sale were kept out of certain fields and not fed on forage from those fields. Such regulations would tend to break down the administration of the farm program in all regions.

As the Senator from Nebraska [Mr. NORRIS] pointed out when substantially this amendment was before the Senate during the consideration of the Soil Conservation and Domestic Allotment Act in 1936, there is real danger here of running counter to the Hoosac Mills decision, because, as the Senator from Georgia pointed out yesterday, the proposal does go into a high degree of supervision and regimentation, if we want to call it that, in connection with the use of the diverted acres.

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

Mr. POPE. Just a moment. Just imagine this:

A housewife goes to town and sells a dozen eggs. The Secretary, through one of his agents, learns that one of her chickens got over and scratched a little in these acres, and laid some eggs, and they were among the eggs that were sold. Under the amendment to which I have referred, soil-conservation payments would be denied to that family.

Take the same thing with reference to a cow. Some night an old cow breaks down the fence and gets over into a field of diverted land, and grazes there for a few hours before the farmer can get her out. Then if the Secretary, or whoever may be on the spot looking for such violations as that, finds that out, he has no alternative than to deny soil-conservation payments.

Mr. BONE. Mr. President——

Mr. POPE. Let me go on.

For one, let me say that I did not favor the amendment of the Senator from Louisiana yesterday, whereby under this bill it would be necessary to go into the very household and direct the affairs of the individual farmer. I do not believe that a provision of that kind should be put into the bill in connection with any dairy amendment. I do not want it to be necessary to send an agent out to watch every farmer to see whether or not a hen got over the fence into another field, or a cow happened to jump the fence and stay over there a few hours, and, upon finding that out, to deny benefits. Besides, no administration could carry such a provision as that into effect.

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

Mr. POPE. I now yield to the Senator from Washington.

Mr. BONE. Mr. President, in the first place, I do not agree with the Senator that there is no regulation in this bill. This bill is regulation in a superheterodyne sort of style. As for policing, I doubt if the United States Senate ever had before it a bill, certainly in my time here, which calls for much more regulation than this bill, and I think most men on the floor of the Senate will agree with me. I doubt if they reach the conclusion that the Senator from Idaho reached about it; but he says he does not want the Secretary to do anything in the way of regulating these matters.

What does this language mean?—

> He shall * * * make such provisions * * * as he determines may be required with respect to the growing of conserving crops.

Is that just a sort of a fake and a fraud, language to deceive us or to give us the idea that the Secretary might do something which he probably would not do? The Senator says he would not think of doing anything like taking these idle acres into the dairy business.

Mr. POPE. Mr. President——

Mr. BONE. Wait; I have not finished. Is this program here merely to deceive us, and make us think we are getting something that we are not getting?

Mr. POPE. Of course not. If anybody can prove—which nobody will be able to prove—that diverting these acres has adversely affected the dairy interest, or if someone has any rumors or suspicions that that is the case, he may submit the matter to the Secretary, who will make an investigation. That does not mean that he is going to have a sentry posted at the gate of every farmer to see whether a chicken or a cow gets over the fence.

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

Mr. POPE. No; I will not yield until I get through answering this question. My amendment means that the Secretary will make a careful investigation, and if he finds out that there is anything to such a charge or to such rumors, he will be able to deal with the matter, which I submit is an entirely different thing from having the obligation placed upon him to determine in every case whether or not a milk cow had eaten a bite of grass over in another field, or a chicken had scratched up a grain of corn found in diverted acres, and, if so, to deny to the farmer the payments due.

Let me point out here what has been done recently for the dairymen. I am for them. I oppose the amendment to which we have been referring because I think it will be injurious to the farmer. There are plenty of regulations in the bill, I admit; but there is no use in adding regulations when we have a situation like this. I am not in favor of absolutely policing the home of every farmer. There is nothing in the bill which requires that, but this amendment would do it.

I want it to be understood that under the McNary amendment the Secretary would be expected to do that. He would be required to do it if he did his duty, or to depend upon people reporting their neighbors when a cow got over the fence into a field where there were diverted acres. I am not afraid of regulation. If there were any point in doing it, then I would be in favor of the amendment; but I have pointed out the situation to you, and I challenge anybody to furnish any figures showing that under any curtailment program the results were not as I have indicated.

Take the case of the State of Wisconsin; take the case of other dairy States such as the State of New York: They all increased their production and shipment of butter and other dairy products during the period of crop curtailment under the Agricultural Adjustment Act, and the States which produced principally corn and wheat and cotton did not increase their production.

Mr. LA FOLLETTE. Mr. President——

Mr. POPE. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. But of what weight are the statement and the figures which the Senator gives when he has already acknowledged that both of the curtailment programs provided in the contracts that the persons who were beneficiaries could not produce nationally sold farm commodities in competition? It has not anything that I can see to do with the matter excepting that it is an argument in favor of incorporating in this bill some similar and effective provision.

Mr. BONE. Mr. President, will the Senator yield for another question?

Mr. POPE. Just a minute; let me answer the question. I have just been advised by the Department that in 1934 and 1935 those provisions were suspended, and no such

provisions were in the contracts, which would tend to support the argument I have made.

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

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

Mr. McNARY. Just for the RECORD, let me state that 1934 and 1935 were drought years, and the livestock men and the poultrymen and the dairymen petitioned the Secretary not to include that provision in the contracts.

Mr. POPE. Yes; that is the way it came about, but such provisions were not included.

Mr. McNARY. So the figures the Senator has mentioned are wholly without application.

Mr. POPE. They entirely apply if there were no such provisions in the contracts as the Senator from Wisconsin suggested. That would entirely break the effect of his argument.

Now, let me go ahead and finish what I was saying. Let me tell you what has been done for the dairy interests within the past few years; and I am very happy that it has been done, and I have supported every one of these measures.

The Government has given the dairymen a 14-cent butter tariff and other tariff protection.

It has given them the virtual equivalent of the wheat, cotton, and corn quotas in the provision for enforcing milk-marketing agreements or orders.

The bovine-disease eradication program has been carried out, in which $61,802,252 has been spent since July 1934 in eradicating tuberculosis, Bang's disease, and other diseases.

The A. A. A. surplus removal and diversion purchases, in which $28,213,653 was spent from May 12, 1933, to October 31, 1937, for dairy products.

Help has been given in drought cattle-buying operations from 1934 to 1936.

Loans have been made available through the Farm Credit Administration to help finance dairy cooperatives.

Now let me give you some of the figures of the amounts that have been paid to farmers in leading dairy States.

Minnesota got $18,334,331 out of the soil-conservation program, which went to dairy farmers the same as to others, with reference to soil conservation and diversion of acreage.

Mr. DUFFY. Mr. President, will the Senator yield at that point?

Mr. POPE. Yes.

Mr. DUFFY. Does the Senator recognize the fact that the dairy farmers benefited the least of all classes of farmers in the soil-conservation program which has been enacted so far, and under the A. A. A.?

Mr. POPE. I cannot answer the Senator's question. I do know that they have participated.

In Wisconsin there was received $11,875,090.

In Michigan there was received over $7,000,000.

In New York, over $3,000,000.

In Vermont, $306,000.

In New Hampshire, $105,000 has been paid.

If I were not so thoroughly convinced from the facts and from the figures which have been worked out carefully by me and at my request that there is no danger to the dairy industry, I should not today be making this argument. My own State has an important dairy industry. I am thoroughly convinced, however, that the facts are directly contrary to the very theory and philosophy of the amendment offered by the Senator from Oregon.

Furthermore, if the Senator from Oregon wants to make this amendment effective for the industry, and wants to place a policeman at every farm home to find out where cattle roam and where chickens fly to, then I think it at least does not indicate that his mind with respect to this matter is running as it has been running during other portions of this debate. I am not willing to impose upon the Secretary the obligation to police every farmer to see whether he is violating this requirement, and if the Secretary finds that he is doing so, in some minor matter, then to deny the farmer soil-conservation payments, even though he complied in every other respect with the obligation of his contract, or the offer which he has accepted.

Mr. McNARY. The policeman will be there anyhow.

Mr. POPE. Let me say to the Senator that he is entirely mistaken about that. In following through the provisions of the bill, I have opposed every one intended to regiment the farmer or to invade the home or to make it necessary for the Secretary to do the extent of policing and supervision that is provided for in the Senator's amendment. Not one goes that far. The only one that has approached it is the one presented yesterday by the Senator from Louisiana [Mr. ELLENDER], which the Senate rejected. This would go clear beyond the provisions of the amendment presented yesterday by the Senator from Louisiana. The Secretary does not want to be placed in the position of policing farms to the extent that would be involved in the McNary amendment.

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

Mr. POPE. I yield.

Mr. DUFFY. Does not the Senator recognize that the amendment which he condemns is practically word for word the amendment adopted by the House of Representatives in the farm bill passed by that body?

Mr. POPE. Certainly I do, but I am opposed to the amendment adopted by the House, just as I am opposed to the amendment of the Senator from Oregon. It contains the unjust and vicious features that are contained in the amendment of the Senator from Oregon.

Mr. President, I ask to have inserted as a part of my remarks a table showing the estimated production of milk on farms by States from 1929 to 1937.

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

Estimated production of milk on farms, by States, 1929–37 [1]

State and division	Milk production [2]								
	1929	1930	1931	1932	1933	1934 [3]	1935 [3]	1936 [3]	1937 [4]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Maine	624	656	649	647	651	635	632	626	
New Hampshire	360	372	374	372	380	380	378	372	
Vermont	1,222	1,291	1,336	1,320	1,305	1,284	1,341	1,377	
Massachusetts	746	749	740	719	722	747	773	782	
Rhode Island	128	133	132	132	132	128	132	135	
Connecticut	562	583	597	623	638	616	623	647	
New York	6,973	7,068	7,367	7,340	7,297	6,983	6,956	7,188	
New Jersey	712	699	705	684	714	819	845	862	
Pennsylvania	4,242	4,322	4,439	4,367	4,299	4,356	4,498	4,550	
North Atlantic	15,569	15,873	16,339	16,204	16,138	15,948	16,178	16,539	17,120
Ohio	4,038	4,027	4,124	4,077	4,318	4,301	4,364	4,464	
Indiana	2,975	2,905	3,024	3,041	3,104	3,048	3,049	3,058	
Illinois	4,483	4,650	4,673	4,754	5,096	5,081	4,873	4,849	

[1] The data for 1929–31 are from the 1933 Yearbook of Agriculture, table 378, p. 637; 1932 from the 1935 Yearbook of Agriculture, table 387, p. 601; and 1933 from the 1937 Agricultural Statistics, table 407, p. 299.

[2] Excluding milk spilled or wasted on farms and milk sucked by calves.

[3] Preliminary.

[4] Indicated as of Nov. 1, 1937.

Estimated production of milk on farms, by States, 1929–37—Continued

State and division	Milk production								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Michigan	4,028	4,014	4,165	4,192	4,272	4,224	4,257	4,465	
Wisconsin	11,056	11,207	11,305	10,992	10,851	10,659	10,921	11,598	
East North Central	26,580	26,803	27,291	27,056	27,641	27,313	27,464	28,434	28,580
Minnesota	7,474	7,590	7,727	7,810	8,166	7,482	7,384	7,745	
Iowa	5,869	5,927	5,948	6,046	6,287	6,150	6,009	6,133	
Missouri	3,319	3,471	3,628	3,582	3,598	3,371	3,422	3,130	
North Dakota	2,075	2,162	2,268	2,258	2,278	1,968	1,973	2,020	
South Dakota	2,132	2,208	2,180	2,005	2,118	1,668	1,632	1,715	
Nebraska	2,669	2,806	2,808	2,755	3,142	2,929	2,697	2,639	
Kansas	2,977	3,058	3,215	3,268	3,456	3,238	3,108	2,930	
West North Central	26,515	27,222	27,774	27,724	29,040	26,806	26,225	26,312	25,650
Delaware	130	124	130	130	129	125	130	134	
Maryland	783	752	770	765	764	769	772	784	
Virginia	1,338	1,202	1,302	1,280	1,248	1,332	1,362	1,334	
West Virginia	752	727	760	748	784	806	845	821	
North Carolina	1,078	1,052	1,088	1,113	1,232	1,252	1,270	1,332	
South Carolina	466	464	479	486	564	542	548	571	
Georgia	1,011	1,004	1,002	1,010	1,077	1,109	1,086	1,090	
Florida	234	221	235	238	285	274	278	293	
South Atlantic	5,792	5,546	5,766	5,770	6,083	6,209	6,291	6,359	6,700
Kentucky	1,882	1,748	1,777	1,796	1,911	1,904	1,946	1,845	
Tennessee	1,627	1,592	1,607	1,607	1,679	1,712	1,766	1,750	
Alabama	1,098	1,079	1,100	1,152	1,170	1,226	1,244	1,247	
Mississippi	1,172	1,212	1,287	1,326	1,300	1,308	1,324	1,347	
Arkansas	1,146	1,092	1,167	1,218	1,254	1,236	1,224	1,235	
Louisiana	539	513	526	544	575	594	578	588	
Oklahoma	2,234	2,217	2,342	2,450	2,506	2,286	2,275	2,186	
Texas	3,707	3,655	3,858	4,010	3,999	3,738	3,741	4,011	
South Central	13,405	13,108	13,664	14,103	14,394	14,004	14,098	14,209	14,850
Montana	783	793	737	730	762	731	693	649	
Idaho	932	1,000	1,010	1,012	1,056	1,004	975	996	
Wyoming	295	282	275	262	284	265	263	272	
Colorado	1,094	1,086	1,062	1,004	1,092	1,037	919	1,003	
New Mexico	221	221	224	221	217	219	231	247	
Arizona	187	194	195	195	204	225	224	228	
Utah	576	575	578	567	570	518	494	509	
Nevada	110	116	108	102	99	103	106	108	
Washington	1,590	1,663	1,670	1,676	1,685	1,798	1,884	1,921	
Oregon	1,199	1,265	1,291	1,284	1,290	1,323	1,329	1,333	
California	3,934	3,989	3,986	3,953	4,167	4,025	4,047	4,064	
Western	10,921	11,184	11,136	11,006	11,426	11,248	11,165	11,330	11,500
United States	98,782	99,736	101,970	101,863	104,722	101,528	101,421	103,183	104,400

Mr. SMITH. Mr. President, is an amendment pending to be voted on?

The PRESIDING OFFICER. The amendment of the Senator from Idaho [Mr. POPE] is pending and to be voted on.

Mr. SMITH. The reason why I ask is that I have an independent proposal which I desire to offer in the form of an amendment, but I want the pending question disposed of so that I may have an opportunity to offer a new section to the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. McNARY. Mr. President, I offer the amendment which I send to the desk, it being in the nature of a substitute for the amendment submitted by the Senator from Idaho. I ask that my substitute may be read by the clerk.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be read by the clerk.

The LEGISLATIVE CLERK. On page 82, after line 21, it is proposed to insert the following:

(k) Payments with respect to any farm (except for lands which the Secretary determines should not be utilized for the harvesting of crops but should be permanently used for grazing purposes only) shall be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market. As used in this subsection the term "for market" means for disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are to be sold, bartered, exchanged, or given away; and such term shall not include consumption on the farm. An agricultural commodity shall be deemed consumed on the farm if consumed by the farmer's family, employees, or household, or by his work stock; or if fed to poultry or livestock on his farm and such poultry or livestock, or the products thereof, are to be consumed by his family, employees, or household.

Mr. McNARY. Mr. President, when the bill was introduced and some days later a report filed, I offered this amendment at the request of the National Cooperative Milk Producers' Federation. A similar amendment was introduced in the House by Representative BOILEAU, of Wisconsin. Some weeks later the able Senator from Idaho [Mr. POPE] offered the amendment which is now before the Senate and which I hope to displace by my substitute.

Since I have introduced the amendment I have had telegrams from dairy producers, organizations, and many individual producers of milk, producers of livestock, and producers of poultry, favoring the language employed in my substitute. These did not come from my friends. They came from those who have had experience in the industry which we desire to protect and who know rationally that one of the most momentous problems following in the wake of the passage and administration of this bill is going to be what to do with diverted lands. They do know that will confront the country as a large problem.

The amendment came before the House and was incorporated in the bill as it passed the House. An effort was made on the floor of the House to defeat the amendment, but without success. It is now in the House bill which has been messaged to the Senate.

I offer the amendment to protect particularly the producers of livestock, the producers of milk, and the producers of poultry.

The proposal of the Senator from Idaho in my opinion does not attempt to touch upon that which I think is one of the vital things in the administration of the bill. In his amendment it is provided that—

> Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the supply for market of livestock or livestock products—

Then the Secretary shall make an investigation.

Talk about policemen and regimentation. The Secretary must make a national survey wherever these conserving crops are planted, to find out if the production of these crops has in any way affected this stable industry. The substitute which I have offered has in it no regimentation and does not provide for any policing. Indeed, it is interesting to me to see how humorous the Senator from Idaho [Mr. POPE] has become when he speaks about the hen that might fly over the fence or the cow that might get into the neighbor's yard. Usually my friend is as serious as salvation and sometimes as dry as the summer dust, but he has grown very humorous today in his extravagant use of these similes in order to divert our attention from the very point we are trying to accomplish—to protect the industry that receives no benefit under the pending bill.

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

Mr. McNARY. I am very happy to yield to my friend.

Mr. POPE. Let me ask the Senator if a dairy cow were to feed on the diverted acres and the farmer sold the products of the cow, the milk or the butter, would not the Secretary under the Senator's amendment be required to withhold payments otherwise to be made?

Mr. McNARY. I answer that by saying, the dairy cows are contented cows and are glad to stay at home. [Laughter.]

Mr. POPE. Would the Senator——

Mr. McNARY. The Senator asked me a little while ago not to intrude. I heard his argument about the old cow and the old hen. I have only 15 minutes, and I want to explain my substitute.

Mr. POPE. I should like to have the Senator answer a question.

Mr. McNARY. Very well; I shall be gracious and yield.

Mr. POPE. Will the Senator answer—if a milk cow got into a field of diverted acres and the products of that cow were sold, would not the Secretary under the Senator's amendment be required to refuse to pay the soil-conservation payments?

Mr. McNARY. That is as absurd as building a railroad to Mars. I would not dignify it by attempting to argue such a statement. I hope the Senator is satisfied with my few observations.

Mr. POPE. The Senator has not answered my question.

Mr. McNARY. I have answered the question, and I think to the satisfaction of those who are familiar with the Senator's proposal and with mine and with the general philosophy and policy of the bill. I cannot give the time within the 15-minute limit to bring conversion to the heart and mind of my very kindly friend from Idaho. There are some things in life that are insuperable.

Mr. President, let us look seriously at this matter and forget the old cow and the old hen of my friend from Idaho. I think one of the most troublesome, one of the most momentous, one of the most perplexing problems we have before us is what we are going to do with the diverted acres under the provision of the bill. The bill mentions five commodities called major agricultural commodities, and benefits are to be extended to them or the hope of benefits. That simply means we are disarranging the economic order in connection with agricultural commodities.

When this dislocation occurs, and it occurs by reason of the diversion of these acres, what are we to do with the diverted acres? I do not want to see them become competitive with those industries which are to receive no benefits under the bill. Cotton, wheat, corn, tobacco, and rice are to receive soil-conservation payments and parity payments, if there is any money to pay parity—from which they are now running away—and to keep the money that may be obtained we are asked to form a corporation, which is called a bank, as provided for in the bill. Those people are to receive these benefits, while the great poultry industry and dairy industries, which in their importance far outweigh any industry mentioned in the bill, are to receive none.

The livestock industry exceeds all other industries in the country. Next to that comes the "old cow" which my friend from Idaho has been discussing, and next comes the "old hen" to which he has referred. Those three industries—livestock, poultry, and dairying—far exceed all the other industries in gross income mentioned in the bill. Are not they entitled to some consideration?

I appeal to every honest mind and fair heart in this body. When those great industries, larger than any others, receive no benefit, should not they receive some protection?

What are we asking for in the substitute I have proposed? In order that there may be no mistake let me read its simple language. It provides that the payments—

> shall be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market.

What does that mean, Mr. President? The crops mentioned in the bill are soil-depleting crops. I am now dealing with crops which are soil-building, soil-conserving crops, and what are they? Everyone who has had any practical knowledge of the farming industry, who has some knowledge of the agricultural business of the country, knows that soil-building crops are the legumes, to use a generalization. As I stated here a day or so ago, the clovers of the South, the soybean and the cow pea and the clovers and the alsike of the Middle Western States, and the clovers and the vetch of the West, have a definite classification as soil builders. What we are asking is that when these lands are turned from soil-depleting uses and are used for soil building they be used honestly for that purpose, and not competitively with industries which are receiving no benefits under the bill. That is a plain statement. Anyone should know that, but unfortunately all do not seem to know it.

When we talk about giving money from the Treasury to buy these soil-building seeds with which the farmer may enrich his soil, that he may have a better crop next year or the third year, we mean it. If we do not, let us defeat the amendment. If we intend to let the farmers divert these lands to competitive uses, let us adopt the amendment of the Senator from Idaho. But if we adopt the pending amendment, we are telling the farmer and the American public exactly what we may expect, namely, that when the Government pays the money involved, $400,000,000 as originally proposed, now reduced to $275,000,000 by virtue of the parity-payment provision, when that amount of money is paid to these farmers and these soil-building seeds are sown and the crops are raised, the farmer must be content with that gratuity and plow the crops under.

Let me say another thing as one who has had some experience in this line of work. We know that these crops are nitrogenous in character, that at the end of every little root there is a nodule which contains nitrogen. We know that that is not the only element necessary in the enrichment of the soil. The top, the body of the grass, carries humus and phosphates. To make certain that the land will receive all the enrichment and benefit to which it is entitled, the crop must be plowed under the soil. That is what a farmer does who knows farming, and he does it without any benefits from the Government.

Let me state what we seek by the amendment. When the farmer receives his money, he plants the diverted acres to these legumes and plows them under, and does not use it to expand the dairy interest and the poultry interest and the

livestock interest; he does exactly what he should do as an honest farmer, take his benefit from the Government and make the best use of it, rather than selling his alfalfa to someone who wants to increase his dairy herds or his livestock herds or his poultry.

Mr. President, to me that is a self-evident proposition, and it is fair. We provide that this work shall be done, we pay the benefit, then the farmer should take the whole of the benefit rather than use the land for a commercial purpose. He should not receive two benefits, one from the Government in the way of a benefit through soil conservation and the other from the sale of the products for which the Government advances the money gratuitously.

Mr. President, my time is passing and I desire to read some statements of the secretary of the National Cooperative Milk Producers' Federation. I read from a letter written to me 2 days ago, which refers to the amendment of the Senator from Idaho. The letter states:

This proposed amendment by Senator POPE will not answer the problem confronting the livestock, dairy, and poultry producers of the Nation with respect to acres diverted from the production of cotton, corn, rice, wheat, and tobacco. It establishes no policy of Congress. It merely gives the Secretary a power, which he probably has anyway, to put into the crop-control contracts clauses designed to protect other producers.

I call the attention of the Senator from Idaho to what I am about to read.

You may recall that shortly after the original Agricultural Adjustment Act passed—

Which was overthrown by the Supreme Court—

the Department did for a time place a requirement in its adjustment contracts that producers signing these contracts should not use their diverted acres for the growing of crops which would increase the commercial output of the livestock, dairy, and poultry industries.

That was in the contracts which were signed covering the period about which my excellent friend from Idaho read these long and tiresome and worthless statistics. Let me continue:

When the first drought in the Roosevelt administration came on—

Which was in 1934 and 1935, the years specifically referred to by the Senator from Idaho—

the Department suspended the operation of this provision. At that time we assented to the suspension.

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

Mr. McNARY. I yield.

Mr. CONNALLY. Did not the dairy people make the request of the Government because they wanted to get some cheap feed?

Mr. McNARY. Oh, no. All I ask of the Senator is to exercise patience, and conversion will follow.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. McNARY. I think I have a few minutes left on the bill.

The PRESIDING OFFICER. The Senator has time on the bill.

Mr. McNARY. Mr. President, the letter I was reading continues:

When the first drought of the Roosevelt administration came on the Department suspended the operation of this provision.

That was when in Texas, Oklahoma, Nebraska, Kansas, Iowa, and the other unfortunate States, there was a very great shortage of wheat and corn and hay. What does this writer say further?

At that time we assented to the suspension.

"We assented to the suspension." They agreed to it because they did not want to see any human or animal perish, of course.

The Department could never be persuaded to restore the provision.

Mr. President, that is the story. It was in the original contracts, when the drought came on in 1934 and 1935, it was taken out, and since that the Secretary has never been willing to restore the provision. Hence they want this declaration of policy by Congress, and not the mere investigation which the Senator from Idaho would have.

On the other hand, the amendment which you offered on November 29—

Which I am discussing—

is a clear statement of congressional policy and would be a protection to the Secretary as well as a protection to the livestock, dairy, and poultry industries.

Our people are bound to feel the impact of permanent diversion of so much land from cotton, corn, wheat, tobacco, and rice into grasses and clovers.

While recognizing Senator POPE's desire to be helpful we feel that his amendment would not aid us, and that yours should be passed instead of the Pope amendment.

Sincerely yours,

CHARLES W. HOLMES,
Secretary, National Cooperative Milk Producers' Federation.

Mr. President, this association represents the great dairy interests.

There is a lot to be said on this subject. I recognize that the Senator from Idaho has attempted to follow through with his bill, as a good legislator should, and has suggested this proposition, which does not, in my opinion, in any way touch the problem at all.

In conclusion, I am only asking, not for a policeman but for a policy, and that we state to the farmer who plants these grasses at the expense of the Government, fully utilize them by permitting them to grow, and plow them under, in order to get the great advantage after utilization, and not sell them or use them in competition with industries which receive no benefit whatsoever under the bill, and who must experience a higher cost of production.

Mr. DUFFY. Mr. President, I rise to support the amendment proposed by the Senator from Oregon [Mr. McNARY]. In view of the very limited time I prefer to make my brief statement first, and then I shall be glad to consume the balance of my time in answering any questions which may be propounded.

I was a little astonished a short time ago when mention was made of dairy farmers by one Senator—that he thought this was a farm bill. I wish to call the attention of Senators to the fact that the highest in value of all agricultural commodities are dairy products. That in the marketing year of 1936–37 the value of dairy products in this country was three times the value of wheat, almost twice the value of cotton, more than $2,000,000 in excess of the value of corn. Certainly the people who produce the dairy products in this country live on farms just as much as do the cotton farmers and wheat farmers, and I suggest they have just as great difficulty in getting along. When in 1932 cotton went down to around 5 cents a pound, cheese sold in my State for 8.6 cents a pound, the lowest price in all the history of dairying in this country. Butterfat sold at that time at an average price of 17.9 cents a pound. I submit that with the large investment the dairy farmer must have in order to get started in that business, that the dairy farmer in those years, with cheese selling at that price and with that low price for butterfat, was in just as precarious and just as serious a condition as were the cotton farmers and the others who suffered at the same time.

I think it is not unfair, therefore, for those in whose States dairy products are very prominent and important commodities to suggest that no benefits are to be obtained under the pending bill by those people, who are also interested in agriculture, and that there should be the greatest possible protection afforded to them.

The dairy farmer does not complain that people in the South or the West or in any other section of our country are going into the dairy business if they do it on their own power; if they do it as a matter of fair, natural competition. The dairy farmer objects to having the Federal Government paying one class of farmers money for taking their acres out of production and then using the land which they have taken out of production to go into competition with dairy farmers. We are trying to reduce surpluses. We recognize that the problem is a serious one. But if we subsidize farmers to go

into competition with the dairy farmers, we shall have another surplus to deal with in a very short time, and we shall be up here then with some sort of a bill trying to reduce the surpluses of dairy products.

Mr. President, the figures which the Senator from Idaho [Mr. POPE] suggested were not at all impressive to me, because at the time he said the dairy production went down in the States which he mentioned the figures show, as I recall, that dairy production went down in all the other States also. In other words, there were certain conditions of weather, there was a certain financial condition of the country, which all contributed to that decrease.

But why is it that we hear whispered around here during the past few days, as we have heard it, when mention is made of this dairy amendment, "We do not want to support that. We do not want to be bound by that." Why is it that this opposition is engendered if there is not any danger of people wanting to put the acres that the Government pays them to take out of cultivation of their crop into competition with the industry, which is the greatest of all the agricultural industries of the country?

Milk is the cash product, and the only cash product, that we have in our part of the country; under this bill we could not go out of production of dairy commodities and start going into the production of corn or wheat, or, if our climate permitted, into the production of cotton. Then why should the people who have labored for many long years in building up their dairy herds be subjected to competition of this sort? It takes considerable investment to get their dairy herds up into a position where they can make a very moderate living.

Some of my colleagues told me the other day that the dairy farmers are not in a bad situation. Statistics show that from 1932 to 1935 the increase of the return of the farmers in my State was 41 percent; but at the same time cotton had more than doubled in value during that period, and so had corn, and so had wheat.

Therefore, it seems to me, in connection with the figures which were given, that we ought to think about the percentage, because in those 3 years when the farmer's condition did become better, when the dairy farmer did get a 41-percent increase in his return, cotton increased from 5.7 cents a pound to 12.3 cents in the same years, or 120 percent; corn increased from 32 cents to a little over 99 cents, or over 200 percent; and wheat increased from 39 cents to practically a dollar a bushel. So I say that all the dairy farmer asks is, not that he should have any undue favors but only that he shall not be discriminated against; only that he shall not be forced to come into competition with other sections of this country that have received subsidies from the Federal Government.

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

Mr. DUFFY. I am pleased to yield to the Senator from Indiana.

Mr. MINTON. What leads the Senator from Wisconsin to believe that the acres which are diverted by the farmer, for which the Government subsidizes him, would be used after diversion in the dairying business, rather than, let us say, the raising of potatoes or peanuts or something else?

Mr. DUFFY. That is very simple, Mr. President. We are going to take 50,000,000 or 60,000,000 or more acres of American farms out of the production of soil-depleting crops, and under this bill those farmers will be compelled to plant that land in grass and legumes and just the things on which they feed dairy cattle. If the Government is paying farmers in various parts of the country just to raise these crops that can so readily be fed and are usually fed to dairy cattle, of course, we ought not to be so naive as to say, "Well, probably if there is not some restriction, nothing will be done about it."

Human nature is human nature. It is just the most normal thing in the world to feed those kind of crops to dairy cattle.

I could not and I still cannot understand, Mr. President, the wording of the bill on page 19, where it refers to these contracts. It says:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

I made inquiry at the beginning of the debate of the Senator from Idaho, as to this provision, and his explanation was that the words "and dairy practices" were placed in the bill so that the Secretary could place in the contract a provision restricting it. But I say to anyone who understands the English language in its ordinary sense that it looks like an invitation for anyone to engage in soil-maintenance, soil-building, and dairy practices with this diverted land.

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

Mr. DUFFY. I am glad to yield.

Mr. SHIPSTEAD. I may say, on that point, that a friend of mine who never owned cows or raised corn or wheat or tobacco, himself told me that he took advantage of the soil-conservation program, planted some acres to alfalfa, and got three crops of alfalfa in a season. As a result, he had several thousand dollars' worth of alfalfa hay, and he said, "So I bought some cows to feed my hay to them." He said, "I never had any cows before."

Mr. DUFFY. I think that is just exactly the reaction that would occur unless there were some definite restriction in the bill. That is why I believe the amendment proposed by the Senator from Idaho [Mr. POPE] does not go far enough. It merely gives the Secretary permission to make an investigation, after which he may put something into the contract; and meanwhile a couple of years will have gone by, and there will have been all this Government-subsidized competition against the class of farmers in this country whose products are the most valuable of all.

The Senator from Idaho gave certain statistics. I am sorry I did not have the figures to comment upon, but I do have other interesting figures. He has referred to the increase of production in dairy products. From 1929 to 1935 Wisconsin did increase the production of cheese 13 percent; but the increase in the whole United States during that time was 23 percent. The increase in the so-called cotton States was 80 percent. That is all right. We do not complain if competition results because of favorable climate or because of more favorable circumstances. If people in other parts of the country want to engage in dairying practices, that is all right. They perhaps should have a diversity of crops.

But it is not fair for the present dairy farmer to have the Federal Government pay money to one class of farmers in order to enable them to go into competition and to create, as I feel is certain to happen, a great surplus in dairy products which will come to confound us.

The dairy farmers are perhaps not so highly organized as some others, and they are not so concentrated. They are scattered all over the United States. Yet when they finally realize, if this amendment is not adopted, what we have done, I think they will feel that their representatives in this body were not looking after their interests if they did not insist that there be some provision similar to that which was in the contracts heretofore. If we are going to have a provision here that the contract shall provide that such cooperator shall engage in dairy practices, let us understand what is meant. I had an amendment to strike out those words. I am not presenting it now because of the statement of the Senator from Idaho that it was not intended in the manner in which it reads. I likewise had an amendment prepared, before I knew about the amendment which the Senator from Oregon has offered, at the suggestion of a large group of dairy farmers. I am not going to present that amendment for action, because the Senator's amendment goes further than mine did; but at this time I ask unanimous consent that the amendment which I had prepared be printed in the RECORD.

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

Amendment intended to be proposed by Mr. DUFFY to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and

for other purposes, viz: On page 82, after line 21, insert the following:

"All adjustment contracts providing for the raising of soil-building and soil-conservation crops on land formerly or ordinarily used in the production of wheat, cotton, field corn, rice, or tobacco shall provide that such acreage shall not be used in the growing or production of agricultural crops for the market."

Mr. REYNOLDS. Mr. President, will the Senator yield to me for a moment?

Mr. DUFFY. I yield.

Mr. REYNOLDS. A moment ago the Senator spoke of the competition which would occur as the result of these diverted acres being used by those who perhaps might go into the dairy business. I should like to ask the Senator if he has checked up to find what amount of competition the great dairy States of the North and Northwest have experienced as the result of imports of dairy products from the Scandinavian countries, Norway, Sweden, and Denmark, as well as the Dominion of Canada.

Mr. DUFFY. I have not time to go into that matter. I have made some investigations of that kind. The Senator from Idaho told us how magnanimous the Federal Government had been with the dairy farmers, and that it put a tariff on butter. There has been no change since 1930. It would be well to remember, however, that in the Canadian agreement the Government also reduced the tariff on cheese from 35 percent to 25 percent ad valorem, and my State is the largest cheese-producing State in the Union. That is one of the benefits we received.

The PRESIDING OFFICER (Mr. MALONEY in the chair). The time of the Senator from Wisconsin [Mr. DUFFY] on the amendment has expired.

Mr. BONE. Mr. President, I have so much admiration for the diligence of the Senator from Kansas [Mr. MCGILL] and the Senator from Idaho [Mr. POPE] who have been handling this bill on the floor, and so abiding a regard for their intellectual honesty and sincerity of purpose, that it is not pleasant to take issue with them in any particular in their handling of this bill. But I cannot escape the conviction that we are not treating in a very charitable fashion the large segments of our farm life in this country mentioned by the Senator from Oregon, those who are engaged in the livestock and dairying and poultry business, in at least not giving them some measure of additional security sought by the pending amendment.

I listened to the statement of my good friend the Senator from Idaho [Mr. POPE] whom I admire so much. He said that if, under the amendment which he is offering, any untoward thing should occur, the Secretary of Agriculture would make an investigation, and then, to use the Senator's language, "He would do something about it." Well, if that is not the quintessence of all that is vague, I cannot understand the English language. "He would do something about it." In God's name, what would he do?

Mr. President, one cannot tell by reading this amendment what he would do. There is not a man in this body who could tell what he would do. The Senator from Idaho cannot tell us. All of us have a great deal of respect for Mr. Wallace, and believe him to be a man of honor and integrity; but there is not anything in this provision that would lead us to know what he would do.

If he were to invoke the power granted by this measure and do something, there is not a man in this body could tell what he would do. The Senator from Idaho cannot tell us. Although all of us have a great deal of respect for Mr. Wallace and believe him to be a man of honor and integrity, there is not anything in this provision that would lead us to know what he would do.

Mr. President, I shall make use of an expression found in the third chapter of John—I do not know that I can quote it correctly:

> The wind bloweth where it listeth and thou hearest the sound thereof but canst not tell whence it cometh and whither it goeth.

That sounds like the power we give the Secretary in this very vague language.

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

Mr. BONE. I yield.

Mr. WHEELER. Can the Senator from Washington or the Senator from Idaho tell me whether or not the Secretary of Agriculture is in favor of this bill? I have been trying to find out whether he is or not. I have read statements in the newspapers indicating that the Secretary of Agriculture was opposed to the bill. Then I have read other statements indicating that the Secretary of Agriculture was in favor of it. I should like to have the Senator from Idaho tell me and tell some of the rest of us whether the Secretary is or is not in favor of this particular bill.

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

Mr. BONE. I should like to get a "yes" or "no" answer from the Senator from Idaho, because I have only a little time. I am not going to occupy the full 15 minutes, but if the Senator from Montana wishes to ask questions, he ought to have the floor.

Mr. WHEELER. Can the Senator tell me?

Mr. BONE. I doubt if the Senator from Idaho knows.

Mr. WHEELER. I doubt if anyone else knows after reading the newspapers.

Mr. POPE. The Secretary says in two different places in the letter which he wrote me concerning the bill about a week ago that he was in favor, as he put it, of the principles back of this legislation. He makes certain suggestions as to amending the bill and changing it; and in this morning's newspapers there appear statements indicating that he is opposed to certain price-fixing features of the bill.

Mr. WHEELER. Mr. President, I do not know any more about the matter now than I did before.

Mr. BONE. I imagine we shall not know any more about it when we get through. We have been debating the bill for 3 weeks, and I think we are all very much at sea as to what a number of administration officials think about the bill.

But let us examine for a moment the language of the amendment of the Senator from Idaho [Mr. POPE], which, I assume, has been drawn for him by the Department of Agriculture. It does not mention poultry, but merely livestock; and, of course, the poultry business is a sizable business of itself, and obviously the dairy business is of such magnitude as certainly to challenge our attention.

We certainly cannot do anything here to injure it. So if we adopt the amendment of the Senator from Idaho, we are going to leave the poultry business out in the cold; and, as has been so forcefully brought out here, this bill is to assist the producers of five major crops. The Senator from Oregon [Mr. MCNARY] and the Senator from Wisconsin [Mr. DUFFY] have mentioned certain aspects of this problem which I am not going to touch on now, because of the limit of time; but I want to say to my southern brethren here that I should think the modesty which is so much a part of their make-up, so characteristic of them, would compel them not to object to the adoption of the amendment of the Senator from Oregon, for certainly in the 3 weeks we have been discussing this bill all we have heard is cotton, cotton, cotton; and yet cotton is not nearly so important a crop in this country as is the dairy business from the standpoint of dollars and cents, and I should think our southern brethren would not object to the adoption of this kind of an amendment.

Again, just one final aspect of this matter.

Mr. SMITH. Mr. President——

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

Mr. BONE. I do.

Mr. SMITH. I do not think the Senator is fair. I have not said very much on this bill, and I think corn and wheat have occupied the major part of this discussion.

Mr. BANKHEAD. Three-fourths of it.

Mr. BONE. I accept the amendment then; but at the times I have been here listening to the debate it has been mostly revolving around cotton.

That, however, is beside the point. The able Senator from Idaho [Mr. POPE] said to us that during the period covered by the figures he had no harm resulted, because there was not the increase in production of dairy products that is sought to be gotten at by the amendment of the Senator from Oregon. If that is true, if that is the inexorable logic of this whole picture, certainly there can be no harm in adopting this amendment. It is true that it is an arbitrary amendment, but we are dealing in arbitraries in this bill. Running all through this bill is a series of arbitraries.

Let me say to the Senator from South Carolina that I am not objecting to the cotton folks being protected. I am merely saying that those of us who are speaking for these major operations that are reflected so much out in my section of the country have occupied only a few minutes here today. I should think the impulses of generosity which are characteristic of the South would move them not to object to this amendment, especially in the light of the statements of the Senator from Idaho [Mr. POPE] that even the adoption of this amendment would not change the natural operation of this whole picture. If you are not going to create any more dairy products down there, certainly the fact that we are laying down a positive rule here, and establishing a policy by law, cannot change the picture.

Mr. DUFFY and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield; and if so, to whom?

Mr. BONE. I yield to the Senator from Wisconsin.

Mr. DUFFY. Mr. President, might it not be an added reason why the committee should agree to the amendment that this very amendment, in this exact wording, has twice come before the House of Representatives in their farm bill, and both times they have accepted it? Now, those in charge of the Senate bill propose some other kind of an amendment, whereas this amendment has already passed the House and is satisfactory to them. That being so, it would seem to be logical to adopt the same amendment here.

Mr. BONE. That is true. The point which I think we ought to keep emphasizing in our minds is, taking the statement of the Senator from Idaho [Mr. POPE] himself that no harm has resulted from it, that certainly no harm can result from the adoption of the positive policy that is established in the amendment.

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

Mr. BONE. I am going to yield the floor in a moment.

Mr. POPE. I desire to ask the Senator a question.

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

Mr. BONE. Yes; I shall be glad to answer the question.

Mr. POPE. I have such great confidence in the Senator's ability and integrity that I desire to ask him this question:

Under the definition contained in the McNary amendment, if a farmer who has 1 cow and 12 chickens and a small acreage supporting a family were to permit his cow or his chickens to get over onto the diverted acres and consume any amount of the soil-conserving growth on those acres, and were to sell the eggs, or the butter, the product of the cow, would it not be the duty of the Secretary to deny him soil-conservation payments?

Mr. BONE. I do not think the Secretary of the Department of Agriculture is going to concern himself with the operation of some little, individual, dinky farmer. Certainly we must use a little horse sense in approaching this thing. We are not going to pick out some poor little farmer on a scrubby tract of 5 acres somewhere and make a national example of him in a great farm program.

Mr. POPE. In view of the fact that out of the 7,000,000 farmers in this country there are about six and a half million of the sort I have indicated, will the Senator now answer my question as to whether, under this amendment, the law would not apply to those six and a half or six and three-quarter million little one-horse farmers who do live in just that way? Would it not apply to them?

Mr. BONE. I do not agree with the Senator that it would; but, even if it did, the Senator has told us that without any law at all, nothing happened. If nothing happened without any statutory enactment, are we not legitimately entitled to assume that even if we had it we should have the same thing existing? Then why object to it? If, under the operation of this thing, nothing happened of the kind the Senator is discussing, why conjure up this ghost here?

Mr. POPE. But you are subjecting those six and a half million people to that policing, that supervision, that requirement that if a man sells a dozen eggs or a quart of milk that was produced in the way I have stated, he would lose his conservation payments.

Mr. BONE. No; I do not think so. Besides, it did not occur before when these contracts were in force. There is no evidence before the Senate that it did occur.

Mr. POPE. We had no such amendment as this to contend with in the administration of the law.

Mr. BONE. As the Senator from Wisconsin [Mr. DUFFY] pointed out, in the House this matter has had the sanction of the committee over there, and there is no reason why we should repel this thing now. This is not a matter of life and death. It is not going to hurt the bill.

Mr. BANKHEAD. Mr. President, I submit to the Senator that the matter did not have the sanction of the committee in the House but the amendment was adopted on the floor.

Mr. BONE. All right; that is all the more reason why we should give it some consideration. It was adopted on the floor by the House of Representatives. My impression was that it had been adopted by the committee.

Mr. BANKHEAD. There has been no proper consideration of it.

Mr. COPELAND. Mr. President, when we talk about the dairy industry we include the production of milk, of cream, of cheese, of butter, of ice cream, and of several other minor articles.

In many respects, so far as I am concerned, I am satisfied with the dairy provisions of the bill as it is now formulated. I do not think I am speaking selfishly for my own State alone in what I am about to say.

Almost every Senator is interested in this feature of the bill. The first interest naturally would go to the Senators from Wisconsin. In Wisconsin they have a production of 11,598,000,000 pounds of milk. The next State involved is the State of Minnesota, with 7,745,000,000 pounds. Then comes the State of New York, with 7,188,000,000 pounds.

With us in New York, the matter of butter and cheese production is not a matter of great concern. We have an average production of butter of about 11,000,000 pounds, while States like Ohio and Indiana and Illinois and Michigan have 10 times as much annual production. The State of Wisconsin leads in butter production, as it does in general milk production. Then Minnesota has a tremendous production of butter; likewise, Iowa and all the North Central States.

Cheese has a production in New York of only 28,000,000 pounds, while the production of Wisconsin is 237,000,000 pounds. The production of the other States is in about the same proportion as in the case of butter.

In New York State we use only surplus milk for making butter and cheese. It is impossible to make the dairy production uniform week by week and month by month. In the summer, when the meadows are lush and the production of milk is great, then it is that butter and cheese are made as byproducts. But the production of fluid milk and of cream is a matter of great concern to my State.

We have had a great battle in New York, much legislation, and many efforts made to increase the price of milk at the farm. When I tell you that there are 75,000 dairy farms in New York State you will have some comprehension of the magnitude of the problem.

I contend that it is not fair that we should by legislation give special favor to the cotton, tobacco, rice, corn, and wheat farmers without at least giving protection to the dairy farmer. Under no circumstances whatever can the dairy farmer profit by this bill. There is not a single provision in it which will give him any benefit. On the contrary, but for my amendments and those of the Senator from Vermont [Mr. AUSTIN]

adopted yesterday, he would have been required to buy high-priced corn in place of the corn which he has usually raised upon his farm for feeding his cattle. That matter now has been taken care of in a fairly satisfactory manner, but here it is proposed to take forty or fifty or sixty million acres of land out of the usual production and possibly devote that area to dairy production.

Mr. President, it is not fair to give benefits to those four or five one-crop farmers if with those benefits goes positive detriment to another farmer—the dairy farmer. I heard the Senator from Indiana [Mr. MINTON] ask the Senator from Wisconsin [Mr. DUFFY] a little while ago if it was not rather far-fetched to suggest that the diverted acreage would be used for dairy purposes. If he had asked me that question I should have replied that I have been told by Senators that it is the intention to make use of those diverted acres for dairy production.

The Senator from Idaho [Mr. POPE] has said that under past laws there has been no marked increase in dairy production. If that is the case, I do not see why he should resist the amendment offered by the Senator from Oregon. But whether those acres are actually used for the development of dairy herds, there is in the matter the threat of further reduction in the prices the dairy farmer in New York or elsewhere will receive for his product.

Mr. President, I believe there is a desire to be just and fair, but I believe the Senate would not be just and fair if it should pass this bill without including in it a simple provision which seeks to protect the dairy farmer. Even though there is no more in it than a psychological effect it is well worth while.

I have said for weeks that the great trouble with our country today is fear—fear on the part of the business world, fear on the part of industry—and now if we are going to bring fear to the hearts of 75,000 dairy farmers in New York, to say nothing of the hundreds of thousands of dairy farmers in other parts of the country, we will have contributed merely that much to the psychology of fear throughout the country.

Now I want to speak for a moment directly to my friends on this side of the aisle. I have no question that so far as the Republicans are concerned almost all of them will vote for the amendment of the Senator from Oregon.

Sometimes it is difficult for us to carry the party banner. What can be said to the dairy farmers of New York, New Jersey, Connecticut, Vermont, New Hampshire, and Massachusetts, to the dairy farmers of Pennsylvania, Ohio, Michigan, Wisconsin, and the North Central States? What can be said to them? Must we say that the Congress of the United States is willing to pass a bill to give protection to the one-crop farmer but does not have it in its heart to give protection to the dairy farmers and those who live on the one-family farm?

Mr. President, I appeal, if I may properly, to my colleagues on this side of the aisle. I hope they will help us so that we may say that every effort was made in seeking to advance the cause of those farmers who raise cotton, corn, wheat, tobacco, and rice, that there was indeed no desire to harm the dairy industry. I beg of my colleagues on this side of the Chamber that they will give consideration to our great dairy interests and not think alone of those interests which are nearer home.

Mr. REYNOLDS and Mr. AUSTIN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina rose first and is recognized.

Mr. REYNOLDS. Mr. President, if my friend the Senator from Vermont is desirous of speaking now for the purpose of fulfilling an engagement elsewhere, I shall be very happy indeed to favor him by yielding to him and to speak after he shall have finished.

Mr. AUSTIN. Mr. President, I think the Senator from North Carolina. I expect to be here the rest of the afternoon and could not accept his offer, although I appreciate it.

Mr. REYNOLDS. Very well, Mr. President, I shall proceed. I sat here and listened with great interest to every word that was spoken by the able Senator from the great Empire State of New York [Mr. COPELAND] because, first, I find him always an interesting and informative speaker. I listened to him, secondly, with unusual interest because the matter of which he spoke is one of great moment and of especial interest not only to my State of North Carolina, which I endeavor in my humble way to represent here in part, but the subject of which he spoke is truly of vital interest to all the States of the Union.

I recognize that in a sense, if my friend will permit me to say it, he had a bit of selfish motive which I likewise would have had if I were representing the State of New York. I recognize that my able friend the Senator from Wisconsin [Mr. DUFFY] must of necessity experience a selfish motive in speaking for the adoption of the amendment introduced by the leader of the minority, the Senator from Oregon [Mr. MCNARY], because the States of New York, Minnesota, and Wisconsin are those States which participate more largely than the other States of the Union in the largest agricultural industry in America, an industry which exceeds in value in annual earnings the industry of producing tobacco, rice, cotton, wheat, and corn. Therefore, I am confident that those Senators who have spoken so ably and so honestly, as I know they are, will not deny that after all they are speaking here primarily in the interest of those industries which dominate agriculture in their respective States of Wisconsin, Minnesota, and New York.

It may be as truly and as well said that I rise at this hour with a selfish motive—I admit it in all candor—selfishly interested likewise in my section of the United States. I regret exceedingly in this country today and in the light of the twentieth century that we are still fighting and maintaining sectionalism. One who occupies a seat in the gallery here today and who listens to the debate on the floor of the Senate this afternoon could not help having heard and having observed that there is actually today a fight going on between the North and the South.

If the amendment is accepted, I say to the gentlemen of the Senate unhesitatingly that it will be manifestly unfair to the people of the South. Let us see something about it.

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

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. REYNOLDS. I am glad to yield.

Mr. BRIDGES. Am I to understand the distinguished Senator from North Carolina to say that the adoption of the amendment would be unfair to the people of the South?

Mr. REYNOLDS. Yes; I made that statement.

Mr. BRIDGES. If the bill is designed to help certain groups of farmers, and other classes of farmers who reside in other sections are entirely excluded from the benefits of the bill, and an amendment is offered merely to render them some protection, does he think that is selfish and unfair?

Mr. REYNOLDS. I think it is manifestly unfair to the South and will be unfair if the amendment should be adopted, for the very reason that we are asked to take out of production some 50,000,000 or 60,000,000 acres of land. A part and portion of that 50,000,000 or 60,000,000 acres of land which is to be taken out of production is to be found in the South. It is true that, under the provisions of the bill, cotton, wheat, tobacco, and rice are supposed to profit.

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

Mr. REYNOLDS. I am glad to yield to my friend from Washington.

Mr. BONE. The Senator from North Carolina is well aware, I take it, that the State of Washington is the largest wheat-producing State in the United States?

Mr. REYNOLDS. Yes; I admit that. I knew that.

Mr. BONE. I am wondering if the Senator's theory that this would be some sort of an assault upon certain aspects of the economic life of the South, would not also apply to my own State, which is one of the big wheat-producing sections of the country, and I am seeking to apply the same formula to my own State.

Mr. REYNOLDS. I hardly think it would apply as much to Washington as to North Carolina. North Carolina is

eventually going to become one of the great dairy-producing States of America. It is going to become one of the great dairy-producing States of America eventually because North Carolina is the possessor of a climate such as no other State in the Union possesses.

Mr. President, while our tobacco and cotton crops are being mandatorially controlled and reduced, the farmer of North Carolina and the South naturally will be desirous of making utilization of that diverted acreage. He will probably want to put to use that diverted acreage in many instances by employing it in the business of the dairy.

Under the amendment, as I understand it, if a small farmer anywhere, and not necessarily a small farmer of the South, should produce for sale a pound of butter, or a pound of cheese, a fruit jar of buttermilk, a can of cream, or a quart of milk, that small farmer would not be provided with the opportunity of profiting by the terms of the bill if the land so utilized had theretofore been cultivated in tobacco or cotton.

Mr. President, if that old hen of which the Senator from Idaho [Mr. POPE] spoke a moment ago should follow a rooster over to some converted land, and she should later become the mother of an egg [laughter], that egg could not be sold without the hen's owner being penalized by losing the intended benefits of the law. Am I right or am I right? [Laughter.]

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

Mr. REYNOLDS. I yield.

Mr. BONE. I think the answer to the Senator from North Carolina can be found in the language of the now popular song, "Stop, You're Breaking My Heart." [Laughter.]

Mr. REYNOLDS. Mr. President, I am not surprised. My good friend from the State of Washington, who comes from the land of flowers, has within his heart the same sentiments possessed by the people of North Carolina, and when I began to talk of that good old cow with the kind face——

Mr. BONE. Motherly face.

Mr. REYNOLDS. I was sure he would appreciate the remarks I was making. I heard my distinguished colleague, the Senator from Idaho [Mr. POPE], and others talking a moment ago about the old cow. It reminds me of that old piece of poetry I learned when I was in school:

Hi diddle, diddle, the cat and the fiddle,
The cow jumped over the moon,
The little dog laughed to see such sport,
And the dish ran away with the spoon.

[Laughter.]

Mr. President, why should the people of the South be penalized by the acceptance of the amendment which has been proposed today by the Senator from the State of Oregon?

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

Mr. REYNOLDS. I yield.

Mr. BRIDGES. I should like to have the Senator from North Carolina explain just how the people of the South would be penalized by the adoption of the amendment.

Mr. REYNOLDS. I shall be glad to do that. North Carolina possesses the climate suitable to the dairy industry. We have the grazing plains and hills. We have only recently interested ourselves very seriously in the establishment of dairies. As I stated a moment ago, I believe that in the not distant future North Carolina will be one of the chief producers of dairy products of the country, which will be attributable to the fact that in the South our milk cows can graze 12 months out of the year. In Minnesota, Wisconsin, and western New York the dairy producers are required to have stables and to feed their dairy cattle roughage about 4 months out of the year.

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

Mr. REYNOLDS. I yield.

Mr. DUFFY. As I understand the argument of the Senator, it is that he is in favor of cutting the production of tobacco, but he is in favor of increasing the production of dairy products. Is that the idea?

Mr. REYNOLDS. I favor the increase of the production of dairy products in North Carolina because I very readily recognize that within a few years my State will most certainly have to cease the production of cotton. We will have to quit raising cotton because there will arrive a time when North Carolina cannot produce cotton in competition with other States of the Union, and particularly will it be impossible for us to produce cotton in competition with Russia, China, Egypt, India, and Brazil.

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

Mr. REYNOLDS. I yield.

Mr. SMATHERS. If the acreage taken out of production in cotton and tobacco is put under dairy production, how will the State of North Carolina benefit at all by the pending measure, because in taking the acreage out of tobacco and cotton production and putting it into dairy products, the price to the owner of the dairy products will thereby be destroyed, will it not?

Mr. REYNOLDS. I appreciate the Senator's contribution.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. REYNOLDS. Mr. President, I understand that I have already utilized my time on the bill, and if the Senate will bear with me just a moment, I should like to be permitted the opportunity to send to the desk several telegrams, and a couple of editorials from the Raleigh News and Observer, published in Raleigh, N. C., in reference to this identical amendment, and ask that they be published as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

ROANOKE RAPIDS, N. C., *December 13, 1937.*

ROBERT R. REYNOLDS,
United States Senator:

Hope you will oppose amendment of BOILEAU, of Wisconsin, denying southern farmers dairy-farming benefits.

CARROLL WILSON.

RALEIGH, N. C., *December 14, 1937.*

Senator ROBERT R. REYNOLDS,
Care of Corona, United States Senate, Washington, D. C.:

COWS IN THE SOUTH

Protesting against the House farm bill, Representative KNUTSON, Republican, of Minnesota, declared that its enactment would "destroy the dairy industry in all Northern States." He added: "Minnesota, Wisconsin, and other dairying States cannot possibly compete with the South in butter production because of the climatic and labor advantages enjoyed by the South. If the domestic butter supply from the South were suddenly increased 88 percent it would absolutely destroy the industry in the North, because it would force the prices down to such ruinous levels that the northern dairymen could not possibly meet it."

Such a statement is interesting in more ways than one. It needs consideration, as it concerns other problems than the pending farm bill.

The dairy States have not hesitated to use the power of Federal legislation to protect the dairy industry at the expense of the South. The Federal tax on the retailers of oleomargarine made from cottonseed oil has been in effect an internal tariff for the benefit of the northern dairy industry. But alas for consistency and justice. In recent years southern cottonseed-oil interests have undertaken to use the same sort of weapons against the Philippine producers of other vegetable fats and oils. Indeed, one of the ugliest examples of the modern scrapping of noblesse oblige has been the granting of independence to the Filipinos in such a manner as to destroy Philippine trade while creating Philippine independence.

Undoubtedly, however, the South has advantages in dairy and other types of agriculture which provide escape from single-crop and cash-crop advertising, which in the long run may mean more to the welfare of the South than even high cotton and tobacco prices. Mr. KNUTSON is no friend of the South. But he points a southern advantage which the South has neglected and neglected too long. Cattle which must be stabled and fed for 4 months and more in Wisconsin can be left to feed in pasture for almost the whole year in North Carolina.

A dairy development in North Carolina would be more valuable even than an industrial development. Nothing—not even southern slowness and southern adherence to old custom—should be allowed forever to keep the cows out of the South. They are needed even more than the shirt factories are.

NEWS AND OBSERVER.

ROANOKE RAPIDS, N. C., *December 13, 1937.*

Senator ROBERT R. REYNOLDS:

Farm bill as passed by House detrimental to southern dairy expansion. Trust you will see fit to correct this injustice in the Senate. Refer to editorial in today's News and Observer.

J. WINFIELD CREW, Jr.

FAYETTEVILLE, N. C., *December 13, 1937.*

Hon. ROBERT R. REYNOLDS,
Senate Office Building:

Having been in dairy business 10 years, bitterly opposed Boileau amendment. Urge your best efforts to defeat this amendment. Always complied all programs, but can't see how southern farmers can comply under Boileau amendment.

T. J. HARRIS.

ROANOKE RAPIDS, N. C., *December 13, 1937.*

Hon. ROBERT R. REYNOLDS,
Senate Chamber:

Crop-control bill as passed by House inimical to dairy industry here, as it strikes out provision aiding farmers for land growing crops fed to dairy cattle. Please see that this provision is taken care of in the Senate.

T. W. LONG.

[From the Raleigh (N. C.) News and Observer]

SECTIONALISM AGAIN

The South is often accused of sectional sentiments, but if it sins in that respect, it stands not alone. Representative BOILEAU, of Wisconsin, has obtained acceptance by the House of his measure denying soil-conservation benefits to producers who go into dairy farming on acreage withdrawn from soil-depleting crops, although, as everyone knows, dairy farming probably aids in the care and cure of the soil more than any other kind of agriculture.

The ground of BOILEAU's plea was that these benefits, by fostering the growing of cattle-feed crops in the South, would destroy the dairy industry in his section.

At BOILEAU's instance, then, the House has planted a bar across the path by which southern agriculture might be able to escape from its self-locking cash-crop system. The Southeastern States, in particular, have many areas well suited to dairy farming, to the growth of pastures and feed crops, and to the erection of small plants devoted to the manufacture of milk products. To this BOILEAU and the House say "no."

All this is an old story. But would not the rest of the country be materially benefited if the South were allowed to escape once in a while from its role as poor relation? Sectionalism is at all times bad, but never more so than when it is revealed in the act of trying to hold its own high place on the ladder by kicking everybody else off.

Mr. AUSTIN. Mr. President, I desire to support the amendment of the Senator from Oregon in some very brief remarks.

Let me say, in passing, that there never was, in my belief, a greater unity of spirit and of patriotism between the North and the South than there is today. It has been demonstrated upon many occasions right in this Chamber. Personally, coming from the far North, I have enjoyed their evident mutuality and confidence. I say to my distinguished and kindly friend from North Carolina that the people of the North are very proud of the South. They glory in her distinguished men and women, the culture, the learning, the courtesy, the hospitality of the South, which are proverbial and historical. They go to the South because they choose to associate with such people, and because they love the South, and regard the prosperity and interest of the South as vital to their own happiness and prosperity.

It seems perhaps an inadvertence that the Senator from North Carolina should have used this sort of an argument upon this amendment. Certainly, southern people do not want both parity payments—that is, the adjustment contract payments which are allowed to them under a beneficent Federal Government for diverting their acres—and also to profit out of the use of those diverted acres at the expense of the people of the North. That is not characteristic of the South.

When it comes to the effect of the pending measure upon the dairy industry of this country I pointed out the other day, before a vote was taken, that there is nothing but death in this bill for those engaged in the dairy industry. They are cut off from parity payments under the measure. If they sign one of the adjustment contracts, they cannot have parity payments because what they sell is not corn but milk. If they fail to sign the contracts, they cannot continue to receive their payments under the Soil Erosion Act. An amendment offered relating to payments exclusively was voted down by the Senate on Tuesday by a vote of 46 to 30. The amendment of the Senator from Oregon relates to another matter entirely; that is, the matter of diverted acres. The Senate has already said what it meant with respect to the dairy industry concerning payments. They have said clearly to the dairy people of this country, "We intend that hereafter, if this measure shall become a law, you shall forego any more benefits under contracts you now hold with respect to the Soil Erosion Act, and you cannot receive any parity payments, or what are called in this bill adjustment payments, because the products you sell, namely, milk and other dairy products, have no parity payments connected with them at all. You do not sell the corn yourself; you feed it, and therefore, since the corn sale is the only one on which adjustment payments are made, you are out in the cold anyhow."

What we are now asking is another thing, and it is not much to ask. The amendment relates only to diverted acres; it does not relate to payments. You cut us out of payments. We cannot further enjoy our payments under the Soil Erosion Act or under the proposed law. Now, when we come forward and ask only that diverted acres normally used for corn and other crops named shall not be put into competition with the dairy interests of the country, there is no occasion to raise a banner of sectionalism and undertake to defeat such a reasonable request as that.

Mr. President, all this amounts to is a provision in the law itself, instead of the granting of a huge power to the Secretary of Agriculture to grant this right—it is not a favor we are asking—to respect this right which we claim. We are now asking that a law be enacted that shall respect this right, and, as I have tried to restate it, it is this, and this only, diverted cornland cannot be utilized for dairy purposes if the dairy products thereof are sold, because if such dairy products are sold, the corn or wheat fed is not consumed on the farm but is for market. The amendment prohibits such use of diverted acres by the condition on which payment shall be provided for, namely, so that the utilization of the land shall be for the purpose of consumption on the farm and not for market.

Mr. President, this is a reasonable request, and I suggest that the Senate bear in mind the kind of competition the dairy farmer is up against. There is, of course, a keen competition among those who are engaged in the business here in the United States. It is so keen that it has been necessary to appeal to the Federal Government for sanctions, for marketing agreements voluntarily to be entered into between producers of dairy products, but it is also up against a competition that is growing all the time under the Federal trade agreements.

I place in the RECORD now very significant evidence of that type of competition which we are confronting. Here is something which the Honorable CHARLES A. PLUMLEY, Representative from Vermont, spoke of in the other branch of the Congress on December 10 last, and I refer to it because it applies to this situation.

I refer to it because it applies to this situation now. His facts, he said, were taken from a bulletin entitled "Forage Crops and Markets," issued weekly by the Bureau of Agricultural Economics of the United States Department of Agriculture, which also shows the facts to be that the competitive imports exceeded the agricultural exports, the value of American farm exports declining by 4 percent, and the value of imports of commodities similar to or substituted for those produced on American farms rose by 35 percent over the fiscal year of 1935–36.

Here are the items:

420,000 head of live cattle.
150,000,000 pounds of meats, which included 62,000,000 pounds of pork and 85,000,000 pounds of beef.
15,000,000 pounds of butter.
66,000,000 pounds of cheese.
10,500,000 pounds of dried and frozen eggs.
181,000,000 pounds of wool.
17,000,000 pounds of barley.
78,000,000 bushels of corn.
48,000,000 bushels of wheat (12,000,000 milled in bond for export).
190,858,000 pounds of rice and rice products.
73,822,000 pounds of tobacco, unmanufactured.
434,000,000 pounds of barley malt.
312,000,000 gallons of molasses, used in manufacture of alcohol.
19,000,000 gallons edible molasses.
6,600,000,000 pounds of sugar (3,300,000 short tons).
14,000,000 pounds of potato starch.

319,000,000 pounds of coconut oil (used in manufacturing butter substitutes).
519,634,000 pounds of copra (from which coconut oil is extracted).
360,000,000 pounds of palm oil (used in manufacture of soap).
64,000,000 pounds of palm nuts and palm nut kernels.
201,000,000 pounds of cottonseed oil (butter and lard substitutes).
147,000,000 pounds of tung oil (used in the manufacture of paints).
119,000,000 pounds of soybeans and soybean oil.
45,000,000 pounds of peanut oil.
48,000,000 pounds of forage-crop seeds.
41,000,000 pounds of garden and field seeds.
551,000,000 pounds of vegetables of the common garden variety, including 59,000,000 pounds of dried beans, the latter accounting in large degree for the present low price of American beans.

Mr. President, this is a list of agricultural commodities that are competitive with our own agricultural commodities. The list is presented for the purpose of increasing the evidence of the need which we have already had here of just protecting the producers of dairy products to a reasonable degree. That is all we ask. Leave us out of the destructive competition. The bill deprives us of any benefits.

Mr. LA FOLLETTE. Mr. President, I wish to address myself for a few moments to the substitute offered by the Senator from Oregon. Mr. President, I think the record which I have made in the Senate upon agricultural measures will be searched in vain to indicate any sectional approach to these problems. I have proceeded upon the theory that this country is interdependent and that one section was dependent upon another. I have been convinced that we could not expect any measure of prosperity in the United States unless it was shared by all sections of this country.

I supported the Agricultural Adjustment Act. I supported the Bankhead Cotton Act. I supported all the measures which we have passed in the Senate in an effort to improve the economic status of the farmers of this country. Therefore I hope that Senators will hear me without any feeling that I am speaking from a sectional point of view.

Mr. President, I think there might be great force in the argument presented by the junior Senator from Idaho [Mr. POPE] against this amendment were it not for the fact, as I tried to point out in a colloquy which I had with him earlier in the afternoon, that the policy embodied in this substitute was a part of the policy under the Agricultural Adjustment Act and under the Bankhead Cotton Act. The contracts which were presented to farmers under those two measures provided that they should not use the diverted acreage to produce other nationally produced agricultural commodities for market.

Mr. President, this measure is designed to help products produced in this country of which we have a surplus. And to that end an effort is made to curtail the production of those agricultural commodities of which we have a surplus. Therefore, it seems to me very logical that an effort should be made in carrying out that program to be certain we do not as a result of attempting to curtail production with regard to other commodities ultimately produce a surplus in agricultural commodities of which we do not now have an exportable surplus. And therefore I do not believe that this amendment should be regarded as a sectional amendment. As a matter of fact, Mr. President, if we accepted the arguments of the Senator from Idaho at their face value, it is perfectly obvious that this amendment is not sectional in character, for the whole burden of his argument is that the diversion of acreage and the reduction of the production of basic commodities under past programs have not resulted in increased competition in other commodities. Therefore, if we accept for the sake of the argument his contentions, all that this amendment seeks to do is to offer an assurance that in accepting this permanent program there shall not be any possibility in the future of producing an exportable surplus in agricultural commodities now produced which do not now suffer by reason of an exportable surplus.

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

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. And it seems to me we are driven to the irresistible conclusion that if this amendment is to be opposed and defeated there is an intention somewhere to use these diverted acres for the precise purpose which the Senator describes.

Mr. LA FOLLETTE. Of course, Mr. President, we have a good many conflicting arguments presented by the proponents of this measure. And if we were to leave for a moment the arguments of the Senator from Idaho [Mr. POPE] and listen to the arguments just uttered by the junior Senator from North Carolina [Mr. REYNOLDS], we would then be confronted with a frank and avowed statement that it is the hope, nay, it is the confident conviction of the junior Senator from North Carolina, that North Carolina will soon be one of the leading dairy States of the Union.

Mr. President, I would be the last one to urge the adoption of any policy by the Federal Government which would retard a normal or natural development so far as the agriculture of any section of the country is concerned. But since this program is to be financed by money taken from the Treasury of the United States, since it is the farmers who cooperate who receive benefits, then it does seem to me that we are not taking a sectional position, that we are not asking anything unreasonable, when we request that in the use of that money and in the payment of those benefits that we shall not create another and an equally if not more serious problem so far as the other agricultural commodities not covered by this measure are concerned.

In passing, Mr. President, I may point out that the dairy industry in this country produces 25 percent on the average of the total gross income of the agriculture of the United States. And therefore I think we can say from a standpoint of national policy that we would be creating an even more serious problem than the one with which we are now confronted were we, as the result of the enactment of this permanent legislation, ultimately to produce a situation where the dairy industry, producing such a large amount of income for the farmers of America, were to be confronted with an exportable surplus and thus find itself in the same plight as the farmers producing the crops which this measure is designed to save and to help.

It certainly cannot be said that in support of this amendment I am approaching this problem from any sectional standpoint, nor do I think it can be said that I am supporting it in any other than a sincere way, for I think that the votes which I have cast upon the amendments which have been tendered to this bill will indicate that I have endeavored to the best of my humble ability to take a constructive attitude rather than a destructive attitude toward the measure now under consideration.

So, in conclusion, and in view of the lateness of the hour, I want to appeal to the Senators from every State not to regard this as a sectional matter, not to think of it solely from the point of view of any particular industry, but from the point of view of a sound policy, namely, that in endeavoring to cope with and to control the exportable surpluses which have been ruining the prices of the farmers producing those commodities, we shall not produce exportable surpluses among other commodities and thereby multiply instead of minimize the problems confronting the farmer in the United States.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. I think that every Senator who has listened to the argument of the Senator from Wisconsin this afternoon will readily agree that he approaches these problems without regard to sectional bias or any other bias. I cannot avoid the conclusion that the objective for which he is arguing and the objective for which the Senator from Oregon proposes his amendment is a good objective. It is one which I completely share. It is perfectly absurd to put into effect a curtailment program with respect to certain commodities if thereby we divert acreage which shall be used, as the Senator has just so well said, for the pro-

duction of a surplus in other commodities which share no benefit under this act.

That difficulty has been recognized by Senators who would like to support this bill. I have recognized the difficulty and with the Senator from Idaho have sought to work out an amendment which would reach the objective which the Senator from Wisconsin has in mind, and which the Senator from Oregon has in mind. I frankly and sincerely felt and feel now that the amendment of the Senator from Oregon will not be effective, because in its very language it imposes upon the Secretary of Agriculture and upon the General Accounting Office a perfectly impossible burden of regimentation.

Let me just read the first two or three lines of this amendment.

Payment with respect to any farm land—

Omitting some language—

shall be further conditioned upon the utilization of the lands—

And so forth. In other words it will become necessary under that language for the Secretary and for the General Accounting Office to scrutinize every payment and to make certain that every cooperator or every beneficiary has carried out the conditions.

In order to accomplish the purpose which I think we all have in mind I have been in consultation with the Senator from Idaho and with the legislative drafting service, and I have prepared another amendment which I should like to read to the Senator from Wisconsin in order to learn whether it would be satisfactory to him, because I am frankly trying to reach a meeting of the minds upon this problem.

On page 82, after line 25, I propose to insert the following new section, section 66:

SEC. 66. Each adjustment contract or other offer entered into or made pursuant to this act or the Soil Conservation and Domestic Allotment Act shall provide that the cooperator or other person to whom such contract or offer applies shall undertake not to use acreage diverted under either of such acts for the production for market of livestock or poultry or the products thereof; and in the event that a marketing quota is established for any commodity under this act no acreage diverted from the production of such commodity pursuant to such quota shall be used for the production for market of livestock or poultry or the products thereof.

I may say now to the Senator that as I conceive the two amendments, this goes a step further than what we call the McNary amendment, because it makes provision for acreage that may be diverted if a marketing quota goes into effect. It avoids the requirement upon the Secretary and upon the General Accounting Office to make individual scrutiny of every individual payment.

Mr. LA FOLLETTE. As I understood the amendment, it seems to me it is in keeping with the same policy which was adopted and which I think I mentioned in my statement with regard to the provisions contained in the agricultural adjustment contracts and in the contracts which were entered into between the Government and the farmers under the Bankhead Cotton Act. As I heard the Senator's reading of it, it would seem to me that it would be wholly effective in meeting the situation.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Wyoming yield to the Senator from Idaho?

Mr. O'MAHONEY. I yield.

Mr. BORAH. May I ask the Senator from Wyoming to restate the matter insofar as it covers contracts or the adjustments?

Mr. O'MAHONEY. "Each adjustment contract or other offer entered into or made"—and I think I have in mind the question the Senator has in mind. The word "offer" and the word "may" are used for the purpose of covering all cases outside of an actual adjustment contract where benefit payments are made.

Mr. BORAH. That is the construction placed upon it by its author?

Mr. O'MAHONEY. It is.

Mr. BORAH. And by those who have agreed with the author?

Mr. O'MAHONEY. Exactly.

Mr. BORAH. That it covers all those adjustments?

Mr. O'MAHONEY. It covers all the adjustments and all the commodities.

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

Mr. O'MAHONEY. Certainly.

Mr. POPE. I think I can agree to the amendment read by the Senator from Wyoming. The Senator pointed out to begin with that the thing which has been so serious in connection with the amendment of the Senator from Oregon is that the General Accounting Office must be convinced that every farmer has not violated this provision of the act in order to be entitled to payment of his soil-conservation payments. I can see that proof of that might be difficult to the Department, and therefore it would necessitate a degree of policing of the individual and a degree of regimentation to which I have objected so seriously. This would remove that element from the picture.

I am just as anxious as is the Senator from Oregon to protect the dairy interests, but in so doing I do not want every farmer in the entire United States who owns a cow to be subject to the regimentation and policing which is implied in his substitute. Therefore I would be inclined to believe that this would cure that perfectly vicious provision of the substitute of the Senator from Oregon which would provide policing and regimentation.

Mr. McNARY. Mr. President, it is perfectly obvious that the language the Senator from Wyoming has employed does not reach the point which I so much desire—to cover all contracts and all adjustments that may be made.

Mr. O'MAHONEY. How can the Senator say that, when the language of the amendment expressly begins "each adjustment contract or other offer"?

Mr. McNARY. Adjustment contracts are limited to corn or wheat.

Mr. O'MAHONEY. "Or other offer."

Mr. McNARY. What does that mean?

Mr. O'MAHONEY. It means any other type of payment made under this bill or under the Soil Conservation Act.

Mr. McNARY. Exactly as is the wording here, which is that payments shall be further conditioned upon utilization of land, which means the same thing and covers all commodities and does not permit any of them to escape.

Mr. O'MAHONEY. My understanding is that the language which I have just read includes every single thing the Senator has in mind and differs from his amendment only in that it will not make it incumbent upon the administering officials to examine every single farm of every cooperator under the two proposals. I have the feeling that the requirement imposed by the amendment of the Senator from Oregon is so rigid that it would result in totally defeating the purposes of the bill for those who are growing the other commodities.

I am anxious to protect the livestock industry, the dairy industry, the poultry industry, and every other industry, the commodities of which may be increased by the operation of the provisions of this bill, but certainly we do not want to destroy the whole effect of the legislation.

Mr. McNARY. The amendment which I have offered follows the provision of the House. It was proposed by the dairymen and poultrymen of the country. They understand it. It is agreeable to them. It is now here for our consideration and covers every phase of the question without any complication whatsoever. It does not require any more policing, it does not add any more difficulties upon the part of the General Accounting Office, than the one offered by the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Am I to understand that the language which I have just read cannot now be offered as a substitute?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that it could not be offered by any Senator except the Senator who offered the original amendment and who may modify his amendment by the acceptance of the language.

Mr. O'MAHONEY. The Senator from Idaho may withdraw his original amendment and perfect it by substituting this language?

The PRESIDING OFFICER. Yes.

Mr. O'MAHONEY. May I ask the Senator from Idaho if he would be willing to do that?

Mr. POPE. Mr. President, I should like an opportunity to examine the language a little more carefully.

The PRESIDING OFFICER. The substitute offered by the Senator from Oregon is the pending question.

Mr. O'MAHONEY. My understanding is that though the Senator from Idaho should present this as a substitute for the amendment which he originally proposed, the vote would still come first upon the substitute offered by the Senator from Oregon?

The PRESIDING OFFICER. The Senator is correct.

Mr. BORAH. Mr. President, are we going to undertake to complete consideration of this particular amendment tonight?

Mr. BARKLEY. Mr. President, I hope we can do so.

Mr. BORAH. This is an exceedingly important matter. I dislike very much to go ahead tonight if it can be avoided.

Mr. BARKLEY. I might as well at the moment make a suggestion which will determine whether we shall have a night session or not. I have conferred with Members on both sides of the aisle with reference to fixing an hour tomorrow at which we may begin voting without further debate on the bill and on all amendments, with a view to avoiding a session tonight if possible and with the view of recessing from tomorrow over until Monday.

In order that I may make the unanimous-consent request under the rule to fix an hour for voting tomorrow it is necessary to have a quorum call unless that requirement is waived. That can be done by unanimous consent. Therefore under the circumstances, while the amendment is being examined by the Senator from Idaho [Mr. POPE], I ask unanimous consent to waive the requirement of the rule for the calling of a quorum in order that I may submit a unanimous-consent request to fix an hour for voting tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none and it is so ordered.

Mr. BARKLEY. I now propose the unanimous-consent agreement which I send to the desk.

The PRESIDING OFFICER. The proposed agreement will be read.

The legislative clerk read as follows:

Ordered by unanimous consent, that on the calendar day December 17, 1937, at not later than 4 o'clock p. m., the Senate will proceed to vote without further debate upon any amendment or substitute that may be pending or any amendment or substitute that may be offered and upon the bill (S. 2787) through the regular parliamentary stages to its final disposition.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, to the general purposes of the agreement I have no objection, but it must be conditioned upon two propositions, one that we will have a vote on the pending amendment in the nature of a substitute this evening, or now, and that we will have no night session. I suggest that we defer submission of the request, and proceed with the pending business.

Mr. BARKLEY. Mr. President, one of the reasons for offering the unanimous-consent agreement now was in order to avoid a night session. I am perfectly willing to remain here in session, if we have to, until we can dispose of the amendment now pending. I think that if we are not to have a night session we can remain a little longer and dispose of it, and I am willing to enter into that understanding.

Mr. McNARY. I am quite agreeable, if we dispose of the amendment offered in the nature of a substitute to the proposal of the Senator from Idaho, that we take a recess until 12 o'clock tomorrow, and commence voting at 4 o'clock upon the amendments pending or which may be offered, or any substitute therefor, or a motion to recommit, without debate.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Oregon [Mr. McNARY] to the amendment of the Senator from Idaho [Mr. POPE].

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, what is the present parliamentary status?

The VICE PRESIDENT. The present parliamentary status is that the amendment of the Senator from Idaho has been perfected as suggested by the Senator from Wyoming. Now, the question is on the amendment in the nature of a substitute offered by the Senator from Oregon [Mr. McNARY] to the amendment of the Senator from Idaho.

Mr. O'MAHONEY. I wanted to be certain that the Senator from Oregon had substituted the language suggested.

The VICE PRESIDENT. The Chair suggests that the proposed amendment of the Senator from Idaho as perfected should be read from the desk for the information of the Senate.

Mr. SMITH. Mr. President, under the unanimous-consent proposal it is understood——

The VICE PRESIDENT. There is no unanimous-consent proposal pending.

Mr. SMITH. Very well.

Mr. BANKHEAD obtained the floor.

The VICE PRESIDENT. Will not the Senator from Alabama permit the amendment to be read?

Mr. BANKHEAD. Certainly.

Mr. McNARY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. Am I to understand that this belated suggestion takes the place of the former proposal submitted by the Senator from Idaho?

The VICE PRESIDENT. That is the situation. The Senator from Idaho has the right to perfect his amendment before it is acted on.

The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. On page 82, after line 25, it is proposed to insert the following new section:

SEC. 66. Each adjustment contract or other offer entered into or made pursuant to this act or the Soil Conservation and Domestic Allotment Act shall provide that the cooperator or other person to whom such contract or offer applies shall undertake not to use acreage diverted under either of such acts for the production for market of livestock or poultry or the products thereof; and in the event that a marketing quota is established for any commodity under this act, no acreage diverted from the production of such commodity pursuant to such quota shall be used for the production for market of livestock or poultry or the products thereof.

Mr. O'MAHONEY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'MAHONEY. It is my understanding that if the substitute offered by the Senator from Oregon should upon the pending vote be rejected, the question will then come on the amendment which has just been read.

The VICE PRESIDENT. The Senator states the parliamentary situation correctly.

Mr. BANKHEAD. Mr. President, I understand the amendment offered by the Senator from Oregon in the nature of a substitute to be the pending business, and I wish to submit some remarks.

Mr. BARKLEY. Mr. President, what happened to my unanimous-consent request? Is it still pending?

The VICE PRESIDENT. The Chair understood that the Senator from Oregon [Mr. McNARY] advised the Senator from Kentucky that he could not enter into an agreement until a vote was had on his amendment. Therefore the

Chair assumed there could be no unanimous-consent agreement pending until the vote was had on the pending amendment. The Chair will ask the Senator from Oregon whether that statement is correct.

Mr. McNARY. That statement was made conditionally. I said I was willing to have the agreement entered into if we could have a vote now, or this evening, upon the pending amendment, and then conditioned further on the agreement that there would be no night session.

The VICE PRESIDENT. That is as the Chair understood it.

Mr. BARKLEY. Mr. President, that is my purpose in undertaking to ascertain now whether we can enter into the agreement, because if we cannot enter into it, we will have to have a night session. I am willing to vote on the amendment pending and allow my request to be suspended while that operation is in progress.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oregon in the nature of a substitute for the amendment offered by the Senator from Idaho. The Senator from Alabama is recognized. That is the status at present.

Mr. BANKHEAD. Mr. President, I understand the pending question is on the adoption of the so-called McNary substitute.

The VICE PRESIDENT. That is the pending question. The yeas and nays have been ordered.

Mr. BANKHEAD. The McNary substitute is the same as the Boileau amendment in the House of Representatives, and we should all understand that if the McNary amendment shall be adopted, the subject matter will not, as practically everything else in the bill will, go to conference, because that will foreclose it. The McNary amendment is a literal copy of the Boileau amendment adopted in the House. While various phases, practically all phases, of the bill, except the question as to the dairy interests, will go to conference, there is an attempt here to foreclose us from any further consideration of this subject in the conference.

Mr. President, I have no illusions about what the result of this vote will be. There is no reason for me to misunderstand what is going to happen. The sectional question has bobbed up here in some way, as it has in connection with a number of other pieces of legislation which are now pending. It is unfortunate, of course, but I have no more illusion about what is going to happen on this vote and how it is going to happen than I have about what is going to happen when the so-called southern lynching bill comes up when we get through with this matter. I know what is going to happen in connection with that. I have no illusions about it. I know where the votes are coming from, just as I know where they are coming from now, since this sectional question has arisen on the pending amendment. Of course, it is unfortunate.

I know what is going to happen when the jute amendment is called up, if it does come up, although the effort is to provide some additional consumption for cotton at a time when it has been stated here day after day that we are losing the foreign market of cotton. Notwithstanding the declarations of leading men here that they want the American market for the American farmer, I have no illusions about what is going to happen when we reach the question of eliminating a quantity of jute so that additional markets can be found for cotton, and I have no illusions about where the votes are coming from.

Mr. President, I am not making any criticism; I am describing a situation which every candid Member of the Senate knows to exist. It is, of course, unfortunate, but still we all know that it exists.

Mr. President, I have no illusions about what is going to happen here when the so-called Black-Connery wage and hour bill comes back from the other House.

Go over there now if Senators desire to find out the atmosphere, and what they think over there is involved in that program, and if Senators have any further doubt call the junior Senator from Massachusetts [Mr. LODGE], who said when he voted for that bill he voted to help drive out the competition of industries in the Southern States with the industries of his country.

Do we not all know that that is a paramount issue involved in the House in the wage and hour bill pending there—and that is the leading line of cleavage between the Members of the House—what effect it will have upon southern industry to the advantage of industry in other sections of the country.

So now there is a list. I know the Senator from Wisconsin has truly stated his position. I have never seen him occupy consciously a sectional position. But unfortunately conflicts of interest develop here which place the Senator from Wisconsin against us. This is one of them. The tax on oleomargarine, which, of course, drives out of competition with dairy products the cottonseed oil and vegetable fats of the South, is another one of them.

So there, my friends, we are in that unfortunate situation. Conflict apparently of interest here and there. Economic conflict of interest arising in so many different phases of legislation. I know that it is here.

It will do no good to talk about the constitutionality of this measure. The great constitutional lawyer, Mr. BORAH, from Idaho, yesterday when the Ellender amendment, of a similar nature, was here for consideration denounced it as unconstitutional because it was an effort to control production and fell under the condemnation of the Hoosac Mills case. There is no sort of difference between the Ellender amendment and the amendment of the Senator from Oregon pending now. The Ellender amendment was said to be unconstitutional, but the pending amendment along the same lines seems to be accepted as constitutional.

Mr. BORAH. Mr. President——

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

Mr. BANKHEAD. I yield, but I wish the Senator to remember that I do not have much time left.

Mr. BORAH. I agree perfectly with the Senator that the Ellender amendment was unconstitutional, that the pending amendment is unconstitutional, and that the whole bill is unquestionably unconstitutional, and I propose to vote against it. But this amendment is no more vulnerable than the bill as a whole and I am willing to place the dairy interest where it will go up or down with all others interested.

Mr. BANKHEAD. Except the cotton section.

Now, Mr. President, we have heard a whole lot here about the doctrine of scarcity, scarcity, scarcity. Everyone who is against this bill has talked about the economy of scarcity. And still when there develops a mere possibility of having more milk for the children of the cities of this country, more butter, more of the actual necessities of life whose interest is then involved? The consumers? No; the men and women in the cities who are not organized and who are not represented here by effective and wonderful lobbyists. Oh, the consumers then and the doctrine of scarcity then disappears, and they say, "Let us protect the organized dairymen of this country and forget the doctrine of scarcity when the dairymen with their organization appear upon the scene." I should like to have a little consistency about the situation.

Mr. President, I do not think the amendment is going to help you. It may hurt after it is adopted. Something like these southern lynching bills—they think they are going to do some good perhaps, but I think they are going to do more harm than good. But here is the cotton farmer who gets only about $5 an acre under a program for acreage diversion. If he wants to plant dairy products do Senators suppose he would start with planting only his diverted acreage? No; he gets too little pay for the diverted acreage.

If he wants to go into dairying, my friends, do not think he will stop with a few diverted acres. He will forget his parity and soil-conservation payments, and put his farm into dairying. We know that will be the result. So you are not going to get any benefits under the McNary amendment which prevents the acreage diverted from cotton from being planted to food for livestock for sale.

Mr. President, it makes me sick at heart to see so many efforts developing and being pressed here not only by the gentlemen upon the Republican side but the gentlemen upon the Democratic side who do not live in the Cotton Belt, so many of these programs that are directed at the section in which I live. I know we are not going into the dairy business simply as the result of 2 or 3 years of acreage diversion, because we plan to go back into the full production as soon as we can get rid of a distressing surplus. But to have our section pointed at day after day and have the restraints written into these laws which apply directly and solely to the cotton and tobacco farms in the South is greatly disturbing.

Mr. President, I have said what I want to say on this subject without, I hope, offending anyone. That has not been my purpose. I want to make my protest against this sort of legislation. I know it is not broad-minded legislation. I know it is sectional legislation. I wish we could get away from it. We people of the South want a united country. We are trying to do our part. I wish that other sections of the country would quit driving at us, quit knocking at us, quit passing legislation directed at us, not only in matters like the lynching bill but in financial and economic matters. We have had our long periods of travail and patience and endurance. So why can it not come to an end, my friends? Why keep directing these things at us?

The VICE PRESIDENT. The time of the Senator from Alabama on the amendment has expired.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. As I understand the parliamentary situation, the vote comes first on the substitute offered by the Senator from Oregon [Mr. McNARY].

The VICE PRESIDENT. That is correct.

Mr. BARKLEY. If that substitute should be defeated, the next vote comes on the amendment offered by the Senator from Idaho [Mr. POPE], as modified by him in accordance with the suggestion of the Senator from Wyoming [Mr. O'MAHONEY].

The VICE PRESIDENT. The Senator has stated the parliamentary situation.

The yeas and nays have been ordered.

The Chief Clerk called the roll.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if present he would vote "nay." I transfer that pair to the senior Senator from Kansas [Mr. CAPPER] and vote "yea."

Mr. SHIPSTEAD. On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Washington [Mr. SCHWELLENBACH] are detained on important public business.

The Senator from Tennessee [Mr. BERRY], the junior Senator from Virginia [Mr. BYRD], the senior Senator from Virginia [Mr. GLASS], the senior Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Washington [Mr. SCHWELLENBACH] is paired with the Senator from Tennessee [Mr. BERRY]. If present and voting, the Senator from Washington would vote "yea", and the Senator from Tennessee would vote "nay."

Mr. BARKLEY. I announce that my colleague [Mr. LOGAN] is unavoidably detained from the Senate. His pair has been announced.

The result was announced—yeas 41, nays 38, as follows:

YEAS—41

Adams	Bone	Bridges	Brown, N. H.
Austin	Borah	Brown, Mich.	Bulkley
Copeland	Hale	Lundeen	Thomas, Utah.
Davis	Hitchcock	McAdoo	Townsend
Donahey	Holt	McCarran	Vandenberg
Duffy	Johnson, Calif.	McNary	Wagner
Frazier	Johnson, Colo.	Maloney	Walsh
Gerry	King	Moore	White
Gibson	La Follette	Nye	
Gillette	Lodge	Pittman	
Guffey	Lonergan	Steiwer	

NAYS—38

Bailey	George	Minton	Russell
Bankhead	Graves	Murray	Schwartz
Barkley	Green	Neely	Sheppard
Bilbo	Harrison	Norris	Smathers
Bulow	Hatch	O'Mahoney	Smith
Burke	Hayden	Overton	Truman
Byrnes	Herring	Pepper	Van Nuys
Chavez	McGill	Pope	Wheeler
Connally	McKellar	Radcliffe	
Ellender	Miller	Reynolds	

NOT VOTING—17

Andrews	Caraway	Lee	Thomas, Okla.
Ashurst	Clark	Lewis	Tydings
Berry	Dieterich	Logan	
Byrd	Glass	Schwellenbach	
Capper	Hughes	Shipstead	

So Mr. McNARY's amendment in the nature of a substitute was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment as amended. [Putting the question.]

Mr. O'MAHONEY. Let us have the yeas and nays.

The VICE PRESIDENT. The ayes seem to have it. The ayes have it, and the amendment as amended is agreed to.

Mr. SMITH. Mr. President, I desire to offer an amendment in the form of a new section.

Mr. O'MAHONEY. Just a moment, Mr. President. Before the Senator from South Carolina offered his amendment and before the Chair announced that the amendment as amended was agreed to the yeas and nays had been asked for.

The VICE PRESIDENT. The Chair did not hear the demand. He desires to be fair with the Senate. Does the Senate desire the yeas and nays on the amendment as amended? Apparently it does, by the show of hands. The yeas and nays are ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SHIPSTEAD. Mr. President, I have a pair with the senior Senator from Virginia [Mr. GLASS]. I understand that I am released on this vote. I vote "yea."

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if he were present he would vote "nay." I therefore transfer my pair to the senior Senator from Kansas [Mr. CAPPER], who would vote "yea" if present, and allow my vote to stand.

Mr. BANKHEAD (after having voted in the negative). Mr. President, I desire to change my vote from "nay" to "yea," so that I may be able to make a motion for a reconsideration.

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the junior Senator from Virginia [Mr. BYRD], the senior Senator from Virginia [Mr. GLASS], the senior Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from Washington [Mr. SCHWELLENBACH] are detained on important public business.

The Senator from Washington [Mr. SCHWELLENBACH] is paired with the Senator from Tennessee [Mr. BERRY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. BARKLEY. I announce that my colleague [Mr. LOGAN] is unavoidably detained from the Senate. His pair has been announced.

The result was announced—yeas 49, nays 34, as follows:

YEAS—49

Adams	Frazier	Lodge	Smathers
Austin	Gerry	Lonergan	Steiwer
Bankhead	Gibson	Lundeen	Thomas, Utah
Bone	Gillette	McAdoo	Townsend
Borah	Guffey	McCarran	Vandenberg
Bridges	Hale	McNary	Van Nuys
Brown, Mich.	Herring	Maloney	Wagner
Brown, N. H.	Hitchcock	Moore	Walsh
Bulkley	Holt	Nye	Wheeler
Copeland	Johnson, Calif.	O'Mahoney	White
Davis	Johnson, Colo.	Pittman	
Donahey	King	Schwartz	
Duffy	La Follette	Shipstead	

NAYS—34

Andrews	Connally	McGill	Pope
Ashurst	Ellender	McKellar	Radcliffe
Bailey	George	Miller	Reynolds
Barkley	Graves	Minton	Russell
Bilbo	Green	Murray	Sheppard
Bulow	Harrison	Neely	Smith
Burke	Hatch	Norris	Truman
Byrnes	Hayden	Overton	
Chavez	Lee	Pepper	

NOT VOTING—13

Berry	Clark	Hughes	Schwellenbach
Byrd	Dieterich	Lewis	Thomas, Okla.
Capper	Glass	Logan	Tydings
Caraway			

So the amendment as amended was agreed to.

Mr. SMITH obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from South Carolina yield to me?

Mr. SMITH. I yield.

Mr. BARKLEY. I now desire to renew the unanimous-consent request which I submitted earlier in the evening, that beginning at not later than 4 o'clock tomorrow the Senate proceed to vote on any amendments not then acted on or which may be offered, or any substitute which has not been acted on or which may be offered, and on the bill to final disposition.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I remove one condition, but assert the other, that that implies we will not have a night session.

Mr. BARKLEY. I have stated that over and over again, and that is one of the reasons why I submited the unanimous-consent request at this time, to avoid a night session. If it is agreed to, there will be no night session.

Mr. RUSSELL. Mr. President, as I understand, if the pending bill shall be perfected and a substitute for the whole bill offered, there will be no limit on debate. I think some limitation should be made whereby those who have amendments to offer, and who would like to have 5 or 10 minutes to explain them, might be recognized. One Senator might take the floor and consume all the time.

Mr. BARKLEY. No Senator could occupy more than 15 minutes on any amendment.

Mr. RUSSELL. I understand, but there are, I believe, two substitutes to be offered, and there is no limitation on debate on substitutes.

Mr. BARKLEY. A substitute cannot be offered until all the amendments have been disposed of, so that contingency would not arise.

Mr. ADAMS. Mr. President, I wish to make an inquiry to determine whether I understood correctly the unanimous-consent agreement. It was that at 4 o'clock tomorrow we should vote without further debate upon all amendments pending or then offered?

Mr. BARKLEY. That is correct.

Mr. ADAMS. At the close of the last session of Congress a very important bill was before the Senate, and from the floor many amendments were offered, and there was no chance even to explain the amendments. Personally I shall not consent to any unanimous-consent agreement which will not at least permit an explanation on the floor of an amendment which is offered and which has not been printed and placed upon my desk. If there were a provision for 2 minutes or 3 minutes or 5 minutes, so that an amendment can be explained, that would be all right; but this bill is very important, an amendment may be offered from the floor, presented in writing, or submitted orally, and under the unanimous-consent agreement we could not even inquire for an explanation. Unless some provision is made to afford opportunity to explain amendments offered from the floor which are not upon the desk, I shall object to the unanimous-consent agreement.

Mr. BARKLEY. The Senator objects to the agreement?

Mr. ADAMS. Unless some provision is made to advise Senators as to what is being presented.

Mr. BARKLEY. Of course, Mr. President, it is impossible to agree to begin voting without debate at any particular hour if there shall be coupled with it an amendment or reservation that there will be debate.

Mr. ADAMS. It is not impossible to provide that 5 minutes shall be allowed to those who offer amendments on the floor to explain the amendments, I will say to the Senator.

Mr. BARKLEY. If we can have an understanding that 5 minutes shall be given to the proponents of amendments and not have unlimited debate, it would be well.

Mr. ADAMS. That is exactly what I mean.

Mr. BARKLEY. Then I am willing to modify the unanimous-consent request——

Mr. NORRIS. Mr. President, I would not object to the unanimous-consent agreement as first proposed. I would not object if 5 minutes were allowed for debate. But I am not willing to agree that no one shall have the 5 minutes except the one who introduces the amendment. That is the manifestly unfair thing about it. If that is the modification, I object to it.

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

Mr. BARKLEY. I yield.

Mr. LEE. I wish to say in regard to the substitute that I have repeatedly said I wanted to offer that I do want to offer it. I have talked with the Senator from Kentucky, and he assures me there will be opportunity to offer it. I feel that the committee and Senators have been very patient, and I want just enough time to present that substitute. I shall not object to a unanimous-consent agreement. I feel that the Senator's only purpose is to facilitate our work here in the Senate.

Mr. BARKLEY. Mr. President, I offer a modification of my request: That beginning at not later than 3 o'clock on tomorrow no Senator shall speak more than once nor longer than 5 minutes on the bill, or any amendment, or any substitute; and that beginning at 5 o'clock, without further debate, the Senate shall proceed to vote upon the amendments or substitutes, and on the bill itself for final disposition.

The VICE PRESIDENT. Is there objection?

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

Mr. BARKLEY. I yield.

Mr. BURKE. If the so-called jute amendment is going to be offered by the Senator from Alabama, much longer time will be required to discuss it than allowed in the unanimous-consent agreement which is now requested. If that jute amendment is to be offered, I shall have to object to the unanimous-consent agreement.

Mr. BARKLEY. I do not know, of course, about the jute amendment, except I understand there is one in the offing. But if it should be offered prior to the hour of 3 o'clock, of course, it will be offered under the same limitations that now apply to amendments.

I will say for the information of the Senate that if this agreement is entered into now it is my purpose to move to recess until 11 o'clock tomorrow, so we will have that much more time then.

Mr. SMITH. Mr. President, will the Senator from Kentucky restate his last proposal?

Mr. BARKLEY. The request that I made was that beginning at 3 o'clock on tomorrow no Senator shall speak more than once nor longer than 5 minutes on the bill, any amendment or any substitute thereto, and that beginning at the hour of 5 o'clock, without further debate, we shall proceed to vote on all amendments and substitutes that are then pending, or that may be offered, without further debate to final conclusion of the bill.

Mr. ADAMS. Mr. President, the same evils that existed before exist in respect to that proposal; that is, that amendments can be offered after 5 o'clock, under stress, without explanation. I have no objection to limiting debate, but, as a Senator of the United States, I do feel that I ought not to be asked to vote upon amendments which have not been explained by even one word on the floor of the Senate. Unless that is changed, I shall object.

Mr. McNARY. Mr. President, I may suggest to the capable Democratic leader that we meet at 11 o'clock tomorrow, and, beginning at 2 o'clock, no one shall speak more frequently or longer than 5 minutes on the bill, on any amendment, or any substitute that may be offered thereto. That does not suppress debate, but, in my opinion, we will finish more happily and in a better state of mind than we would in any other way. I submit that suggestion to the Senator.

Mr. BARKLEY. Let me understand—that beginning at 2 o'clock, instead of 3, there should be a 5-minute limitation on all debate, running through to final disposition?

Mr. McNARY. Yes.

Mr. BARKLEY. On the bill, amendments, substitutes, motions to recommit, or any other thing that may be offered in connection with this legislation?

Mr. McNARY. Yes.

Mr. SMITH. Why move it to 2 o'clock in place of 3?

Mr. McNARY. Very well; I am willing to go back to 3 as far as that is concerned.

Mr. BARKLEY. I modify the request, Mr. President, that beginning at the hour of 3 o'clock, with the understanding that we meet at 11, no Senator shall speak more than once nor longer than 5 minutes on the bill, on any amendment, on any substitute, or motion to recommit, or otherwise dispose of this bill.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

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

Mr. BARKLEY. I yield.

Mr. McADOO. I have an amendment in the nature of a substitute which I have been patiently waiting an opportunity to discuss briefly, and which I should like to have an opportunity to explain to the Senate. Under the proposed rule, as I understand it, I would have no opportunity to do that.

Mr. BARKLEY. Mr. President, if the Senator will permit me, we will have 4 hours tomorrow with the same limitation under which we are now proceeding.

Mr. McADOO. There is no limitation on a substitute under the rule.

Mr. BARKLEY. No. The Senator, as I understand it, is offering an amendment.

Mr. McADOO. An amendment in the nature of a substitute.

Mr. BARKLEY. But it will not be in order to offer a substitute for the whole bill until all amendments are disposed of. It never is. If the Senator, as he said to me, offers it as a substitute to the bill, he can do that and speak upon it until 3 o'clock under the same limitation that we have been proceeding under until now.

Mr. McADOO. I do not think that will give me the opportunity which I feel will be necessary to enable me to explain my amendment, which is in the nature of a substitute.

RECESS

Mr. BARKLEY. I move that the Senate recess until 8 o'clock tonight, and then proceed with the bill.

The motion was agreed to; and (at 5 o'clock and 58 minutes p. m.) the Senate took a recess until 8 o'clock p. m.

EVENING SESSION

At the expiration of the recess the Senate reassembled, and the Vice President resumed the chair.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Connally	Johnson, Colo.	Pepper
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Reynolds
Bailey	Donahey	Lodge	Russell
Bankhead	Duffy	Lonergan	Schwartz
Barkley	Ellender	Lundeen	Sheppard
Berry	Frazier	McCarran	Smathers
Bilbo	George	McGill	Smith
Bone	Gerry	McKellar	Steiwer
Borah	Gibson	McNary	Thomas, Utah
Bridges	Gillette	Maloney	Townsend
Brown, Mich.	Graves	Miller	Truman
Brown, N. H.	Guffey	Minton	Vandenberg
Bulkley	Hale	Moore	Van Nuys
Bulow	Harrison	Murray	Wagner
Burke	Hatch	Neely	Walsh
Byrd	Hayden	Norris	Wheeler
Byrnes	Herring	Nye	
Capper	Hitchcock	O'Mahoney	
Chavez	Holt	Overton	

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

Mr. COPELAND. Mr. President, I ask unanimous consent that a short telegram from the Grange of my State, now in session, be read.

The VICE PRESIDENT. Without objection, the telegram will be read.

The Chief Clerk read as follows:

OGDENSBURG, N. Y., *December 16, 1937.*

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.:

New York State Grange, assembled in sixty-fifth annual session, representing 135,000 farm folks, is strongly of the opinion that the Senate farm bill, S. 2787, should be recommitted to the Committee on Agriculture and its compulsory features stricken out.

We are opposed to the wholly unnecessary and un-American regimentation of agriculture proposed in the bill.

We are persuaded that no progress can be made by evading, nullifying, and violating the Constitution, as this bill does; if the measure is not modified to meet these objections, we trust it may never be enacted.

NEW YORK STATE GRANGE,
RAYMOND COOPER, *Master.*

Mr. SMITH. Mr. President, I ask to have read for the information of the Senate the new section which I have offered as an amendment to the bill.

The VICE PRESIDENT. The amendment offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 82, between lines 21 and 22, it is proposed to insert the following new section:

SEC. 64. The Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase cotton in the open market and to continue to make such purchases until the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is 12 cents per pound, or until the Corporation has purchased 6,000,000 bales of cotton of the 1937 crop. No cotton acquired by the Corporation shall be sold if the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is less than 12 cents per pound, except upon the approval of the President.

Mr. SMITH. Mr. President, this bill and all the antecedent bills have been predicated upon an effort to bring about such a price for farm products as would give a reasonable return to the farmers.

When the A. A. A. was declared unconstitutional, there was formulated and enacted the Soil Conservation Act, which afforded a premium or a bonus to whatever acreage was left out of cultivation in what are known as row crops, and planted to such soil-building vegetation as would improve the character of the soil.

Upon the report that only 34,000,000 acres of cotton had been planted this year, the trade did not expect a crop in excess of 14,000,000 bales. Never before in the history of cotton production in America had there been any crop approximating the present yield except in 1926, when 44,000,000 acres were planted to cotton, and then the total crop was only 17,000,000 bales plus.

This year, to the astonishment of the Department and to the astonishment of every cotton man, on this reported acreage of 34,000,000 acres, approximately 19,000,000 bales of

cotton was made. Of course, the effect was to paralyze the market. The average price today is not to exceed 8 cents a pound. There has been no condition in my section of the country to parallel the present one. In the depth of the depression of 1933, when cotton went down to about 6 cents a pound, the condition was not as bad as now, for the reason that other things were down in proportion. Now, with cotton at the present price, everything that has to be bought is out of all proportion to what it was in 1933. I think every cotton man in the Senate knows that this has been the most extensive crop ever produced in the United States.

At first blush it looks as though to purchase 6,000,000 bales of cotton would be a tremendous draft on the Treasury. Those of us who are interested in the matter have discussed it with Mr. Jesse Jones, of the R. F. C., and he said it would not cost the Treasury a penny because the cotton will finance itself. If we enter the market and begin to buy, and the price as it is today begins to rise, whatever difference there is as the scale comes up will be that much to the credit of the Treasury. As we have already obligated ourselves to pay a bonus of 3 cents a pound on cotton upon which the loan has been made, as the price goes up the obligation of the Government Treasury is lessened to that amount. If it should go to 11 cents a pound, the Government would have to pay only 1 cent; and should it reach 12 cents, the Government would have to pay no bonus at all.

The object of the amendment is that if the bill should become law there cannot be made in the Cotton Belt for market purposes in excess of 10,000,000 bales, the purpose being that by decreasing production there will be a demand for the tremendous surplus and it will gradually drift into the market. What we are asking the Senate to do today—and it affects nothing but cotton, and will cost no one anything, and if any benefit accrues it will go to the cotton grower—is to relieve the pressure and anticipate the effect of the pending bill.

If it should reach the objective hoped for, it is planned to take off the market the 6,000,000 bales of cotton and give the export and domestic consumption an opportunity to advance to where there would be some profit in it for the cotton grower.

I hope everyone here who understands the situation will thoroughly appreciate the fact that even under the loan 3,000,000 bales of cotton have already been placed, and the Government has financed less than 15 percent of it. The bankers are anxious to take the loans and hold the cotton as security. When the operation of the bill shall have had its effect then the Government can begin to unload the surplus without its having such a dreadful effect as it is now having.

Under the terms of the loan, for the first time since loans have been made on cotton the Secretary of Agriculture saw fit to grade the loans according to the grades of cotton, 9 cents on a certain grade and staple, 8 cents on the grade below that, and 7½ cents on the grade below that. On account of the enormous crop and the weather conditions, the average price of cotton is a little less than 8 cents, or 1 cent below the basis upon which 9 cents was promised. Therefore, if we adopt this amendment we can have the Commodity Credit Corporation through the R. F. C. go into the market and buy this cotton with the money advanced by the banks. Mr. Jones testified before the body of Senators representing the cotton States that it would not cost a dollar and that the Government actually stands to make a profit because when they begin to buy, as they bid the market goes up and all the earlier purchases will show a profit. It means that they shall buy only until the purchases reach 6,000,000 bales, which is calculated to be the amount necessary to leave the balance that would be needed for domestic consumption and export. It does not affect any other commodity than cotton. It does not injure anybody at all, but brings a benefit to that part of the general production of agriculture which is in a worse condition than any other major agricultural crop. No one dreamed that the amount of cotton would be approximately 19,000,000 bales. So far as the cotton itself is concerned there is no better crop at a price than cotton.

I want Senators to understand that unless this amendment is adopted we may look for the present low level of cotton for the next 2 years or until this surplus is absorbed. This is simply asking the Government to use its power to go into the market and anticipate the effects of the bill, to lift this burden and allow cotton to recover to the point where those who produce it may have an opportunity to meet their pressing obligations.

Mr. President, it is not necessary for me to make an extended plea. I reiterate that it does not affect anyone but the cotton people immediately, but it does promise to put into circulation money that is sorely needed. The cotton growers cannot meet their tax bills or their ordinary supply bills at the present price of cotton. I believe that by lifting this burden, without any expense to the Government, the relief would be almost immediate. I hope the amendment will be adopted.

Mr. OVERTON. Mr. President——

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

Mr. SMITH. I yield.

Mr. OVERTON. Is the Senator in possession of advice as to how much of the 1937 crop is still in the hands of the producing farmers?

Mr. SMITH. I took occasion to ask, and the trade and representatives of the Department informed me that less cotton has been thrown on the market in proportion to the crop than in any other year, hoping that something might be done to bring about a better price. I should say that the farmers themselves, outside of the loans, hold somewhere between 5,000,000 and 6,000,000 bales of cotton.

Mr. OVERTON. I suggest to the Senator from South Carolina that it may be well to modify his amendment by directing that the purchase shall be made from the producers of the 1937 crop of cotton.

Mr. SMITH. Mr. President, I hope they will be the beneficiaries. I would rather leave the cotton in their hands until the price should get to where it would be of tremendous benefit to those who are watching and hoping we will do something for them.

Mr. OVERTON. I believe legislation of this character would not be beneficial to the producers unless the purchase is made from the producers. If the producers have not sufficient cotton on hand it would be better for the program to go into effect as of date August 1, 1938, rather than at the present time. In other words, I am apprehensive that a provision of this character may help the trade and not help the farmer. What I want to do is to help the farmers and not to help the trade particularly.

Mr. SMITH. What we are endeavoring to do is to help the farmer now.

Mr. OVERTON. If a very large proportion of the crop has been sold and is in the hands of the trade, how does the Senator expect to help the farmer?

Mr. SMITH. A pretty large proportion of it is already in the loan.

Mr. OVERTON. The Senator said about 5,000,000 or 6,000,000 bales are still in the hands of the farmers.

Mr. SMITH. I think so.

Mr. OVERTON. If we undertake to purchase 6,000,000 bales, most of it would be taken out of the hands of the trade rather than out of the hands of the farmer.

Mr. SMITH. I think the trade holds a very small percentage. What we are endeavoring to do is to stimulate the price to the point where not only the Government would save on its subsidy, but where the general market price will enable the farmers to sell what they have now on hand.

Mr. OVERTON. Then what would be the objection to inserting, in line 3 of the Senator's amendment, after the word "cotton," the words "from producers of cotton," so the Commodity Credit Corporation would be authorized and directed immediately to purchase from producers of cotton in the open market?

Mr. SMITH. They have had the opportunity to borrow. The trade has not had that opportunity. It is that amount of cotton that is outside the loan that we want to take off the market so as to relieve the pressure.

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

Mr. SMITH. Certainly.

Mr. BARKLEY. Of course, if the Commodity Credit Corporation is to buy this cotton in the open market, it means it buys it on the market from those who have offered it for sale.

Mr. SMITH. That is correct.

Mr. BARKLEY. If the purchasers from producers have paid 7 or 8 or 9 cents a pound for cotton and have offered it on the open market, and the Commodity Credit Corporation is bound to pay 12 cents a pound——

Mr. SMITH. Oh, no; they would buy at the market. It may never go to 12 cents. I seriously doubt if it would ever go to 12 cents.

Mr. BARKLEY. They are compelled to buy cotton on 10 designated spot markets.

Mr. SMITH. No; they are to buy at the average price on 10 designated markets.

Mr. BARKLEY. They have to keep on buying until the price is 12 cents or until they have bought 6,000,000 bales.

Mr. SMITH. That is correct.

Mr. BARKLEY. According to the interpretation which I place upon the amendment, and apparently which is placed on it by the Senator from Louisiana [Mr. OVERTON]—having in mind those who now have bought the cotton and have it in storage, who bought it at 7 or 8 or even 10 cents a pound—in the process of boosting the price to 12 cents while the Government is buying that 6,000,000 bales, is it not possible that a considerable portion of the cotton would be bought from those who have purchased it from the farmer at a much lower price as it has gone up toward 12 cents a pound?

Mr. SMITH. I think that is probably true.

Mr. BARKLEY. Does the Senator think the Commodity Credit Corporation, which is the Government by another name, ought to be compelled to buy cotton from those who have bought from the farmer at a greater profit, in some cases as much as 5 or 4 cents a pound?

Does the Senator think we really ought to direct the Commodity Credit Corporation to buy that cotton in large quantities? Even if it were assumed that it bought only half of the 6,000,000 bales from those who bought it from the farmer, they would realize a considerable profit out of it.

Mr. SMITH. The objective is not to make a great difference in the price of the 6,000,000 bales. It is to relieve the pressure on the cotton which is now held by the farmers. There is a good deal of it in the loan. On a good deal of it the farmers have borrowed money. We are merely trying to lift the pressure of the 6,000,000 bales, so that those who have put it in warehouses and borrowed money on it can get it out; and we also want to save the Government as much as possible from the subsidy. That is what we are after. We are trying to save what the farmer has.

Mr. BARKLEY. Would the Senator be willing to modify the amendment so as to provide that in cases where the Corporation purchased it from those who bought from the farmer it should not pay more than a certain amount above what they paid the farmers for it? If they bought the farmer's cotton at 7 cents a pound, I would not want the Government compelled to buy it and pay 11 cents and give the purchasers that profit.

Mr. SMITH. I wish the Senator could see the real objective of getting the 6,000,000 bales off the market. It is to give the tremendous amount of cotton that is in the loan and in the farmer's hands a chance to benefit.

Mr. BARKLEY. I appreciate that.

The PRESIDING OFFICER (Mr. HATCH in the chair). The time of the Senator on the amendment has expired.

Mr. BARKLEY. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BARKLEY. I wish to ask the Senator from South Carolina another question in my own time. I can see the possible benefit of lifting off the market 6,000,000 bales of cotton now in the hands of the farmers, but if in the process we are only lifting it at a higher price from those who have bought it from the farmer, while the creation of that vacuum might help the farmer by enabling him to shove his cotton into the vacuum, at the same time we would be providing what would seem to me to be a considerable profit to the one who purchased the cotton from the farmer.

Mr. SMITH. Every bale sold to the Government passes, it is gone, and there is no hope on the part of the farmer to realize any benefit from the rise. Our opinion was that if we would go into the open market and buy, the farmer, being advised of what we were doing, would be more likely to hold his cotton off and benefit than if he should sell it at the market today, because when it is sold, it is gone.

Mr. BARKLEY. If the amendment were adopted and the Commodity Credit Corporation were to proceed in the purchase of this 6,000,000 bales of cotton, of course, that process would naturally result in raising the price of cotton.

Mr. SMITH. Yes; but I would not want any farmer who could help it to sell until the trade had been exhausted, so as to give him the full benefit on his loan cotton and on the cotton he might hold.

Mr. BARKLEY. Assuming that the Government bought these 6,000,000 bales, we will say at an average of 10 cents a pound—and there are 500 pounds to the bale, I believe——

Mr. SMITH. Yes.

Mr. BARKLEY. That would represent in actual cash, for 6,000,000 bales, if the Government bought it and paid for it, $50 a bale.

Mr. SMITH. That is correct.

Mr. BARKLEY. That would mean $30,000,000.

Mr. SMITH. Yes.

Mr. BARKLEY. How much money, if any, has the Commodity Credit Corporation available for this purpose now?

Mr. SMITH. Some of us knew beforehand that the banks were willing, as Mr. Jones told us, to put up 100 percent.

Mr. BARKLEY. One hundred percent of what?

Mr. SMITH. Of the purchase price, and take the cotton as collateral, the Government guaranteeing the debentures, and we were informed that it would not take a penny out of the Treasury, and if the plan succeeded, and we started at the present price, as it moved on up there would perhaps be a profit in it for the Government.

Mr. BARKLEY. Suppose another bumper crop were produced next year such as that produced this year; what would be the chance of the Government getting rid of the 6,000,000 bales it bought under the amendment?

Mr. SMITH. Mr. President, we were proceeding on the assumption that the bill we are now working on would become law, and if any relief at all is to be given the farmer pending the enactment of this bill it would just anticipate it and relieve the farmer now.

There is no fear of a bumper crop of cotton next year. The farmers are thoroughly aware of the astounding carryover both in this country and abroad, and this is the only opportunity they know of to get immediate relief.

Mr. BARKLEY. Of course, frequently such a situation results in one man thinking that the other fellow will reduce, and he will go ahead and increase.

Mr. SMITH. That would not happen if this bill should be enacted.

If the bill becomes the law and the compulsory feature goes into effect the farmer will have to reduce his crop. Then suppose the seasons are not like what they have been this year; we would come nearer a 7,000,000-bale crop than a 10,000,000-bale crop.

Mr. OVERTON. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. OVERTON. I desire to ask the Senator from South Carolina another question with reference to the amendment he proposes. The Commodity Credit Corporation cannot sell any of the cotton at less than 12 cents a pound except upon the approval of the President.

Mr. SMITH. That is correct.

Mr. OVERTON. There is an item of uncertainty in the whole situation, and if 6,000,000 bales of cotton were held over the market, to be released at such a price as the President might designate at any time, that would keep the price down. I think that if the Senator wishes to carry out the purpose of his amendment, there should not be any uncertainty whatever as to the price at which the Commodity Credit Corporation would sell the cotton. It ought not to be upon the approval of the President or on the approval of anyone else. It ought to be provided that the Commodity Credit Corporation could not sell the cotton for less than 12 cents at any time.

Mr. SMITH. Several who conferred on that subject felt that it would be better to leave the discretion with the man who has worked so assiduously to bring about better conditions for the farmer. We thought that perhaps the President, who initiated all the relief activity, would know when it would be advisable to release any of the cotton.

Mr. OVERTON. It is not a question of the wisdom or of the interest of the President in the cotton farmer, but this is the question, and this only is the question: If there is an element of uncertainty as to what price the cotton shall be sold for, then the 6,000,000 bales will operate as a depressing influence upon the cotton market, it matters not whether we leave it to the President or to any other official on God's green earth.

Mr. SMITH. Mr. President, personally I think the Senator's argument is very sound; but conditions might arise when it would be advisable to change the selling price. It might be advisable to raise it, if conditions justified, or to lower it. But the consensus of the gentlemen who were in the meeting when we were seeking to devise some way to relieve the terrible condition of the cotton farmer was that perhaps it would be better to start off with this provision, and as we are likely to be in continuous session, if things should develop so that it might be well for us to fix some definite price, we could do it by amending the law.

Mr. McGILL. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. McGILL. I should like to have some information from the Senator from South Carolina, and I feel he would be able to furnish it.

As I understand, about 18,000,000 bales of cotton were produced in the United States last season, and I should like to be advised as to about how much of that 18,000,000 bales is still in the hands and under the ownership of the producers, the farmers who raised it.

Mr. SMITH. Mr. President, it is almost impossible to answer that question, but the best estimate that could be gotten was that between five and six million bales are still in the farmers' hands. About 3,600,000 bales are in the loan.

Mr. McGILL. Has the cotton over and above the five or six million bales been sold, or does it remain to be marketed?

Mr. SMITH. About 3,600,000 bales are in the loan, and the mills have bought a good deal, which they would not resell, of course. Some of the cotton has been already exported and is out of the country.

Mr. SMATHERS. Mr. President, I send to the desk, with the request that it be read into the RECORD, copy of a telegram directed by me to Secretary Wallace, and his reply thereto, on the subject of whether or not he favors the pending bill now under discussion.

The PRESIDING OFFICER. Does the Senator desire to have the letters read at the desk?

Mr. SMATHERS. I desire to have them read; yes.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

The following telegram was sent at 2:30 p. m., December 16, 1937:

Hon. HENRY A. WALLACE,
Secretary, United States Department of Agriculture,
Washington, D. C.:

One section of the public press quotes you as being for and another section quotes you as being against the agricultural bill now pending before the Senate. Stop. One group of Senators supporting the pending bill quotes you as being in favor of the bill while another group of Senators who are not in favor of the passage of the bill quotes you as not being in sympathy with the agricultural bill now pending before the Senate. Stop. Coming from New Jersey where we do not produce a crop to largely benefit by the act it is important for me to know in making up my mind whether to vote for or against this bill (comma) to know unequivocally whether the Department of Agriculture is for or against the agricultural bill now pending before the Senate as amended. Stop. Please wire me your answer.

WILLIAM H. SMATHERS,
United States Senator, New Jersey.

DEPARTMENT OF AGRICULTURE,
Washington, December 16, 1937.

Hon. WILLIAM H. SMATHERS,
United States Senate.

DEAR SENATOR: I believe there are many excellent points in both the Senate and House drafts of farm legislation and that there will be an opportunity for the conference committee to work out a stronger draft than either.

The criticism of the Senate bill credited to me in some of the morning papers today was directed at the price-fixing or so-called two-price or domestic-allotment type of a bill, and not at the bill reported by the Senate Agriculture Committee, except insofar as that bill might under certain conditions produce difficulties similar to those of price fixing. In my press conference of yesterday I made it clear that I felt the Senate bill as reported out by the Agriculture Committee was much more workable than these price-fixing, two-price systems, or domestic-allotment proposals. My fear of that type of bill was that it would interfere with Secretary Hull's reciprocal-trade program by requiring a complete embargo on all agricultural imports and that it would require Government licensing of all purchasers of farm products as well as all farmers selling farm products.

My views with regard to the Senate bill have been set forth in a letter which I wrote Senators POPE and McGILL.

I sincerely trust that you will vote for the most practical form of ever-normal-granary legislation to which the Senate can agree.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Mr. OVERTON obtained the floor.

Mr. BORAH. Mr. President, I should like to put into the RECORD a paragraph or two in connection with this letter.

Mr. OVERTON. I am very glad to yield to the Senator from Idaho.

Mr. BORAH. I desire to read into the RECORD a statement by Secretary Wallace, found in the paper in quotations:

This is the situation as I sense it. There is a feeling that other groups use the Government's power to impose a type of scarcity for their own profit, and farmers don't see any reason why I should frown on farmers using Government power to do the same. They say "Why not meet fire with fire? Why not have a show-down?" But just because other elements do these things I don't see why the farmers should.

If we began a program like that we would have a downward spiral of scarcity. I don't see why the Government should stand for that kind of thing. As Secretary of Agriculture, my obligation is to see if something can't be worked out for farmers to cooperate in bringing about an ascending spiral of abundance instead of a descending spiral of scarcity.

I should like to have had that attached to my remarks some days ago in this Chamber upon the philosophy of scarcity, but at that time the interview had not been given and published.

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

Mr. OVERTON. I yield.

Mr. McNARY. I thank the Senator.

Mr. President, this letter from the Secretary of Agriculture——

Mr. OVERTON. Does the Senator desire to ask me a question or to address the Senate?

Mr. McNARY. I simply desire to make a remark in line with what has just been said by the Senator from Idaho [Mr. BORAH].

Some few days ago the Senator from Idaho [Mr. POPE] and the Senator from Kansas [Mr. McGILL] received a letter from the Secretary of Agriculture in which the Secretary denounced the bill. As I read the statement attributed to the Secretary in the newspaper this morning, he was against the measure. After reading the letter which the Secretary sent to the distinguished Senator from New Jersey [Mr. SMATHERS], one cannot ascertain what the Secretary's position is. I think that letter should be referred to the

Bureau of Standards for a chemical test. [Laughter.] I should like to make that motion.

Mr. OVERTON. Mr. President, I offer an amendment to the pending amendment offered by the Senator from South Carolina [Mr. SMITH], in line 3, after the word "cotton", to insert the words "from the producers of cotton."

The purpose of this amendment, Mr. President, is to benefit the individual farmer. The whole purpose of our present contemplated legislation is to benefit the farmer. If purchases are to be made by the Commodity Credit Corporation at a higher price, the producing farmer should get the benefit of the higher price.

As I suggested in my colloquy with the very able senior Senator from South Carolina [Mr. SMITH], and as has been very forcefully presented by the senior Senator from Kentucky [Mr. BARKLEY], it would serve no immediate purpose as far as the Government is concerned, representing the Nation, if we should undertake to create an artificial market in favor of the trade that has purchased cotton at a lower price. It would serve no beneficial purpose if we should undertake to raise the price of cotton in the hands of the trade after the trade has purchased it at a low price.

I am not making this statement in antagonism to the trade, but I am making it in the interest of the farmers.

According to the statement given to me by the Senator from South Carolina, there is sufficient cotton still in the hands of the farmer to buy the 6,000,000 bales out of the 1937 crop. If, however, there is not, I propose after this amendment is acted upon to offer another amendment, and in line 7 to strike out the words "of the 1937 crop", so that the amendment would read:

The Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase cotton from the producers of cotton in the open market, and to continue to make such purchases until the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets is 12 cents per pound, or until the Corporation has purchased 6,000,000 bales of cotton.

If the Commodity Corporation is not in a position to get the 6,000,000 bales from the producing farmers by August, it will be able to get the additional quantity necessary to make up the 6,000,000 bales out of the 1938 crop.

Therefore, Mr. President, I submit the amendment. It speaks for itself.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on the amendment of the Senator from Louisiana to the amendment of the Senator from South Carolina [Mr. SMITH].

Mr. BILBO. Mr. President, before any action is taken on the amendment offered by the Senator from Louisiana, I desire to make a few observations, because I was in part responsible for the amendment offered by the distinguished Senator from South Carolina. I wish to say to Senators from the other sections of the country that if they really want to help the distressed South here is their opportunity. I am afraid the distinguished Senator from Louisiana [Mr. OVERTON] and the Senator from Kentucky [Mr. BARKLEY] miss the philosophy of this amendment and the real purpose of it.

The purpose of this amendment is to help the farmer, the producer, and not the cotton speculator or buyer; and I think I shall be able to show Senators how it will help the farmer and help the Government.

Mr. BARKLEY. Mr. President, will the Senator yield to me in order that I may make a correction?

Mr. BILBO. I yield.

Mr. BARKLEY. In the colloquy a moment ago between the Senator from South Carolina [Mr. SMITH] and me, the suggestion was made that 6,000,000 bales at $50 would amount to $30,000,000. It would amount to $300,000,000.

Mr. BILBO. As the Senator from South Carolina has said, this proposition would not cost the taxpayers of the Government one red cent.

Mr. BORAH. Mr. President, will the Senator yield to me, so that I may ask him a question?

Mr. BILBO. I yield.

Mr. BORAH. I should like to have it more explicitly explained why it will not cost the Government anything. That is the matter which most concerns me.

Mr. BILBO. The purpose of the bill which we are trying to pass, so far as the cotton feature of it is concerned, is to eliminate the great surplus that we have on our hands, which has brought the price of cotton down now to about 7 or 8 cents a pound, and that is 7 cents below the cost of production. This cotton crop cost the cotton farmers of the South between 10 and 12 cents a pound to produce. There may be sections in the Cotton Belt where cotton was produced at 10 cents a pound, but in the great white sections of the South where the small farmers operate I know that it cost 12 cents a pound.

The Government is lending 9 cents a pound on the cotton, and already the Government has invested 9 cents for between three and four million bales of the 1937 crop; and unless something is done to boost the price of this cotton, the Government stands a chance to lose.

The proposition we are now making will enable the Government to save money on the loans it has already made.

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

Mr. BILBO. I yield.

Mr. REYNOLDS. Will not the Senator also state whether at the same time the Government will not really have an opportunity to make something out of the investment, as well as to safeguard the loans which the Government has already made?

Mr. BILBO. That is true.

The Senator from Kentucky has an idea that the purchase of this 6,000,000 bales in the open market will help the cotton speculator. That is not true, except to a very small extent, for this reason: The cotton buyers who have bought up a part of the 1937 cotton either sell it to the mills or they export it; and a large percentage of the crop they have already bought is gone, so far as their ownership is concerned. It is out of their hands, and it cannot be bought.

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

Mr. BILBO. I yield.

Mr. BARKLEY. I desire to ask the Senator a question. I am seeking information. I probably do not understand all I know about cotton. [Laughter.]

How do we know that the purchaser of the cotton from the farmer has gotten rid of it; that he has either exported it or sold it to the mills? The season for cotton is not old. It is new. The cotton has been picked in the fall of 1937, and much of it has been sold, but I do not know what proportion. How do we know how much has already been sold? How can we be assured that this cotton will be purchased from the farmer, and not from those who have purchased it from the farmer?

Mr. BANKHEAD. Mr. President, will the Senator from Mississippi permit me to answer that question?

Mr. BILBO. The Senator from Alabama desires to answer that question. I will yield to him because of seniority.

Mr. BANKHEAD. I am quite willing to accept the statement of the Senator from Kentucky that he probably does not understand all he knows about cotton. [Laughter.]

Mr. President, we all know, and all who are connected with the cotton trade know, that so far as the cotton buyers are concerned it would not make any difference if cotton went up 10 cents a pound between now and tomorrow night; the cotton buyers would not make anything, because the very first thing the buyers do on the day they buy the cotton is to hedge it. It will break any cotton merchant in the world not promptly to hedge his cotton. After he has finished a day's transaction in buying cotton from the farmers, that very night he hedges every bale. He sells it on the market. The Senator understands what hedging means?

Mr. BARKLEY. Yes; I know what hedging means.

Mr. BANKHEAD. He sells it on the market, so it is totally immaterial to him from the money standpoint whether the price goes up or goes down. He does not lose either way. He makes his profit not by virtue of a change

in the price of cotton but by virtue of a commission upon each unit handled by him. That is the reason why the cotton dealers are always interested in quantity and not in price.

Mr. BARKLEY. If this amendment is adopted, will the buyer continue to hedge every night?

Mr. BANKHEAD. If he buys any cotton, he will. This is the proposition: Suppose he bought his cotton; he would hedge every night at the price at which he bought it. Suppose his cost has averaged 8 cents a pound. It does not make any difference which way the price moves, whether up or down. If it moves up, he has it sold at that price, and his situation just balances itself up. He does not make anything with the rise or with the fall. If the price rises, he gets the profit on his spot cotton to overcome and offset his loss on his futures contract; and they just balance each other every day.

Mr. BARKLEY. I understand that when he buys cotton he hedges or he sells before he goes to bed, so that if the price goes up by the time he gets up the next morning he has already sold his cotton.

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. But if he knows that by reason of any amendment of this sort cotton is going up, not for 1 day but for several days, perhaps for months, will he hedge then?

Mr. BANKHEAD. He will never know until after the President signs the law what will be done, and then it will be too late.

Mr. SMITH. Mr. President, I will state to the Senator that every cotton buyer in America who buys cotton hedges immediately. His profit lies in his commission. If he buys at 10 cents he sells the contract immediately.

Let us see how it works. His commissions are all fixed. He buys at 10 cents and sells at 10 cents. If he has sold, and cotton goes down a cent a pound, or $5 a bale, on his hedged contract he has made $5, but he has lost $5 on his spot. One counteracts the other.

If he has sold a good deal of cotton ahead he immediately buys a contract, so that it is called insurance. The price is fixed. He never makes 1 penny out of the spot transaction except his commission.

Mr. BARKLEY. Now let me ask about the man who does not buy actual cotton in the bale but who goes down to a broker's office and says, "Buy me a thousand bales of cotton tomorrow," not for delivery but just for speculative purposes, and he holds it for a month or 2 months, and it goes on up to 12 cents.

Mr. SMITH. We were talking about spot cotton in the hands of the farmer.

Mr. BARKLEY. Yes, of course; but does this amendment in any way deal with or have any effect upon that kind of a transaction, which is purely a speculative matter, without any delivery of the cotton being expected at all?

Mr. SMITH. I hope it will have that effect, because that man has bought a certain amount of futures, and if the price goes up it is a transaction between the futures market and him. We are after the boy in the field who has the spots, and as the price goes up he may make a profit; but in making that profit he has lifted the market, or aided in lifting it, for the benefit of the man who does not deal in futures, but who deals in actual cotton.

Mr. BARKLEY. I am anxious that the Government shall not have too many spots on it, after this transaction has been gone through, in the way of a loss by reason of purchasing the cotton at 12 cents, if the price should go up that high, and then holding it indefinitely, with the possibility of a loss. I do not think the Government should be in this business for the purpose of making money. The possibility that the Government may make a little money out of the transaction does not attract me at all. If the farmer, the man who has grown the cotton, is to be benefited, that is one thing; but if the benefit is to inure to the benefit of the man who has already bought the cotton from the farmer, that is a different thing.

Mr. OVERTON. Mr. President, may I make one observation right there?

Mr. BILBO. I yield.

Mr. OVERTON. The conclusion cannot be escaped that most of the 18,500,000-bale crop of 1937 is still in existence, and that most of it has gotten out of the hands of the farmer. Wherever that cotton is, when the price goes up it is going to benefit the present holders of the cotton; and the purchases are to be made from the present holders of the cotton, as the amendment now reads. What I desire to do is to limit the purchases to the producers of the cotton; and that will help the cotton farmer.

Mr. SMITH. Mr. President, if the Senator from Mississippi will allow me to interrupt him further——

Mr. BILBO. I shall be glad to do so.

Mr. SMITH. I wish all of us here understood the real workings of the modern cotton market. If a large amount of cotton has been bought, it does seem as if somebody would make a profit out of it. So far as the buyer is concerned, he could not do so, because, as I have said, he has hedged, and every spot transaction carries a hedge.

The dealer in futures, the one who just takes a gambling chance and buys cotton without having any hedge contemplated, may or may not make a profit; but if the market goes on up, whether by the sale of futures or by the purchase of futures, the man who has the actual spots is the one who is going to benefit by it. The mills which have their cotton are not going to sell it, and most of the cotton bought by the buyers has been sold to the mills on the hedge.

Mr. OVERTON. Mr. President, will the Senator from Mississippi further yield?

Mr. BILBO. I yield, although I do not wish to yield all of my time.

Mr. OVERTON. I desire to ask just one question of the Senator from South Carolina.

Mr. SMITH. I suggest that the Senator wait until the Senator from Mississippi concludes his remarks.

Mr. OVERTON. Very well.

Mr. BILBO. Mr. President, I am indebted to my distinguished seniors from Alabama and South Carolina and Louisiana for the very illuminating explanations they have given to my friend the Senator from Kentucky.

I wish to get this proposition over to the Senate: I think it is conceded that between 5,000,000 and 6,000,000 bales of the 1937 crop are still in the hands of the farmers, and have not been sold. That cotton is still in their possession. Between three and four million bales are in the hands of the Government on a 9-cent loan. That is still the producers' cotton. In other words, about 10,000,000 bales of the eighteen- or nineteen-million-bale crop is still in the possession of the real dirt farmer who produced it.

The PRESIDING OFFICER. The time of the Senator from Mississippi on the amendment has expired.

Mr. BORAH. Mr. President, I asked the Senator from Mississippi a question a short time ago.

Mr. BILBO. I am very sorry I did not get to it.

Mr. BORAH. I was about to say that I asked the Senator to explain how the Government could buy this cotton without any outlay of money. He was interrupted in his explanation; and I ask him if he will not now explain the matter, so that we on this side who know very little about cotton will understand how the transaction can be carried out. I shall object to being interrupted until the Senator explains.

The PRESIDING OFFICER. The Senator from Idaho yields to no one except the Senator from Mississippi.

Mr. BILBO. I have a right to surrender the opportunity to inform the Senator; have I not?

Mr. BORAH. I simply want the explanation.

Mr. BILBO. I appreciate that fact.

I was in all the conferences with the Honorable Jesse Jones, chairman of the board of the Reconstruction Finance

Corporation, in which he explained that the only thing needed to carry out this transaction would be the credit of the Government, but no actual money out of the Treasury of the United States, because the Commodity Credit Corporation could borrow all the money through his organization upon the credit of the Government, and the banks of the country were willing to advance the money on the cotton that was bought, just as they had advanced the money on the 9-cent loan. The Government has invested in only 15 percent of the nearly 4,000,000 bales on which we have loaned $45 a bale; and the same thing will happen in the purchase of the 6,000,000 bales. Mr. Jones assured us that it would not take one cent. He is a financial wizard.

Mr. McNARY obtained the floor.

Mr. BILBO. Mr. President, will the Senator from Oregon permit me to make one other statement in connection with what I was trying to get over when I was taken off the floor by the distinguished gentleman who interrupted me?

Mr. McNARY. Certainly.

Mr. BILBO. If this bill passes, it will be 2 or 3 years before the cost of production will ever be gotten out of the cotton crop of the South. This is the only chance to give the cotton producer of the South the cost of production at this time. When we assure you that it will not cost the Treasury a cent but that the Government itself will make money, and save the money it has invested or that it stands a chance to invest in the cotton, it strikes me you ought to let the amendment be adopted and go to conference and have the matter fought out there.

Mr. McNARY. Mr. President, I observe that King Cotton is on parade.

Mr. KING. Always.

Mr. McNARY. I desire again to refer to the poor, lowly wheat grower, whom I have frequently mentioned.

On line 3, after the word "cotton", I offer the following amendment:

And 30,000,000 bushels of Pacific Northwest white wheat.

Mr. President, without making an argument, I ask that the very impressive telegram which I send to the desk be read by the clerk.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The Chief Clerk read as follows:

ST. PAUL, MINN., *December 13, 1937.*

Hon. CHARLES L. MCNARY,
Senate Office Building, Washington, D. C.:

Conference of farm groups have thoroughly discussed current and prospective wheat prices. Income of all wheat producers needs protection which would approve from subsidizing at this time 30,000,000 bushels of wheat out of Pacific Northwest. Wheat price to farmers at this time 30 to 40 cents below parity, with prospect of lower price level. Five or six million dollar subsidy at this time may save Government several times that amount later on if proposed farm bill becomes law and effective. Either provide wheat subsidy by amendment to farm bill or gain commitment from Secretary of Agriculture for use of funds set aside under section no. 32.

M. W. THATCHER, *for National Farmers' Union.*
NORTHWEST FARMERS' UNION LEGISLATIVE COMMITTEE.
WHEAT CONSERVATION CONFERENCE.
MINNESOTA FARM CONFERENCE BOARD.

Mr. SMITH obtained the floor.

The PRESIDING OFFICER. If the Senator from South Carolina will permit the Chair to do so, he would like to make an observation for the benefit of the Senator from Oregon. The Chair does not know whether the Senator from Oregon was aware that the Senator from Louisiana [Mr. OVERTON] had already offered an amendment to the amendment offered by the Senator from South Carolina.

Mr. McNARY. I did not, of course, understand that to be the case. I always try to observe the rules of the Senate, and I did not understand that that was so. My amendment is only in the offing now.

The PRESIDING OFFICER. The Senator from Oregon withdraws his amendment and will reoffer it later.

Mr. SMITH. Mr. President, I desire to speak on the amendment offered by the Senator from Louisiana [Mr. OVERTON].

I feel like resenting the levity that seems to characterize tonight a thing that is more tragic than all the effort we have made here for a month to try to relieve the distressed condition of the farmers. Now we come here with a very technical thing known as the cotton market. It has grown up to the point where, with the purchase of cotton and the sale of hedges either on the bear side or the bull side, either sell or buy, the farmer is wrapped up in the price he is to get. We have gotten together and attempted to work out a plan by which immediate relief could be given.

We sent for Mr. Jones, and his simple explanation was that they bought the cotton. They did it when there was a 13,000,000-bale surplus upon which 12 cents was loaned. The Government never put out one dollar. The banks took it 100 percent, with the Government's guaranty that if there was any loss in it the Government would make it good. They did not lose a dollar, and we have in this bill a proposal to redistribute to the farmers $1,800,000 made under that transaction. As the cotton is bought these debentures are extended to the banks and the banks are guaranteed 100 percent—not a dollar out.

I see men sit here and laugh as though it were a joke that 6,000,000 people today in my section of the country, by the providence of God, are deluged under a tremendous burden of cotton; and we come here with a proposition that the Government, using the facilities of the banks, shall let the cotton finance itself, as the Chairman of the Reconstruction Finance Corporation says it will do. He said:

The cotton will finance itself. I can go into the open market and buy the crop, and the banks will finance it. The only risk the Government runs is that when the time comes when the cotton must be disposed of, the Government will have to make good to the banks the difference between what they get and what they loaned.

He repeated and repeated to us that they would let the farmers have 100 percent.

Here we stand, quibbling from time to time as to what this would cost. Here we have parity price provided for, and we argue back and forth whether it would cost the Government $500,000,000 or whether it would not cost more than $400,000,000.

Here is a proposition which, if the bill is worth the paper it is printed on, is simply anticipating the effect of the bill. If the bill works, the Government has taken no risk, unless in the succeeding 2 or 3 years the farmers repeat this tremendous crop of cotton. If the bill does not work, the Government has taken a risk.

All I am asking you to do is to give the Reconstruction Finance Corporation and the Commodity Credit Corporation authority to go into the market and lift off this tremendous burden of the surplus, give your bill an opportunity to work, give the farmers an opportunity to meet the situation by reducing their crop, and not leave them to wait for perhaps 2 years before the price can revive to a point where they can have something to buy with.

That is all there is to it. Oh, yes; it is a great joke when we come here with a serious proposition to relieve our people, but it was not a joke when an effort was made under the Soil Conservation Act to prevent somebody from competing with somebody else. The mills of New England tonight are running only one-third time; and why? It is because orders are being canceled and they have no assurance of where the price is going or what is going to happen. In my section of the country we are being asked to take certain action that will at least stabilize the price and let the mills know what they can depend upon.

They do not know, with this tremendous surplus on hand and no effort on the part of the Government to relieve them or to impound the surplus, but what the price may go down to 4 or 5 cents. Consequently orders are being canceled and warehouses are being stacked up with goods and the mill hands are being turned off, and yet in the face of that tragedy, in the face of an honest effort on our part to relieve the situation without going into the Federal Government, it becomes a joke.

Mr. President, here is an opportunity for us to do an immediate service to a great section of our people who have held the balance of trade in favor of the United States for 70 years.

The sale of cotton abroad has always kept the balance of trade favorable to the United States, and yet because it happens to be beyond that border line in the South it is considered a joke.

If wheat was in this condition and the wheat people were to say, "We can take 200,000,000 bushels of wheat off the market without any cost to the Government and it will help us," does anyone think I would not vote for it? But the minute we mention the South—I hate to mention that again—it angers me when I see the indifference of this body toward the producers of cotton, and only an effort made to apply all the technicalities possible, when our proposal involves nothing more than a helping hand without any actual cash outlay on the part of the Government.

Mr. BANKHEAD. Mr. President, I look upon the amendment offered by the Senator from South Carolina [Mr. SMITH] as holding out the best assurance of help to the distressed cotton growers of anything else contained in the bill. The principle underlying his proposal harks back to the days of the McNary-Haugen bill and is based upon the same fundamental principle that secured the approval of both Houses of Congress twice but each time fell under the hand of the veto of President Hoover.

The underlying principle in that program, which was fought out and discussed and considered throughout the country, was the purchase of nonperishable exportable commodities, taking them out of the market when the market was unduly depressed with a burdensome surplus. The method of financing was by an equalization fee which to be levied upon the farm commodities and the money used for buying those commodities out of the market. President Coolidge maintained that that would be unconstitutional and unauthorized, and vetoed the measure.

The difference involved here is one of financing—not the principle of buying surpluses under proper conditions to protect the welfare of great areas of the country and large elements of our population. The difference is the method of financing. Instead of an equalization fee, it is proposed here to buy the cotton out of the market. It has been explained that in conferences with Mr. Jesse Jones, President of the R. F. C., a man whose financial talent, resourcefulness, soundness, and success in the handling of Government money has been amply tested and proven, Mr. Jones laid down to representatives of the cotton States the principle that this matter could be financed without expense to the Government.

Cotton is considered a good, safe security. It can be held indefinitely. The time can be bided until market conditions are satisfactory, and ultimately the money can be gotten out of it safely. The banks are anxious to carry loans upon cotton. There are probably 4,000,000 or 5,000,000 bales of cotton under the 9-cent loan, most of which is carried by the banks. No money is sought from the Federal Treasury.

What would be the financial result to the Government? Let us look at this thing seriously and as businessmen because it involves suffering and desperate people by the millions. Here was the most unexpected surplus from a 2-years' crop, with the consumption both at home and abroad decreased, with market demands for that cotton diminished, with the cotton mills slowing down everywhere, so that instead of getting better, our situation is getting worse. Can we take a sufficient quantity of that cotton off the market to relieve the situation without at the same time bringing improper burdens upon the Federal Treasury? The money is available.

How will the matter operate? I submit that the Government, instead of being at an expense, will make money out of the transaction. In the first place, we buy in the market with prices at the lowest. As the price goes up, whatever cotton is bought at a lower price gives the Government a profit. The average finally will give the Government the profit upon half of its purchases.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. NORRIS. How long does the Senator estimate the Government would have to hold the cotton before it would be possible to sell it on the market?

Mr. BANKHEAD. I am glad the Senator asked the question. It is a proper question. It is a necessary consideration in determining the status of the Government from the financial standpoint.

I want the Senator to bear in mind that we are in a different situation, assuming the passage of the bill, than were the wheat or cotton growers during the days of the Federal Farm Board. There an attractive price was fixed. Loans were made on cotton, I think, at 18 cents a pound. I do not know how high wheat was.

At any rate an attractive price was fixed. I never condemned the Farm Board. I thought they acted as best they could on the formula given them by Congress. At any rate, they undertook that stabilizing transaction with no power to regulate or control in any way the quantity of the commodity to be produced and tendered to them or upon the markets at the price fixed by the Farm Board.

Here we have a straight compulsory regulation, so far as cotton is concerned, which presents an entirely different situation. It is within the power of the Government itself to fix the size of the crop so that if the Government next year will reduce the size of the crop, as we have all frankly and openly talked about doing, to around 10,000,000 bales, and assuming a 13,000,000-bale consumption, that would take 3,000,000 bales the first year out of the surplus or carry-over. Assuming the same transaction for 2 years we would have taken 6,000,000 bales out of the surplus and would have brought the carry-over down to around 7,000,000 bales, so that the burdensome carry-over will have disappeared and the Government still would be in a position to continue control and adjust the supply so as to feed the cotton into the market.

I think 2 or 3 years will close it up notwithstanding the present great depressing surplus.

Mr. NORRIS. Suppose it takes 6 years; how much interest will the banks have to have?

Mr. BANKHEAD. There is a profit. That is one of the items of profit for the Government.

Mr. NORRIS. The Government is not going to put up the money?

Mr. BANKHEAD. The banks are going to put it up.

Mr. NORRIS. They must have interest; must they not?

Mr. BANKHEAD. The Commodity Credit Corporation enters a charge against the cotton of 4 percent interest. The banks take it at 2½ percent interest or less.

Mr. NORRIS. How much will it cost to store and insure it in the meantime?

Mr. BANKHEAD. There is pretty cheap storage now.

Mr. GEORGE. Mr. President——

Mr. BANKHEAD. I yield to the Senator from Georgia.

Mr. GEORGE. I may suggest to the Senator from Alabama that the Commodity Credit Corporation is now carrying the cotton on an average of about 15 cents per bale per month. That includes storage and insurance. The price has varied from approximately 25 cents a bale per month to approximately 15 cents per bale per month.

Mr. BANKHEAD. That, of course, is a very low carrying charge. As I said, they get the difference in the interest charged the farmers who have the cotton under loan, but these purchases will not be under loan. It will simply be a straight carrying charge with the interest at 2½ percent or less per annum. The banks are carrying the cotton tendered them and are delighted to get it.

There is another consideration about which we should think from the Government standpoint.

One consideration is the loss they now have upon the 9-cent loans. The present farm price of cotton is below 8 cents, as it is in the interior markets, where the cotton is stored, so there is a loss of at least $5 a bale on every

bale of cotton. There are probably five or six million bales of cotton under the loan. If the price of cotton is not put up above 9 cents, plus the carrying charges, then the Government will have a loss on that large quantity of cotton, because the loans are nonrecourse loans, and there is a possibility of loss of the interest and the carrying charges, together with the spread between the market price, now below 8 cents, and 9 cents a pound. So it is to the financial interest of the Government to take a sufficient quantity out of this carry-over, or surplus, to help bring the price up so that in the market the cotton under loan will bring at least the amount of the outlay the Government has on account of it.

There is one other consideration from the standpoint of the Government; that is the situation with reference to the adjustment payments, the 3-cent payments, or the spread between 12 cents and the average price on the 10 spot markets.

If the price of cotton is run up anywhere above 9 cents a pound, the Government will save money in its adjustment payments. They have agreed to pay the difference. Twelve cents is the ceiling, 9 cents the lowest figure. The difference, therefore, is 3 cents a pound. It is commonly spoken of as the 3-cent adjustment payment, which Congress authorized at the last session.

If the price of cotton is raised to 10 cents a pound, the Government will save the difference between 9 cents and 10 cents on each bale of cotton in the adjustment payment plan, or $5 a bale. So there would be a profit to the Government on the adjustment payments; there would be saved the loss on the five or six million bales under the loan; there would be the profit on the cotton the Government buys at the lower rate, and there would be the difference in interest which the Government earns.

I submit, Mr. President, that this is the one opportunity to render a great and helpful service in this matter, and upon a sound principle. I think it ought to be established as a permanent program, just as was sought to be done under the McNary-Haugen bill. I think the rule ought to be established. There never has been a better opportunity on earth to fairly and squarely and honestly adjust it, because the power is turned over to the Government to adjust the supply, to regulate and control, through the national marketing quota, the volume of cotton to be put on the market each year, and in that way to protect the Government until it shall have disposed of the cotton which it is contemplated taking under this purchase program.

Mr. President, I hope, therefore, that the Senate will see its way clear to give us this opportunity to work the matter out, let the measure go to conference under the wise amendment offered by the Senator from Louisiana, and give us an opportunity to see if we cannot work it out in some way. I think it is already well worked out for the protection of the Government, and we can work it out in any other way that may seem wise.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McKELLAR. Mr. President, I wish to ask the Senator from Alabama a question about the amendment of the Senator from Louisiana on page 3, where it is proposed to strike out the words "purchase cotton" and strike out the words "in the open market and" and substituting the words "from producers of cotton."

Mr. OVERTON. Mr. President, the Senator has misread the amendment. I propose to strike out no words at all. On line 3, after the word "cotton", I propose to insert the words "from producers of cotton", so that the purchases will be made from producers of cotton.

Mr. McKELLAR. The effect would be the same.

Mr. BANKHEAD. I understand that.

Mr. McKELLAR. I should like to have the opinion of the Senator from Alabama about this particular amendment. I think it is an excellent amendment, and I think there is enough cotton in the hands of the producers at the present time, or in their control, so that it is possible for the Government to buy 6,000,000 bales from them. I hope the amendment will be accepted.

Mr. OVERTON. From all sources of information it appears that there is undoubtedly a very large quantity of cotton in the hands of the producers. It has not gone into the channels of trade, as the cotton trade frankly say, because of the disgustingly low price. Much of it has not gone out of the cotton loan. The farmers are just sitting waiting, they are in distress, they are in consternation and confusion, and they are holding very, very large quantities of cotton according to all information that comes to all of us who are connected in an intimate way with the cotton situation, waiting for some possible chance.

Mr. BORAH. Mr. President, I should like to ask whether the amendment offered by the Senator from Louisiana is satisfactory to the proponents of the bill?

Mr. SMITH. Mr. President, there seems to be some misapprehension, as I am sponsoring the amendment. I will be very glad to accept the amendment so as to leave the purchasers of this cotton personally to exhaust the supply from the producers.

Mr. BANKHEAD. Mr. President, I hope the Senate will let this matter go to conference.

Mr. McNARY. Mr. President, I suggested an amendment a few moments ago, but I was thwarted by the fact that the Senator from Louisiana had proposed an amendment. I now understand that his amendment has not been accepted, so I think the one I shall now propose will be in order. I propound that as a parliamentary inquiry.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The amendment of the Senator from Oregon would be in order.

Mr. McNARY. After the word "President" and the period, on line 11, I suggest the insertion of the words "also the Commodity Credit Corporation is hereby authorized and directed to proceed immediately to purchase 30,000,000 bushels of Pacific Northwest white wheat, to be disposed of according to rules and regulations promulgated by the Secretary of Agriculture."

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

Mr. McNARY. I shall be very happy to yield, but at the proper time.

In support of this proposal I hark back to the telegram I had read a few moments ago from some of the wheat growers in the great fertile region of the Pacific Northwest.

I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I will be very glad to accept the amendment if my friend the Senator from Oregon feels that the wheat people are in as dire distress as are the cotton people. I shall be delighted to accept it.

Mr. McNARY. I can frankly say that I think they are very much worse off than are the cotton producers. I am not asking the amiable Senator to accept my amendment. I propose it and we will let it take the usual course.

Mr. McGILL. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. I yield.

Mr. McGILL. Does the Senator from Oregon provide in his amendment a minimum price at which the wheat may be sold after it is purchased?

Mr. McNARY. No; I am leaving that, as in the pending bill, to the great judgment, the insuperable judgment, the immaculate judgment, of the Secretary of Agriculture.

Mr. McGILL. If the Senator from Oregon does not have a minimum price provided at which the wheat could be sold, would not his proposal necessarily have the effect of depressing the market after the wheat had been purchased, if it were salable at any time at any price?

Mr. McNARY. No, Mr. President. The Senator from Oregon well remembers, and I think the Senator from Kansas will when I refer to it, that the white wheat is soft wheat, out of which are made pies and cakes, the bulk of which are disposed of west of the Rocky Mountains and in the oriental countries, and it does not come in competition with the hard wheat of Kansas and the eastern regions. So I assure the

Senator from Kansas that this is not competitive in any way. It is just in line with the proposal made by the Senator from South Carolina.

Mr. McGILL. Mr. President, when the amendment of the Senator from South Carolina was first printed and placed on the desks of Senators, it occurred to me that there was just as much logic in purchasing surplus wheat, thereby attempting to raise the market price of wheat at this time, as there would be in purchasing a quantity of the surplus cotton. After I deliberated upon the matter and had prepared an amendment to be proposed to the amendment of the Senator from South Carolina, I arrived at the conclusion that such purchase of wheat would be unwise. In my judgment we would do nothing more nor less than contribute to an increase to whatever surplus might exist at the beginning of the next marketing year. I think that would be the effect not only at that time with regard to wheat but that the Senator's proposal to buy cotton will have the same effect on that commodity.

In addition to that, in my judgment the holding of wheat in the hands of this corporation, to be disposed of at any time or holding cotton in the hands of the corporation to be disposed of at the discretion of the President, in whose judgment I have as much confidence as anyone here, would have a depressing effect on market prices from the time the amendment was adopted and the commodity purchased.

I cannot support either proposal. I cannot support the proposal of the Senator from South Carolina, as much as I should like to do so, since he has earnestly advocated its adoption. I certainly cannot support the proposal of the Senator from Oregon, which would place wheat in the hands of this corporation to be subject to sale at any time at any price, and which would continuously have the effect of depressing market prices.

I hope the Senate will see fit to reject not only the amendment proposed by the Senator from Oregon but also the amendment proposed by the Senator from South Carolina.

Mr. HATCH. Mr. President, I am opposed to the amendment offered by the Senator from Oregon. In the State of New Mexico considerable wheat and some cotton are raised. The conditions of the wheat market are altogether different from those in the cotton market today. It may be that if we have a large wheat crop next year the wheat farmers of the Nation will be here asking for exactly the same relief that is being sought by the cotton farmers today, and at that time it might be proper to take some such action as is proposed, but it certainly is not proper now, in my opinion, to include wheat in the amendment.

Mr. President, I see an altogether different situation as to cotton.

I shall not go into the arguments that have been advanced here throughout the course of the debate on this bill. Neither shall I restate conditions in the cotton industry, which have been so graphically portrayed here throughout the various days of this debate. But everyone who knows anything at all about cotton knows that today cotton cannot be sold for what it cost to produce it. That, Mr. President, is the big difference between the situation in cotton and wheat and any other grain. Cotton cannot bring to the producer that which it has cost him to make the crop today.

Mr. President, we are establishing and we have all talked about the ever-normal-granary plan. We have said what a wonderful thing it is. It has been extolled on both sides of this Chamber. It has been stated that whenever any agricultural commodity is below the cost of production, the Government should aid the farmer in storing up the excess supply, so that it should not be a weight and burden on the market to drag down the prices of commodities which are necessary for our consumption.

The Secretary of Agriculture favors the ever-normal-granary plan; and I ask Senators seriously—not laughingly or jokingly, but I ask them seriously—when would there ever be a better time to start the ever-normal granary with respect to cotton than now, today, at this time?

The simple amendment offered by the Senator from South Carolina does that very thing. It takes 6,000,000 bales of cotton out of the market and puts it in an ever-normal granary, where it can be stored and kept until this excess supply is done away with, and then it can be gradually worked into consumption without loss to the Government and with profit to the producer.

Is there anything extreme or radical about that proposition? If Senators believe in an ever-normal-granary plan, they believe in it now for cotton. That, Mr. President, is, in substance, what I think about this amendment. If we believe in the philosophy of this bill at all, we believe in this amendment. If we do not believe in the amendment, we do not believe in the philosophy of the bill.

Mr. President, so far as I myself am concerned, I want to say that I do not believe fundamentally in the philosophy of curtailment and controlled production; but I recognize that extreme times come upon us, times of emergency, when the only way we can meet the emergency is by adopting some drastic provision which we might not be willing to adopt as a permanent proposition. So far as cotton is concerned, I repeat that anyone who knows anything at all about cotton knows that that emergency exists now, and justification exists for adopting a program of curtailment to meet the emergency in which we now are.

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

Mr. HATCH. I yield.

Mr. BARKLEY. What effect would the adoption of the amendment as it is now drawn, and its administration to the extent of purchasing the 6,000,000 bales, have upon the necessity for making loans in the future upon surpluses that may occur in future crops?

Mr. HATCH. I think it possibly would have the effect of doing away with that necessity in the future.

Mr. BARKLEY. It occurred to me that that might be the result if the amount of cotton provided for in the amendment as it is now before the Senate should be agreed to. That does offer in my mind some mitigation of whatever other defects might possibly be attached to it.

Mr. HATCH. Let me say something else about the amendment and concerning the plan upon which we are embarking. We might just as well speak frankly, for all of us should at least understand the situation.

We are saying to the cotton farmer that it is going to be necessary to reduce his acreage next year, not only substantially but perhaps as much as 35 or 45 percent. The thing we are offering to the cotton farmer is that reducing his acreage will bring him a better price. That is all that the cotton farmer is going to get out of it.

The reason I say that that is all, Mr. President, is that if Senators have made any study of the moneys which will be available under this bill they will see that the parity payment, or the payment on parity, will be so small that the only substantial return the cotton producer can get will be in an advance in price. I say that unless this amendment is adopted, or some similar plan is evolved by which this excessive supply can be removed from the market, the curtailment program itself will fail next year, because the surplus next year will still be so great that the price of cotton is bound to be down, and down perhaps even lower than it is today, and all of our work and all of our efforts will be a complete failure unless something is done to take that dead weight off the market.

Mr. President, the advantage of this proposal over the old Federal Farm Loan Board is simply that we have a limit fixed here beyond which the cotton will not be sold. The cotton is removed, and the trade knows that it is removed. It will not come back on the market until it reaches 12 cents a pound. That is the limitation that makes the plan a success. That plan operates in connection with the curtailment program. It takes them both to be successful. If we take away either, the other necessarily fails. That is the reason why I began, Mr. President, by saying that this amendment should be considered in all seriousness if Senators believe at all in the principles of this measure.

Mr. BORAH. Mr. President, I am not sure but that I have spoken already on this amendment.

The PRESIDING OFFICER. The Senator from Idaho has not spoken on the amendment. The Senator is recognized for 15 minutes.

Mr. BORAH. Mr. President, I was hopeful that the amendment offered by the Senator from South Carolina might be voted upon on its own merits. I should not want to vote for the wheat amendment for the reason that with no price fixed at which the wheat will be disposed of it will necessarily depress the market.

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

Mr. BORAH. I yield.

Mr. McNARY. My attention is called to the fact that I overlooked a matter in connection with my amendment to the amendment of the Senator from South Carolina. I desire to perfect my amendment. After the words "disposed of" I wish to insert "at not less than the parity price therefor," which gives the commodity a price which will probably stabilize the market and meet the conditions of this bill.

Mr. BORAH. Not less than what?

Mr. McNARY. Parity price.

The PRESIDING OFFICER. The Senator from Oregon has the right to modify his amendment, and it will be modified accordingly.

Mr. BORAH. Mr. President, I am sorry to say that I am still opposed to the wheat amendment. I should like to have a vote singly on the cotton amendment. I think cotton is in a different situation. A different program may be adopted with reference to it than with reference to almost any other commodity.

Mr. President, the Senator from South Carolina [Mr. SMITH] sometime ago was of the opinion that this proposal had met with derision. I do not think so. I think he entirely misinterpreted the situation. The only thing we were interested to know was how the proposition could be floated without an actual outlay from the Government. I am now advised that Mr. Jones states that it can be financed, the program can be carried through, without a dollar's expenditure by the Government. If that is the statement of Mr. Jones, and it is made here upon the floor as his statement, so far as I am concerned I am willing to follow Mr. Jones in this matter; but I do not want to vote on the amendment with the wheat proposal tied to it.

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

Mr. BORAH. I yield.

Mr. HATCH. In fairness to the Senator from Idaho, I think he should know what Mr. Jones' views are. If I am wrong, I shall ask to be corrected. Mr. Jones did state substantially what has been said here tonight about finances; but the opinion of Mr. Jones was that the Government should continue buying only until cotton reached 10 cents a pound. Did he not say that?

Mr. SMITH. He said he thought perhaps that would be the better figure. We were of the opinion that as the Government had already committed itself to 12 cents, it would be safer to put the figure at 12 cents.

Mr. HATCH. I realize that that is the opinion of the Senator from South Carolina; but in view of the fact that Mr. Jones' thought has been expressed here, I thought it only fair that the complete statement should be made. I myself believe that it would be better to follow Mr. Jones' advice and stop purchasing cotton when it reaches 10 cents a pound. I think I shall offer an amendment to change the 12 cents to 10 cents. I think in many ways it would be more advantageous. However, there is an amendment pending, and I cannot offer the amendment now; but I make that suggestion.

Mr. SMITH. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. SMITH. The Senator confirms the statement that Mr. Jones said he could finance this transaction without taking money out of the Treasury?

Mr. HATCH. Absolutely.

Mr. BORAH. Mr. President, I have said all I desire to say. My regret is, and I repeat it, that the cotton amendment cannot be permitted to be voted on by the Senate singly.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment offered by the Senator from South Carolina [Mr. SMITH]. [Putting the question.] The noes seem to have it.

Mr. McNARY. Mr. President, I ask for a division. I ask also that the names of those rising on either side of the question shall be recorded.

The PRESIDING OFFICER. The Chair is not advised of any such parliamentary procedure.

Mr. McNARY. That is a procedure which has been invoked here on several occasions. Otherwise, I shall have to call for the yeas and nays.

The PRESIDING OFFICER. The Senator from Oregon has the right to demand the yeas and nays.

Mr. McNARY. Then I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KING. Mr. President, I shall vote for the amendment offered by the Senator from Oregon, though not because I believe in the policy if it were adopted, for I should then vote against the amendment of the Senator from South Carolina, which would include the cotton proposition. In other words, I am opposed to this whole policy. I am opposed to having the Federal Government project itself into the cotton or wheat fields for the purpose of purchasing either cotton or wheat or other commodities; but if we are to have cotton purchased, there is no reason why we should not have wheat purchased.

I shall vote for the Senator's amendment; but, then, if the amendment is adopted, I shall vote against the entire amendment which has been offered by the Senator from South Carolina.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand that if he were present and voting he would vote as I am about to vote. I therefore feel at liberty to vote, and vote "nay."

The roll call was concluded.

Mr. BYRD. I announce the general pair of the Senator from Virginia [Mr. GLASS] with the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. MINTON. I announce the general pair of the Senator from Rhode Island [Mr. GREEN] with the Senator from Kansas [Mr. CAPPER].

The Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Nebraska [Mr. BURKE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from Connecticut [Mr. LONERGAN], the Senator from California [Mr. McADOO], the Senator from Arkansas [Mr. MILLER], the Senator from New Jersey [Mr. MOORE], the Senator from Florida [Mr. PEPPER], the Senator from Nevada [Mr. PITTMAN], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from New Jersey [Mr. SMATHERS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are unavoidably detained from the Senate.

The result was announced—yeas 19, nays 48, as follows:

YEAS—19

Austin	Hale	Lundeen	Overton
Bankhead	Harrison	McKellar	Smith
Berry	Hitchcock	McNary	Steiwer
Bridges	King	Murray	Van Nuys
Frazier	Lee	Nye	

NAYS—48

Adams	Connally	Hayden	Pope
Andrews	Copeland	Herring	Radcliffe
Ashurst	Davis	Johnson, Colo.	Reynolds
Barkley	Dieterich	La Follette	Russell
Bilbo	Duffy	Lodge	Schwartz
Bone	Ellender	McCarran	Sheppard
Borah	George	McGill	Thomas, Utah
Brown, Mich.	Gerry	Maloney	Townsend
Bulkley	Gibson	Minton	Truman
Byrd	Graves	Neely	Vandenberg
Byrnes	Guffey	Norris	Wagner
Chavez	Hatch	O'Mahoney	Walsh

NOT VOTING—29

Bailey	Gillette	Lonergan	Smathers
Brown, N. H.	Glass	McAdoo	Thomas, Okla.
Bulow	Green	Miller	Tydings
Burke	Holt	Moore	Wheeler
Capper	Hughes	Pepper	White
Caraway	Johnson, Calif.	Pittman	
Clark	Lewis	Schwellenbach	
Donahey	Logan	Shipstead	

So Mr. McNARY's amendment to Mr. SMITH's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from South Carolina [Mr. SMITH].

Mr. NORRIS. On that I call for the yeas and nays.

Mr. LEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state his parliamentary inquiry.

Mr. LEE. I understood that an amendment was offered by the Senator from Louisiana [Mr. OVERTON] to the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. The Chair will state that that amendment has been adopted and has become a part of the original amendment.

Mr. HATCH. Mr. President, in line 6 of the amendment, I move to strike out the figures "12" and substitute the figures "10", so as to read "10 cents per pound", instead of "12 cents per pound."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico tc the amendment offered by the Senator from South Carolina.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. SMITH], as amended.

Mr. TRUMAN. Mr. President, is the amendment of the Senator from South Carolina still open to amendment?

The PRESIDING OFFICER. It is.

Mr. TRUMAN. I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Missouri to the amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. At the proper place in the amendment it is proposed to insert the following:

One hundred million pounds of copper to be purchased at 8 cents per pound and not to be sold for less than 10 cents per pound; 15,000,000 pounds of lead to be purchased at 6 cents per pound and not to be sold for less than 7 cents per pound; 100,000,000 bushels of wheat to be bought at $1.25 and not to be sold for less than $1.50 per bushel; 500,000,000 bushels of corn to be bought for 75 cents per bushel and not to be sold for less than $1 per bushel if the 1938 corn crop exceeds 2,500,000,000 bushels; 2,000,000 pounds of cheese at 19 cents and not to be sold for less than 25 cents; 2,000,000 pounds of butter at 20 cents and not to be sold for less than 30 cents per pound; 750,000,000 board feet of Douglas fir lumber at not less than $25 per thousand board feet and not to be sold at less than $27.50; 8,000 carloads of apples at $1,000 per car and not to be sold for less than $2,000 per car; 100,000 cases of Wisconsin peas at 83 cents and not to be sold for less than $1.50 per case; 10,000,000 pounds of wool at 40 cents to be sold at not less than 50 cents per pound.

[Laughter.]

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri to the amendment offered by the Senator from South Carolina.

Mr. SMITH. Mr. President, I hope all those who care to do so will enjoy to the fullest this glorious piece of wit in the face of the terrific condition that exists outside of the Senate Chamber. We have been here for a month trying to relieve what is called the distressed condition of the farmer; and now this absurd effort is made to ridicule a condition which, if we individually had to face it, would be another proposition!

Go out into the regions where the farmers make this stuff—with their bare homes, with their scanty provisions—and then, if you want to do so, make it a laughingstock. Yes; if those of you who sit in the galleries and those of you who are on the floor of the Senate think the condition we are trying to remedy by this bill, and specifically by the amendment I have proposed, goes to the heart of one of the tragic things with which we are confronted, go on record, if you want to do so, as being in a hilarious frame of mind over this tragedy, as ridiculing the distress of the man whose home is to be sold, to whose home Santa Claus will not come, whose feet are on the bare ground. Yet it is all a mere joke, and you show your amusement by proposing to buy lead and copper and zinc!

Mr. TRUMAN. Mr. President, the wheat farmers and the corn farmers and the cattle growers and the men who produce lead and zinc and copper are in exactly the same condition as those who raise cotton. If the Senator from South Carolina wants to buy this cotton which is now in the hands of the cotton speculators, it is just as sane and sound to buy the things I have asked to have added to his amendment.

Mr. SMITH. Then why, in the name of Heaven, did not the Senator include them in the bill?

Mr. TRUMAN. I do not think it ought to be done, and I am going to vote against the amendment and against my own proposal as well.

Mr. SMITH. Mr. President, I just want to register my protest against the Senate of the United States making a joke of the tragedy that confronts those who have kept the Senate here for a month trying to frame a bill to bring about relief. If you want to scrap the whole thing, if you want to say to the farmers, "We will build up tariff walls and protect industry," if you want to say to the relief people, "We will pour out a billion five hundred million dollars for relief, but we will just make a joke of you who feed and clothe the Nation," I would to God that the farmers were organized as labor is organized!

Mr. TRUMAN, Mr. BRIDGES (and other Senators) addressed the Chair.

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

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

Mr. TRUMAN. I am just as much interested in the cotton farmer as is the able Senator from South Carolina.

Mr. SMITH. Well, the Senator has a very poor way of demonstrating it.

Mr. TRUMAN. We raise cotton in Missouri just as well as it is raised in South Carolina, and we raise a little bit more of it to the acre. We are doing everything we possibly can in this bill for cotton, and I want to go just as far as I can; but I think you are going too far with it.

Mr. BRIDGES. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. Yes; I yield.

Mr. BRIDGES. Does the Senator think it is any more of a crime to buy cheese and thereby help out the dairy farmer than it is to buy some other commodity?

Mr. SMITH. Well, if I may judge from the character of the men that I see here, I think perhaps we might substitute cheese for some heads to the great benefit of the Senate. [Laughter.] But, be that as it may, here we have a specific proposition, and one that has been shown to be very practical in its solution; and yet the weapon of ridicule is invoked. So far as I am concerned, it is a matter of unspeakable humiliation to think that the people I represent are not shown more respect than this body is evidencing tonight.

Mr. KING. Mr. President, will the Senator permit a question?

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

Mr. SMITH. I yield.

Mr. KING. As I understand, the proposal now before us came from the floor of the Senate and not from the committee.

Mr. SMITH. No; the proposal came from a body of men who got together, those of us who were trying to solve the cotton problem.

Mr. KING. Why was it not brought to the attention of the committee? Why was it not reported as a part of the bill if it is so important?

Mr. SMITH. The reason for that was that we were trying to devise some means by which the situation could be relieved, and this method occurred to some of us, so we got together and fashioned the proposal. We called in Mr. Jesse Jones and got his advice before we submitted it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri to the amendment of the Senator from South Carolina.

Mr. ASHURST. Mr. President, of course merriment naturally ensued upon the reading of the amendment submitted by the able Senator from Missouri [Mr. TRUMAN], but no merriment came from me or my colleague when we heard read the proposal to purchase 100,000,000 pounds of copper. Had I evidenced any merriment upon that proposition the constituency which I in part represent would have rebuked me in a way that I would remember.

Arizona produces one-sixth of the copper of the world. Fifty percent of all the taxes paid in Arizona are paid by the copper industry. Fifty-two percent of all the wages paid in Arizona are paid by the copper industry. If it be right and just and proper to valorize and fix the prices of wheat and other commodities, it is right and just and proper to fix the price of and valorize copper. The copper industry of Arizona does not want a bounty, a gift, a grant out of the Federal Treasury. That industry asks no money from the Federal Treasury.

The copper smelters in Arizona which are treating copper ores are now reducing their forces. The copper mines are reducing their forces. The distress and the misery so eloquently depicted by the able senior Senator from South Carolina [Mr. SMITH] may be duplicated in the copper-producing States. All that the copper miners have ever asked, all that the copper producers have ever asked, is a protective tariff on copper. Give the copper industry a protective tariff on copper and that industry will not ask the United States for a penny in the way of relief. But, unfortunately, such a tariff has been denied. I said here in 1930, in 1932, and in 1934, give this industry a protective tariff on copper and it will not ask relief.

It may be said that in urging a tariff on copper imported into the United States I have abandoned the Democratic Party. Not at all. I say for the tenth time on the floor of the Senate that the protective-tariff system did not originate with the Republican Party. It originated with James Madison, Thomas Jefferson, and Andrew Jackson. When the Arizona Senators urge a tariff on copper or any other commodity, they are standing on the early fundamental principle of the Democratic Party.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri to the amendment of the Senator from South Carolina.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina as amended.

Mr. DUFFY. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I understand if he were present he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. BARKLEY. The Senator from Arkansas [Mrs. CARAWAY] is paired with the Senator from Maryland [Mr. TYDINGS]. If present, the Senator from Arkansas [Mrs. CARAWAY] would vote "yea," and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

The Senator from South Dakota [Mr. BULOW] has a general pair with the Senator from Kansas [Mr. CAPPER], and the Senator from Virginia [Mr. GLASS] has a general pair with the Senator from Minnesota [Mr. SHIPSTEAD].

If present, the Senator from Illinois [Mr. LEWIS] and the Senator from Rhode Island [Mr. GREEN] would vote "nay."

The Senator from Delaware [Mr. HUGHES] is detained from the Senate by illness.

The following-named Senators are unavoidably detained:

The Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from Connecticut [Mr. LONERGAN], the Senator from California [Mr. McADOO], the Senator from Arkansas [Mr. MILLER], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from Florida [Mr. PEPPER], the Senator from Nevada [Mr. PITTMAN], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from New Jersey [Mr. SMATHERS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 26, nays 39, as follows:

YEAS—26

Andrews	Byrnes	Hatch	Overton
Ashurst	Connally	Hayden	Reynolds
Bankhead	Ellender	Lee	Russell
Barkley	Frazier	Lundeen	Sheppard
Berry	George	McCarran	Smith
Bilbo	Graves	McKellar	
Borah	Harrison	Murray	

NAYS—39

Adams	Dieterich	La Follette	Radcliffe
Austin	Duffy	Lodge	Schwartz
Bone	Gerry	McGill	Steiwer
Bridges	Gibson	McNary	Thomas, Utah
Brown, Mich.	Guffey	Maloney	Townsend
Bulkley	Hale	Neely	Truman
Burke	Herring	Norris	Vandenberg
Byrd	Hitchcock	Nye	Van Nuys
Chavez	Johnson, Colo.	O'Mahoney	Walsh
Copeland	King	Pope	

NOT VOTING—31

Bailey	Gillette	Lonergan	Shipstead
Brown, N. H.	Glass	McAdoo	Smathers
Bulow	Green	Miller	Thomas, Okla.
Capper	Holt	Minton	Tydings
Caraway	Hughes	Moore	Wagner
Clark	Johnson, Calif.	Pepper	Wheeler
Davis	Lewis	Pittman	White
Donahey	Logan	Schwellenbach	

So Mr. SMITH's amendment, as amended, was rejected.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the order which I send to the desk may be entered.

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

The Chief Clerk read as follows:

Ordered, by unanimous consent, That beginning at the hour of 3 o'clock p. m. on tomorrow, December 17, 1937, no Senator shall speak more than once or longer than 5 minutes on the pending bill, any amendment to or substitute therefor, motion to recom-

mit, or other amendment affecting the final disposition of the measure.

The VICE PRESIDENT. Is there objection?

Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. Is there objection?

Mr. FRAZIER. Yes; there is objection.

Mr. BARKLEY. Mr. President, may I ask the Senator——

Mr. FRAZIER. I should like to make a statement first.

Mr. BARKLEY. Very well.

Mr. FRAZIER. The Senator from California [Mr. McADOO] offered a substitute for the bill sometime ago. It contains what is known as the cost-of-production provision for the amount of products used for home consumption.

Under the rules of the Senate a substitute of that kind cannot be offered formally until all the amendments are disposed of. A unanimous-consent agreement of this kind would jockey out of the picture any Senator who wanted to offer or discuss a substitute, if he wants to have any discussion of it. I know of four or five Senators who want to discuss the substitute which the Senator from California desires to offer.

Mr. BARKLEY. Mr. President, after the Senate recessed this afternoon the Senator from California [Mr. McADOO], who is unavoidably detained tonight, told me that whatever unanimous-consent agreement I sought this evening would be satisfactory to him. I assured him that if the agreement should be entered into I would assist him in obtaining recognition before 3 o'clock tomorrow so he might have more time on the substitute which he would later offer. I am satisfied this arrangement will be satisfactory to him. It is also satisfactory to the Senator from Oklahoma [Mr. LEE], who intends to offer a substitute.

Mr. FRAZIER. Mr. President, I think four or five or more Senators intend to speak on the McAdoo substitute, and I, myself, should like to speak on it for a few minutes. I cannot agree to the unanimous-consent agreement which has been offered.

The VICE PRESIDENT. Objection is heard.

Mr. McGILL. Mr. President, I send an amendment to the desk which I should like to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 30, line 15, after the word "Secretary", it is proposed to strike out the following:

Any farmer failing to furnish such proofs in the manner and within the time provided shall be guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than $100.

Mr. McGILL. Mr. President, the amendment strikes out the penalty proposed to be imposed on any farmer. The section originally provided that the farmer should furnish his reports to the Secretary of Agriculture and provided a penalty of $100 fine in the event the reports were not supplied. The amendment I offer strikes out the penalty feature of the section.

Mr. BORAH. What page is that?

Mr. McGILL. Page 30, line 15, after the word "Secretary," to strike out the balance of the paragraph.

Mr. BORAH. Very well. I am in favor of it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McGILL. Mr. President, I move to amend, on page 30, line 8, by striking out "$1,000" and inserting in lieu thereof "$500."

The amendment was agreed to.

Mr. MURRAY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 18, line 22, before the period, it is proposed to insert a comma and the words:

and in no event shall the percentage of the acreage to be diverted from the production of any type of wheat be so great that, upon the basis of the normal yield of the acreage planted to such type of wheat, the total supply of such type of wheat for such marketing year is likely to be less than the requirements for the domestic consumption of such type of wheat during such marketing year.

On page 25, line 17, after the period, to insert the following new sentence:

In no event shall the marketing quota applicable to any type of wheat be less than the requirements for market for domestic consumption of such type of wheat.

Mr. MURRAY. Mr. President, this amendment is intended to prevent too great a curtailment of acreage of wheat of certain types, varieties which are not grown in excess of consumption requirements in this country. I have particular reference to wheat that is grown in the arid States of the West, such as No. 1 Hard Spring wheat, which is never grown in excess of the requirements of this country. If there is any curtailment of the production of that kind of wheat, it will be necessary to import it from Canada, and such wheat is in demand by the millers and bakers, and must be had in sufficient quantity to meet the market demand in this country.

Mr. POPE. Mr. President, the Senator from Montana spoke to me about the amendment, and, so far as I am concerned, I accept it for the purpose of taking it to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORAH. Mr. President, on page 25, line 22, after the word "referendum", I propose to insert the words "by means of secret ballot."

Mr. POPE. Mr. President, so far as I am concerned, as one of the authors of the bill, I have no objection to the amendment.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 79, after line 16, it is proposed to insert a new paragraph, to read as follows:

The sum of $1,000,000 is hereby authorized to be appropriated for the fiscal year ending June 30, 1939, of which 75 percent shall be allocated to the Secretary of Commerce and 25 percent to the Secretary of Agriculture for research into and development of new and extended foreign markets and outlets for farm commodities and products thereof.

Mr. POPE. Does the Senator provide for an authorization of this appropriation separate and apart from the moneys provided for the purposes of the bill?

Mr. OVERTON. Yes. It would not take any money out of the appropriation for the purposes of the bill.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment.

On a division, the amendment was rejected.

Mr. BORAH. Mr. President, I call the attention of the authors of the bill to page 28, line 20. I shall ask that the numerals "50" be changed to "25."

This has reference to what is called an unfair agricultural practice. The unfair practice is marketing more than is permitted to be marketed. But the amount over the amount allowed might be a very small item. A person might market more than was permitted to the extent of a few bushels or a few bales, and I think the penalty is entirely too severe. I move to strike out "50" and to insert in lieu thereof "25."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Idaho.

The amendment was agreed to.

Mr. BANKHEAD. Mr. President, I move an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, on page 41, line 11, the following:

The Commodity Credit Corporation shall place all insurance of every nature taken out by it on cotton with insurance agents in the

State where the cotton is warehoused, provided such insurance may be secured at a cost not greater than similar insurance offered on said cotton elsewhere.

Mr. KING. Mr. President, will the Senator explain the reason for that? Why depart from the general policy by which commodities and property are insured?

Mr. BANKHEAD. This merely provides for placing the insurance in the State where the cotton is warehoused, instead of placing it in New York. It applies to cotton scattered all over the South.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, a moment ago, without any consideration of the reasons for the amendment, the Senate voted down an amendment offered by the Senator from Louisiana [Mr. OVERTON]. This is a matter which, in my opinion, is deserving of more consideration than we gave it. In order that the Senator from Louisiana may be permitted to explain the purpose of the amendment, I ask unanimous consent that the vote be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York that the vote by which the amendment offered by the Senator from Louisiana was rejected be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. OVERTON. Mr. President, the amendment I offer is one which has been adopted by the House of Representatives to the farm bill. The amendment provides for an annual allocation of a million dollars out of the administration fund to be used in finding new markets and new outlets for agricultural products.

The difference between the amendment I have proposed and the amendment adopted by the House is that my amendment is merely an authorization. It authorizes the appropriation of a million dollars for the fiscal year ending June 30, 1939, and it undertakes to allocate 75 percent of that amount to the Department of Commerce and the other 25 percent to the Department of Agriculture.

Very much has been said on the floor of the Senate to the effect that we are losing our foreign markets for agricultural products and that nothing is being done about it. We have heard the criticism made over and over again in reference to the pending farm bill that no effort is made at all to encourage our declining foreign market.

It occurred to me that it would be a wise thing to authorize an appropriation of a million dollars to be used by the Department of Commerce, in cooperation with the Department of Agriculture, in order to find new foreign markets and new outlets for our agricultural products. I do not know to what department the money could be allocated better than to the Department of Commerce, especially acting in conjunction with the Department of Agriculture.

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

Mr. OVERTON. I am glad to yield.

Mr. KING. The Department of State, under the leadership of Secretary Hull, has expended a considerable amount of money and is expending a large sum now in trying to find markets not only for agricultural commodities but for all American-produced commodities. I know that the Department of Commerce has agents in nearly every country in the world, and I have contacted many of them in Asia, as well as in various countries of Europe. They are spending a great deal of time and considerable money in trying to find markets for agricultural products. The Department of Agriculture also has its representatives in various countries of the world. So that now we are represented by a large number of agents, perhaps several hundred, in the aggregate, from the various departments of the Government, seeking to find markets for our agricultural commodities, as well as manufactured articles.

Mr. OVERTON. Mr. President, in reply to the learned Senator from Utah, I should say that the State Department undertakes to push our foreign trade through the negotiation of reciprocal-trade agreements. The purpose of my amendment is not to find ways and means to devise new reciprocal-trade agreements, or modify those in existence, but the purpose is to find new markets and outlets for our agricultural products in foreign lands. I think the Department of Commerce, not the Department of State, is the one charged with that obligation, and I think we could facilitate the work the Senator from Utah says the Department of Commerce and the Department of Agriculture are now doing by authorizing an appropriation of a special fund to be used for the purpose of finding better markets for agricultural products.

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

Mr. OVERTON. I am glad to yield.

Mr. REYNOLDS. I am very much interested in the proposal of the Senator from Louisiana, but I should like to make inquiry as to whether or not any of the million dollars is to be utilized in the establishment of more agencies of the Department of Commerce throughout the world? I make the inquiry for the reason that it has been my understanding that for the past several years, on account of limited appropriations, our Department of Commerce has necessarily been required to reduce its personnel in various parts of the world. Is this money to be used for research?

Mr. OVERTON. I should say to the Senator from North Carolina that 75 percent of it is to be turned over to the Secretary of Commerce, and 25 percent to the Secretary of Agriculture. They will cooperate, and they will devise such ways and means as they in their wisdom consider best in order to promote our foreign trade in reference to agricultural products.

They will select the agency if any additional agency is to be selected. They will advise the ways and the means.

I do not think we can leave the expenditure of these funds in better hands than those of the present Secretary of Agriculture and the present Secretary of Commerce. I think they are both doing a very able and capable work in the management of their Departments, and I am sure they will expend this money wisely; and if they cannot wisely spend not to exceed a million dollars, they will return the money to the Treasury.

Mr. REYNOLDS. In other words, there is no manner particularly specified for limiting the expenditure of any part or portion of the million dollars.

Mr. OVERTON. No. I would not undertake through an amendment to outline in detail just what the Secretary of Commerce and the Secretary of Agriculture should do.

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

Mr. OVERTON. I yield.

Mr. McKELLAR. The Senator understands that we now have agents for this very business in almost every country of the world, both agricultural and commercial. The Department sends in recommendations for the increases it desires to have made from year to year. There has been a constant increase of these agents, both in the Department of Agriculture and in the Department of Commerce. I do not think we ought to authorize an appropriation like this in this bill.

Mr. OVERTON. I am limiting it. Does not the Senator from Tennessee think renewed effort ought to be made to extend our foreign commerce and our trade in reference to our agricultural products?

Mr. McKELLAR. I should like to see our commerce and trade expanded wherever possible, but I do not think this is the place to authorize an appropriation either for the Commerce Department or for the Agricultural Department.

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

Mr. OVERTON. I am glad to yield to the Senator from New York.

Mr. COPELAND. I think everyone knows that I have no enthusiasm for this bill; but if there ever was a time when the United States should seek foreign markets for agriculture, it is now. It is distressing to see how our cotton production is being reduced in America, and cotton production is being increased in many places throughout the world.

I have not been happy over the activities of various agents abroad; but I believe that with the stimulus of neces-

sity, with the need of the disposition of agricultural products produced in America, the money now proposed to be expended will be well invested. I sincerely hope that our friends—even those who are antagonistic to the bill—may see the wisdom of including in it, if it must be a law, this wise proceeding.

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

Mr. OVERTON. I yield.

Mr. BRIDGES. I should like to ask the Senator the question if it is not rather inconsistent to appropriate in this bill money to locate foreign markets for agricultural products when the bill, by its general purpose, will further cause us to lose the foreign markets we now have.

Mr. OVERTON. It is very inconsistent, I will say to the Senator, to spend at least $500,000,000 of the Government's money annually in order to curtail production of our agricultural products—because that is the main intention and purpose of the bill—and then refuse to spend the niggardly sum of $1,000,000 to promote our foreign trade. Does that answer the Senator?

Mr. BRIDGES. No, Mr. President. We have deliberately lost our foreign markets here in agricultural products by our program of curtailed production. This bill will further carry on that program.

I agree that the Senator's method of procedure is an excellent one, but I think it is highly inconsistent to include it in a bill which has the reverse purpose in mind.

Mr. OVERTON. But the ever-normal-granary plan does not contemplate that we are going to have a scarcity. We are going to have sufficient to meet domestic trade and foreign commerce at all times.

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

Mr. OVERTON. I yield.

Mr. RUSSELL. I did not understand from the reading of the amendment whether this sum of $1,000,000 was to be taken from the funds appropriated for the farmers, or authorized in a new appropriation.

Mr. OVERTON. Not one cent will come out of the funds that go to the farmers. It is a new appropriation.

Mr. RUSSELL. A new appropriation?

Mr. OVERTON. Yes.

Mr. President, I yield the floor.

Mr. KING. Mr. President, there is one way by which we may obtain a part of the foreign market we have lost. When we passed the last tariff bill, known as the Smoot-Hawley tariff bill of unfavorable memory, we then largely dug the grave of our foreign commerce. If we should pass a sensible tariff bill, we should regain a part of our foreign commerce. But the tariff bill to which I have referred and other farm measures which we have passed have contributed to the losses we have sustained in our foreign markets. If we will pursue a wise policy, we shall regain them; but the policy embodied in this bill, plus the high tariff, will lose us forever our foreign markets.

Mr. ADAMS. Mr. President, it seems to me that the argument presented by the Senator from Tennessee [Mr. McKELLAR] has pointed out rather clearly that this is not the time or place to make this authorization. In other words, there are regular committees and regular processes by which such matters should be considered. It should not be considered in a farm bill. We do know that every embassy of any consequence which this country has throughout the world has connected with it attachés by whom great efforts are being made throughout the world to obtain markets for our products. The Agricultural Department is making efforts, as well as the Department of Commerce, to secure markets throughout the world.

Both of these Departments come before the committees of Congress and ask for appropriations, and those appropriations have been given without stint. They are adequately supplied for those purposes.

One other thing I would speak of is the matter of legislative procedure. The Senator from Louisiana says the House has already included in its bill a similar appropriation.

Mr. OVERTON. I may say to the Senator that the House amendment allocates out of the appropriation made for the farm program a million dollars annually to be used by the Secretary of Commerce for the purpose of finding new markets for our agricultural products.

Mr. ADAMS. That is, the House bill having included an authorization for an appropriation, if the Senate makes an appropriation we shall have definitely fixed the amount of money. If the Senate declines to make an appropriation, the matter may then go to conference to settle the difference between the Senate making no appropriation and the House making its appropriation. Therefore, it seems to me that this is not the time and not the place to include this particular item in the bill.

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

Mr. ADAMS. I yield.

Mr. McKELLAR. I have had occasion to visit a number of foreign capitals during the past year. In all the capitals I visited I found that we had agricultural agents located. They are vigilant in their efforts to gain foreign markets for us. We have constantly increased their number, as the Senator from Colorado, who is a member of the Appropriations Committee, knows. We have very numerous commercial agents, every one of them alive and working to sell our products wherever they can. It does seem to me that the Senate ought not to authorize an appropriation of this kind until the matter comes up regularly, so that it can be adjusted upon the recommendations of the Secretary of Commerce and the Secretary of Agriculture.

I do not think we ought to interpose here an authorization that they may or may not ask for. They are doing their job, and doing it well.

I do not think we ought to authorize this appropriation, and I am going to vote against the amendment.

Mr. ADAMS. Mr. President, I am in accord with that statement. I think it is true, and I think the Senator from Louisiana knows it, that full information is brought before the Appropriations Committee. That committee acts after full information. We do not have full information at this time either as to the amount of money appropriated for these purposes or as to the need for them. We are considering a different type of bill at this time. It will be only a matter of weeks before these matters can be considered.

We shall then have before us a bill providing the appropriations for the Department of Agriculture and another bill providing the appropriations for the Department of Commerce. At that time the heads of those Departments will be before the committees of the House and the Senate and adequate information will be given, and unquestionably adequate appropriations will be made, because no one differs from the purpose behind this amendment. We wish to stimulate foreign trade, but we do not, or should not, wish to spend money without knowing whether or not it is needed.

Mr. REYNOLDS. Mr. President, I was very happy indeed to hear the statement made by my able friend the senior Senator from Tennessee [Mr. McKELLAR], that during the past summer he had been provided the opportunity of personally visiting a number of countries in Europe, and that while there he observed at first hand that the representatives of the Department of Commerce, and likewise those of the Department of Agriculture, were alert and doing a splendid job.

Let us begin our argument, Mr. President, by assuming—we are perfectly willing to do that, I am sure—that all these representatives of the Department of Commerce and likewise those of the Department of Agriculture are on the job and doing a good job. That being the case it is well at this juncture to recall that since 1933 the personnel of that division of the Department of Commerce having to do with foreign trade has been curtailed almost 50 percent. Since 1933, one-half of the men employed by that division of the Government were dismissed from the service on account of lack of appropriations, as I am informed. Since that time that division has been working under a tremendous handicap.

As all Senators know, the bill which we have considered here for many days contemplates—unhappily, of course—an

expenditure of one-half billion dollars a year in order to provide safety and protection, and, in a sense, security for the agricultural producers of five big basic products—tobacco, corn, rice, cotton, and wheat. If we contemplate the expenditure of such a huge amount of money in 1 year, as much as was expended by the Federal Farm Board under the administration of Mr. Hoover, I believe we should most certainly favorably consider the expenditure of the pittance of $1,000,000 a year for the purpose of endeavoring to find purchasers for farm products that we are growing.

Mention was made here a moment ago by one of my colleagues of our agents in various countries in the world constantly seeking markets for our manufactured products as well as our agricultural products. I say that now is the time for the Government to interest itself in a serious active endeavor to secure additional markets. Now is the time of all times to do that. Why?

Mr. President, we know that Great Britain is interested at this time only in preparing for war. In particular reference to agriculture, Mr. President, we know that the great plants in Great Britain which had formerly been used for the manufacture of farm implements have been converted into munitions plants.

The manufactured products of those farm-implement plants of Great Britain formerly went to the Transvaal, to the Straits Settlements, and to Australia. Today the manufacturers of farm implements of the United States of America are supplying that demand. We know that every country in Europe is interesting itself in preparation for war. We know that Japan and China, our competitors, as well as Germany, Italy, France, and Great Britain, our competitors particularly in South America, are not in a position to compete with us as heretofore they have been.

In support of the statement that I made a moment ago to the effect that now is the time for us to seek foreign markets for agricultural products as well as anything else, I remind Senators that statistics will reveal that within the past several months the trade of the United States has materially increased in the countries of South America, whereas in that same southern portion of the Western Hemisphere the foreign trade that has heretofore been enjoyed by Japan, Italy, France, Great Britain, and Germany has been somewhat reduced.

I say that now of all times is the time we should provide the Department with sufficient men. I heard here a moment ago that we have representatives in every country of the world. I beg to disagree with that statement. We have representatives only in 35 countries of the world and there are many sections of the world where we are not represented. In many sections of the world we are not represented by agents from the Department of Commerce or from the Department of Agriculture. Now is the time to provide for representation in all those countries in order that we may take advantage of the opportunity which now knocks at our doors.

The opportunity that is presented now is by way of the fact that all of our competitors upon the face of the earth are today either engaged in war or preparing for war and are thinking about nothing but war, whereas on the other hand, enjoying the delightfully isolated position that we do, we can spend our time in seeking markets in time of peace in order that we may provide prosperity for the 130,000,000 people of this country.

Mr. BYRNES obtained the floor.

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

Mr. BYRNES. I yield.

Mr. BARKLEY. If there is to be any further discussion of the amendment, I think we had better suspend for tonight. If we can have a vote on the amendment immediately, I should like to do so.

Mr. BYRNES. I want to discuss it only a moment.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. BYRNES. I desire only to call attention to the fact that we are now appropriating to the Commerce Department $520,000 in one item for the purpose of expanding our commerce abroad, and in another item $778,000 for the promotion and development of foreign commerce. In addition to that, we have an appropriation of $298,000 to the Department of Agriculture for acquiring and diffusing useful information regarding agriculture abroad.

Mr. REYNOLDS. Mr. President, I am very glad, indeed, that my distinguished friend from South Carolina——

The PRESIDING OFFICER. The Senator from North Carolina has spoken once on the amendment and cannot speak again upon it. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

On a division, the amendment was rejected.

ADDITIONAL BILL INTRODUCED

Mr. SMITH introduced a bill (S. 3146) authorizing the Commodity Credit Corporation to make certain purchases of cotton from producers, and for other purposes, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

AGRICULTURAL RELIEF—AMENDMENT

Mr. BONE submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy and in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Capt. Courtland Moshier Brown, Air Corps, to be major with temporary rank in the Air Corps, Regular Army, from December 12, 1937, under the provisions of law.

He also, from the same committee, reported favorably the nomination of Capt. Theodore Addison Weyher, Corps of Engineers, for appointment, by transfer, to the Ordnance Department, Regular Army.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order. The clerk will read the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the Executive Calendar.

COPYRIGHT TREATY

Mr. WAGNER. I ask that three telegrams received by me, protesting against the so-called copyright treaty which is now pending before the Senate, be printed in the RECORD.

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

NEW YORK, N. Y., *December 15, 1937.*

Hon. ROBERT F. WAGNER,
The Senate:

The Allied Printing Trades Council of Greater New York respectfully requests your support in the rejection of the copyright

treaty reported out by the Foreign Relations Committee, as its passage would not help general industry in the United States, and would remove protection to the printing industry from foreign competition which we have been endeavoring to prevent for the past 30 years.

WILLIAM J. ROBINSON,
Secretary, 63 Park Row.

NEW YORK, N. Y., *December 15, 1937.*

Senator ROBERT F. WAGNER,
The Senate:

Mailers Union No. 6 respectfully requests your support in the rejection of the copyright treaty reported out by the Foreign Relations Commitee as its passage would not help industry in the United States and would remove protection to the printing industry from foreign competition which we have been endeavoring to prevent for the past 30 years.

FRANKEL O'HARA,
Business Representative, Mailers Union No. 6,
230 West Forty-first Street.

NEW YORK, N. Y., *December 15, 1937.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

The printing industry, and especially printing trades workers of America and international printing trades unions, seriously disturbed regarding pending copyright treaty now on Senate Calendar and recently reported by Foreign Relations Committee. Approval of this treaty will remove protection printing trades of America have had for the last 30 years and would be serious blow to employment situation here. Tariff legislation cannot possibly prevent or cure disastrous results. Urge and appeal to you to do all in your power and influence to have this proposed treaty rejected by not ratifying its provisions.

MATTHEW WOLL.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 17, 1937, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16 (legislative day of November 16), 1937

POSTMASTERS

MINNESOTA

Dewey R. Wilcox, Pine City.
Vera M. Hegg, Shevlin.

MISSOURI

Don Roy King, Gallatin.
Pearl E. Bussert, Wardell.

PENNSYLVANIA

Loy W. Oligher, Clymer.
Harry E. Reichert, Gilbertsville.
Arthur D. Gibson, Mayview.
James M. Gates, South Fork.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 16, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who are the highest among all the sons of God, Thou whose advent is the testimony of the Father's heart to the eternal in man, keep our hearts open to Thee; let the divinest One be our wisest and most profound teacher. "They that wait on the Lord shall renew their strength." Father of mercies, we wait; renew our strength, create within us the right spirit, teach us to be quiet and listen. We pray Thee to go with us through temptation and deliver us from evil; may our daily labor be a song and not a strife. O God of might, purge from out this old earth brazen and false display of justice, and may the Lord of Life ride the tempest of this confused world. Blessed Lord, remember those who shed their tears where none can see and those who laugh to ease their aching hearts. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein three short tables which I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend and revise my own remarks on the pending measure.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief address by Mr. James H. R. Cromwell.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. JENKS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement I made on December 14, 1937, before the United States Tariff Commission in behalf of an increase in the duty on shoes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ANDERSON of Missouri and Mr. BUCK asked and were given permission to extend their own remarks in the RECORD.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter written by me to the President of the United States on the silver question.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by the gentleman from California [Mr. VOORHIS] before America's Town Hall of the Air.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, it is evident there will be two or three substitutes offered to the committee amendment which is now pending.

It seems to me, after consultation with the chairman of the Committee on Labor, the gentleman from Georgia [Mr. RAMSPECK], the gentleman from New York [Mr. O'CONNOR], and the minority leader [Mr. SNELL] that it would probably be better procedure to take up the substitute amendments as they are offered and dispose of them before we begin the consideration of amendments to the committee amendment which is in the nature of a substitute.

Therefore, Mr. Speaker, I ask unanimous consent that all substitute amendments may be disposed of as offered before amendments may be in order to the committee amendment.

Mr. BOILEAU. Reserving the right to object, Mr. Speaker, it may develop when the committee amendment is being considered that some other Member may desire to offer a substitute amendment at that time. Would this request preclude the offering of substitute amendments after we have begun consideration of the Norton amendment? I do not

know now that any Members may have in mind offering substitute amendments at that time, but such a situation may arise.

Mr. RAYBURN. No; it would not preclude the offering of such substitute amendments, although I believe by the time we have disposed of three or four substitute amendments everyone who intends to offer such an amendment will have it ready.

Mr. BOILEAU. I presume that is the better practice, but after we begin the consideration of the Norton amendment the situation may possibly change.

Mr. RAYBURN. If a substitute amendment were offered at that time, it could be disposed of.

The SPEAKER. In answer to the suggestion of the gentleman, the Chair may state he is sure the Chairman of the Committee of the Whole House on the state of the Union, in the event the agreement requested by the gentleman from Texas is in effect, would recognize Members to other germane amendments to the pending substitute amendment. A substitute amendment to a substitute would not be in order, but a germane amendment to a substitute would be in order while such substitute was under consideration.

Mr. MAPES. Reserving the right to object, Mr. Speaker, I agree with the purpose of the request of the gentleman from Texas, but I should like to ask what would be the situation provided one of the substitutes should be adopted in the committee. Would this dispose of the whole matter?

Mr. RAYBURN. The gentleman is correct.

Mr. MAPES. Then the original bill or the substitute offered by the gentlewoman from New Jersey would not be further considered?

Mr. RAYBURN. The gentleman is correct

Mr. RICH. Mr. Speaker, reserving the right to object, may I say to the majority leader that only about one-fourth of the Members of the House are present. This would put Members who are not here but who may be affected by this request in the position where they do not know what is going on.

Mr. RAYBURN. When the Chairman of the Committee of the Whole House on the state of the Union takes the chair he may make such an announcement, and there may be a few more Members here at that time. There is no way of waiting until 400 Members may come in.

Mr. RICH. Some of the Members who are interested in this bill may have substitutes to offer, and, of course, this unanimous-consent request may affect them.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE WAGE AND HOUR BILL

Mrs. NORTON. 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 (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, 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 (S. 2475) with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

Mr. HEALEY, Mr. LAMNECK, and Mr. WILCOX rose.

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. HEALEY. To propound a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HEALEY. Do I understand the Norton amendment is now before the Committee for consideration?

The CHAIRMAN. The gentleman is correct.

Mr. HEALEY. May I ask, Mr. Chairman, if there is any objection to that amendment being read by the Clerk by paragraphs so that Members may follow the bill and its consideration proceed in a more orderly manner?

The CHAIRMAN. Prior to that time the Committee of the Whole will have to consider any substitutes that may be offered for the Norton amendment, and the House has already given its direction to the Committee of the Whole.

Mr. HEALEY. Is there any objection to its being read by paragraphs so that the Members may follow the amendments more closely?

The CHAIRMAN. In the opinion of the Chair, that is a matter which may be submitted when the Norton amendment comes up for consideration and it is in order to offer perfecting amendments.

Mr. LAMNECK. Mr. Chairman, I offer a substitute for the Norton amendment.

The CHAIRMAN. May the Chair inquire whether any member of the Committee on Labor desires to offer a substitute? If not, the gentleman from Ohio offers a substitute amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAMNECK as a substitute for the committee amendment: In lieu of the amendment offered by the gentlewoman from New Jersey, as amended, insert the following:

"SEC. 1. (a) The employment of workers under any substandard labor condition in occupations in commerce, or directly and substantially affecting commerce, shall be an unfair method of competition in commerce within the meaning of section 5 of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914.

"Such unfair methods of competition in commerce shall be in all respects and to the same extent subject to the provisions and to the operation of said act as though the same had been specifically denominated by section 5 of said act as written.

"(b) When used in this section the term 'substandard labor condition' means a condition of employment under which (1) any worker is employed at an oppressive wage, or (2) any worker is employed for an oppressive workweek, or (3) where oppressive child labor exists.

"In the determination of whether a wage is an oppressive wage there shall be taken into account the cost of living in the community in which the employment exists; those considerations by which a court of law would be guided in a suit for the recovery of the value of services rendered at the request of the employer, where the compensation for such services had not been fixed by agreement between the parties; the wages established for work of like or comparable character in the same general locality by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and the wages for work of like or comparable character in the same general locality paid by employers maintaining minimum-wage standards.

"In determining whether a workweek is oppressive there shall be taken into account the relation of the work to the physical health, efficiency, and well-being of the worker, the number of workers available for employment in the occupation involved; and the hours of employment established for work of like or comparable character in the same general locality by collective labor agreements negotiated between employers and employees by representatives of their own choosing.

"There shall also be taken into account in arriving at either or both of such determinations, the contemporaneous financial condition of the employer and his record of earnings for the period of 5 years next preceding the determination, and such other considerations, general and particular, as may be relevant in the judgment of the Federal Trade Commission to the determination to be made.

"In neither of the above considerations shall any one of the considerations specified be governing, but weight shall be given to each to the end of securing for employees fair and reasonable compensation for services rendered and the most reasonable hours of work comparable with continuity of employment for the maximum numbers of workers and with due regard for the maintenance of fair and reasonable profits to employers.

"In determining whether employment of minors is oppressive child labor the employment of any individual under the age of 16 years shall be deemed to be oppressive child labor, and the employment of any individual between the ages of 16 and 18 years in any occupation generally recognized as hazardous for the employment of children of such age or detrimental to their health and well-being shall be deemed to be oppressive child labor.

"SEC. 2. Compliance by an employer with the laws of any State, within which such employment exists, prescribing wage and/or hours and/or child-labor standards applicable to the work covered by such employment shall be prima facie evidence that the conditions of any such employment are not substandard within the meaning of section 2 hereof, in the respects covered by such State law or laws.

"SEC. 3. (a) Except as otherwise expressly provided herein, terms used in section 2 hereof shall have the same meaning as when used in Federal Trade Commission Act, approved September 26, 1914, and the application of this act shall be subject to the same exceptions

as are expressly provided for in the case of the Federal Trade Commission Act by the terms thereof.

"(b) When used in section 2 or 3 hereof—

"(1) The term 'employment' does not include services in an executive, administrative, supervisory, or professional character or as an agricultural laborer;

"(2) The term 'State' shall include the District of Columbia and any Territory or possession of the United States, except the Philippine Islands;

"(3) The term 'wage and/or hours and/or child-labor standards' means provision for minimum wages and/or maximum hours of employment and/or prohibition or limitation of child labor in employment;

"(4) The term 'employer' or 'employers' includes an individual, partnership, association, corporation, joint-stock company, or any unincorporated organization; and

"(5) The term 'worker' or 'workers' shall mean any individual who is employed for hire in occupations specified in section 2 (a) hereof, subject, however, to the limitations imposed by subsection (b) (1) of this section 4, and subject further to the terms of such reasonable administrative regulations as the Federal Trade Commission may from time to time adopt limiting or modifying the operation of section 2 hereof in the case of learners, apprentices, handicapped workers, and in the case of overtime work, emergency work, continuous processes, and other situations requiring exceptional treatment in the judgment of the said Federal Trade Commission.

"SEC. 4. The Federal Trade Commission in the administration of this act shall from time to time adopt and enforce such regulations hereunder as may, after ascertainment of facts, be necessary in its judgment and calculated to carry into effect the purpose and intent hereof.

"SEC. 5. 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."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. LAMNECK. Mr. Chairman, I have only 5 minutes, and I do not know whether I can tell this story in that time or not.

Mr. HARLAN. Mr. Chairman, I rise to submit a unanimous-consent request.

The CHAIRMAN. The Chair cannot recognize the gentleman for that purpose unless the gentleman from Ohio [Mr. LAMNECK] yields.

Mr. LAMNECK. I yield, Mr. Chairman.

Mr. HARLAN. I ask unanimous consent that the gentleman, who has the burden of presenting this matter, be granted an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GRISWOLD. I object, Mr. Chairman.

Mr. LAMNECK. Mr. Chairman, I hope I may have the attention of the Committee, as I am not going to detain you long, but I would like to have the members of the Committee get the picture as I see it in introducing this amendment.

This proposed substitute places under the Federal Trade Commission the administration of this act. The Federal Trade Commission has been in existence since 1914. It has the confidence of the American people, and any bill that is referred to it for enforcement, in my opinion, will be enforced without any favoritism whatever.

My bill provides, in brief, that the Federal Trade Commission shall have the power to declare as unfair trade practices if any concern pays subnormal wages, employs persons for abnormal hours, or employs child labor; and by a simple order to cease and desist they can prohibit the shipment of goods produced under such conditions in interstate commerce.

This sort of law will not hurt business, except such business as ought to be hurt. It will not hurt the employees. It will not mean the loss of a single job in this country for anybody who is now working. The bill applies equally to every American citizen.

It is not a sectional bill. You do not need to make any exceptions under this bill. You do not have to exclude the man who produces turpentine, the man who is in the dairy business or in the corn business or the wheat business or any other business. This is an American bill that applies equally to every American citizen and shows no favoritism whatever.

I go back to the original intent of the hour and wage legislation and in my judgment the proponents of that bill wanted to control the pay and the hours of every man and woman who worked in the United States regardless of whom they worked for or how much money they got.

I will admit that the bill now before us in the Norton amendment provides for a limit of 40 cents, but that was not the intention, and I contend that the real promoters of this legislation want to pass a bill and adopt a principle that the President of the United States, whoever he may be, and a board or commission, shall have the right to say how many hours you shall work, how much money you shall receive, and I claim, Mr. Chairman, with all the sincerity I have, if such a bill is ever passed and the President in power uses the power under that bill, he can remain in office as long as he wants and can also name his successor.

Another thing I believe, and I believe it sincerely, the real intent of the hour and wage legislation as proposed and as was intended by the original sponsors is to distribute—I want you to hear me on this—the earnings of business regardless of whether the man or woman who works for that business is underpaid or not. This is what I think the intent of the bill is.

I want to call your attention to another fact. We are dealing with dynamite when we are dealing with this bill. Business is all shot to pieces, and it will be further destroyed if we pass any such bill.

I want to read from an authority. Here is a man who was with the N. R. A. for 2 years.

He had under his control 65 statisticians and when he was asked for an opinion as to the effect of hour and wage legislation said:

> It will mean the curtailment of employment of at least a half million men the first year of its operation.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended 5 minutes.

The CHAIRMAN. Is there objection?

Mr. GRISWOLD. Mr. Chairman, I object.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard in opposition to the amendment?

Mr. GRISWOLD. I do.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. GRISWOLD. Mr. Chairman, the House knows that I have opposed the pending substitute for the Senate bill, and everything that I have in mind in the way of opposition to that, and everything that those of us who believe in the fixing of hours and wages by Congress object to in the Norton amendment is also contained in this, but this goes much further than the Norton substitute. This substitute fixes no yardstick whatsoever. Under this you give labor not a thing in the way of fixing minimum wages or maximum hours. There are a lot of words, much to do about nothing, but it does contain vital errors. For instance, I read the provision:

> There shall be taken into account in arriving at either or both such determinations the contemporaneous financial condition of the employer and his record of earnings during the period of 5 years next preceding the determination.

To what employer does it refer? The employer in which plant? Is one employer on a particular street to have his inability to properly finance himself used as a basis for fixing of wages, while another employer on the same street, with ability to properly finance himself, with more energy devoted to his business, with better ability and more mental equipment, to have that taken into consideration and weighed in the scale against the inefficient employer, for the purpose of fixing wages and hours in those two plants on the same street? Is that the kind of wage and hour legislation you are going to adopt here? Will you adopt this substitute and penalize labor because it happens to be working for an inefficient employer, something over which it has no control? Or did the author fail to consider labor and did he want only to penalize progress and efficiency in industry? This Lamneck substitute destroys both.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield.

Mr. GRISWOLD. Yes.

Mr. RANDOLPH. It is a fact, is it not, that the Federal Trade Commission is overburdened now with duties not even close to what this substitute would affect?

Mr. GRISWOLD. The Federal Trade Commission started about 2 years ago to hold hearings on the pottery industry and is still holding hearings. It has never reached a decision yet on that one industry. How can we expect it to render a decision in all the industries of the United States with their varied ramifications when we fail even to set up a yardstick to guide them?

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. MAVERICK. The next section provides that compliance by an employer with the laws of any State shall be prima facie evidence that the conditions of such employment are not substandard. In other words, if that particular State should happen to have a low standard, that would break down the Federal control.

Mr. GRISWOLD. I would think it would, or even if the State had no law at all. In fact, this amendment contains not a thing that fixes any wage either high or low. The principal objective of the bill seems to be to increase the personnel of the Federal Trade Commission.

Mr. MAVERICK. In other words, this demoralizes the whole purpose of the legislation?

Mr. GRISWOLD. Yes.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. GREENWOOD. Will the gentleman explain under this proposal what would become of those wage and hour contracts that have been settled by unions and employers, whether they would be open to controversy, and also what becomes of the Wagner Labor Relations Act, whether it goes out of the window?

Mr. GRISWOLD. In my opinion, the Wagner Labor Relations Act would be annulled, and the wage and hour contracts made under it abrogated. Further, it would by implication repeal the Emergency Railway Labor Act and all other acts now in effect governing labor relations.

Mr. CELLER. I notice the following provision:

> There shall be taken into account in arriving at either or both of such determinations, the contemporaneous financial condition of the employer and his record of earnings for the period of 5 years next preceding the determination.

Would not that give rise to endless controversy, would it not be impossible to determine as far as the Federal Trade Commission is concerned?

Mr. GRISWOLD. I just discussed that phase. I think it would be impossible.

Mr. CRAWFORD. Mr. Chairman, can the gentleman tell us in what way people can be kept on the pay roll of any given institution if in the failure to take into consideration the financial position of that company, wages are set beyond the ability of the financial structure of the company to bear?

Mr. GRISWOLD. I may say this to the gentleman, and it is my position and my position only, that any industry in the United States or any plant in the United States that cannot pay a living wage and that reduces its employees to serfdom should not survive and that the Nation and labor and industry will be better off to have that plant bankrupt and out of business. Such a plant in its struggle for existence is a detriment to the rest of the industry, a danger to financial institutions, of no benefit to labor, and a menace to the community.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CRAWFORD. That comes back to what constitutes a living wage under given conditions.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word. It so happens that when the Federal Trade Commission Act was under consideration in the Committee on Interstate and Foreign Commerce in 1914 I was a member of that committee, and was appointed as a member of the subcommittee that wrote the Federal Trade Commission Act. The only reason that I take the floor at this time is because I think I know something about what the Federal Trade Commission Act was passed for, and what its functions were to be. For years the Federal Trade Commission did not function as those of us who were friendly to it hoped it would, and on the floor of this House during the consideration at one time of the appropriation for the Federal Trade Commission I made the statement that if the Federal Trade Commission were to go on with the personnel it then had and were to transact its business in the future as it had in the past, I thought the act ought to be repealed. But within the last 10 years there has been no commission in the Government that has done more to establish itself in the confidence of all right-thinking people than the Federal Trade Commission. [Applause.]

Being friendly to it, and knowing something about its functions and wanting it to go on serving the Nation in the next decade and in the decades to come as it has in the last 10 years, and with the overcrowded condition of its calendar and with a job big at the present time as its membership can perform, it would be most tragic if we put this extra work upon them; something, regardless of what may be said by the proponents of this amendment, that is entirely foreign to anything that anybody who had anything to do with the bringing into existence of the Federal Trade Commission ever thought it would function upon at any time.

I trust, therefore, that the friends of the Federal Trade Commission and the friends of wage and hour legislation of any sort or any kind will join in voting down the substitute. [Applause.]

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, I rise in opposition to the pro forma amendment.

I am very glad, indeed, to hear our distinguished leader praise the Federal Trade Commission, although at one time when we had a bill here during the last session, I remember he was trying to give certain duties to another commission. With this, we know who is going to perform. We have evidence now that they are high-class men, that they do their duty, but if you pass this other bill and let somebody else administer it, you do not know who it is going to be.

I say to you that the Federal Trade Commission has always handled these things satisfactorily and they are in a position to handle them satisfactorily. I think the House has confidence in that Commission, and you need not be afraid that that membership cannot handle this bill, if one man appointed under the other bill, can handle it at all.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I gladly yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does not the gentleman from Tennessee think that if the Federal Trade Commission would function to eliminate unfair trade practices and unfair competition and bring about an adjustment of prices in the country, we would be relieved of many of the problems that face the country today?

Mr. McREYNOLDS. I think they are acting on all those matters that are before them. They have always been very diligent, within the means of their appropriation. They will be diligent in this matter.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. COX. I would like to make the observation that I got out of the statement of our majority leader, evidence of very great friendship for the Federal Trade Commission and very great concern in sustaining the reputation of that Board, and that he would regard it as tragic that administering an impossible monstrosity, as this proposed legislation is, would have to be put under their jurisdiction.

Mr. McREYNOLDS. I think the gentleman is exactly correct. I think it is a monstrosity, but I would rather have the Federal Trade Commission try to administer the mon-

strosity than anyone appointed whom we do not know anything about. [Applause.]

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. RAYBURN. I find this to be true, if the gentleman will let me make this statement, I find especially on this side of the House that those who are opposing wage and hour legislation appear to be rather unanimously in favor of the Lamneck substitute.

Mr. McREYNOLDS. I think that is correct, because it is so much better than what you are offering.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. CELLER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not rise so much in opposition to the substitute that has been offered by the gentleman from Ohio [Mr. LAMNECK] as I do to methods of bill drafting. Of course the Lamneck substitute is palpably unconstitutional since it delegates to a Federal agency legislative powers, without proper standards or limitations. Why Brother LAMNECK selected the Federal Trade Commission to carry out his wage and hour proposals is beyond me. Clearly he is an obstructionist. He opposes the bill and wants to clog the legislative machinery considering the bill. Republicans and reactionary Democrats will join with the gentleman from Ohio to support the substitute amendment. "Anything to beat the bill" is their motto. They are doomed to defeat. This substitute amendment should be voted down and will be voted down.

WHEREAS CLAUSES

I notice in the Lamneck substitute amendment of the gentleman from Ohio a sort of a declaration of policy. I notice also in the bill that came over from the Senate there is a declaration of policy, together with a great many "whereas" clauses. I notice in the committee print, which is the substitute offered by the lady from New Jersey [Mrs. NORTON] there is likewise a declaration of policy embodied in the bill, and on pages 10 and 11 about a half dozen "whereas" clauses. "Whereas, the hours of labor," and so forth; "Whereas, such wide variations"; and "Whereas, substandard conditions," and so forth.

Now, "whereas" clauses have no place in legislation. Scan the statute books for 150 years, and you will find only rare occasions where they occur in completed Federal statutes. Sometimes in periods of emergency, such as in a war, bills or statutes may contain "whereas" clauses. I say to the gentlewoman from New Jersey that it is very dangerous to put "whereas" clauses in any kind of a bill or statute. They clutter up a bill. We on the Judiciary Committee uniformly strike out "whereas" clauses. Ofttimes, resolutions contain pages and reams of "whereas" clauses and finally at the end we find a simple statement of declaration as to the action contemplated or desired.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mrs. NORTON. The purpose of putting those in is to declare the intent of the bill.

I remind the gentleman further that we are advised that under a decision rendered by the Supreme Court it was shown that where the intent of the bill was declared it was held to be constitutional.

Mr. CELLER. Only in a case of "declaration of intention" did the Court so construe. I do not recall any decision of the Supreme Court giving an imprimatur of approval to "whereas" clauses in a statute. I do not stress these statements in opposition to the gentlewoman's substitute. I favor it and urge its adoption. I desire to perfect her substitute.

Page 1, line 7, contains the words "legislative declaration." Then follows section 1 (a) as such declared intention. That is fine. That is proper. But why the additional "whereas" clauses on pages 10 and 11? They add nothing. They are surplusage at best.

I am given to understand that former Senator Black, now on the Supreme Court, in pique and in anger wrote in these "whereas" clauses. They have no place in the bill. Furthermore, they delimit and narrow the purposes of the bill, because if in future years the conditions embraced in these "whereas" clauses no longer exist, then the Court, in endeavoring to find out what the statute means, would go back to these "whereas" clauses and say that, since such conditions do not exist, the act is not applicable. That may be the opposite of what you want. Let the law expand and be embraced in conditions which may arise in the future. The applicability of the law should not be limited to the conditions that existed at the time of the passage of the act. I am quite convinced that many of the conditions outlined in these "whereas" clauses will not exist 5 years or 10 years hence. When, then, a case comes before it the Court will say in construing the statute: "Since the conditions that were embodied in the 'whereas' clauses do not exist, the law is not applicable to the facts in the instant case." So I say to the gentlewoman from New Jersey that the "whereas" clauses delimit the jurisdiction of the bill. She should broaden, not lessen, the application of the bill.

"Whereas" clauses are nothing but propaganda; they are arguments for the bill; they are arguments that should be presented in the Well of the House, not in the bill. They are argumentative, and in many instances they are faulty. If they be faulty, then, again, the bill is jeopardized with reference to construction. I say to the gentlewoman that it would be well indeed for her to ponder this situation very carefully, and when the time comes a motion should be made to strike out these "whereas" clauses.

The Members of Congress are well aware of the reason for the passage of the bill, and we need not have them in the bill itself in the form of "whereas" clauses.

LABOR SCHISM

It is indeed regrettable that labor cannot and does not present a united front on this bill. We Members are every moment importuned by this faction and that faction of labor. Their demands are irreconcilable. I have always been a friend of labor. I have striven constantly, I can pardonably say, to carry out labor's wishes not only in advocacy and support by legislation sponsored by labor but also in my votes thereupon. I have always been endorsed for reelection by labor every time I ran. I have earned, I hope, those eight biennial endorsements. I am here 15 years. I hope I can continue to earn labor's approval. In my work on this bill before us I am acting, according to my belief, sincerely in the interests of labor as a whole. Unfortunately I cannot please all labor factions. Let these factions realize the plight and difficulty of a Representative. I hope they will be sympathetic and understanding.

How glorious it would be if labor were not divided. May the day be near at hand when peace and harmony will prevail and labor schisms no longer will exist.

DIFFICULTY IN PASSING ANY BILL

The geographic and economic and political divisions of this House makes passage of any labor bill difficult. There are scores here who would oppose any labor wage and hour bill, no matter what its provisions. They glory in the present labor's schism. They aid and abet dissension and disunion. They applaud the causes of labor's discomforture and are happy at our embarrassment.

CHILD LABOR

These opponents do not want any interference with child labor. Frankly, I want to take immature children from mill and factory. I want to save those millions of children from industrial slavery, from economic serfdom. The salvation of these children trenscends all other considerations. At least all factions can agree that child labor must be no more. Reactionary Republicans and blinded Democrats can rant and rail all they desire, but I say even if the bill before us is not perfect, and it is not perfect mainly because it banishes child labor, regardless of its faults the bill must primarily win my vote.

Mr. MICHENER. Mr. Chairman, I rise in opposition to the pro forma motion.

Mr. Chairman, throughout the debate, much discussion has been indulged in as to the attitude of William Green, president, American Federation of Labor, and John L. Lewis, head of the Committee for Industrial Organization, toward the legislation we are now considering. Two definite conclusions, however, can be stated with certainty:

First. The pending bill is opposed and condemned by the American Federation of Labor.

Second. The pending bill is sponsored and advocated by the Committee for Industrial Organization.

If the Members of Congress want to follow the leadership of William Green, they have but one course to pursue, and that is to vote to recommit the bill, and in case that vote fails, then to vote against the passage of the bill.

On the other hand, if the Members want to follow the leadership of John L. Lewis there is but one course to pursue, and that is to vote against recommitment, and for the passage of any bill presented for a final vote.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished gentleman from Connecticut.

Mr. PHILLIPS. I would like to ask the gentleman if he is really in favor of wage and hour legislation.

Mr. MICHENER. I am certainly not in favor of any such extreme legislation as the gentleman proposed in his amendment introduced on yesterday——

Mr. PHILLIPS. The gentleman has not answered my question.

Mr. MICHENER. I am answering the gentleman's question. Just give me time. The amendment offered by the gentleman yesterday is not supported by any reliable labor organizations, or business or industrial leaders, and I hope that the gentleman did not want to demagogue when he made the proposition.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield for a further question?

Mr. MICHENER. I am sorry, but I cannot yield further.

Mr. PHILLIPS. The gentleman is not answering my question.

The CHAIRMAN. The gentleman from Michigan declines to yield further.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me for a short question?

Mr. MICHENER. My time is very limited, but I yield for a short question only.

Mr. COLMER. Do I understand a fair inference from the gentleman's statement is that a vote in favor of this bill would be a vote in favor of the C. I. O. as against the A. F. L.?

Mr. MICHENER. That is not only the inference but the fact so far as the support of this bill is concerned. Some of the Members, including the chairman of the committee, smile at this. The truth about this particular matter, though, may have much effect on the vote of some Members of the House. In the language of one of our very distinguished national figures, "Let us look at the record."

The Senate bill, S. 2475, passed the Senate and came to the Labor Committee of the House during the last session of Congress. Apparently the committee was divided, and quarreled over the bill for a long time. Finally, the distinguished chairman, the lady from New Jersey [Mrs. NORTON], advised the House that she had directed communications to both William Green and John L. Lewis as to their attitude toward the Black-Connery bill. In response to those communications, on November 22, 1937, William Green addressed a letter to the chairman, stating clearly the position of the A. F. of L. Among other things, he said:

> On August 9, 1937, the American Federation of Labor stated as its position on the fair labor standards bill, as approved by the House Labor Committee, that the bill "was reasonably acceptable and fairly satisfactory to labor."

However, Mr. Green, continuing, advised that the American Federation of Labor had changed its attitude and protested most strenuously against the Board set up in the bill. He called attention to the unfairness of the National Labor Relations Board, and feared a repetition. He also called attention to the fact that economic conditions were different in the country at this time than they were when the original approval was given. Speaking of these conditions, he said:

> For labor this recession already has assumed the proportions of a serious depression.

He concluded his letter to Mrs. NORTON, as follows:

> The American Federation of Labor feels, however, that the character of the changes in the present draft of the fair labor standards bill, now before the House Rules Committee, are such that proper consideration thereof can only be had before the House Labor Committee, where it was originally considered, rather than on the floor of the House. It seems, therefore, that the draft should be referred back to that committee for amendments or that a new bill be substituted.

The Norton amendment, which is now before the House as a substitute, changes the administration of the law from a board of five to an administrator in the Department of Labor.

On December 10, 1937, Mr. Green, as president of the American Federation of Labor, addressed a letter to every Member of Congress, enclosing an analysis of the Norton substitute for the Black-Connery bill, which the House is now considering. In that analysis he condemned in no uncertain terms the bill the committee is now asking us to enact into law. Among other things in that letter, Mr. Green said:

> It is inconceivable that Congress would vote to confer upon a single Government administrator such broad, definite, and comprehensive power. Under this amended act the power of the Board, as provided for in the original measure (to consist of five members), would be fixed in a single administrator.

Continuing further in the analysis, he said:

> If the Board is dangerous, even under such circumstances, and unacceptable, certainly the Administrator is even more dangerous and should be rejected.

Understand, Mr. Green is speaking of the Norton amendment, which is now being suggested by the committee.

Is there any doubt in anyone's mind as to the attitude of the American Federation of Labor? If so, let him remember that the Dockweiler amendment—the American Federation of Labor bill, presented by the gentleman from Indiana [Mr. GRISWOLD]—was defeated at the behest of the House leadership and a majority of the Committee on Labor.

I pause here to read a telegram just received, addressed to me from William Green, president, American Federation of Labor, which is as follows:

> Because the pending wage and hour bill is highly objectionable to membership of American Federation of Labor, I respectfully request you vote to recommit to the appropriate committee for revision, study, and necessary changes, in order to make it a practical and constructive measure.

Of course, this clinches the matter, and everything said heretofore about the position of the American Federation of Labor is prologue.

Now, let us see what the Committee for Industrial Organization has to say about this legislation. In answer to Chairman NORTON's letter, addressed to John L. Lewis, at the same time she inquired of William Green, labor's Non-Partisan League gave out a statement, under date of November 18, 1937, stating that—

> The league favors immediate enactment of the Black-Connery fair labor standards bill. The league will exert all the influence at its command through its Nation-wide organization on behalf of prompt passage of this legislation.

Under the same date John L. Lewis, referring to the bill, replied to Chairman NORTON's letter, and his letter concludes as follows:

> That every effort should be made to bring about its passage at the earliest possible moment.

If there is still doubt in anybody's mind as to the attitude of the C. I. O. toward this legislation, let me call your attention to letter dated December 17, 1937, addressed to every Member of Congress, signed by Homer Martin, international president, United Automobile Workers of America, the largest affiliate of the C. I. O., and the organization that introduced sit-down strikes in the labor movement in America. Mr. Martin's letter reads in part as follows:

1. That our Union considers it vital to the security and welfare of its members that you cast your vote and use your influence in favor of the Black-Connery fair labor standards bill.

2. That we consider it equally vital to the security and welfare of all wage earners, and therefore of the country as a whole.

3. That representatives in Congress who vote against or fail to vote or pair in favor of the bill, are thereby placing themselves on record as opposed to the best interests of their constituents.

4. That an unfavorable vote on this bill or failure to vote or pair in favor will not be forgotten next year when representatives ask their constituents to reelect them, as this will be the acid test of a representative's real position.

5. That this is not a political threat but a frank expression of conviction and fair notice that Representatives who do not represent cannot expect support.

Again I ask, is there any doubt in any Member's mind as to the attitude of the C. I. O. toward the Black-Connery bill, or its successor, the Norton amendment? This threat is an insult to the independence of every Member of Congress. Members will vote their convictions.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished chairman of the committee.

Mrs. NORTON. In the consideration of this bill, is the gentleman following the labor organizations or is he following the purposes of the bill?

Mr. MICHENER. I am not following these two labor organizations, because that would be impossible and, in the second place, there is much difference of opinion as to just what the purposes of this bill are. Being uncertain as to that, I say again that I must be better satisfied as to just what will be accomplished before I would be justified in voting for the measure.

Inasmuch as the chairman of the committee has indicated that possibly there may be Members among us who follow a particular labor organization, let me say that, as one Member of Congress, it makes no difference to me whether the A. F. L. is for legislation, whether the C. I. O. is for it, whether the National Chamber of Commerce is for it, whether the National Manufacturers' Association is for it, whether Frank Hague, of New Jersey, is for it, or whether the great farm organizations of the country are for it. All of these organizations represent groups of our citizens with various interests, and their suggestions and advice in connection with legislation should not only be welcome but sought by Congress. In the final analysis, however, Congress must do the sifting, taking the good from the bad, and any bill when it leaves the House should be the composite of the best conscientious conclusion of the majority of the House. There are too many blind followers of partisan, selfish, and prejudiced organizations or leaders in the country today. I hope none of these followers are in Congress.

If the chairman of the committee wants to know whether or not I believe in organized labor and collective bargaining, my answer is an emphatic "yes." If she wants to know if I believe in the philosophy of sit-down strikes, my answer is an emphatic "no." If she wants to know whether or not I am in favor of pushing this bill through because the C. I. O. is back of it, my answer is "no." And if she wants to know if I am opposed to the bill because the A. F. L. is opposed to it, again my answer is "no."

I am opposed to the bill because:

First. The Black-Connery bill sets up another bureau or commission. The Norton amendment places the same powers in an administrator or the head of another bureau. More, more expense; more power in Washington.

Second. I do not believe that any agency responsible to the Executive or to any bureau chief should have the discretion to fix and limit hours and wages throughout the length and breadth of our land.

Third. I am satisfied that if this bill became a law at this time it would throw many thousands of people out of work and would increase instead of decrease unemployment.

Fourth. The wage fixed would be the maximum wage, and the hours fixed would be the minimum hours.

Fifth. Arbitrary fixing of wages by any bureau or agency would militate against small industries and prevent the development of new industries.

Sixth. Every farm organization and the farmers generally throughout the country are absolutely opposed to this regulation.

Seventh. I believe that the bill would be a direct hindrance to economic recovery, and agree with William Green that its enactment at this time would be a national menace to recovery.

Eighth. I believe that a yearly income, rather than an hourly income, must be at the bottom of proper living standards for our people. In many industries in my State the wage earners would actually receive a smaller weekly check under this law than they are now receiving. These people do not want such legislation.

Ninth. This legislation is an effort to revive the drastic provisions of the defunct and discredited N. R. A.

Tenth. I believe that a vast majority of my constituents do not favor the enactment of any law at this time that will increase the cost of living, as this law surely will.

Eleventh. Industry and labor should be given a chance to revive. This epidemic of governmental control, social and economic reform, and planned economy should stop and stop now. Let us begin by recommitting this bill to the committee.

Mr. DIES. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. Has the gentleman reduced his motion to writing?

Mr. DIES. I will do so if the Chairman requires it.

The CHAIRMAN. The Chair would request the gentleman to reduce his motion to writing.

Mr. PACE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have not taken any time to speak on this bill, and I would therefore appreciate your close attention.

A great deal has been said about the South in connection with this legislation. My home is away down in Georgia. I believe the people of my State and the representatives of my State desire that our wage earners have just as good wages, just as many pleasures, and just as many comforts as those in any other part of the Nation. I have not been enthusiastic about the committee bill, but I believe the situation is partially taken care of in the pending substitute. If you were to go to my home, you would find that the committee bill will do two things. It would throw thousands of people out of employment and it would close down thousands of places of business. What is to become of the small businessman or the man whose business is in bad financial shape, those who are not able to pay 40 cents an hour or to comply with the standard fixed by the Board or the Administrator? Must they go out of business?

Mr. Chairman, it seems to me that those men in my section and your section of the country who have a little business, who are fighting for their wives and their children, have just as much right to keep up their fight as have the wage earners. [Applause.] And what would you do with those thousands and thousands who are kept on the pay roll today for the sole and single purpose of keeping them from starving to death? Shall we cut them off? Those who cannot produce a product that we can sell commensurate with $3.20 a day at present prices.

Mr. Chairman, all I am asking for my section—and I want my people to have everything your people have—is that you be reasonable, that you fix it so that we can take care of those who cannot take care of themselves, and that we can take care of that man who is in business and who is trying to make an honest fight to support his wife and children, because he is still, if you please, an American citizen. [Applause.]

Would it be wise to pass a law that would run the little man out of business and leave the public at the mercy of big business? What would happen to the cost of living? Would it be wise to pass a law that would deny work to the unfortunate and less able?

That the committee bill is not satisfactory, not even to those who labor, is shown by a telegram which I have just

received from Mr. William Green, president of the American Federation of Labor, as follows:

Because the pending wage and hour bill is highly objectionable to membership of American Federation of Labor, I respectfully request you to vote to recommit to the appropriate committee for revision, study, and necessary changes in order to make it a practical and constructive measure.

From this telegram it will be seen that Mr. Green and the millions of workers who are members of his great organization want a practical measure and that they do not consider the pending committee bill either practical or constructive.

And what kind of law does the President of the United States want? We also received a message from him, and what did he say? The President said:

We should provide flexible machinery which will enable industries throughout the country to adjust themselves progressively to better labor conditions.

The pending committee bill is not practical nor constructive as wanted by the wage earners. It is not drawn so as to insure industry that it will be permitted to adjust itself progressively to the higher standards which the President requested. It is not drawn so as to protect the small-business man or the less efficient workers.

On the other hand, it seems to me that this substitute now before us is practical, constructive, and guarantees a progressive and orderly adjustment of low wages and long hours, referred to as "substandard labor conditions." I refer to the following provisions:

When used in this section the term "substandard labor condition" means a condition of employment under which (1) any worker is employed at an oppressive wage, or (2) any worker is employed for an oppressive workweek, or (3) where oppressive child labor exists.

In the determination of whether a wage is an oppressive wage there shall be taken into account the cost of living in the community in which the employment exists; those considerations by which a court of law would be guided in a suit for the recovery of the value of services rendered at the request of the employer, where the compensation for such services had not been fixed by agreement between the parties; the wages established for work of like or comparable character in the same general locality by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and the wages for work of like or comparable character in the same general locality paid by employers maintaining minimum-wage standards.

In determining whether a workweek is oppressive there shall be taken into account the relation of the work to the physical health, efficiency, and well-being of the worker, the number of workers available for employment in the occupation involved; and the hours of employment established for work of like or comparable character in the same general locality by collective labor agreements negotiated between employers and employees by representatives of their own choosing.

There shall also be taken into account in arriving at either or both of such determinations, the contemporaneous financial condition of the employer and his record of earnings for the period of 5 years next preceding the determination, and such other considerations, general and particular, as may be relevant in the judgment of the Federal Trade Commission to the determination to be made.

In neither of the above considerations shall any one of the considerations specified be governing, but weight shall be given to each to the end of securing for employees fair and reasonable compensation for services rendered and the most reasonable hours of work compatible with continuity of employment for the maximum numbers of workers and with due regard for the maintenance of fair and reasonable profits to employers.

In my opinion these provisions, this yardstick, would progressively bring about better wages and shorter hours, abolish the sweatshop and child labor, and do it in a reasonable, practical, and constructive manner, fair both to those who do the work and those who provide the jobs. And more than that, it will be a sensible step toward solving one of the greatest problems facing us today; that is, providing private employment for the millions now without work.

I want to see the men and women who work from day to day receive not only a living wage, but a profitable return from their daily efforts. Progress has been slow for the wage earner in securing improvement in his living conditions, a better and safer place in which to work, and recognition of his rights in the economic set-up. But there has of late been substantial progress along those lines.

During the last few years, through the cooperation of a sympathetic Congress, and under the leadership of a great Democratic President, Franklin Roosevelt, the rights and necessities of the wage earner have received greater recognition than in all the years before.

The right to organize and bargain collectively is a part of the basic law of the Nation.

The right of the worker to choose his own representative or spokesman is now protected by law.

A Federal old-age-benefit program has been set up, under which 32,000,000 have applied, including 527,000 in the State of Georgia.

Every State, except one, now has a program for aid to the needy and aged, under which nearly $30,000,000 of Federal, State, and local funds are paid out each month to 1,500,000 of those in distress.

Unemployment compensation has been arranged for over 21,000,000 workers, of which 306,000 are in the State of Georgia.

From the dawn of human history man has striven, without ceasing, to maintain and improve his economic welfare. The struggle for existence controls not only man, but all creatures under heaven. The wage earner first struggled to exist, and now, with a certain condition of existence assured, he struggles to improve his manner of living.

This desire, this yearning to climb the scale of living, is just as human, just as real, as was the earlier struggle for bare existence. Our forefathers assaulted the barriers and overcame the burdens which Nature itself had thrown up against the march of civilization. Their children's children now seek to overcome the obstacles and improve the social and economic conditions which bar their way to a happier, a healthier, and more abundant life.

In this struggle for better things I would counsel the selection of wise, loyal, and 100-percent American leadership.

To our zeal, enthusiasm, and determination I would add a good portion of common sense, patience, tolerance, and understanding.

I would always bear in mind the fate of the one who killed the goose which laid the golden egg.

The most powerful force in this Nation today is public opinion, and there is one characteristic of the American people which is outstanding and which should never be overlooked in treating with any public question. That is good sportsmanship, in that the people demand a fair and a square deal, and they will not support any person or any movement that bears evidence of unfairness or taking undue advantage.

That is why we condemn that corporation which pays its president a salary of one hundred or two hundred thousand dollars a year and then works its employees long hours at starvation wages.

That is why we refuse to uphold the money lender who takes advantage of the misfortune or urgent needs of a borrower and charges an unconscionable rate of interest.

That is why we must legislate against the employer who regards the worker as no more than a cog in the machine; who forgets that from the heart of him who labors there springs every motion of hope, love, and ambition known to the human spirit.

That is why one who seeks to speak for those who work from day to day, which high privilege I claim, can find no sympathy for those employers who would deny the workers a fair share in the profits of their employment, and who seek to increase their own gain by denying the worker a safe and healthy place in which to work, reasonable hours of labor, and a living wage.

A wage in keeping with the type of work, the nature of the business, the conditions of employment, the cost of living, the proper maintenance and education of the family, the need for recreation, and some provision for that day when the worker's strength is gone and his uncertain step turns toward the setting sun.

That employer who forgets or refuses to recognize these rules of the game of life, these standards of a fair and square

deal, can never hope to gain and hold the support of that all-powerful force known as public opinion.

But, on the other hand, he who labors from day to day must remember that the divine command, "Do unto others as you would be done by" applies with equal force to him.

While there rest with him definite human rights and social privileges, he can make no permanent progress if he disregards the fundamental rights of those who have made the investment and provide the employment.

Neither can any good come to any of us through creating and inflaming a spirit of class hatred. This Nation was founded in order to escape the harmful effect of class arrayed against class; its future greatness will depend upon our respecting the natural and constitutional rights of every citizen, be he high or low, great or small.

I refuse to believe that every man who has made a success has done so at the expense of others.

I refuse to believe that every man who has accumulated some of this world's possessions is an economic royalist and should be shot at sunrise.

I refuse to believe that ambition, intelligence, untiring energy, executive ability, and the practice of thrift and economy are no longer entitled to their just rewards.

I refuse to believe that through organization or for human or sentimental reasons a man gains any right to become lazy, inefficient, disloyal, or to disregard his contracts.

On the contrary, when through organization and legislation we compel the employer to respect the human, the economic, and the social rights and needs of the worker, in return the worker should respect and protect the economic and constitutional rights and needs of the employer.

To the employer the worker owes a high degree of loyalty and sympathetic cooperation. His job is his business and the success of the enterprise in which he is engaged is reflected in the character of the service he renders.

In return for such loyalty and cooperation a profitable business should pay a profitable wage.

I have been deeply impressed by the loyalty and active support which the railroad employees give to the railroad management. It seems that every man on the road is a salesman and a booster. They help to find business, to keep business, to create business. They try to do 8 hours' work for 8 hours' pay. And from this fine spirit of cooperation has come the fine relationship that now exists between the railroad employee and management.

We can draw another lesson from the same source. Industrial disorders have practically ceased in railroad circles, and in my judgment this condition has been brought about by two things—paying a profitable wage and the arbitration of all wage differences which arise.

I look to the day when the same condition will exist in every branch of industry; when the costly strike will come no more; when through collective bargaining, mutual respect and understanding, and a proper balance of the human and commercial impulses, the employer and the employee, either in person or through their chosen representatives, may draw up their chairs and settle their differences promptly and peacefully; having due regard not only for their own respective rights and needs, but also for the rights and needs of that greater multitude, the consumer, who must pay the bill in the end.

There are some who have said they would be master. But if I know the American people, they do not want and will never submit to any master. In our veins flows the blood of free men, inherited from forefathers who loved liberty better than life, and I can never believe that either capital or labor will permit the other to enter a servitude that is out of place in this land of the free.

No; that is not what we want or need. All we must have is a mutual understanding and for big business to recognize and respect the rights and needs of those who have labored to make it big.

If I judge correctly the sentiment of the American people today, they want peace.

They want peace among the nations of the earth, and they insist that this Nation remain free from the passions, the prejudices, and the propaganda so prevalent in foreign lands. They insist that the profits be taken out of war; that sordid selfishness and the passion for personal gain shall never again put our boys in the trenches at a dollar a day while the munitions makers are making millions out of war profits.

And the American people also want peace within our own shores, domestic and industrial peace and understanding around our own firesides. They want civil strife to cease and the principles of mutual respect, tolerance, and sympathetic understanding to prevail.

Industrial disorders cause an enormous economic waste. They slow down production, reduce pay rolls, and increase the burden of the consumer. They have been regarded as necessary in the past, but the Wagner Labor Relations Act has given labor such solidarity and cohesion that it is now able to meet capital on equal terms.

Capital, out of respect for that act as the law of the land, and labor, in grateful acknowledgment and appreciation of the rights and protection which that law affords, should now both be willing to adjust their affairs and settle their differences promptly, peacefully, and in keeping with the respective rights of each other.

I hope it can be said that I tried always to promote the welfare of the employee and protect the fundamental rights of the employer. And that, in my effort to be fair to both, I also tried to guard and defend the interest of those millions who must buy the necessities of life which are produced through the joint efforts of capital and labor.

We should drive the alien agitator from the ranks of labor and free the American worker from the burden of alien competition.

Social unrest gives the alien agitator a fertile field in which to work. While in the midst of a fight, we are all tempted to accept the assistance of anyone who offers help; but the Communist organizers have no real interest in the worker's permanent welfare, and are seeking to take advantage of discontent and disorder in order to promote their frightful communistic beliefs.

They welcome economic dislocation. They delight to see class arrayed against class. They fan the fires of hatred between capital and labor. They preach the doctrine of hate. They conceal their purpose. They despise American ideals. They seek revolution and the overthrow of democratic government.

We should drive them out. Treat them with no more consideration than you would the prowler at night who seeks to destroy your home or harm your family.

In this land of freedom, American citizens want neither the communism of Russia nor the fascism of Germany. One is just as bad as the other.

Have you investigated the condition of labor in those two countries, the two that are in greatest contrast to democracy? Both live by force, and force alone. Both have dictators as ruthless as an emperor.

In Russia the laborer is denied all personal gain and must work only for the common good.

In Germany the laborer is in slavery, is denied the right to strike, the right to organize, the right to bargain, and must work as, when, and where the ruling power dictates.

Do you know what communism is? It stands for hatred of God and all forms of religion; the abolishment of marriage; the destruction of private property; the promotion of class hatred; the denial of all forms of representative or democratic government; the abolishment of freedom of speech, freedom of press, freedom of assembly, and trial by jury; and the promotion of a class or civil war by force, violence, and revolution.

And what do they promise you for this destruction? They say that neither you nor anybody else will have anything, and therefore you will then be as good as anybody. In return for being on the bottom and having everybody else down there with you they would destroy the American system of

government, under which our forefathers have builded the greatest, the most powerful, and the richest nation on earth, where our wage earners are even now the best paid, the best housed, the best fed, the best clothed, and the most contented and free on the face of the earth.

When they sing the song of the Soviet ask them why they let 6,000,000 people starve to death in 1933 and 1934, right in the middle of that part of Russia that was once the granary of Europe. Why, if we let just one person starve in this country we never hear the last of it. Half of the population of Russia would move out tomorrow if the immigration barriers were let down.

Free American labor should drive out the alien agitator who would make them like the regimented, ticketed, terrorized, and forced labor of Russia and Germany.

I call upon you, if you love your home, if you prize the right to work, if you appreciate your family, if you value freedom of speech, if you enjoy the profits of labor, if you fear God and love liberty, I call upon you to drive out any alien agitators who seek to arouse passions to the point where some would destroy the greatest blessings known to civilized government—the inalienable right to life, liberty, and the pursuit of happiness.

It is of equal importance that we close our doors to the aliens coming to our shores and deport those now in this country.

While we struggle with the intricate problems of unemployment and distress among our own citizens, we shelter at least 4,000,000 foreigners who entered this country illegally and in utter disregard of our laws.

They can never secure American citizenship because they came here in violation of law. They owe no allegiance to our flag and have no respect for our Government.

They grasp every opportunity for personal gain, receive the benefits of our charitable impulses, swell our relief rolls, and hold jobs while loyal American citizens are without work.

We are living in the age of the machine. Every year new machines are invented to do the work of thousands and thousands of men and women. Without any additions from foreign lands we are going to have our hands full in trying to provide employment for those being displaced by inventive skill and for the natural increase of our own population.

We treasure our American citizenship as a priceless heritage. It is, and we should keep it so. We should guard and defend it and our democratic form of government against all enemies.

Yet we keep open our doors to foreign elements of most every race, class, and creed, who journey here solely to cash in on the great resources of this Nation. Many of them, while claiming the protection of our laws, seek to undermine and defeat constitutional democracy.

Thus we cheapen and endanger the citizenship which we cherish so highly. I believe the time has come to close our doors to such immigrants and rid our shores of such undesirables.

No longer should we permit America to be the asylum for the people of other lands or the dumping ground for Europe.

Instead we should make it and we should keep it, as our forefathers intended, the land of the free and the home of the brave—first, last, and always, an America for Americans.

Mr. BERNARD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, every Member of this House is a friend of labor. Every Member who has spoken on this bill has come out and told us frankly, without mincing words, that he is a friend of labor. Never before has labor had so many warm friends in Congress. I am worried about big business, which seems to have lost its old friends and spokesmen, all of whom, from both sides of the House and all sections of the country, have suddenly gone over to the side of the workers. As one who has always spoken for the underdog, I wonder if I ought not speak today for America's friendless and downtrodden industrialists.

All these friends of labor have become friends of wage and hour legislation. Some kind of wage and hour legislation, but not this legislation. Not the Fair Labor Standards Act, which is before us now. Not the bill 218 Members acted to bring before this House. What kind of legislation do these new friends of labor and of fair labor standards want? They want any kind of legislation guaranteed not to pass.

That is why they point out weaknesses in the present bill and do nothing to strengthen it. The gentleman from Texas, labor's friend and one of the best orators in this House, is against the bill. Why? Well, for one thing, because he estimates that it will aid only half a million workers.

I have a constituent back home, a good American in spite of his Italian accent, a worker who has toiled in this country for 40 years and raised 10 good American children. If I told this old friend, Tony, "Tony, I voted against this bill because it only helps half a million people," I know what Tony would answer.

He would say:

> Mistre BERNARD, whassa matter? You meana to tella me you not vota for dissa bil because it joosta help halfuna million peepla? Whassa matter you no fixum up so help five milliona—ten milliona—peepla? If you no can fixum up, atsa better to help halfuna milliona peepla than notting. If you can help one peepla, is pully good. Mistre BERNARD, I no understand thata kind business.

The gentleman from Illinois [Mr. KELLER] agrees with Tony. He said that any bill is better than no bill. I agree with my friend Mr. KELLER, and my friend Tony.

But there are some friends of labor who seem to think that no bill is better than the best bill. This morning's New York Times describes their position like this:

> Republican and Democratic opponents of any Federal legislation of this nature view the situation with considerable satisfaction, believing that they can throw their strength to various groups among the bill's supporters in such a manner as to produce a large group of dissidents who will finally combine with them to recommit the bill.

Mr. Chairman, in spite of the President's urgent recommendation of its passage, this bill has already gone over from the first session of this Congress to the special session. We have already delayed too long. Having just freed it from the smothering embrace of one committee, are we going to send it to its death in the arms of the committee that mothered it? Senate 2475 is not a perfect bill. But it is the best bill we have got. Let all true friends of labor get together and pass it—now! [Applause.]

Mr. LANHAM. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, all right-thinking people are interested in proper wages and proper hours of work for those who toil; but, in my judgment, the measure as proposed by the committee, which is the one I am persuaded we shall finally be called upon to vote, is a step away from any assurance of permanent security in that regard.

My principal objection to that proposal is that I believe it to be decidedly and dinstinctly un-American. It provides for the establishment of a dictatorship over labor and over industry, the identity of the dictator yet unknown and undisclosed. Dictatorships may arise in an hour, a day, or a year, but democracies come through long periods of time in growth and development, attended by suffering, turmoil, and hardship, and sometimes even by battle and bloodshed. Such has been the history of our country. It did not come to us through the inspiration or the impulse of a moment. It was a heritage of the ages and represented the struggle of the Anglo-Saxon people throughout many centuries to get for themselves the privileges that were rightfully theirs.

Though George Washington did not give expression to the proverbial phrase, "Government of the people by the people and for the people," he sponsored the principle that made that phrase possible.

Mr. Chairman, in my judgment, this dictatorship proposal of the committee is an effort to start in our country some of the things that are in vogue in certain countries across the sea. Free peoples seldom lose their liberty on the battlefield, but frequently they sacrifice and surrender it through lack of

vigilance in times of peace. With all these spurious governmental isms from abroad being preached in this country, I think the American people should be notified that over there among those who live under such regimes 90 percent of the people would come to our shores if they could possibly find a way to do so, in order that they might live under the free Government of America and under the Stars and Stripes.

This bill proposes a step in the direction of autocracy and bureaucracy, which was the initial step in depriving the people of some of those countries abroad of the liberties which were rightfully theirs.

Let us not launch upon this dangerous policy. In those very lands they who labor have been reduced to serfdom and to slavery, and they live in a state of abject fear, denied even the right of freedom of speech.

What would happen in those countries if the present dictators should pass from the scene? You do not know and I do not know, because those governments and those policies are ephemeral. They cannot endure through the ages as the principles of our Government have endured. When we built we built for permanence and we established this Government of ours upon those rights of the people which must endure through all the ages if government itself is to endure.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. In that regard, let me bring this to your attention. James Russell Lowell was a great American poet, but in addition he was a statesman of no mean ability. In the early days of our governmental history on a visit to France he met Francois Guizot, the distinguished historian, who had served as Prime Minister. This great Frenchman asked him how long the American Republic would endure, and James Russell Lowell answered wisely, "As long as the principles of its founders remain dominant in the hearts of its people" [applause]; and that, my friends, is true. Let us also be true to those age-old hard-won principles which those founders gave us, and not turn this country of ours into a totalitarian state based upon the combined principles of fascism, nazi-ism, and communism. [Applause.]

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Minnesota [Mr. BERNARD] stated that labor had many friends in the House, perhaps meaning that some of those who professed to be its friends were not friends of labor.

Mr. BERNARD. I meant that.

Mr. HOFFMAN. Granting to all Members of the House the same honesty and sincerity which the gentleman claims for himself, it may be true that some of those who in their own wisdom and, may I say, egotism think they alone are friends of labor, are not doing as much for labor as they think they are. Neither the gentleman from Minnesota nor any group has the right to claim to be the only friends of labor in this body.

I recall very distinctly that last spring when John L. Lewis and his C. I. O. had driven hundreds of men from their work in Michigan, the gentleman from Minnesota [Mr. BERNARD] was up in the northern part of Minnesota talking about striking and closing mines.

Mr. BERNARD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; I decline to yield now.

I have been wondering how much, if anything, the gentleman received at that time as an organizer.

Mr. KVALE. Mr. Chairman, I make the point of order the gentleman who is addressing the Chair is addressing his remarks to my colleague and is acting in a manner unbecoming his office.

Mr. HOFFMAN. I am replying, if the Chair please, to the statement made by the gentleman from Minnesota [Mr. BERNARD] that those who professed to be friends of labor were not, and who directed his remark to me.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. Who are the friends of labor, those who go about closing the places where jobs are given, those who organize and drive men from their work, or the men who keep the factories open, who meet the pay rolls, and who provide the jobs? Who are the true friends of labor?

Mr. BERNARD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; I do not yield.

Comparisons are odious; none will be made. It should not be forgotten that last January and February—yes, on through into March and April—when, on the floor of this House, some of us were doing battle for the right of the worker to his job, were fighting for the worker's right to employment, to retain the job he had held perhaps for years, for the privilege of earning his own food, clothing, and shelter; were opposing the riots, the civil strife brought to our cities and our State by the C. I. O. and its supporters, others were supporting that organization at the very time it was driving the laboring man from his job, demanding that he sign on the dotted line, pay tribute to its leaders, in order that he might retain his job.

No one can camouflage the issue; no one who does not see through their hypocrisy; no one is longer deceived as to their real purpose, which was to subject labor to the yoke imposed by them to levy tribute upon the honest toiler.

When the attack was made on the American Federation of Labor; when the N. L. R. B., the Senate Civil Liberties Committee, John L. Lewis, and the C. I. O. were wrecking that organization, long the safeguard of American labor, where were these men who claim the exclusive right to pose as the friends of labor? Were they in the ranks fighting the battle for the A. F. of L., or were they in the camp of the C. I. O.? The records of the House will answer the question.

Get this issue of friendship for labor on a practical basis. How many jobs were ever created by those fellows who are organizing the workers? How many dollars did any one of those organizers or those who are spokesmen in this House for labor ever give to workers? How many jobs did they ever give? How many dollars did they ever add to a pay roll?

After all, you cannot eat those free speeches, those eloquent pleas in behalf of the oppressed and the underpaid; those denunciations of employers. The only things you can eat are the groceries, the meat, the flour, and the bread the workers purchase with the money paid them by the men these spokesmen day after day condemn.

Workers are alive today because of the food, clothing, and shelter—all of which they earned—which they have been enabled to purchase through the employment given them by the men you would crucify. And when you have crucified these employers, what have you left?

This does not mean that all workers are adequately paid, for of course they are not. But it is an argument that, until a better way which is practical is found, we should not destroy what we have, even though what we have be unsatisfactory or insufficient.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; I do not yield.

Last spring in Michigan, after they had closed the factories and had driven the workers from their jobs, they thought they had control of our State.

Their candidate for mayor of Detroit announced:

> Labor must seize the reins of government in Detroit and every other American city.

He failed in that move.

And the people of Monroe, who courageously fought and won the battle against the C. I. O., who decided and insisted that 99 C. I. O. workers should not deprive 1,159 mill employees who desired to work of their jobs, within a month repudiated the C. I. O.'s candidate for mayor and returned Mayor Knaggs to office by a vote of 5 to 1.

But the battle continues.

When a national magazine gave Governor Murphy as the authority for the statement, shortly after his return from the Philippine Islands to become a candidate for Governor of Michigan, that President Roosevelt said:

> If communism breaks in America, it will be in the Detroit area, where it will first manifest itself—

many were surprised.

When, on the last day of December following Murphy's election, John L. Lewis and his C. I. O., with armed invaders, struck the plants of General Motors in Flint, drove thousands of workers from their jobs, closed the plants, fortified themselves, and, by Murphy's use of Michigan's National Guard, held possession for 44 days, at a loss in wages to General Motors employees throughout the area of $44,000,000, independent workers and citizens generally began to wonder whether these armed forces were carrying out the orders of "red" Moscow, and how it was that the President, if Murphy quoted him correctly, had obtained his information about the coming of communism.

Still later and after Governor Murphy had shown his friendship for, and his support of, these armed Communists, they took over and held possession for a day of Lansing, Michigan's capital.

Of this and the Communists' prior activities, Governor Murphy said:

> Communists deliberately created disorders in the Lansing labor holiday, the Consumers' Power Co. strike, and in some phases of the sit downs. They not only sought disorders but they sought bloodshed. They wanted bloodshed, and they sought to draw us into a fight.

But it is a matter of record that throughout the strike and down to the present time, the Governor has assisted these Communists in their attempt to take over Michigan.

His latest move is to appoint a C. I. O. organizer and an officer of the U. A. W. A., a man who ran as C. I. O.'s candidate for councilman of Detroit, Richard T. Frankensteen, as a member of the State welfare board.

Frankensteen said, according to the morning paper, they had $500,000 in the treasury—to do what? To compel the workers of Ford to join the C. I. O. and to pay tribute to Lewis. [Applause.] Yes, you applaud, and I should think you would, if you believe in giving Lewis the right to levy tribute. They are forcing workers to pay for the right to work in America.

Is the Governor and the C. I. O. getting ready for another strike in Michigan? They did their share toward putting the motor industry on the rocks last spring.

Does the Governor intend to assist the C. I. O. in closing Ford and, if they will not sign a new contract, General Motors and Chrysler?

And did he appoint Frankensteen to the welfare board so that the public treasury would be available for the support of the strikers? Does Governor Murphy mean that the taxpayers of Michigan and those who want to work are to be compelled, during the coming winter, to support in idleness U. A. W. A. workers who will not work, who will not let others work?

You may remember that when the last relief appropriation was made by Congress, Congressman MICHENER inquired of Buchanan, then chairman of the Appropriations Committee, whether that relief money was to be available for the support of strikers, and Buchanan replied that it was not.

However, Governor Murphy apparently has overruled that statement and he intends to finance Lewis' strikes by the use of welfare funds distributed with Frankensteen's help—something you should think about. [Applause.]

There is one phase of the labor situation that I have not heard discussed on the floor.

Throughout the country there is a vast number of small industrial plants and business enterprises which employ many persons at a relatively low wage.

If this bill be enacted with a minimum wage of 40 cents and maximum hours of 40 per week, we all know that it will be but a short time before a strenuous drive will be made to increase the minimum wage and lower the maximum-hour limit. Nor does anyone doubt that such drive will, in a measure at least, be successful in some, if not in all, industries.

It is a matter of common knowledge that railroad companies, many large corporations, including some few of the larger industrial plants, a far greater number of the smaller plants, carry on the pay roll old employees at a reduced wage who are unable either because of age or some other physical handicap to return a full measure of value for even the low wage paid them.

There are hundreds of thousands of persons throughout the country who are employed, some at full time, some at odd hours, at less than 40 cents per hour, performing tasks, doing work, which is not absolutely necessary, but which is given to them, either because they have served as workers over a long period of time or because the employer desires to assist them personally.

Perhaps all here can recall some such instance in his own experience or among his own acquaintances.

If we establish a minimum wage and make it, as in the end it will be made, applicable to all workers, this multitude, made up in large part of those who have passed their prime, of the aged, of the physically unfit, will be thrown out of employment; they will be forced into idleness; they will be forced onto the relief rolls or the pension rolls, and the workers, as a class, will be required to support them, for they will by law be deprived of all opportunity to assist themselves.

I can understand why John L. Lewis would like to see this bill enacted into law. If it becomes a law, he will at once begin to organize the group of workers referred to above. If the law provides for a minimum wage of 40 cents per hour, industry, as a matter of self-preservation, will be forced to discharge the incompetent, the nonproductive, and to distribute the work among those who can turn out the goods.

This wholesale discharging of those who have passed middle age, of those who, for any reason, are incompetent or nonproductive on a 40 cents per hour basis, will throw open wide the door of opportunity for Lewis and his organizers. They will be permitted to prey upon these defenseless and fearful workers.

In view of the experience of the past few months, we know what will happen. Immediately Lewis' organizers will enter this field. He will induce those who are about to lose their jobs to pay an initiation fee, to pay monthly dues, or, if this cannot be done, he will take them into membership without the payment of dues. Then when industry cannot longer employ them because it must pay at least 40 cents per hour, and when they are discharged his newly organized union will file a complaint with the N. L. R. B., charging that these employees were discharged because of their union activities, because of their union membership, and the small employer will be subjected to the same methods of persecution which have been used in the larger industries.

In every city, town, and hamlet throughout the Nation where industry is unable to pay 40 cents an hour and is forced to discharge some of its employees you will have these complaints by the C. I. O. and the N. L. R. B., and the effect upon business will be ruinous.

The small businessman cannot meet the heavy expense of defending himself, as Ford and Weirton and the large corporations have been able up to this time to do.

Anticipate the working of this law and judge for yourself how it will affect the industries in your home community. If you do this you will refuse to sacrifice your workers, your local industries, upon the altar of Lewis' ambition. You will vote to recommit this bill. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. WOOD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I voted for the Green amendment for the purpose of getting ourselves out of an entanglement. The Green amendment provided for a 40-cent minimum wage and a 40-hour maximum week. The Senate bill, as reported out by the House committee, provided a 40-cent maximum wage and a 40-hour minimum week.

I did this with the hope that the bill might be referred to the conferees and the conferees would then not be disturbed by any restrictions whatever, but could bring in a bill that would provide either a 30-cent minimum wage or a 40-cent or 50-cent minimum wage or a 10-cent minimum wage, and a 40-, or 44-, or 45-, or a 50-hour week, whichever they may choose. But the Green amendment was defeated.

Now, the bill as reported by the committee is before you, and I have noted that the same tactics are being employed now that were employed by some of the Southern Members on the Green amendment. They deliberately came down the aisle and voted for that amendment because they thought if that amendment were passed they would stand a better show of defeating it in the House. They told me this.

Now, you have before you the Norton amendment to the Senate bill, which was reported out of the committee and the Lamneck substitute for that amendment. Of course, if this substitute passes, the bill is destroyed.

Let us be fair and not engage in so much disgraceful demagogy. There are three ways to defeat legislation. One is to honestly vote against it. Another is to get in such amendments as will make the bill so drastic that they know it will not pass or get in such damaging amendments as will emasculate the bill, so that any man or woman would be ashamed to vote for it.

Let us be honest with the workers of this Nation. Talk about dictatorship. The gentleman from Texas [Mr. LANHAM] knows as well as I do that every dictatorship that has been established since the World War was not established because of the establishment in those countries of boards or departments, but every dictatorship has been brought about by misery and suffering and despair among the people of those nations. [Applause.] If you want to kill this bill then vote against it and be honest enough to let your constituents know your true position, and be honest enough then, if you want to help prevent a dictatorship to vote for the passage of a wage and hour bill giving the workers sufficient buying power, to keep body and soul together, so they will be more contented. That is the only way you are going to prevent a dictatorship.

This bill does not suit me, and I resent the disgraceful and ungentlemanly statements made upon this floor by a number of Members referring to this bill as an illegitimate piece of legislation. This is an insult to the Labor Committee and a reflection upon the character of the proponents of this bill. It is a reflection upon the character of the immortal Billy Connery.

It is not the gentlemanly way to defeat legislation. [Applause.]

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I ask unanimous consent to proceed for 2 more minutes.

Mr. WELCH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 minutes.

Mr. LAMNECK. I object, Mr. Chairman.

Mr. DIES. Mr. Chairman, I rise in opposition to the pro forma amendment. I rise for the purpose of presenting to the membership of the House, and particularly the committee, the plight that exists in reference to the oil field and refinery workers in my congressional district. A vast majority of the workers are engaged in the refining, drilling, or production of oil at a minimum wage far in excess of what is proposed by this bill, working on a 36-hour basis. The International Oil Workers Union, headed by Mr. H. C. Fremming, a very prominent and capable union executive, has presented certain very serious objections to the proposed legislation. The gentleman from Oklahoma [Mr. BOREN] will propose an amendment at the proper time which I hope the committee may accept. Mr. Fremming and his organization is affiliated with the C. I. O. Mr. Fremming says in reference to this bill:

> The proposed wage and hour bill provides for a 40-hour maximum workweek and a 40-cent minimum hourly rate. If this becomes the law of the land without suitable amendment applying particularly to the petroleum industry, it will defeat the very purpose that the act intends to accomplish; that is, added employment. This act would reduce the employment load in the petroleum industry approximately 18 percent, because the industry would take advantage of the specific fact that they have gone from 36 hours' employment as a standard week to 40 hours by direction of the Congress of the United States.
>
> While it is true that certain collective bargaining agreements exist within the industry establishing 36 hours as a maximum workweek these companies would be faced with an unfair competitive relation with other oil companies if they attempted to maintain, by virtue of collective bargaining, 36 hours as against a 40-hour week that would become effective with the adoption of the bill by the Congress.
>
> It is because of this special situation applying to the great petroleum industry that the attached amendment is proposed. All Congressmen coming from oil-producing and refining centers, such as the great refineries on the Atlantic seaboard, New Jersey, Pennsylvania, Gulf coast, Great Lakes, and Pacific coast, would be a party to increasing the hours of employment of their constituents 4 hours per week if they voted for the bill without the proposed amendment applying to the petroleum industry.
>
> The 36-hour workweek in the petroleum industry is an accepted principle, and surely the great arm of the Federal Government is not going to be used to disturb this equitable principle which is now operating favorably, both to the employee and to the employer.
>
> It is because of the unique situation as it affects the petroleum industry where we have weekly hours of employment less than the bill provides that we urge this special amendment to safeguard this forward-looking program established in 1933.

Mr. Chairman, I have read the foregoing in order that the amendment which will be proposed by Mr. BOREN at the request of this organization, which represents hundreds of thousands of oil and refinery workers throughout the United States may be understood in advance, and that the vast organization may be understood.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KELLER. Mr. Chairman, I rise in opposition to the amendment. The first mistake I desire to correct is this: The statement has been made here many times that we are trying "to fix wages." The fact is that we are trying to transfix the poverty of this country, to strike it down, to banish it, and give decent living conditions to the men and women who are now denied them. That is the main object of this bill we are talking about. I do not blame any man for belonging to a wrecking crew, but we ought to remember that a very small number of men can tear down in a few days what it takes a hundred men a year to build. That ought to be one of the considerations for the Members of this body. I respect the man who, like my friend from Tennessee [Mr. MCREYNOLDS], stands up and says frankly that he is against all wage and hour legislation. I do not blame him if he feels that way about it. But I am sorry to see that some of our friends, as my friend from Minnesota suggests, are tremendous friends of labor, but who want to deny any opportunity to labor. I suggest to my friend away down in Georgia who spoke a few moments ago, telling of the conditions of poverty existing in his State, that Georgia has been a State in charge of its own business and its own laws for 150 years. If Georgia has not done away with conditions of poverty in 150 years, in the name of God, how long is it going to take Georgia to do away with these disgraceful conditions? Then there are other States of which that is also true—all of them, in fact, except for the length of time they have been States. How long is it going to take any State to do away with conditions of poverty? The answer ought to be perfectly clear to any man who thinks this over, and that is that no State alone can do it; that industry is national, and must be dealt with nationally. Only the Nation can deal successfully with this question. You cannot get away from that fact. You will never do away with poverty in the different States by State government; it cannot be done. The Nation alone can and must do it.

Mr. ANDRESEN of Minnesota. How about Illinois?

Mr. KELLER. It is in the same class, and I said here the other day that there is not a man representing a district on this floor in whose district there are not substandard wages, including my own and yours and that of every other man here, and instead of objecting to this bill you ought to be helping us pass it.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Referring to my friend from Texas, Mr. LANHAM, who suggested powerfully and eloquently that we are better off than the people of Europe, and that we ought to let well enough alone, he might just as well have said that we are better off than the people of China, and why not let that alone. That is not the question. The question is, Are we as well off as we ought to be, and as well off as we can be? No other question is worthy of consideration here.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. RANDOLPH. To continue the thought you have expressed relative to the argument of the gentleman from Texas, there is no vestige of a dictatorship in the proposed legislation to help labor when we ask the employer, the employee, and the consumer to come together and iron out their differences and logically raise sublabor standards, is there? I feel that such a plan is the carrying out of the finest principles of a true democracy.

Mr. KELLER. The gentleman from West Virginia is entirely right. Oh, any thought of dictatorship is arrant nonsense. Any man who has thought about it knows this is true.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we have listened to two splendid speeches expressing generalization of viewpoint. One was intended to counteract the effect of the other, and the applause was almost equal in intensity. If that reflected the fate of the bill itself, the result of our deliberations is very much in doubt.

But I rose at this moment to congratulate our popular leader of the majority. He referred to the original personnel of the Federal Trade Commission. How tragic their failure! He had even contemplated the repeal of the act itself, although he was largely responsible for its creation. No one will express the present situation better. We are very fearful of the Board or Administrator provided in this bill. Their possible action may, indeed, prove tragic.

It was a sparsely settled country and the wayfarer said to the Scotchman, "How can you ever get a doctor here?" He said, "We can't. We just dee a natural death." [Laughter.]

I have been favoring a proper wage and hour bill. The textile industry wanted me to do so—both the employer and the employee. This morning, after their careful consideration, I am requested by the textile employers of the North to vote against the bill which will be before us today. I had been willing to cast aside my own perhaps somewhat prejudicial feelings and do everything I could to help that industry in its extremity. The two great labor parties seem hopelessly divided. So what can I do for them? It seems now that the textile industry of the North, rather than accept the doctors to be provided under this bill and the prescription the doctors must inflict upon them, evidently prefer to "dee a natural death." [Laughter and applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

PASS THE WAGE AND HOUR BILL

Mr. ELLENBOGEN. Mr. Chairman, I move to strike out the last word. I was unable to obtain time to speak on the wage and hour bill during the general debate. I am taking this opportunity to show the need for the passage of this bill.

Mr. Chairman, a great deal has been said about the necessity for establishing a ceiling of hours beyond which any particular industry may not go, and for establishing a bottom of wages below which it may not fall. It has been pointed out during the debate on this bill how necessary it is to do both, in order to abolish excessively long hours and to increase the standard of living of the lowest-paid workers in the United States.

TECHNOLOGICAL UNEMPLOYMENT

I would like to ask the Members of this House another question. I would like to call their attention to another problem. That is the question of technological unemployment. What are we going to do about it? For instance, I am reliably informed that in the steel industry in the next 3 years improved machinery and improved plant facilities will probably displace between 100,000 and 125,000 workers. In the coal industry installation of new or improved machinery will probably displace some 200,000 or 250,000 workers in the next 10 years. The same thing is going on in every other industry.

MAN-HOUR PRODUCTIVITY HAS BEEN INCREASED BY 20 PERCENT

Man-hour productivity today is 20 percent greater than it was in 1929. If we want to go back to the level of employment and unemployment that prevailed in 1929, we would have to produce 20 percent more goods and give 20 percent more services than we did last spring.

What are we going to do about that problem? How are we going to meet the steady advance of science, the steady improvement of machinery, and the resultant technological displacement of workers? Remember that every time new machinery is installed, every time a new plant is put into operation, men and women are thrown out of employment.

I am in favor of progress. I am in favor of new machines. I am in favor of new plants, but I am not in favor of throwing these hundreds of thousands of men and women on the scrap heap. We must go forward, but we should not go forward by jeopardizing the economic existence of hundreds of thousands of industrial workers and their wives and children who are dependent upon them for support.

THE WAGE AND HOUR BILL IS THE SOLUTION FOR TECHNOLOGICAL UNEMPLOYMENT

The only solution to this problem that I know of is an increase in the purchasing power of the people which will keep pace with the increased productivity caused by the installation of new machinery or the construction of new plants. The best way to achieve increased purchasing power is by increasing the wages of the lowest-paid workers and by decreasing the hours of those working men and women who are forced to work excessive hours. This is exactly what the wage and hour bill proposes to do.

AN INCREASE IN THE PURCHASING POWER BY 10 PERCENT WOULD MEAN OPERATION OF INDUSTRY AT FULL CAPACITY

It has been said by leading economists that if we could raise the purchasing power of the underprivileged one-third of our population, we would obtain such an increase in our purchasing power that it would enable the operation of all of our factories at full capacity. This, I believe, would mean the end of unemployment.

PROTECT THE UNORGANIZED FROM WAGE CUTTING DURING BUSINESS RECESSIONS

Let me present to you still another problem. We are now in the midst of a serious business recession. This means that the total amount of business to be divided among the employers of labor is diminishing. Every businessman, every manufacturer will naturally endeavor to prevent a reduction of his own volume of business. He will endeavor to preserve the size of his own share of business, although the total amount of business has declined and is still declining. He can only do that by taking business away from other businessmen or other manufacturers.

In such a situation the temptation for the employer to slash the wages and lengthen the hours of his employees and thereby obtain lower prices will be great, particularly if his employees are unorganized. This would decrease the purchasing power of these employees, which, in turn, would cause further reduction in the operation of other industries, further unemployment, and the vicious cycle downward into another, a deeper depression would get into full swing.

THE PASSAGE OF THE WAGE AND HOUR BILL WILL PREVENT WHOLESALE WAGE SLASHING

This is exactly what is going to happen unless we pass this bill. The passage of the wage and hour bill will protect the wage level of the unorganized and preserve fair standards of hours for them.

ABOLISH CHILD LABOR

The wage and hour bill, now pending, will also end the exploitation of little children. It will abolish child labor. It will permit young children to go to school, to develop mentally and physically, instead of being sweated in factories for long hours at miserable wages.

FEDERAL LEGISLATION ON WAGES AND HOURS, SUPPLEMENTED BY STATE LEGISLATION, IS NECESSARY

I know of only one good reason why a decent, far-sighted, and socially minded employer would pay low wages and work long hours. The only reason that can be advanced for such action is the fact that a competitor in another State or even in the same State, where there is no State legislation, is doing so. Competition is a great force and it may force a decent employer against his own will to pay wages which he himself considers too low. This can only be remedied by Federal legislation—legislation which will fix minimum wages and maximum hours for industries serving interstate commerce. Such wage and hour standards would be the law in every State in the Union and would prevent an unscrupulous employer from sweating his own labor and thereby force his competitors to lower their wages and lengthen their hours. Federal legislation should be supplemented by State legislation regulating intrastate industry and business.

Just as the United States could not continue to exist as a Nation half free and half slavery, so in this generation it is impossible for our industries to exist half decent shops, half sweatshops.

THE SWEATSHOP IS NOT LIMITED TO THE SOUTH

Let no one believe that the sweatshop, the payment of starvation wages, and the working of excessively long hours only exists in the South. It exists in the North, in the East, as well as in the West. No one section in the country has a monopoly on decent conditions or on the existence of the sweatshop.

THE PASSAGE OF THE WAGE AND HOUR BILL IS NECESSARY FOR BUSINESS AND INDUSTRY

The passage of the wage and hour bill will secure the gradual elimination of underpaid labor and the abolition of excessive hours. It is not a labor measure. It is a business measure. It is true that the passage of this bill is necessary to protect and advance the standard of living of several millions of underprivileged, underpaid, and exploited workers. But it is just as necessary to protect the decent employer against the unscrupulous competitor who endeavors to obtain a larger share of the market at the expense of labor.

The passage of the wage and hour bill is necessary to stabilize employment, to increase the income of millions of Americans, to enlarge the market for goods and services, to permit increased production, to stabilize prices, and to reduce unemployment. The choice before us is whether we want to continue the spending of billions for relief or establish decent and fair wages and a higher standard of living. The bill before us is not simply a humanitarian measure. It is, as I have said, just as much a business measure. The choice before us is whether we shall continue to spend billions for unemployment and work relief or whether we shall increase employment and the purchasing power of our working population by decreasing hours and raising the wages of the lowest paid workers. With that alternative before us there can only be one choice for reasonable and enlightened men—the passage of the wage and hour bill.

A VOTE AGAINST THIS BILL IS A VOTE FOR GREATER APPROPRIATIONS FOR UNEMPLOYMENT RELIEF

Mr. Chairman and members of the Committee, I hope my colleagues will carefully consider the problems before us. I hope they will remember that if they vote against this bill they vote for greater and ever greater appropriations for the W. P. A. and unemployment relief.

I hope my colleagues will understand that the failure to pass this bill means the continuance of an unbalanced Budget and greater expenditures by the Federal Government and State governments for the support of the unemployed.

Failure to pass this bill means even more. Unless we increase the purchasing power of our lowest paid workers and further decrease unemployment by the shortening of the working day and the working week, we make it impossible for our industrial system to function. Unless we pass on to our working population a proper share of increased industrial productivity we disturb the necessary balance between productive capacity and purchasing power and lead our Nation into a depression which will be deeper and longer than the last depression.

A VOTE AGAINST THE WAGE AND HOUR BILL IS A VOTE FOR A NEW AND EXTENDED BUSINESS RECESSION

Our people still remember the horror, the suffering, and the starvation of the last depression. I doubt if our people are willing to go through another depression and suffer until so-called natural forces will correct the lack of balance between production and consumption. This is our opportunity. We can pass the wage and hour bill. Intelligently administered it will mean a tremendous step forward. It will mean a higher standard of living for the lowest-paid workers and their families. It will mean greater purchasing power for the entire population. It will mean a revived demand for goods and services and renewed business prosperity.

PRESENT BILL IS NOT PERFECT

I realize that the bills now before us—the Senate bill and the Norton substitute—are not perfect. I have prepared several amendments which I propose to submit. I realize that every Member of the House has some criticisms. We can never get a perfect bill. If we would wait for a perfect bill we could never legislate at all.

I believe that the need for the passage of the wage and hour bill by the Federal Government is so great that I am willing to accept the bill in the best form in which we can get it.

I am going to vote for the wage and hour bill, and I hope that a majority of my colleagues will do likewise. I hope that they will do so in the interest of labor, in the interest of business, in the interest of our entire economic system, and for the sake of suffering humanity.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this substitute and all amendments thereto be limited to 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. RUTHERFORD. Mr. Chairman, I object.

Mr. JOHNSON of Minnesota. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, many of us do not agree entirely with what either Mr. Lewis or Mr. Green proposes. I introduced a bill, H. R. 8698, setting up a 40–40 scale enforceable in the Federal courts on petition of a majority of the workers in an industry, but after listening to the debate yesterday and today I have come to the conclusion that if I introduced this bill as a substitute I would be acting in a filibustering manner and I have decided not to offer it but to support the committee bill. [Applause.]

The committee bill is a good bill. If for no other reason, this bill can be defended even if in a small measure it corrects the abuse of child labor in the United States. Any Member of this House can justify his vote for the committee bill on this ground. The child-labor proposition has been kicking around the 48 States now for nearly 14 years, and if this committee bill can in some small way correct this situation, this legislation is justified. I say to my southern friends who are opposing the bill that the only thing the North fears from the South is competition. The other day

the gentleman from Wisconsin [Mr. BOILEAU] offered an amendment to the farm bill prohibiting the use of cotton lands for grazing and dairying purposes. The object behind that amendment was to protect the North from southern competition in the dairy industry.

The South has got to get out of the cotton business partially, at least, with 21,000,000 bales in the market. They are going into other lines of business. If the South is sensible enough to see, they will raise the purchasing power of their people and they will be on a par with the North. These things are important.

After carefully rereading this bill last night I have reached the conclusion that it is a good bill, one that will meet many of the demands of labor in this country. Rome was not built in a day, neither can legislation such as this be written in a day and be satisfactory to all parties concerned. If John Lewis and William Green do not want this kind of bill and cannot agree on one, let us lock them in a room until the bill is passed and at least put some kind of labor-standards legislation on the statute books. [Applause.]

[Here the gavel fell.]

Mr. DEEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman who preceded me and made the statement that when the South gets sensible enough it will remedy its condition. The gentleman's indictment against the South constitutes a greater indictment against his own sense of fairness.

I hold in my hand an interesting story that I can give my colleagues in 3 minutes; so I hope you will give me your attention. The people of my State are entitled to as high a wage and to as good working conditions as are the people in any part of the country; and they want them. But here is one reason why we cannot do what our friends from the North want us to do, and the figures that I read you were furnished me on yesterday by a representative of the Interstate Commerce Commission: A carload of 50,000 pounds of iron bars from Cleveland, Ohio, to Atlanta, Ga., carries a freight charge of $285. The same carload of iron bars moving from Atlanta to Cleveland carries a freight charge of $395, or $110 more. The workers in the foundries and factories of Atlanta, Ga., the district of my colleague who spoke in favor of the bill on yesterday are discriminated against under the regulations of the Interstate Commerce Commission. The manufacturer is likewise discriminated against.

The present rate on canned goods, moving in carload lots of 60,000 pounds from Atlanta, Ga., to San Francisco, Calif., is 87 cents per 100 pounds. Effective January 1 it will be 92 cents; while the same carload moving from San Francisco to Atlanta, Ga., carries a rate of only 85 cents. In other words it costs us in Georgia $42 more when we ship our canned goods from Atlanta to San Francisco than it does the people in San Francisco shipping similar goods to Atlanta.

Another case: From Charleston, S. C., to Baltimore, Md., baking pans shipped in packages of 1,000 pounds or less carry a rate of $1.08 per 100 pounds, or $10.80 per 1,000 pounds. The same packages from Baltimore to Charleston carry a rate of only 85 cents, or $8.50 per 1,000 pounds. This makes a difference of $2.30 per 1,000 pounds.

I say to you, my colleagues, from every section of the United States, that as long as any board or bureau or administrator in Washington discriminates against any section of the country, whether it be mine, or yours, it is time for this Congress to assert itself and to recommit to the committee the pending bill which will set up another similar condition. I claim that the pending amendment offered by the gentleman from Ohio and the committee bill would set up under the Federal Trade Commission, without discrimination or without authority to make differentials, a proposition that will further penalize the South in its present sufferings.

[Here the gavel fell.]

Mr. DEEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEEN. A shipment of firebrick weighing 40,000 pounds moves from Albany, N. Y., to Birmingham, Ala. If shipped yesterday at a rate of 37½ cents the freight would be $150. Effective on December 20, the rate will be changed to 37 cents. If, however, the same brick moves from Birmingham, Ala., to Albany, N. Y., although the rate is 37 cents, the minimum carload is 60,000 pounds, the freight would be $216. When you people in Albany buy our brick you pay one rate and when we buy your brick we pay another.

The workers in Birmingham in the brick kilns are depressed because of these discriminatory and indefensible freight rates. [Applause.]

Likewise the manufacturer of firebrick in Birmingham, Ala., is a victim of these discriminatory, indefensible, and unjust freight rates. Effective December 20, the manufacturer of firebrick in Birmingham must pay $220 freight charges on a minimum car, or 60,000 pounds, moving from Birmingham, Ala., to Albany, N. Y., while the manufacturer of firebrick in Albany, N. Y., pays only $150 freight charges on the same carload of brick. Granting there was ever justification for this discriminate favoritism to foster industry in the North and in official territory, despite its handicaps by higher freight rates, the South has made substantial progress in every State in the South.

Another case in point will be interesting. A carload shipment of green cabbage under ventilation, weighing 24,000 pounds, moves from Athens, Ga., to Watertown, N. Y., at a rate of 74 cents per hundred pounds, or $177.60 freight charges for the carload, while a carload shipment of green cabbage under ventilation, weighing 24,000 pounds, moving from Watertown, N. Y., to Athens, Ga., takes a rate of 68 cents per hundred pounds, or $163.20, or a difference of $14.40. This difference of $14.40, which the shipper in Athens, Ga., pays in excess of the amount paid by the shipper in Watertown, N. Y., is a direct charge upon labor in the vicinity of Athens, Ga., which produces that cabbage.

If my colleagues of the North and East, who live in what is known as official territory with reference to freight rates, are to render a great service to the farmers of the South, they can do so by assisting those of us from the South in adjusting this iniquitous and most intolerable situation.

Another interesting case in point is that of a carload shipment of fiberboard boxes, not corrugated, weighing 36,000 pounds, and moving from Atlanta, Ga., to New York City, and which takes a rate of 77 cents per hundred pounds, or $277.20 for the carload, while the same carload of fiberboard boxes shipped from New York City to Atlanta, Ga., over the same railroad takes a much lower rate, that of 68 cents per hundred pounds, or $244.80, or a defference of $32.40.

This charge of $32.40 which the manufacturer and shipper of fiberboard boxes in Atlanta, Ga., must pay in moving his merchandise to New York City in excess of the amount paid by a manufacturer of fiberboard boxes in New York City and shipping them to Atlanta, Ga., is a direct charge both upon labor and capital in the vicinity of Atlanta, Ga. No one can deny this fact.

Time will not permit me to recite the many interesting cases in point, cited in various reports of the Interstate Commerce Commission, showing that freight rates paid by southern industry, manufacturers, and business are not only discriminatory, indefensible, and unjustifiable but these unwarranted "supercharges" which have been and are being borne by southern people, including labor, constitute a "crown of thorns" pressing down upon the brow of nearly one-third of the citizens of the United States—those people living in the South.

It is known to all of us that legislation to correct this freight-rate situation is not necessary. The Interstate Commerce Commission has the power under existing law to make proper adjustments.

It is well known to my colleagues and to many in the country that the United States is divided into three divisions with reference to freight-rate charges. The western territory is west of the Mississippi River; southern territory is east of the Mississippi River and south of Richmond, Petersburg, and the Ohio River; offical territory is that part of the country east of the Mississippi River and north of Richmond, Petersburg, Charlestown, W. Va., and the Ohio River.

Perhaps there was a time when all industry and manufacturing was confined to official territory. This is not the case at the present time. Southern and western territories are paying tribute to industry in official territory. This tribute is shared in by both capital and labor.

Industry should be allowed to develop wherever capital, labor, climatic conditions, raw materials, and so forth, are available and best suited.

Some of my colleagues from the North are clamoring against the trend of the textile industry to the South. They have enjoyed a monopoly on this industry for many years. The truth of the matter is there is as much justification for coal-mining plants a thousand miles from the coal fields as there is for textile mills in New England, a thousand miles from the cotton fields. Neither one makes common sense.

The present bill under consideration, known as the Black-Connery wage and hour bill, would set up either an administrator or a board to administer the act from Washington, D. C. Either the board or the administrator would determine minimum wages and maximum hours, and what in its judgment would be proper working conditions, child labor, oppressive hours and working conditions, and so forth. For one Member of the Congress, I am unwilling to set up an administrator or a board, for all intents and purposes to ultimately become a dictator, both to American industry and to labor in the United States. I do not think it is fair for either labor or industry to be harpooned, regimented, regulated, stampeded, and slaughtered upon the altar of dictatorship.

If a dictatorship is set up by the Congress for labor or industry under a board or administrator and the same policy is pursued for agriculture and for all other activities of the American people, we will then have destroyed our form of government and will number ourselves among those nations of the world which are not democracies but which are dictatorships. Dictatorship leads to fascism, nazi-ism, socialism, and communism.

I accord to every Member the same honesty and sincerity of purpose in supporting the legislation which I reserve for myself in declining to support it. I have always supported measures which I thought would benefit labor, and labor knows this; but I do not propose to support what I consider a half-baked and ill-advised piece of legislation which, if it becomes law, will be a perfect example of disappointment and disillusionment for labor and will paralyze and destroy what little progress the South has made in an industrial way during the past 70 years. Of course, this is only my honest and humble opinion.

Time will not permit me to discuss what I consider proper labor legislation, but such legislation can be afforded by the Congress. In my judgment, the pending bill would destroy what progress labor has made through the Wagner Labor Relations Act and through collective bargaining and would throw the country back to that barbarous stage of sit-down strikes through which we emerged during the late summer of this year.

I therefore plead with my colleagues not to further penalize the South and the West by setting up another board or administrator to discriminate against our people in a similar manner to that which we are bearing in connection with the iniquitous freight-rate problem.

The problem is being attacked for the first time in an effective way by the Governors of nine of the Southern States. Shortly a conference between the Governors of these States and the President of the United States, so I am informed, will be held for the purpose of bringing to the President's attention the seriousness of this situation. Heretofore efforts have been made to correct the injustices perpetrated against the South by individual Members of Congress and Governors of the various States. It is hoped that this concentrated and unified effort will result in a satisfactory adjustment of the matter. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on the pending substitute and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey.

Mr. RUTHERFORD. Mr. Chairman, I object.

Mr. RAYBURN. Will the gentleman withhold his objection?

Mr. RUTHERFORD. No. I object.

Mrs. NORTON. Mr. Chairman, I move that all debate on the pending substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED] in opposition to the pending pro forma amendment.

Mr. REED of New York. Mr. Chairman, I have been a very interested listener to many of the speeches, and very able speeches, made on both sides of the House. I do not question the sincerity of any man who has spoken on this measure. There are certain things, however, that have come to my mind since I have been listening to this debate. I wonder if we have lost sight of just exactly how inconsistent we are?

I start with this premise, which no man can successfully dispute: That is, the United States has the highest cost of production of any country in the world. England probably comes next. Then we go down the scale until we get to Japan, where the wages are about as much per day for 14 hours' work as we are paying for an hour's work. As a result of this disparity between the cost of production in other countries and our own, we see them gradually displacing our labor with their goods. Only recently we found the wages of a very large factory in the North to be 90 cents an hour for a 6-hour day. In Japan they work 14 hours a day for 90 cents. When you get out into Ohio and note the pottery business there, you will find a disparity between 70 cents an hour as compared with 37 cents a day in Japan.

Mr. Chairman, practically every piece of major legislation that has been enacted into law by this Congress has had a tendency to raise the cost of production in this country. I think no one will be able to successfully dispute that fact. This bill, of course, will further increase the cost of production. Rightfully or wrongfully, we cannot lose sight of the fact that we are engaged in competition with the industries of other nations.

The administration—and I am not speaking politically—has had for its objective regaining a part of our lost world market. In that market the country that must of necessity succeed is the one with the lowest cost of production. So we are going right ahead here with two philosophies that are diametrically opposed to each other. The only feature in this bill that could possibly have protected labor was the tariff provision, which has been stricken out. The result is that the administration is hoping to get into the markets of the world in competition with low-cost production countries and depreciated currency and with other countries that have every advantage so far as transportation rates are concerned. At the same time, the administration comes in here with bill after bill to increase the cost of production in this country. Until those two philosophies are reconciled in some way, we are faced with the situation that we must either have a lower cost of production or we must protect our home market. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. There are a number of Members who are seeking recognition in the 25 minutes remaining on this substitute amendment. Without objection, the Chair will recognize each gentleman for 3 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, having been unable to secure time to speak on this bill when it was being considered under general debate, I have requested this privilege to register my further views on the subject. On August 20 of this year I addressed the House at some length on the legislation which is now pending, and in that address I outlined my objections to the so-called Black-Connery bill.

Mr. Chairman, I am motivated today by two reasons for further discussing the measure. First, I desire to categorically deny and courteously resent an insinuation made by my distinguished friend from New York [Mr. CELLER] while the bill was under general debate to the effect that Tennessee affords an example of low labor standards. This statement was probably made inadvertently, because it is certainly not borne out by the facts. I doubt if any State in the Union has fewer sweatshops than the State of Tennessee. I would be willing to gamble "dollars to doughnuts" that for every sweatshop that can be found in Tennessee 100 sweatshops can be found in the State from which my New York friend comes. And whatever sweatshops we may have in Tennessee are not to the "manor born," but come from the section of the country represented by my New York friend—probably several of them coming from his own district. [Applause.]

Mr. Chairman, I am opposed to this proposition because it is a species of fascism, and it is a well-known fact that fascism is an inveterate foe of free enterprise and free labor. For proof of this fact I cite you to what has happened in Italy and in other nations governed by dictatorships.

One of the first acts of the Fascist Party in Italy when it came into power was to completely put an end to labor unions as they then existed and to create new unions in each trade or craft as a part of so-called state corporations which bear a strong similarity to the principles of the legislation proposed in the pending bill. Under the Italian system those who are selected to represent labor are not named by the workers but by the politicians, and the same is also true of the representatives of the employers. The will of the government is final and determinative with both. Under this system it is unlawful to strike, and the employer is prohibited to close, expand, or contract his operations without government, which means political, approval.

Mr. Chairman, if this legislation is enacted into law, I predict that in the not distant future the same thing will happen to both labor and industry in the United States.

Under the regimentation of labor in Italy and its subservience to political domination, the pay of the worker has not been increased, his hours shortened, or his living conditions improved. The exact reverse has happened. The living standard of the Italian worker under the Fascist regime has steadily been lowered and is still going down.

The effect of fascism upon the labor organizations in Italy presents a tragic spectacle. The workingman has been deprived of his right to strike, to have any determinative voice in dealing with wages, hours of labor, or working conditions. He has been bereft of his right to choose those who may represent him in negotiating these matters. He is absolutely at the mercy of the political leaders, whose whims he is compelled to serve. The industrialists are in a similar plight. It was the support of the industrialists which made it possible for Mussolini to march on Rome 15 years ago. At that time the industrialists in Italy thought it would be a magnificent achievement if labor unions could be subjected to political control. They thought they would be able to control the politician and all would be well, but they were soon disillusioned. While the politicians promptly put an end to labor agitation, dosed the agitators with castor oil, or, when necessary, exiled them, thereby destroying labor unions by setting up a so-called corporative system, they also set up a corporation for each industry and thereby dominated industry in the same manner. The inevitable result was that both the freedom of labor and the freedom of industry was definitely destroyed. Thus the great industrialists of Italy found in fascism an escape from labor disputes, but they also found themselves shackled in abject enslavement to a political machine which they ineptly helped to create.

In conclusion, Mr. Chairman, I predict that if this measure becomes law, it will signify the first step in the disintegration of organized labor and will mean ultimate serfdom for both the workingman and industry. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER] for 3 minutes.

Mr. SHAFER of Michigan. Mr. Chairman, because of my inability to obtain time during the general debate I am taking this method of making known my position relative to the pending legislation.

The proposed wage and hour bill, known as the Black-Connery bill which has been offered as a substitute for the Senate bill by the gentlewoman from New Jersey, in my opinion, would be but a futile gesture toward accomplishing what it is claimed it will achieve.

The theory underlying the demand for wage and hour legislation is that an increase of wages in the lower-paid labor brackets is necessary to increase consumer purchasing power; that hours must be shortened to provide more jobs, reduce unemployment, lighten the relief load on the Federal Government, and encourage more retail spending.

It is obvious, of course, that if these assumptions are correct, the greater the number of workers whose pay is increased and whose hours are shortened, the greater will be the beneficial effects of the act and the more consumer-purchasing power will be increased.

But the administration bill, or Labor Committee substitute for the Senate bill, by providing for a method of whittling away the beneficial effects of the act by vesting in an administrative agency the power to grant a multitude of preferential exemptions, has implanted within the bill itself the seeds of its own destruction.

It is conceded, even by proponents of the bill, that the exemptions would run into thousands upon thousands. The result of these discriminatory exemptions and differentials would not only whittle away the beneficial effects of the bill by taking from under it thousands upon thousands of workers, but it would also have a bad effect on labor as well.

The only practical approach to the whole question is through an act by Congress establishing whatever minimum wages and maximum hours are found to be the best, granting exemptions in the act itself to such workers as agricultural labor, transportation employees, and others whose occupation makes it clearly impractical for them to be brought under the operations of the act, leaving enforcement to existing agencies of the Government, such as the Department of Justice.

I personally agree in principle with the purposes sought to be achieved by the committee substitute, but believe the whole question is so complex that it is highly dangerous to vest some new administrator with this new instrument of power of life and death over industry and labor and then leave this act to become the football of sectional, regional, political, and industrial disputes and manipulation.

Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. GREEN].

Mr. BOILEAU. Mr. Chairman, the time has been allotted among those who had asked for time.

Mr. GREEN. The gentleman from Michigan has yielded to me.

The CHAIRMAN. The gentleman from Michigan has yielded the balance of his time. The gentleman from Florida is recognized for 5 minutes.

Mr. GREEN. Mr. Chairman, it was not my intention to speak to the actual merit of this legislation, but having served on the Committee on Labor for several years I be-

lieve I should in the interest of labor express my views on the substance of the legislation and express the hope that the Members of the House will recommit the bill to the Committee on Labor, provided the pending amendment to the amendment does not prevail.

The organized labor groups are divided upon this legislation. Hon. William Green, president of the American Federation of Labor, has called upon us to vote to recommit or to defeat this legislation. The president of the Florida Federation of Labor has taken similar action. I quote from a telegram just received from him:

TALLAHASSEE, FLA., *December 14, 1937.*

Congressman LEX GREEN,
House of Representatives:

If you cannot support Dockweiler substitute for wage and hour suggest recommitment. I believe that administration of regulatory measures should be left to State labor departments.

WENDELL C. HEATON,
President, Florida Federation of Labor.

The Dockweiler substitute to which he refers was introduced on yesterday by the gentleman from Indiana [Mr. GRISWOLD]. It was defeated. If I am to obey the wish of the president of the federation of labor of my State, I am now to vote for the recommitment of this bill and to vote against its final passage if it is not recommitted. In casting this vote, it is my belief that I am serving the best interests of labor of my State and casting their vote as they would have it cast if they knew the circumstances.

Ever since I have been a Member of the House, I have earnestly endeavored to vote on every occasion in the best interest of labor for my district because my sympathies are with them and I know the burdens they bear from my own experience, and I also know the important part in our American society and American institutions which is filled by the millions of laborers in our Nation.

The purpose of this bill is to foster monopoly and big business and giant industrial plants at the sacrifice of the small businessman and the small factory or plant. I find among my colleagues many of those representing districts in which giant industry has the balance of power are supporting this legislation. In these giant industries the wage scale is far higher than that proposed in the bill. Neither these industries nor their employees will be affected by this bill directly. On the other hand, the small industries and the small-business men will suffer greatly and thousands of them will be forced into bankruptcy as the result of the operations of this bill if it becomes a law. They will be sacrificed to the giant industries and the workers in these small factories will be thrown out of employment and many of them placed upon the charity or relief rolls. Mass production in the large factories and plants will go on unabated and, in fact, their business will be increased on account of the drying up of the small factories, the small sawmills, and the little industries. The purchasing power in the dried-up areas will likewise diminish and the relief rolls in these areas will increase. Probably three persons in America will be thrown out of employment by this bill where one would gain employment.

Another purpose of the bill is to attach industries in their present localities and thus prevent the free migration of business and industries to new areas where it is needed, even to supply local demand. Many of my colleagues will recall that the late Congressman Connery, of Massachusetts, said in substance that the industries of New England must be protected and kept in New England and that their migration to the South must cease. It is obvious that the small-scale production in the South cannot survive the monopolistic effect which this bill will cause. For the past three-quarters of a century the South has been gruesomely penalized by the North in many respects. One of the most glaring examples of discrimination and penalty ever placed upon a free people is the freight-rate differentials made against the South in favor of the northern industrial centers. The sponsors of this bill know that with the freight-rate yoke now around the neck of the South, our industries there will not be able to compete with the industries in the North if the wage scale is uniform.

As much as I would like to do so, it is impossible for me to forget that almost half of the wealth of the South was destroyed by one stroke of the pen about three-quarters of a century ago. This was done by a President from the North who desired to destroy the South economically. It worked all too successfully. Ever since this conflict practically every law of trade and economic balance has been against the South and for the North.

The bill before us, however, goes even further. It would penalize the West and all sections of our country where industry is now trying to develop. In my humble opinion, this measure, if enacted into law, will crucify labor upon the cross of sectionalism. It will enable fascism and communism to use the industrial East as the means of driving a dagger in the heart of the farming West and of the persecuted South. As I see it, this legislation brings America to the very crossroads of democracy. The vote which you cast on this bill may be the controlling vote on whether democracy in America shall survive or whether America shall be regimented into final dictatorship.

This measure will destroy a large portion of the purchasing power which is now disseminated through the various parts of our country. It will further unequalize the now limited distribution of purchasing power in the hands of the rank and file of the American people. It will regiment the rank and file of the American people and destroy their present economic freedom. It will establish in America what now exists in the nations of Europe and Asia which are under dictatorships. When you destroy the power of the rank and file of the American people you destroy the very soul of democracy, upon which we have thrived. When you pass this legislation you destroy the fundamental principle which was uppermost in the minds of the representatives of the Thirteen Colonies when they breathed life into America's Constitution.

When you undertake to destroy industry and labor alike in certain areas of our country in the hope industry in other sections of our country may thrive by their downfall, you are establishing a philosophy of government which will weaken the Nation. No other process of regimentation and dictatorship has been offered to the American people with force equal to this measure. [Applause.]

Many of those in the higher ranks of labor organizations believe that this bill, if enacted, will destroy existing power of labor to bargain collectively. They fear that, if the wages are written into law, the usefulness of labor organizations will cease and the ultimate goal may be reached whereby the entire power of labor and its organizations as such may be destroyed. Labor has been regimented in many of the dictatorial forms of government. Regimentation in many of them has taught us that the power and rights of labor through regimentation have been destroyed. I do not believe that the American people desire a dictatorial form of government. I do not believe that they desire regimentation as such. I caution my colleagues that this is no time to regiment and throw laborers out of employment; but, to the contrary, it is a time when Congress should exercise every possible wisdom in order to give employment to laborers who are now unemployed.

Many believe that the passage of this legislation may throw the Nation into a depression of broad proportions. The result is grave. I urge my colleagues to think carefully before the final vote is taken. Let the bill be committed to the Labor Committee for further study and deliberation. By doing this we will comply with the greatest exponent of labor in America.

I have just received a telegram from him, as follows:

WASHINGTON, D. C., *December 16, 1937.*

Hon. LEX GREEN,
Washington, D. C.:

Because the pending wage and hour bill is highly objectionable to membership of American Federation of Labor, I respectfully request you vote to recommit to the appropriate committee for revision, study, and necessary changes in order to make it a practical and constructive measure.

WILLIAM GREEN,
President, American Federation of Labor.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I do not believe the distinguished gentleman from Minnesota [Mr. BERNARD] needs any defense at my hands or the hands of any other Member of the House. This afternoon some references were made to the gentleman. May I say that in my judgment, and I believe the views I entertain are shared by an overwhelming majority of the Members of the House, the gentleman from Minnesota has demonstrated during his service here not only that he is well able to represent his district and the people of this country but a desire to work for the best interests of the laboring man and the people of this country who are in need of assistance.

I want to commend the gentleman particularly because of the fact that any association he may have had with those who are attempting to organize labor was largely in his own congressional district; and I, for one, commend him for his courage in going back into his district and there assisting labor to organize. He did this not only by lip service but by actual assistance to what he felt was in the best interest of organized labor.

Something has been said about this country going headlong into dictatorship if we adopt the pending committee proposal. In my judgment, the fact this country is going toward dictatorship is the reason we need this type of legislation if we are to preserve democracy in this country. [Applause.] The test here, as has been suggested, is whether or not we are going to have dictatorship or democracy. I believe if we do not do something to remedy the conditions which have prevailed in this country for several years, and if we do not do something along the line of regulating hours and wages in industry, there is a greater likelihood of a dictatorship being developed in this country. I, for one, believe the passage of this legislation will do more than any other one thing to preserve democracy in the United States of America. [Applause.]

Yesterday and on previous occasions during the discussion on this bill I have expressed the view that it would be better to adopt the proposal generally known as the American Federation of Labor's proposal with reference to hours and wages in industry. I believe it would be better to avoid wage differentials. I think that bill is proper. However, I do say to the membership of the House that since this amendment has been turned down, I, for one, want to do all I possibly can to support the committee proposal in this instance. [Applause.]

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last five words, and these five words are "shall not be affected thereby." I am wondering whether these last words would not have a real meaning if this amendment were adopted, because the exploitation of labor would not be affected thereby.

I am not going to talk of sectionalism, but I am going to go back for a few years and say, if you will pardon a personal reference, that a number of years ago I worked in the lumber camps of the North from 5 o'clock in the morning until 8 and 9 o'clock at night for the meager and paltry sum of $12 a month. All the oppression is not in the South. Just recently, as late as 2 years ago, certain lumber companies in my district paid starvation wages and I know personally that men worked for 2 or 3 weeks and after paying their board and tobacco they were in debt to the company. Conditions like this should not exist in this Nation. This condition does not prevail in all woods operations, because some are real good to labor, but those chiselers and labor exploiters make it impossible for the real operators to be as fair as they want to and still meet competition. A survey was made in my district last summer as to what was the prevailing wage, and it was found, after all industries had been taken into consideration, that the prevailing wage was less than 36 cents an hour; oh, yes; the last five words are applicable all right, because these conditions, as mentioned by me, "shall not be affected thereby." The Lamneck amendment should be defeated and the amendment proposed by the chairman of the Committee on Labor should be put into effect.

Let us not talk about my district alone. Down in the turpentine industry in the South, after a survey the National Child Labor Committee found in Georgia and Florida that in 17 out of 24 camps visited, children from 9 to 16 years of age were employed, and that men were in a state of peonage and being paid from 75 cents to $1.25 a day, while the children from 9 to 16 years of age were getting 35 to 70 cents a day. In these camps 45 children or 5 percent of the entire force were under 16 years of age. The 1930 census shows 1,713 children between ages of 10 and 16 were employed in Georgia and Florida, and, I understand, mostly in the turpentine industry. The committee estimates 1,600 this year in these States will be employed by the larger turpentine producers.

Wages for men ran from 50 cents to $1.25—seldom higher. For dippers—collecting gum—75 cents to $1.75. The day is about 14 hours. Sunup to sundown.

On the false plea that the industry is agriculture, this industry is exempt from the Social Security Act, the Workmen's Compensation Act, and all State labor laws, including this bill. For God's sake, are we going to allow peonage to exist in a nation that is supposed to have reached a high state of civilization? Company-owned camps and high prices at commissary stores add to a picture of exploited labor equaled by few, if any, industries in America.

If industries of this nature will not act human we must bring them in and force better living conditions.

Oh, it is in the North, it is in the South, it is in the East, and it is in the West that the low-wage conditions exist and that low-paid labor is exploited. It is up to us men and women of this Congress to face the problem fairly, openly, honestly, and fearlessly, and put into effect legislation which will do away with the sweatshops and bring us freedom. [Aplause.]

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I am supporting the pending bill as representing the best compromise that could be obtained by the Committee on Labor. I think the philosophy of their measure is correct. The purpose of a democracy is to protect the weak of the Nation, and this measure seeks the regulation of wages and hours of those in the lower brackets, those who are inarticulate and have no union or other organization to enforce a contract for them. As their friends, we are attempting to lay down a yardstick with which to measure their services.

I am against the proposal of the gentleman from Ohio [Mr. LAMNECK]. I can think of no amendment that would cause more confusion or bring about more uncertainty in the matter of labor standards with respect to wages and hours. It provides no standard or yardstick whatever. It throws the whole labor problem wide open for the Federal Trade Commission, a Government agency that is already burdened with other problems and activities.

The substitute proposed by the gentleman from Ohio [Mr. LAMNECK] is an entire reversal of the philosophy of the pending bill, which is based upon the idea of Congress laying down some kind of standard with respect to organized industries engaged in interstate commerce under which their employees may work. This amendment would throw it all open and would conflict with the Wagner Labor Relations Act, under which we have collective bargaining and have contracts already entered into. Such contracts would be thrown into the hopper with all the others and the entire matter would have to be decided by the Federal Trade Commission. There could be nothing that would cause more confusion than to pass such an amendment, containing a philosophy entirely different from the pending bill, opening up the whole question of labor conditions with respect to hours and wages and leaving it to the Federal Trade Commission, not to settle the matter for any particular industry, but to settle the matter as would be done in lawsuits with respect to a particular board.

I do believe in the pending bill. If we are to have differentials, they should not be based upon climate or geography, race, color, or previous condition of servitude, but upon the ability of the worker to produce, and this formula should be

used in determining whether there should be a differential or not. [Applause.]

Mr. HEALEY. Mr. Chairman, I have only 3 minutes and I am going to confine my remarks to the particular substitute that is now before the Committee.

There has been considerable complaint about the committee bill based on the fact that it does not fix definite hours and wages and because it may, in its administration, permit differentials. Now, we have a substitute offered by the gentleman from Ohio. The purpose in offering it is plainly obvious to most of us. It is an attempt to deliberately emasculate the bill the committee has reported. It provides no maximum or minimum standards. It leaves the whole field of wage and hour determination entirely to the unlimited discretion of the Federal Trade Commission; and if this substitute bill ever went to a court for construction it would undoubtedly be held unconstitutional because it is altogether vague and indefinite in its provisions affecting wages and hours.

The Labor Committee bill is patterned after the minimum-wage statutes in effect in a great many of our States. In every one of those statutes certain legislative guides or standards are provided. The administrative authority in fixing or determining the minimum wage must be guided by these standards and whether or not they will stand the test of constitutionality in the courts depends entirely upon a reasonable finding in accordance with the legislative standards set up in the act.

In my opinion, this is the only way we can legislate, particularly with respect to minimum-wage legislation, but this Lamneck substitute bill leaves that question entirely open, provides no yardstick or legislative standards whatsoever for the administrative authority designated in the bill in determining reasonable and fair labor standards.

[Here the gavel fell.]

FEDERAL TRADE COMMISSION NO PLACE FOR LABOR LEGISLATION

Mr. MAVERICK. Mr. Chairman, I have heard a great many interesting speeches this morning. For instance, one of the gentlemen said we ought to have the provisions of this bill under the Federal Trade Commission, because we do not know who is going to be appointed on the commission which is provided. My answer is that Franklin D. Roosevelt is going to make the appointment, and I will be satisfied with such appointment.

Now, we will take up the matter of the Federal Trade Commission, because that is going to be voted on immediately after I get through. The Federal Trade Commission is not suited to this character of legislation. It would be just as foolish to put this legislation under the Federal Trade Commission as it would be to put the Marine Corps under the Department of Agriculture.

One of my friends on the Republican side, who is today posing as one of the pals of organized labor, is getting up here and defending the A. F. of L. As far as he is concerned, I have never seen him vote either for the A. F. of L. or the C. I. O. or the labor movement. This worthy colleague on the Republican side is terribly worried about other people being demagogues. I did not know that demagogues were anything new. Nobody need get pious.

OIL MEN OF TEXAS NOT COVERED BY BILL

Then my good friend from Texas got up and defended the oil men of Texas. Well, everybody knows the oil men working in the oil fields of Texas get from 75 cents to more than $1 an hour, and the fact we will provide 40 hours as the maximum will not affect the oil workers of Texas in the slightest. One day the gentleman is out for the A. F. of L. bill and the next day for the C. I. O.. In any event, the bill before us does not affect the oil workers.

If we adopt the amendment offered by the gentleman from Ohio [Mr. LAMNECK] we have defeated the entire purpose of this proposed legislation. You will see that the people who are opposed to minimum-wage legislation are the ones who are all for this particular legislation, because it puts the powers back in the States that have no wage legislation and makes it so that the legislation is worthless.

One of the gentleman on the other side who spoke today said that you cannot live on speeches. We cannot live on his speeches either. We cannot live on speeches of either side. But we can use our heads and legislate.

So I say this Lamneck amendment ought to be voted down so we can pass on the amendment offered by the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield to the distinguished lady from New Jersey.

Mrs. NORTON. Is it not a fact, too, that the Federal Trade Commission directs its activities against persons singly and not against organized groups, and therefore they could not act in this matter?

Mr. MAVERICK. They act against certain businesses, too; but they have not anything to do with labor whatsoever. The only purpose of the Lamneck amendment is to make this ineffective and sabotage it. If we follow any principle of legislation or any rule of logic, even the enemies of the bill could not vote for that amendment.

Mrs. NORTON. And is it not a fact also that it would take them years to get close to any one of these cases?

Mr. MAVERICK. They would have to reorganize completely, and, as I said before, it would be similar to having the War Department and the Department of Agriculture in one department. Vote it down, vote it down, because the elements do not mix any more than oil and water. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on agreeing to the substitute offered by the gentleman from Ohio [Mr. LAMNECK].

The question was taken; and on a division (demanded by Mr. LAMNECK) there were—ayes 84, noes 126.

Mr. LAMNECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. RANDOLPH and Mr. LAMNECK to act as tellers.

The Committee again divided; and the tellers reported—ayes 95, noes 144.

So the substitute was rejected.

Mr. BACON. Mr. Chairman, I offer the following amendment in the nature of a substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Substitute offered by Mr. BACON to the committee amendment:

"To provide for the establishment of a Federal Commission of Inquiry for study and report on the abolition of unfair labor conditions.

"Whereas sound public policy urges the humane principle that excessive and oppressive hours of labor, wages so low as to deny a decent standard of living, and the exploitation of child labor, should not be tolerated as necessary evils in our economy, and that remedies for such conditions should be sought; and

"Whereas the Black-Connery fair labor standards bill, so-called, reported from the Committee on Labor on August 6, 1937, signally fails as a legislative remedy in attaining such constructive purpose and objective, and threatens instead to aggravate unemployment, impede the Nation's economic rehabilitation, and introduce serious encroachments on constitutional government; and

"Whereas industry, agriculture, and labor, buttressed by wide public sentiment, are charging that the said measure, if enacted into law, would impose governmental dictatorship over industry, constitute a menace to the collective bargaining rights of labor, and add further burdens on the farmer; and

"Whereas the debate on the said bill in the Senate of the United States exposed its grave imperfections and called public attention to the lamentable lack of realistic study given the subject by the joint committee of the Congress considering the proposal, evidenced by the fact that the Committee on Labor of the House of Representatives, in reporting the measure, was entirely silent on the probable application of the bill in its fundamental effects on industry, labor, and agriculture, the economic sequences and repercussions that might be expected to follow its enactment, and on matters that the Nation as a whole has a right to be informed upon, in terms:

"(a) The number of employees, employers, and industries that would be affected, their distribution, and whether engaged in direct interstate commerce or affecting interstate commerce;

"(b) The effects on existing employment of subefficient workers and the inexpert young or elderly from the possible unwillingness or inability of employers to raise wages or reduce hours to the regulatory "standards";

"(c) The tendency to effect the displacement of women in gainful occupations or to force them into the minimum or lowest wage classifications;

"(d) The tendency to have present higher wages gravitate to the "standard" minimum wages, and the tendency to effect wage reductions above "standard minima" by offsetting reduction of "substandard" hours of labor to "standard hours";

"(e) The tendency of lower-paid agricultural labor to migrate to higher wage industrial centers;

"(f) The effects on the continuance in business of small or marginal firms and industries;

"(g) The influence on agricultural producing costs in terms of farmer purchases of industrial goods subject to wage-hour regulation;

"(h) The effects on local and Federal relief programs resulting from possible swelling of relief rolls due to discharge of subefficient workers;

"(i) The operation of the bill on the general cost of living, influencing prices, production, and employment;

"(j) The dangers to industry, agriculture, and the American workman resulting from increased competition caused by larger foreign imports produced at 'substandard' wage and hour rates;

"(k) The lack of safeguards thrown around administrative machinery against setting up political rather than economic or social wage and hour standards; and the arbitrary imposition of discriminatory standards and exemptions in the application of the bill;

"(l) The tendency toward ultimate Government price-fixing and production control;

"(m) The Federal bureaucracy necessary for administration with consequent vulnerability of administrators to be politically coerced and influenced;

"(n) The tendency to impede or destroy labor's collective bargaining rights and to freeze and make secondary labor's power to achieve better wage and working conditions; and

"Whereas any true and fair labor-standards proposal looking to the abolition of excessive and oppressive hours of labor, wages so low as to deny a decent standard of living, and the exploitation of child labor, should have such purposes as its sole aim and not be linked and joined to dictatorial regulation of industry and labor as embodied in the Black-Connery bill, so called, which is utterly abortive of its declaratory objectives, tyrannical in its projected application, and represents a serious encroachment on constitutional government and democratic processes; and

"Whereas it is notoriously apparent that there has been no adequate and responsible study and examination of the measures that may be available or attainable looking toward the abolition of excessive and oppressive hours of labor and wages so low as to deny a decent standard of living, without at the same time imposing on our economy and democracy the dangers and defects inherent in the so-called Black-Connery bill, and it being in the highest public interest that the potential field of State, Federal, or joint State-Federal legislative regulation of the subject be examined in all of its fundamental aspects and interrelations: Therefore be it

"*Resolved, etc.*, That a commission to be composed of 15 members, 1 of whom shall be elected as chairman, is hereby authorized and directed to be established, and it shall be the duty of the said commission to explore and examine all the fundamental aspects and the potential field of legislative regulation or remedy that may be available or attainable looking to the objective of abolishing or ameliorating excessive and oppressive hours of labor, wages so low as to deny a decent standard of living, and the exploitation of child labor, to the end that such conditions may be removed from our economy as rapidly as possible; and the appointments to said commission shall be made as follows: Three members shall be appointed by the Speaker of the House from the membership of the House of Representatives; three members shall be appointed by the Vice President from the membership of the Senate; and nine members shall be appointed by the President, representative of industry, agriculture, labor, and the general public, subject to confirmation by the Senate; and be it further

"*Resolved*, That the said commission, in submitting its findings, shall include as exhaustive report as possible on the social, economic, and legal factors involved in the problem; and in making its recommendations the commission shall in nowise be limited as to the remedies it may propose but shall be left free to declare its independent judgment.

"For the purpose of this joint resolution, the commission, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places; to employ such experts and assistants; to administer such oaths; and to take such testimony and to make such expenditures as it deems advisable. The expenses of the commission, which shall not exceed $100,000, are hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated."

Mr. RAYBURN. Mr. Chairman, I think this substitute is clearly subject to the point of order as not being germane and I therefore make the point of order that it is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard upon the point of order?

Mr. BACON. Mr. Chairman, the substitute which I have offered has the same objective as the pending bill, and provides that sound public policy urges the human principle that excessive and oppressive hours of labor, wages so low as to deny a decent standard of living, and the exploitation of child labor, should not be tolerated as necessary evils in our economy, and that remedies for such conditions should be sought.

Yesterday the able chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR], in arguing in favor of a point of order stated:

> Mr. Chairman, earlier today I said I believed that any bill that approaches a possible solution of the question of wages and hours is germane as a substitute to the pending amendment.

The present Chairman of the Committee of the Whole House on the state of the Union, apparently agreed with the gentleman from New York, and stated:

> The Chair believes, having in mind the broad objective of this bill, the establishment of minimum wages and maximum hours, that the Committee of the Whole House on the state of the Union and the House are not precluded from considering another method or another means of accomplishing that purpose than the one recommended by the Senate bill or by the House committee.

Mr. Chairman, I claim that this substitute has the same objective, but approaches the whole question in a different manner. I have nothing further to say. I rely entirely upon the Chair's decision yesterday.

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield to me?

Mr. BACON. Yes.

Mr. O'CONNOR of New York. Of course, there is quite a lot of difference between the objective of a bill where you undertake legislation and the objective of an investigation which is preliminary to any legislation, if ever. I was talking about bills which enact legislation. The gentleman drops all legislation when he suggests an investigation, and pushes the whole thing into the future.

Mr. BACON. I suggest that some investigation ought to be made in view of the present chaotic condition of the legislation at the present moment.

Mr. O'CONNOR of New York. But it would be well to assume that investigation was made before this legislation was proposed.

Mr. BACON. The committee bill also calls for an investigation.

The CHAIRMAN. The Chair is prepared to rule. It is very clear to the Chair that the substitute offered by the gentleman from New York [Mr. BACON] is subject to the point of order. There are various grounds upon which the Chair could sustain the point of order, but the Chair will sustain the point of order on the ground that it is not germane to the bill under consideration.

The ruling made by the Chair yesterday was on the point of order that was before the Chair at that particular time, and was addressed to the substitute which was offered, and to which the point of order was made. The Chair has before him Cannon's Precedents, volume 8. Section 2989 states:

> To a proposal to authorize certain activities, an amendment proposing to investigate the advisability of undertaking such activities is not germane.

Disregarding any other grounds upon which the proposed substitute may be held to be out of order, the Chair rules that the substitute is not germane.

The Chair sustains the point of order.

There being no other substitute to be offered, the question now recurs upon the amendment offered by the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the substitute which I offered be read by sections.

The CHAIRMAN. The gentlewoman from New Jersey asks unanimous consent that the amendment under consideration be read by sections for amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the first section of the substitute.

The Clerk read as follows:

That this act may be cited as the Fair Labor Standards Act of 1937.

PART I—LEGISLATIVE DECLARATION; DEFINITIONS; WAGE AND HOUR DIVISION OF DEPARTMENT OF LABOR

LEGISLATIVE DECLARATION

SECTION 1. (a) The employment of workers under substandard labor conditions in occupations in interstate commerce, in the production of goods for interstate commerce, or otherwise directly affecting interstate commerce (1) causes interstate commerce and the channels and instrumentalities of interstate commerce to be used to spread and perpetuate among the workers of the several States conditions detrimental to the physical and economic health, efficiency, and well-being of such workers; (2) directly burdens interstate commerce and the free flow of goods in interstate commerce; (3) constitutes an unfair method of competition in interstate commerce; (4) leads to labor disputes directly burdening and obstructing interstate commerce and the free flow of goods in interstate commerce; and (5) directly interferes with the orderly and fair marketing of goods in interstate commerce.

(b) The correction of such conditions directly affecting interstate commerce requires that the Congress exercise its legislative power to regulate commerce among the several States by prohibiting the shipment in interstate commerce of goods produced under substandard labor conditions and by providing for the elimination of substandard labor conditions in occupations in and directly affecting interstate commerce.

Mr. DONDERO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I notice on page 10 of the bill now under consideration, the wage and hour bill, this statement:

Whereas wages paid in interstate industries vary greatly between industries and throughout the Nation, reaching as low as $5 or less per week.

I took occasion to step downstairs about 10 minutes ago to ascertain what we pay to the men who serve us daily in the restaurant of the House of Representatives, beneath the dome of this Capitol. Apparently we have imported to this Nation the fair labor standards of Japan, for, to my great surprise and amazement, I was informed we were paying to those men the munificent sum of 66⅔ cents a day, $5 per week, $20 per month.

If this House passes this bill you are saying to the American people through their Congress, "Don't you dare do as I do, but you do as I say," because under the provisions of this bill I discover that the Government of the United States, every State, and every political subdivision thereof is eliminated or excluded from the provisions of this proposed legislation.

Those who live in glass houses should not throw stones.

Thou hypocrite, cast out first the beam out of thine own eye, and then shalt thou see clearly to cast out the mote out of thy brother's eye.

[Applause.]

Mr. CELLER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I desire to address myself in opposition to the remarks made the day before yesterday by my distinguished friend, our colleague from Georgia [Mr. RAMSPECK], wherein he implied that the delegation of power—as is involved in the Norton substitute—to one administrator is, as he indicated, palpably unconstitutional.

My argument will be purely a legal one. All factions of labor are pulling in different directions. One wants a board; one does not want a board. One wants an administrator; one does not want an administrator. Frankly, we are going to be damned if we do and damned if we do not. Under such circumstances, I am going to stand by the committee. This is the usual practice in the House. It is the only practice in a legislative body composed of 435 Members. We would get nowhere unless we were willing to follow the committees. The committee is the natural authority to follow, and particularly so, when those who are to be benefited by the bill are in hopeless disaccord.

THE SET-UP OF AN ADMINISTRATOR IN THE NORTON SUBSTITUTE IS CONSTITUTIONAL

That is a very important proposition and should be considered most carefully by every Member of the House. I have taken the trouble to examine many precedents during the last 48 hours, and I fail to find that the delegation of power to the Administrator in the instant substitute, as compared with other unwarranted delegations, is in the slightest degree unconstitutional. The delegation of rights and authority to the Administrator is sound and proper.

NO STANDARD OR PROPER GUIDE IN N. R. A.

We have the famous Schechter decision, wherein, in a word, the Court held that Congress could not delegate legislative power to the President to exercise unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade and industry. I use the word "unfettered" advisedly. The delegated power can never be unlimited. It must always, to be legal, be circumscribed and delimited.

Under the N. R. A. the President was authorized to pass upon codes that were fashioned and devised by various groups in various industries, but in the act we gave the President unlimited power to do whatever he wished with these codes. He could act apropos of these codes without let or hindrance. There was no standard devised. There was no limitation. There was a wholly unlimited frontier of power. The President could act upon good grounds or "coffee grounds." There was a complete abdication by us to the President in passing on those codes.

THERE IS PROPER STANDARD IN NORTON SUBSTITUTE

Unlike N. R. A., the substitute offered by the gentlelady from New Jersey contains a sufficient guide or standard of conduct for the administrator to follow. We have definite standards enunciated throughout the bill. We have definite guides. We have a definite catalog of delegated power. Nothing is left in the air. The power granted is definitely limited. There is a complete and definite standard fixed. The Administrator has the right to appoint committees of capital and labor, but in their negotiations, in their work, in their deliberations, they must come within the confines of the standard of power and limitations set in the bill; that is, in their establishment of minimum-wage and maximum-hour standards there must be considered by them these standards, namely:

Health, efficiency, and general well-being of the workers and the profitable operation of American business so far as and as rapidly as is economically feasible, and without interfering with or impeding or diminishing in any way the right of employees to bargain collectively.

These are the exact words of the bill, page 11, lines 20–24.

There are general limits and standards with reference to a substantial number of employees in any occupation. The Administrator and his committees must operate under such guide and standard. There are other specific limitations. For example, that committee has no power to go beyond a certain amount of money per hour as wages; a certain number of hours per week. The Administrator must be very careful that in that committee there is equal representation between employers and employees. Capital and labor must be equally represented. That is a definite standard under which the Administrator must operate. He is not given unlimited power as was the President with reference to code authorities. Further, in the membership of these committees, the Administrator must select members representing the public. The Administrator must also, in his appointments, give due consideration to geographic conditions obtaining in the industry.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the time of the gentleman may be extended.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. NORTON. Will the gentleman yield?

Mr. CELLER. I yield.

Mrs. NORTON. The gentleman from Georgia [Mr. RAMSPECK] said yesterday that my amendment delegates legislative power to committees, the members of which are not Government officials. Is it not true that those members are appointed by the Administrator, receive compensation from the Government, are required to take an oath of office, and does that not make them Government employees?

Mr. CELLER. I think the lady from New Jersey is quite right in her conclusions, but let me say further, Mr. Chairman, because of these limitations, because of this very definite standard that is set forth in the bill, there is no unwarranted nor illegal delegation of our power to the Administrator. I think, therefore, that the substitute is eminently constitutional.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

PRECEDENTS—N. R. A.

The last word on the subject of unwarranted delegation of legislative power to an administrative official is, of course, the unanimous decision of the Supreme Court in the case of A. L. A. Schechter Poultry Corporation and others against the United States, reported in the October 1934 term of the United States Reports, volume 295, at page 495 and following pages. Among other things, the Court said:

> * * * the President in approving a code may impose his own conditions, adding to or taking from what is proposed, as "in his discretion" he thinks necessary "to effectuate the policy" declared by the act. Of course, he has no less liberty when he prescribes a code on his own motion or on complaint, and he is free to prescribe one if a code has not been approved.

Be it remembered, in the instant legislation before us there is no such unrestricted, sweeping delegation of power. The Administrator is not given the right to impose his own conditions. He cannot act in any way he sees fit, as could the President under the N. R. A.

The Court, in the Schechter case, furthermore, said the following:

> Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry, or activity. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct, it authorizes the making of codes to prescribe them. For that legislative undertaking, section 3 sets up no standards, aside from the statement of the general aims of rehabilitation, correction, and expansion described in section 1. In view of the scope of that broad declaration and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered.

No such factors enter into the legislation before us. There is a definite standard, and there are prescribed rules of conduct which must be followed. There are not a "few restrictions," as was the case in the N. R. A., but many restrictions. A careful examination of the bill before us indicates these many restrictions.

INTERSTATE COMMERCE COMMISSION

Many attacks were leveled against the Interstate Commerce Commission on the score that Congress delegated to that Commission unwarranted powers. But Congress was careful to prescribe certain limitations of powers. Congress hewed out paths leading to direct objectives. There were limitations as to short hauls and limitations as to long hauls. There could be no changes in rates unless and until public hearings had been held. In a word, definite guides were set within which the members of the Commission were permitted to act.

Congress was solicitous in its endeavor to keep open the channels of competition. The courts repeatedly have held that this was not "a delegation to the Commission of legislative power which Congress was incompetent to make." (See 234 U. S. 476 at 486, citing *Field* v. *Clark*, 143 U. S. 649 (1892); *Buttfield* v. *Stranahan*, 192 U. S. 470, 24 Sup. Ct. 349 (1904); *Union Bridge Co.* v. *United States*, 204 U. S. 364, 27 Sup. Ct. 367 (1907); and *Monongahela Bridge Co.* v. *United States*, 216 U. S. 177, 30 Sup. Ct. 356 (1910).)

FEDERAL RESERVE ACT

The Federal Reserve Act has repeatedly been subjected to attack on the ground of unwarranted delegation of power. The Federal Reserve Board was given authority—

> To grant by special permit to national banks applying therefor * * * the right to act as trustee, executor, administrator, or registrar of stocks and bonds under such rules and regulations as the said Board may prescribe.

In *First National Bank* v. *Fellows ex rel. Union Trust Co.* (244 U. S. 416, 37 Sup. Ct. 734 (1917)), the Court said (244 U. S. 416 at 427, per White, Chief Justice):

> * * * We think it necessary to do no more than say that a contention * * * that the authority given by the section to the Reserve Board was void because conferring legislative power on that Board is so plainly adversely disposed of by many previous adjudications as to cause it to be necessary only to refer to them.

Citing *Field* v. *Clark* (143 U. S. 649, 12 Sup. Ct. 485 (1892); *Buttfield* v. *Stranahan* (192 U. S. 470, 24 Sup. Ct. 349 (1904)); *United States* v. *Grimaud* (220 U. S. 506, 31 Sup. Ct. 480 (1911)); *Monongahela Bridge Co.* v. *United States* (216 U. S. 177, 30 Sup. Ct. 356 (1910)); and the *Intermountain Rate Cases* (234 U. S. 476, 34 Sup. Ct. 986 (1914)), Van Devanter and Day, Justices, concurring on another ground.

DRAFT BOARD

In the *Selective Draft Law Cases* (245 U. S. 366, 38 Sup. Ct. 159, 1918) an argument based on the administrative features of the Selective Service Act—act of May 18, 1917 (40 Stat. 76, c. 15) was dismissed in much the same language and on many of the same authorities (opinion by White, C. J.). This case was followed in *Jones* v. *Perkins* (245 U. S. 290, 38 Sup. Ct. 166 (1918)); *Goldman* v. *United States* (245 U. S. 474, 38 Sup. Ct. 166 (1918)); *Kramer* v. *United States* (245 U. S. 478, 38 Sup. Ct. 168 (1918)); *Ruthenberg* v. *United States* (245 U. S. 480, 38 Sup. Ct. 168 (1918)); *Yanyar* v. *United States* (246 U. S. 649, 38 Sup. Ct. 332 (1918)); *Stephens* v. *United States* (247 U. S. 504, 38 Sup. Ct. 579 (1918)); *Pierce* v. *United States* (252 U. S. 239, 40 Sup. Ct. 205 (1920)); and *O'Connell* v. *United States* (253 U. S. 142, 40 Sup. Ct. 444 (1920)). The same summary manner of sustaining wartime legislation was also exemplified in *McKinley* v. *United States* (249 U. S. 397, 39 Sup. Ct. 324 (1919)). The case upheld a provision of the Selective Service Act (40 Stat. 83, c. 15, sec. 13) authorizing the Secretary of War to fix a limit around military stations within which the maintenance of a bawdy house should be a Federal crime (memorandum opinion by Day, J.).

MARITIME AUTHORITY

The next case again involved what may be termed the "maritime authority of the Secretary of War." This authority included (by act of Sept. 19, 1890, 26 Stat. 454, c. 907, sec. 7, and act of July 13, 1892, 27 Stat. 110, c. 158, sec. 3) power to approve the construction of bridges over navigable waters. Under this power the Secretary had approved the construction of a railroad bridge across the Sacramento River in replacement of another on condition that the piles of the former bridge should be razed down to 7 feet below the lowest low-water mark. This was done, and when a dredge was injured by running on the stumps so left, the Secretary's order was pleaded in defense of a suit for damages (in *Southern Pacific Co.* v. *Olympian Dredging Co.*, (260 U. S. 205, 43 Sup. Ct. 26 (1922)). In upholding this defense, the Court said (per Sutherland, J., 260 U. S. 205, at 208, 210):

> By this legislation Congress * * * committed to the Secretary of War administrative power insofar as administration was necessary * * *. In the light of this general assumption by Congress of control over the subject and of the large powers delegated to the Secretary, the condition imposed by that officer cannot be considered otherwise than as an authoritative determination of what was reasonably necessary to be done to insure free and safe navigation * * *. "Congress intended by its legislation to give the same force and effect to the decision of the Secretary of War that would have been accorded to direct action by it on the subject. It is for Congress, under the Constitution * * * to prescribe the way in which the question of obstruction shall be determined." (Quotation taken from *Monongahela Bridge Co.* v. *United States* (216 U. S. 177, 30 Sup. Ct. 356 (1910).)

A STATE PRECEDENT

Then followed a case—*Douglas* v. *Nobel* (261 U. S. 165, 43 Sup. Ct. 303 (1923))—involving a State statute—Washington Laws of 1893, chapter 55—establishing a dentistry examining board, and requiring all persons wishing to practice dentistry to pass an examination in order to be licensed. No further provision was made as to the examination. To a claim that this statute delegated legislative power to the examiners the Court, speaking through Mr. Justice Brandeis, replied (261 U. S. 165 at 169–170):

The legislature itself may make this finding of the facts of general application, and by embodying it in the statute make it law * * *. But the legislature need not make this general finding. To determine the subjects of which one must have knowlege * * * the extent of knowledge in each subject; the degree of skill requisite; and the procedure to be followed in conducting the examination; these are matters appropriately committed to an administrative board. (Citing *Mutual Film Corporation* v. *Industrial Comm.*, 236 U. S. 230, 35 Sup. Ct. 387 (1915). The principal case was followed in *Fife* v. *Louisiana State Board of Medical Examiners*, 274 U. S. 720, 47 Sup. Ct. 580 (1927), and in *Griffin* v. *Powers*, 275 U. S. 495, 48 Sup. Ct. 83 (1927), and in *Dr. Bloom, Dentist, Inc.*, v. *Cruise*, 288 U. S. 588, 53 Supp. Ct. 320 (1933).)

TRANSPORTATION ACT

In *Avent* v. *United States* (266 U. S. 127, 45 Sup. Ct. 34 (1924), per Holmes, J.) setting up of a board was confronted by an attack on the validity of a provision of the Transportation Act of 1920 (act of Feb. 28, 1920, 41, Stat. 456, at 474, c. 91, title IV, sec. 402 (15)) empowering the Commission in emergencies to make "reasonable directions" "in the interest of the public and the commerce of the people," including directions "for preference or priority in transportation." The case involved a conviction for obtaining a shipment of coal in violation of the Commission's rules as to priority, and the Court said (266 U. S. 127, at 130–131):

That it (Congress) can give the powers here given to the Commission * * * no longer admits of dispute. * * * The statute confines the power of the Commission to emergencies, and the requirement that the rules shall be reasonable and in the interest of the public and of commerce fixes the only standard that is practicable or needed. * * * Congress may make violation of the Commission's rules a crime.

Citing *Interstate Commerce Commission* v. *Illinois Central R. R.* (215 U. S. 452, 30 Sup. Ct. 155 (1910)), *United States* v. *Grimaud* (220 U. S. 506, 31 Sup. Ct. 480 (1911)), *Union Bridge Co.* v. *United States* (204 U. S. 364, 27 Sup. Ct. 367 (1907)), the *Intermountain Rate Cases* (234 U. S. 476, 34 Sup. Ct. 986 (1914)), and *Mutual Film Corp.* v. *Industrial Commission* (236 U. S. 247, 35 Sup. Ct. 393 (1915)).

TARIFF ACT

In *Hampton, Jr., & Co.* v. *United States* (276 U. S. 394, 48 Sup. Ct. 348 (1928)), discussed 31 Mich. L. Rev. 786, at 795 (1933)), an attack was made on the so-called flexible provision of the Tariff Act of 1922 (act of Sept. 21, 1922, c. 356, title III, sec. 315, 42 Stat. 858, at 941). This empowered the President to increase or decrease customs duties up to 50 percent of those specified in the act upon ascertaining that the cost of production in competing countries was not equalized with such cost in the United States by the duties already imposed. In ascertaining such cost the President was to consider "insofar as he finds it practicable" produced by foreign persons or governments, and "any other advantages or disadvantages in competition." In upholding the action of the President under this power the Court said (276 U. S. 394, at 405–406, 409, per Taft, C. J.):

The well-known maxim "Delegata postestas no potest delegari" * * * has had wider application in the construction of our Federal and State constitutions than it has in private law * * * (They) divide the governmental power into three branches * * * and the rule is that in the actual administration of the government, Congress or the legislature should exercise the legislative power * * * and in carrying out the constitutional division into three branches it is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President. * * * This is not to say that the three branches are not coordinate parts of one government and that each in the field of its duties may not invoke the action of the two other branches insofar as the action invoked shall not be an assumption of the constitutional field of action of another branch. In determining what it may do in seeking assistance from another branch, the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental coordination.

The field of Congress involves all and many varieties of legislative action, and Congress has found it frequently necessary to use officers of the executive branch, within defined limits, to secure the exact effect intended by its acts of legislation, by vesting discretion in such officers to make public regulations interpreting a statute and directing the details of its execution, even to the extent of providing for penalizing a breach of such regulations.

Mr. BACON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offered my resolution as a substitute in good faith; in fact, I introduced it on December 9. I fully appreciate that it was probably subject to a point of order, but in view of the rather broad and startling decisions of the Chair yesterday, I felt its submission justified.

I believe that the bill in the Senate was amended some 35 times. Since the original Black-Connery bill was reported last August the Committee on Labor has made some 60 amendments. Then, at the suggestion of the Department of Labor, additional amendments were made; so the committee made some 159 amendments in all, I believe, which are now consolidated in the so-called Norton amendment.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mrs. NORTON. I think the gentleman is mistaken. So far as I know, no amendments were suggested by the Department of Labor.

Mr. BACON. Then 159 amendments were made to the original bill which are now all incorporated in the Norton amendment.

Mrs. NORTON. I have not counted the amendments.

Mr. BACON. I inquired of a member of the Committee on Labor. I cite this merely to show the confusion surrounding this whole legislation. It seems to me that we are not approaching it in a judicial and careful way. Nothing can be more important to the future of this country than that we have proper legislation on wages and hours; and I am thoroughly in favor of the principle that is sought to be established. I therefore suggested a Federal commission of inquiry of 15 members to investigate this whole broad problem from a national point of view and the relations of this problem to the Federal Government.

I took my analogy from the old Monetary Commission, out of which came the Owen-Glass bill providing for the Federal Reserve Board; from the Morrow Commission, out of which came legislation on aviation and from which date our entire aviation development may be said to have started. This is just as important as any other legislation that has ever come before this Congress, and it seems to me that a national commission should have investigated this whole subject. I suggested a commission of three Members of the House, to be appointed by the Speaker; three Members of the Senate, to be appointed by the Vice President; and nine members to be appointed by the President, which are to represent industry, agriculture, labor, and the public. The resolution contemplated that final action on the Black-Connery wage and hour bill should be postponed until the proposed commission reported to the Congress at the next regular session. It was not intended to postpone this proposition indefinitely.

The resolution declares on its face that oppressive hours of labor and substandard wages and exploitation of child labor shall not be tolerated as necessary evils in our economy and that remedies for such conditions must be found. The resolution provides that the country should have full knowledge of where it is going before it gets underway. That is the only sound legislative procedure. My resolution was offered in good faith and to my way of thinking provided a sensible approach to this very important and vital question. [Applause.]

The gentlewoman from New Jersey tells me that so far as she knows no amendments were suggested by the Department of Labor. This makes the confusion even worse, because it is public knowledge that the Department of Labor

certainly intended to submit some. And I am wondering why the Department was not given the opportunity. It would seem that the Department concerned would be consulted, especially after the Secretary of Labor, after a White House conference, stated she would propose changes in the administration's wage and hour bill.

The Washington Star, either in its issue of November 10 or November 11, carried the following item under an Associated Press line:

Secretary of Labor Perkins said after a White House conference today that she would propose changes in the administration's wage and hour bill when congressional committees start new hearings on the subject.

The Secretary said she had discussed the bill with President Roosevelt but preferred not to say what changes she had in mind.

She told newsmen that if congressional committees seek her views she would have some modifications to suggest in the light of studies the Labor Department has made since the bill won Senate approval last session. * * * Asked about proposals to have Congress, rather than a board, fix control of minimum-wage and maximum-hour standards, Secretary Perkins said a board would be necessary if the program was to be approached "from the point of view of flexibility."

She said if the standard were to be fixed by Congress all that would be needed would be an enforcement.

I think it is perfectly fair to rely on information of this sort, especially when the Secretary of Labor is directly quoted.

All of the Labor Committee's amendments were agreed to in closed session of the committee and public hearings denied. It seems more than strange that Secretary Perkins was not given an opportunity to advance her views on the subject, and especially so when her Department had made studies and had definite modifications to suggest.

In other words, to put it bluntly, the vital changes made by the Labor Committee were made without affording labor, industry, the public, and even the administration's own Department of Labor an opportunity to go on record.

The whole bill is permeated with confused thinking and represents a hodgepodge of compromise that satisfies no one. The resolution I submitted, I think, states the case fairly, and, I believe, also proposes the sensible approach to the problem.

Under leave to do so, I append an editorial from the Baltimore Sun, which is captioned "The Bill Nobody Knows." It is a singularly appropriate title for the measure under consideration. The editorial follows:

THE BILL NOBODY KNOWS

In the consideration of the wage and hour bill, the House and the House Labor Committee would do much better to get down to questions of fundamental policy and quit fiddling around with matters of administrative detail. Matters of administrative detail may be important, of course. It may conceivably make a good deal of difference whether the proposed bill is administered by a supposedly impartial board of five members or by a single administrator working with the advice of groups representing labor, industry, and the public. There are certain questions that ought to be weighed in this connection, and weighed thoroughly, before a final choice is made as between the two plans, if indeed either of them is accepted.

But these questions and their like are, after all, of secondary consequence in a matter of this kind. It is far less important to know how the proposed wage and hour measure is going to be administered than to know what it will do. And nobody in either House of Congress has yet told us what it is going to do. The reason seems to be that nobody knows. The Senate passed this bill last spring without any clear apprehension of its consequences and the House committee has approved it without any clear apprehension as to how many industries it is going to affect or how many workers will be subject to its provisions. There seems to be no clear understanding of the possible effect the operation of wage and hour standards may have on employment as a whole or on the employment of particular groups. It may work out in such a way as to prejudice agriculture. It may prejudice the interests of the South and give other sections an advantage in the competition for the home market. Nobody knows.

And, what is worse, nobody seems to want to know. The House committee fiddles around with the question of administration and passes the buck on the matter of fundamentals. The House leaders are, according to Mr. Trussell's dispatch from Washington yesterday, out to pass the bill by the end of next week. Neither the Speaker nor the majority leader seems to have much of an impression as to what it is all about. They just want to pass a bill and leave all fundamental questions up to five men, or to one man, as the case may be. Most of those who do not take one of these alternatives will probably be for the American Federation of Labor's plan to fix a single minimum wage and a single maximum working week for the whole country and then hope for the best.

The only man who seems to have the slightest desire to find out what the bill means is Representative BACON of New York, a Republican, who has proposed in a resolution that a Federal commission be appointed to find the answers to a few of the fundamental questions to which this proposal gives rise. Mr. BACON wants to lay a factual foundation for the legislation before final action is taken. His is a counsel to which his colleagues might appropriately pay greater heed than they have been paying in their zeal to pass a measure the effect of which is still obscure.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein an editorial commenting on my resolution.

The CHAIRMAN. The gentleman from New York will have to secure that permission in the House.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, at the time Henry Ford announced his $5-a-day policy some wise men of the country foretold the doom of the automotive industry. A great many in the industry also echoed their remarks and said, "It can't be done." My purpose in coming before the Committee today is to say a word about the automotive industry, to which directly this wage and hour bill does not apply.

This industry is confined in great part to my city and State, but every State in the Union supplies materials used in the manufacture of its product.

Directly and indirectly, 1 out of every 11 gainful workers receives a pay envelope, to a number in excess of 4,000,000.

For the purpose of information and instruction, I am inserting in the RECORD a chart prepared by me and based upon information supplied by the Automobile Manufacturers Association, which figures are taken from the 1930 census, setting forth employment in the industry in the individual States, not including truck drivers and raw-material suppliers, and totaling 2,007,688 persons. Moreover, the chart will show the number of automobile retail stores in each State as well as the number of automobile factories and gasoline refineries. The chart further sets forth the materials purchased from each State, and it ranks the States numerically in the order of such employment. A study of the chart and the return purchases by the industry from your State will prove most interesting.

CHART No. 1

No.	State	Employment in automotive industry [1]	Automotive retail stores	Automotive factories and gasoline refineries	Materials supplied by the State
1	Michigan	400,912	10,404	261	Iron ore, lumber, copper, brass, lacquers, leather.
2	Ohio	200,736	15,167	477	Pig iron, steel paint, lacquers.
3	New York	151,072	19,985	534	Talc, excelsior, paint, iron, fabrics, wool, metal, varnish, lacquer, tanning chemicals, refineries.
4	California	120,564	17,853	202	Petroleum, lumber, chromium, mercury, magnesite, silica, glycerine, talc, moss, wool, borax.
5	Pennsylvania	112,491	16,505	531	Chemicals, steel, iron, plate glass, coal, leather, aluminum.
6	Illinois	105,611	13,899	435	Steel, pig iron, coal, lacquers, chemicals, leather.
7	Texas	94,306	15,290	101	Cotton, petroleum, wool, mohair, hides, sulphur, mercury, carbon black.
8	Indiana	73,928	7,871	161	Steel, pig iron, plate glass.
9	New Jersey	62,858	7,683	142	Chemicals, leather, brass, copper, zinc.
10	Wisconsin	52,529	6,645	136	Lumber, hides, iron ore, excelsior.
11	Massachusetts	52,497	7,455	167	Upholstery cloth.
12	Missouri	49,342	8,377	102	Lead, zinc, hides, lacquers, tungsten.
13	Oklahoma	36,276	7,115	60	Zinc, petroleum, lead, hides, cotton.
14	Minnesota	30,850	5,943	50	Iron ore, lumber, hides, wool, linseed oil.
15	Iowa	29,985	7,195	42	Hides, wool, linseed oil, flaxseed.

[1] Exclusive of truck drivers and raw-material suppliers.

CHART No. 1—Continued

No.	State	Employment in automotive industry	Automotive retail stores	Automotive factories and gasoline refineries	Materials supplied by the State
16	Kansas	27,766	6,546	30	Hides, linseed oil, petroleum, flaxseed, zinc.
17	Connecticut	27,390	3,464	95	Brass.
18	Louisiana	24,447	3,050	21	Cotton, sulphur, lumber, sugarcane, carbon black.
19	Tennessee	23,820	3,057	14	Cotton, lumber, coal, bauxite.
20	Washington	22,950	4,725	16	Lumber, mercury, magnesite, copper refining.
21	North Carolina	22,697	5,865	9	Cotton fabrics, mica, silica, cotton.
22	Georgia	22,435	4,527	12	Cotton fabrics, bauxite, turpentine, manganese.
23	Florida	21,040	4,826	2	Cotton, lumber, sugarcane, turpentine.
24	Kentucky	19,584	3,343	25	Coal, lumber, paint, lacquers, leather.
25	Nebraska	19,489	3,774	18	Flaxseed, linseed oil, hides, wool.
26	Virginia	19,478	3,971	11	Cotton, emery, excelsior.
27	Alabama	16,525	3,167	3	Cotton, iron ore, steel, turpentine.
28	Maryland	16,481	2,356	15	Plate glass, paints.
29	Colorado	15,077	3,001	24	Vanadium, lead, zinc, hides, wool, molybdenum.
30	Oregon	14,151	3,252	6	Lumber, wool, mercury.
31	Arkansas	13,117	3,056	11	Lumber, bauxite, petroleum, manganese.
32	West Virginia	12,021	2,642	5	Lumber, coal, glass.
33	Mississippi	11,501	2,755	1	Lumber, cotton, sugarcane.
34	South Carolina	9,638	2,616	3	Cotton, cotton fabrics.
35	South Dakota	7,314	2,012	3	Flaxseed, hides, linseed oil.
36	Rhode Island	6,770	1,326	23	Upholstery cloth.
37	Maine	6,302	1,834	2	Paper, lumber, mohair, mica.
38	North Dakota	6,209	1,588	0	Flaxseed, hides, linseed oil.
39	Montana	5,798	1,331	17	Manganese, wool, copper, nickel, silver, hides, flaxseed.
40	Arizona	5,752	1,141	3	Copper, nickel, molybdenum, asbestos, tungsten.
41	Utah	5,386	1,062	1	Copper, lead, zinc, silver, wool, hides.
42	New Hampshire	4,846	1,282	5	Mohair, leather.
43	Wyoming	4,495	619	17	Petroleum, hides, wool, carbon black, flaxseed.
44	Idaho	4,463	1,082	0	Lead, zinc, hides, silver, wool.
45	New Mexico	3,775	920	5	Molybdenum, zinc, copper, wool, hides, cotton.
46	Vermont	3,232	1,088	3	Abrasives, silica, lacquer, mohair, leather.
47	Delaware	2,278	611	6	Plate glass, paints.
48	Nevada	1,351	288	0	Copper, lead, wool, mercury, magnesite, tungsten, vanadium, borax.

A second chart setting forth the purchase in 1936 of automobiles in the various States and the number of cars in the State in ratio to State population, also the numerical rank of your State as an automobile purchaser, will further engage your study.

CHART No. 2

State	Population	Cars purchased 1936 [1]	Population per new car 1936	Rank number	Population per motor vehicle [1]	Rank number
Alabama	2,864,000	48,385	59.17	47	9.63	48
Arizona	406,000	16,268	24.95	10	3.53	15
Arkansas	2,023,000	29,097	69.52	49	9.31	47
California	6,059,000	289,911	20.89	6	2.60	2
Colorado	1,066,000	44,781	23.80	8	3.37	10
Connecticut	1,734,000	59,582	29.10	20	4.35	27
Delaware	259,000	10,200	25.39	14	4.34	26
Dist. of Columbia	619,000	35,727	17.32	2	3.41	11
Florida	1,642,000	48,400	33.90	30	4.24	24
Georgia	3,060,000	56,522	54.14	43	7.45	44
Idaho	485,000	19,377	25.03	11	3.65	16
Illinois	7,845,000	267,261	29.35	21	4.73	33
Indiana	3,459,000	136,307	25.38	13	3.82	19
Iowa	2,543,000	84,882	29.96	22	3.49	14
Kansas	1,886,000	65,447	28.82	19	3.26	6
Kentucky	2,883,000	50,979	56.55	45	7.74	46
Louisiana	2,122,000	47,224	44.96	40	7.02	43
Maine	853,000	23,227	36.72	35	4.45	30
Maryland	1,674,000	51,610	32.44	27	4.42	29
Massachusetts	4,425,000	132,611	33.37	28	5.42	38
Michigan	4,783,000	251,808	19.00	4	3.48	12
Minnesota	2,635,000	95,917	27.47	16	3.36	9
Mississippi	2,008,000	35,373	57.05	46	9.75	49
Missouri	3,959,000	107,882	36.70	34	4.89	35

[1] "Cars purchased 1936" includes commercial car registrations.

CHART No. 2—Continued

State	Population	Cars purchased 1936	Population per new car 1936	Rank number	Population per motor vehicle	Rank number
Montana	531,000	26,675	19.91	5	3.18	5
Nebraska	1,364,000	44,691	30.52	23	3.30	8
Nevada	100,000	6,465	15.47	1	2.60	1
New Hampshire	508,000	14,454	35.15	31	4.16	22
New Jersey	4,328,000	128,672	33.64	29	4.59	32
New Mexico	422,000	15,426	27.36	15	3.88	20
New York	12,935,000	342,482	37.77	36	5.27	36
North Carolina	3,457,000	63,650	54.31	44	6.83	42
North Dakota	703,000	13,775	51.03	41	4.20	23
Ohio	6,713,000	274,893	24.42	9	3.78	18
Oklahoma	2,528,000	71,342	35.43	32	4.75	34
Oregon	1,017,000	48,510	20.96	7	3.06	4
Pennsylvania	10,136,000	315,200	32.16	26	5.28	37
Rhode Island	681,000	21,903	31.09	25	4.28	25
South Carolina	1,860,000	30,111	61.73	48	6.67	41
South Dakota	692,000	16,518	41.89	38	3.71	17
Tennessee	2,864,000	53,021	54.02	42	7.52	45
Texas	6,117,000	196,898	31.07	24	4.14	21
Utah	515,000	17,969	28.66	18	4.42	28
Vermont	380,000	10,721	35.44	33	4.52	31
Virginia	2,671,000	63,240	42.24	39	6.40	39
Washington	1,643,000	65,124	25.23	12	3.29	7
West Virginia	1,830,000	46,453	39.39	37	6.54	40
Wisconsin	2,908,000	105,806	27.48	17	3.48	13
Wyoming	233,000	12,354	18.86	3	3.04	3
Total	128,429,000	4,016,141				

NOTE.—Population figures obtained from Department of Commerce, Bureau of the Census. Cars purchased 1936 data obtained from Automotive Daily News of Feb. 10, 1937. Population per motor vehicle and rank number in this class obtained from Automotive Facts and Figures, published by the Automobile Manufacturers' Association.

Why do I set forth these charts? Because, by comparison, the industry, almost from its inception, astounded the country by its pay rate, and accordingly it attracted from the South, the West, and the East those peculiarly fitted geniuses and others who have found a fitting place for the outlet of their skill and to themselves proper remuneration.

The industry enjoys first place in the business of the Nation. It pays an annual tax of one and a half billion dollars. It paid the railroads in 1936, $450,732,000. Fifty-four percent of the families in the United States own its product. And with it all the industry has not received the treatment it should rightfully enjoy because of the indirect discrimination against its product in certain industries and sections of our country due to the payment of misery-creating wages.

The industry ranks as the first consumer of steel strips, bars, sheets, malleable iron, alloy steel, and steel of all forms. Also it is the first consumer of gasoline, lubricating oil, rubber, plate glass, nickel, lead, and mohair. And in this connection let it be remembered that the industry last year made in excess of 4,000,000 automobiles.

The following figures are applicable to field and farm materials necessary in the construction of 1,000,000 Ford cars:

Cotton: 69,000,000 pounds—the yield of 431,250 acres.

Wool: 3,200,000 pounds—the product of 800,000 sheep.

Lumber: 112,000 feet—the product of 20,500 acres.

Cattle: Leather from 30,000 head.

Soybeans: 1,800,000 pounds—the yield of 30,000 acres.

Flax: 2,400,000 pounds, the equivalent to 118,000 bushels—the product of 17,500 acres.

Tung oil: 728,000 gallons—the product of 16,000 acres.

Corn: 500,000 bushels—the yield of 12,500 acres.

Goats' hair: 350,000 pounds—the product of 87,500 goats.

Turpentine: 2,000,000 pounds—manufactured from pine pitch.

Sugarcane: 2,300,000 gallons of molasses—produced from 12,500 acres of sugarcane.

It is a humming industry, friends, and even the honey bee serves us to the number of 93,000,000 to supply 6,000 pounds of beeswax.

And finally last, but necessary, castor oil—341,000 pounds used for lacquers and artificial leather for rumble seats.

These items of farm production have been mentioned to impress the Committee of the glorious part the automotive industry plays in every State of the Union.

Increase the buying power where it is inadequate today and extend it to those who have it not and thereby assist both industry and agriculture.

Those are the business facts and the hope of the wage and hour bill.

But through the maze of figures, through the technicalities of parliamentary procedure, through the noise and heat of debate comes the cry of the weak, in supplication to the strong, "How strong are you?" Oh, I have heard here today, "This is not the time to pass this legislation"; but I say to you, "Procrastination, thou art the thief of time." "How strong are you" when property rights conflict with human rights? When remembering the phrase, "I am my brother's keeper", how strong are you? [Applause.]

Mr. BRADLEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it has been singularly significant that those who oppose this bill have been allied, in numerous instances, with those who have proposed certain substitutes. The substitute which we just voted down, proposed by Mr. LAMNECK, of Ohio, I think could have been characterized as the chamber of commerce bill. They act upon the theory that if they must take a bill they would take the one that would be the least effective. I have heard no discussion on this floor that would lead me to believe that those who oppose this bill are willing to advocate the continuance of the low-wage scales in this country. Instead, we have heard an academic discussion that it would disrupt industry, that it would disturb the industrial equilibrium throughout the Nation. No one has dared to take this floor, and I would like to see a single Member take it and try to defend the justice of $7 and $8 a week as an American standard of wage. You have not heard one opponent of this bill attempt to justify such a low wage scale.

Mr. Chairman, we have been subjected to a barrage of propaganda from the opponents of this measure who seek to instill fear, who seek to intimidate Members of Congress by saying that if this bill passes it will disrupt industry and will create further unemployment throughout the country. I do not think we have any need to worry about disturbing industry or about increasing unemployment. The only disturbance that will be caused by a bill which seeks to correct intolerable conditions, will be a disturbance of the nefarious practices some people seek to perpetuate through low wage scales and substandard wages throughout the United States. I do not think anyone is justified in saying that certain sections of the country would be subjected to unfair competition. I recall that a couple of years ago an analysis was made of one of the leading textile corporations in the southern part of the United States, the Bibbs Manufacturing Co. This analysis showed that on an original investment of $25,000 of preferred stock they had paid approximately $1,000,000 of dividends. That was the Bibbs Manufacturing Corporation, one of the greatest textile concerns in the southern part of the United States. For anyone to maintain that they cannot pay the same wage as prevails in other sections of the country is to follow an erroneous assumption.

They cannot pay it if they seek to declare a million-dollar dividend on an investment of $25,000, but if they are content with a normal profit they can pay a wage equal to the standard provided by this bill. I think myself there has been a sit-down strike of industry in this country in an attempt to influence Congress.

I have a communication, and I think perhaps every Member of the House has received it. This concern admits that in order to influence Congress to defeat this legislation it has deliberately refrained from purchasing goods and has ceased its operations. Here is what it says:

> About 7 or 8 months ago, when this bill was first discussed and advocated, we, together with hundreds of others, immediately discontinued our expansion and our purchases.

Mr. KELLER. Who is it from?

Mr. BRADLEY. This is from the Grogan Manufacturing Co., of Bivins, Tex., a lumber concern.

They continue further and intimate if this wage and hour bill is killed and other progressive legislative measures repealed we can have prosperity back again.

I appeal to Congress not to be influenced by the threats of manufacturers' organizations and Liberty League affiliates, and to refuse to place its stamp of approval on these intolerable conditions, but by its passage of this bill to write into the law the principle that the American worker is entitled to protection by the Federal Government against exploitation. [Applause.]

[Here the gavel fell.]

Mr. IZAC. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I notice this morning a great many Members are wondering just who is for the pending bill. The gentleman from Michigan [Mr. MICHENER] seemed to think it was only a section of the American Federation of Labor or the C. I. O. that was interested. In California we have a $16-minimum wage for women and I want to assure you when that law went into effect we saw the wages of women in industry raised from $5 and $6 a week to at least $16 a week. It does not result in a ceiling. We still have our stenographers and others getting $125 a month. Let us not worry about that.

I do not care what the American Federation of Labor or the C. I. O. or anybody else thinks about my vote on this question. I have received from some units of organized labor a plea that I vote for this bill. Yesterday morning, however, I received a telegram from the American Federation of Labor of my State to this effect:

> Either support the Dockweiler amendment or kill the bill.

I want to read what I said in reply:

> In justice to labor, both organized and unorganized, in recognition of the need of increasing the purchasing power of the low-income group of America, and in loyalty to the man best fitted to know the needs of the Nation, our President, I shall support the best hour and wage bill that we are able to pass now. Even if we can make only the first step, I believe it imperative to take that step now.

[Applause.]

Mr. RANDOLPH. Will the gentleman yield?

Mr. IZAC. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Will the gentleman also include the wire he received?

Mr. IZAC. I will be glad to read it. This is from Edward D. Vandeleur, secretary of the California State Federation of Labor. I understand similar telegrams were received by Members, from not only the American Federation of Labor of my State but of other States.

> Strongly request you support American Federation of Labor wage and hour bill introduced by Congressman DOCKWEILER. If Federation bill not substituted, urge you vote recommittal.

There is just one danger, as I see it, in the conduct of the Members on the floor today and that is, we may be so anxious to give everybody a chance to get his amendment accepted that we will not only emasculate the bill but render it so bad that no one will want to support it. We see the social-security legislation with so many exemptions that it applies to perhaps only one-third of our people. Last week we passed a farm bill and we exempted from its provisions, at least from its benefits as I see it, practically all of the people of my State because we do not raise any one of the five major crops. I do not believe we should pass that kind of wage and hour legislation.

I am happy to be able to stand here and say it is this committee of the House of Representatives and not the American Federation of Labor, the Chamber of Commerce, or anyone else that is giving me a chance to vote on this bill. It is the best thought of the membership of the Labor Committee, who represent us, that is giving us the pending bill today. I for one am going to go down the line for it and I firmly believe we must accept this bill, even though some may think it inadequate, or else we are not going to have any bill at all. It has been an inspiration to me the

way many groups of organized labor, disregarding the fact that this bill does not directly aid them, have come to the rescue of those of their comrades less fortunate than themselves.

This bill, to my mind, will be the charter of the unorganized workers of America. By it I hope to see the underprivileged groups of our population become articulate and gain for themselves rights heretofore denied them under our economic system. It has likewise been of material encouragement to me that many employers have also assured me of their belief in the merits of this bill. The president of the largest industry in my district assured me personally that he was in favor of good hours and wages legislation. And I believe we will be keeping faith with those in every walk of life if we will make it possible to raise the standard of that one-third of our Nation whose purchasing power at the present time is barely sufficient to sustain life.

My colleagues, how can you or how can we in California, however enlightened our policy of employment may be—how can we expect to sell the fruits of our soil and the products of our factories unless we make it possible to increase the purchasing power of the people in all sections of the country whereby they may share with us the good things we produce?

Because I believe that this bill will directly aid many millions of people and indirectly better the economic conditions of all the people of the United States, I am resolved to support the bill and appeal to you to do likewise. [Applause.]

Mr. FLANNERY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, we have heard much debate pro and con on the merits and demerits of the pending legislation. We must, as men of honor, accept the integrity and good faith of the opponents and proponents of the various proposals that have been offered. In doing this it is well to survey generally the field as it is at the present time. There are those who are honestly opposed to wage and hour legislation, those who are opposed to this specific bill, and those who are in favor of this bill or in favor of it as amended.

I would like to revert very briefly to some of the remarks that were made this morning on the floor of the House. Our distinguished friend and colleague from Texas [Mr. DIES] in his opening remarks pointed out in stentorian tones that industry must collapse if this bill is passed, that cobwebs would gather on the wheels of industry, and that business would be prostrated, a very convincing and very persuasive argument, except for the fact, as Mr. DIES went on to say:

> Mr. Chairman, if you propose to assist wages and hours, do not do it by this legislation, because it affects only 2 percent of the employees.

I respectfully submit to the gentleman from Texas [Mr. DIES], if this affects only 2 percent—and as I recall it, that was his figure—of the employees in industry to be affected, how can it have this terrifically devastating effect on our national economy? Frankly, I do not believe that makes sense.

Let us go further. We are told, "If you do this you will wreck industry." My family traditions go back into the hard coal fields, when my grandfather worked in the mines and got 70 cents a day. He did not see daylight from one end of the week to the other. There they went down into the bowels of the earth before dawn and they came up after dark. When they struck and asked for a living wage they were told, "Oh, the industry cannot survive." But the industry has survived and they have received a living wage, and the industry went on to prosper.

When the men who worked in the steel mills in 12-hour shifts, 12 hours on and 12 hours off, asked for better working conditions they were told, "The industry cannot survive. If you do this you will place such a burden upon us we cannot carry on." But the steel industry, hearty industry that it was, kind of pulled through.

We have heard this argument pro and con whenever labor has asked for an opportunity to live and breathe. Let us think back to the days of the company store, when you were born in a company house, probably brought into the world with the assistance of neighbors and friends, played in the company street, traded at the company store, called in the company doctor, worked all your life for the company, were owned body and soul by the company, and when you died were buried by the company undertaker, and you still owed the company money. Those, or similar conditions, are the conditions which still prevail in some sections today.

Business says, "Oh, we cannot stand reasonable regulation of wages up to $16 a week." If business does not have some such legislation as we have before us today, then legitimate business, honest business, fair, decent, and reasonable business will be put out of business by chiselers and frauds. Business needs this legislation to protect itself. I know of the lofts of the piece-work and the pants factories where the widows and orphans slave all day and take their material home to work on it all night. When they get back and submit it for a pittance they are frequently told by the superintendent, "We are sorry, that particular garment must be rejected and you cannot be paid for it." I am not talking about any section, and I am not talking about any locality, I am talking about the underprivileged, the underpaid, and the undernourished people of this Nation, whether they be in the North, the South, the East, or the West. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. RANKIN. Mr. Chairman, I believe this so-called wage and hour bill is the most dangerous piece of legislation I have ever seen come to the floor of the House. It would wipe out the Bill of Rights and destroy those great constitutional guaranties of human liberty for which our forefathers fought and bled.

The Bill of Rights, the most sacred provision of the Constitution, was placed there at the request of Thomas Jefferson and is embodied in the first 10 amendments. That was probably Jefferson's greatest contribution to mankind.

The fifth amendment provides that no one shall "be deprived of life, liberty, or property without due process of law," which means without legal proceedings in a legally constituted court of law.

The most powerful address ever delivered by a human being on this earth, outside of Holy Writ, was that delivered by Patrick Henry before the Virginia Convention at the outbreak of the Revolutionary War. It excels Demosthenes' Oration on the Crown. It far surpasses Cicero's reply to Catiline. It aroused the American people to a consciousness of their rights, a realization of their responsibilities to themselves and to their posterity. It shook the thrones of Europe, and stirred the nations of mankind to a new resistance to tyranny and a new determination to enjoy that freedom, that liberty, which the "God of the Nations" intended for them to enjoy.

His subject was human liberty—the liberty for which the Revolutionary War was fought, the liberty guaranteed by the Constitution of the United States, and specifically by the Bill of Rights to which I have just referred.

This measure, if enacted into law, and upheld by the courts, would sound the death knell of that liberty. Men who do not seem to understand, or appreciate, the far-reaching and dangerous effects of legislation of this kind appear, or pretend, to think that they are voting to raise wages and put people to work.

As a matter of fact it will not put people to work, but will throw thousands of people out of work and deprive them of the only means they have of earning a livelihood. By the passage of this law, you would deny to the very people you are talking about—the underprivileged—the right to work at all. If they could not get the minimum wage provided

for in this bill, or set by the board, or the Department of Labor, they could not work at all. That happened in the District of Columbia when the minimum-wage law for women was in effect here 15 years ago. Women who could not get the minimum wage were forced to beg or starve. It was at their instance that the measure was taken to the Supreme Court at that time.

Shakespeare said, "You take my life when you do take the means whereby I live." What greater liberty could a man or a woman have than the liberty to work for their daily bread, or for bread for their children? This bill would wipe out that liberty and strike that part of the Bill of Rights from the Constitution of the United States. It would then be but a short step to wipe out the rest of those sacred rights which guarantee religious and personal liberty of all kinds.

Then we would be swept into either communism or fascism. They are both symptoms of the same disease; one of them is the fever and the other the chill of a dying democracy, the dying liberties of mankind.

If this measure passes, and becomes law, in its present form, the men who vote for it will live to hear themselves cursed by the laboring people of America as the worst enemies the laboring man ever had in public office.

I have devoted my time since I have been in Congress to the cause of the laboring man, whether in the factory or on the farm. I know that, taken as a whole, this measure would be disastrous to them. You men from the Northeastern States do not hesitate to say that what you are trying to do is to stop the growth of industry in the South. You want to close our factories and throw our laborers out upon the street without employment.

How do you expect them to live? Shall they go back to the farm, which is already crowded? Shall they go on relief, and live at Government expense? If so, who is going to pay that expense? Where are we going to get the money to maintain the enormous relief rolls this bill would create? You are not fooling anybody in the South by your prating about raising wages. What you want is to keep the workmen in the South from getting any wages at all. You want to force all the factories in the South and West back into the cities of the East; such as Boston, New York, Pittsburgh, Philadelphia, and Baltimore.

You say you already pay your laborers in Boston, Pittsburgh, New York, and Baltimore 40 cents an hour. But you fail to tell the public that you turn right around and take it away from them in overcharges for house rents and exorbitant prices for food, clothing, fuel, electricity, and other necessities of life. You do not seem to be interested in the people getting the truth about those things, but only in destroying southern industries and bringing them back to your localities, concentrating them in the great cities of the East and preventing the people in the South and West from engaging in any industrial activities at all.

The real friends of labor do not want this bill. The American Federation of Labor is asking that it be recommitted to the committee. They know that it would not only throw thousands of people out of work who are now drawing less than 40 cents an hour, but that it would create a virtual dictatorship over all industrial labor and ultimately result in reducing the wages of the ones who are now well paid and well satisfied.

When you attempt to compare the wages paid in the South with the wages paid in the great cities of the North, you fail to give credit for the difference in living expenses. I should like to see the wages of people in all southern industries raised, but you would not; you want to see their plants closed and their people thrown out of work, to keep them from competing with the people you represent.

Some of you have recently admitted on this floor that house rents in Boston and New York cost the laboring man about $6 a room per month, or from 3 to 10 times what it costs industrial workers in the Southern States. In the South large numbers of these workers live out on the farm where they not only have cheap house rent, or live with members of their own families, but they have their own gardens, corn patches, cows, their own milk and butter, their own chickens and eggs, their own potatoes and beans, which the man in the northern city would have to buy in a tin can or a paper sack, and pay from three to five times what it would cost the man on a southern farm—to say nothing of the heavier clothing and the extra money you must spend in your northern climates for heat and electric energy.

We are decentralizing our industries in the South and bringing them as close as possible to the man who tills the soil, in order that the people in those areas may live at home and enjoy the benefits of industrial employment.

In addition to the evil consequences of this measure from a standpoint of human rights and from a standpoint of the penalties it would impose upon industrial workers, it would be the greatest blow to the farmers of the Nation that could be delivered at this time. It would raise the prices of everything he has to buy, without in any way increasing the prices of the things he has to sell. He is already burdened to death. When he buys back the products of his own farm, after they have gone through a manufacturing establishment, he pays such exorbitant prices that he is barely able to live. This bill would increase that spread and intensify the farmer's burden. If the farmers of America got a real parity price for farm commodities today, cotton would sell for not less than 20 cents, and wheat at not less than $2 a bushel, and corn and other products of the farm in proportion.

But, as I said, you propose to increase this spread and pile these burdens higher upon the backs of the toiling farmers of America by increasing the cost of production of industrial commodities, outlawing industry in agricultural States, and raising the prices of the things the farmer has to buy.

If you are in earnest about wanting to help the poorly paid laborers, why not include the farmers in your scheme? Why not make it possible for them to earn 40 cents an hour? They work equally as hard and invariably much harder than do workers in industry. The cotton farmer only receives 1 cent an hour for his work for each cent a pound he gets for his cotton. Today, when cotton is 8 cents a pound, the farmer is only getting 8 cents an hour for his work. Instead of piling additional burdens on his back, why not raise his income to 40 cents an hour by fixing the price of cotton at 40 cents a pound?

If you will do that, we Members from the South could afford to vote with you. Forty-cent cotton means $4 wheat and $3 corn. If you are going to fix industrial labor's wages at a minimum of 40 cents an hour, why not be honest with the farmers and fix the prices of their commodities in proportion? That would guarantee the farmer 40 cents a pound for his cotton, the wheat grower $4 a bushel for his wheat, and the corn grower $3 a bushel for his corn, and other agricultural commodities in proportion.

But that is not what you are after. You are not interested in the farmers' welfare, nor in the welfare of the people in the agricultural States.

Besides, you cannot affect the price of labor in foreign countries; therefore you would have to increase the tariff to keep foreign manufacturers from underselling you. The farmer would get no benefit from that tariff but would reap its burdens, which would further grind him down into the economic dust and impoverish him and his family.

No wonder the farmers of the Nation are against this legislation; no wonder the American Federation of Labor is against it; no wonder the people of the South are against it; no wonder the people of the North and West are pouring in their protests against it. They realize its far-reaching and dangerous effects.

Let us recommit this measure to the committee and turn our attention to other matters that will help to promote the peace, prosperity, and happiness of the American people as a whole. [Applause.]

Mr. MITCHELL of Tennessee. Mr. Chairman, the wage and hour bill proposed here today will not be helpful to either labor or industry in the South. There is no demand for the passage of the bill at this time. It will work more harm than good. A great depression and slowing up in business is on and has been for weeks. No one can deny this fact.

Then why pass another Federal regulatory measure? Why not give business and industry a breathing spell? The patient needs time for recovery and not additional regulation. No man in the House is more anxious to help the workingman than am I. I have every desire and reason to aid him. He is entitled to this at my hands. I believe in the dignity of honest toil. I believe sincerely in the precepts of the Bible that "the laborer is worthy of his hire." I want to help the cause of the workingman in every possible and legal way, for I know from experience the hardships he has to undergo. I have shared them all. I have worked in mills and mines, and know from actual experience the need for every favorable consideration being extended to him. I am always ready and anxious to support legislation that I think will be helpful to the great mass of our working people. My record on this question speaks for itself. Since I have been a Member of the House I have had the endorsement and support of labor and the labor organizations. I appreciate the support of the American Federation of Labor and note that they do not endorse the bill we are now considering.

I do not believe that the Federal Government should further extend its power into the individual States. We have done enough of this already. To do so is contrary to the Constitution. It violates every principle of the sovereignty of States' rights. No Member of this body favors child labor or would endorse sweatshop conditions in any mill or factory. Certainly I do not. These practices, if they exist, can be corrected, as they should be, in the respective States.

To pass this bill will be injurious to our farmers. It will add to the cost of all he buys. It will increase the expense of his farming operations. While under the provisions of the bill he is exempt in its wording, nevertheless he will not be exempt from its effects when it goes into operation. An administrator is provided for, to be appointed by the President, to administer this bill if it is passed. He will be empowered to regulate all industry and labor.

This is too much power to delegate to any man or to any set of men, or to any board or bureau. It is un-American. It is dictatorship. The highly industrialized sections would profit from the passage of this law at the expense of other sections, and, especially the South and my own State of Tennessee. Industrialized centers and sections would naturally dominate the action of the Administrator and have a very great advantage over other sections of our country, now struggling to promote new business in industry. No man can predict how much the enforcement of a bill of this kind would cost the taxpayers in administrative expense. No one dare predict how many Government employees will be named to enforce its provisions. No estimate has been forthcoming as to any of these questions. Practically unlimited authority is vested in the Administrator, who is empowered to preside over the destiny of both business and labor in America. The small manufacturer and mill operators, who are now at work, employing many men, would be put out of business by regulation and price fixing from Washington. Big business, only, could assert itself and come here to Washington and demand its rights and secure favors, while the small operator in my State and district is struggling to meet his pay rolls, would not be able to do this. Why put him out of business and force those now at work out of employment to favor capital and big business? Why deny the small operator the right to live and pursue his business? Why also penalize the consumers with higher prices? All manufactured articles will advance in price as a result of this bill. Shoes, clothing, building material, canned fruits, meats, and vegetables will increase in price. Purchasing power will be reduced, rather than increased, in my judgment. All creameries, cheese factories, cotton gins, canning plants, rayon mills, hosiery mills, stave mills, heading mills, shirt factories, pencil factories, overall factories, and sawmills throughout the country would have the price of wages fixed and the hours of employment, by the administrator under this act. It will result in closing many small factories and driving many from their places of labor, where they are now satisfied with working conditions and the pay they are receiving, and they will be forced out of employment during the winter months. Surely this should not be done. It simply means more will have to go on the relief rolls and more distress and unemployment will exist in our country.

In addition, the farmer will be required to pay increased cost for labor. He will be forced to compete with the prices paid by industry. This will mean lower production for him in the future. The added cost of the canners, the creameries, and the mills will be passed back to the farmer producer and it will be reflected in reduced prices that he will receive for his farm products.

I confidently believe labor will be better off to make its own contracts as to hours and wages and to bargain collectively, as they now have the right to do, rather than to be further regimented by passing this bill. Why create more Government investigators to embarrass, harass, and annoy both labor and industry throughout the country. If labor cannot earn what is set out in the bill, if minimum wages are enforced, then they will be forced to work at whatever job and wage they can obtain in business to which the law does not apply or be forced to make independent contracts with the employer.

This measure is largely another N. R. A. It is a dangerous experiment and un-Democratic in principle. It will affect the prosperity of the whole Nation. It will affect the destiny of millions of wage earners. It will affect the future welfare of all business in America. The economic conditions and widespread unemployment now existing do not justify this. It cannot benefit either labor or industry but will result in confusion, unrest, and further depression in business. It will result in taking millions of jobs out of the salaried class and put the worker on a production basis or piece work, and largely destroy individual enterprise. Either this will be the result of an attempt to legislate better salaries and shorter working hours or we will shortly find that goods of foreign manufacture have entered our ports and will dominate the domestic markets. For we know that we can have no control over labor or working conditions in other countries.

I cannot lend my support to setting up new Federal bureaus and additional Government agents to further harass and annoy my people. I cannot support this bill. I do not want to further restrict labor's right to freedom of action, nor do I want to further restrict legitimate business in my section. I think every individual should have the right to work and the opportunity to earn an honest living and an honest wage. I believe in good wages and all that business can legitimately bear to bring this about, but in our efforts to help labor we should not destroy the business interests of the country which make possible its employment. I believe in the Democratic principles of government and in the mandates of our Constitution. I do not want to rob youth of its opportunity nor old age of its security.

Labor and business should be at peace, for neither can survive without the other. They have kindred interests and should have mutual interests. I sincerely believe that the interest of each can be best served by refraining from the passage of this bill and affording to labor and industry a much-needed rest from regulation out of Washington. Fewer boards and bureaus, with a reduction in the expense of government and a reduction in taxes, will reach the end so much desired. These fundamental principles should have our attention, rather than to further regulate and intimidate labor and industry with a horde of Government agents working out of Washington who are not familiar with local conditions in different sections of our common country and who would be more interested in drawing their salary than helping the workingman or his employer.

Thomas Jefferson, who was the greatest political philosopher this Nation ever had, once said.

> Were we directed from Washington when to sow and when to reap, we should soon want bread.

This was true when he said it over a hundred years ago, and is equally true today. [Applause.]

The Clerk read as follows:

DEFINITIONS

SEC. 2. (a) As used in this act, unless the context otherwise requires—

(1) "Person" includes an individual, partnership, association, corporation, business trust, receiver, trustee, trustee in bankruptcy, or liquidating or reorganizing agent.

(2) "Interstate commerce" means trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof.

(3) "State" means any State of the United States or the District of Columbia or any Territory or possession of the United States.

(4) "Administrator" means the Administrator of the Wage and Hour Division created by section 3 of this act.

(5) "Occupation" means an occupation, industry, trade, or business, or branch thereof or class of work or craft therein in which persons are gainfully employed.

(6) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee, but shall not include the United States or any State or political subdivision thereof or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

(7) "Employee" includes any individual employed or suffered or permitted to work by an employer, but shall not include any person employed in a bona fide executive, administrative, professional, or local retailing capacity, or any person employed in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator), nor shall "employee" include any person employed as a seaman; or any railroad employee subject to the provisions of the Hours of Service Act (U. S. C., title 45, ch. 3); or any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935 (U. S. C., 1934 ed., title 49, ch. 8): *Provided, however,* That the wage provisions of this act shall apply to employees of such carriers by motor vehicle; or any air transport employee subject to the provisions of title II of the Railway Labor Act, approved April 10, 1936; or any person employed in the taking of fish, sea foods, or sponges; or any person employed in agriculture. As used in this act the term "agriculture" includes farming in all its branches, and among other things includes the cultivation and tillage of the soil, dairying, forestry, horticulture, market gardening, and the cultivation and growing of fruits, vegetables, nuts, nursery products, ferns, flowers, bulbs, livestock, bees, and poultry, and further includes the definition contained in subdivision (g) of section 15 of the Agricultural Marketing Act, approved June 15, 1929, as amended, or any other agricultural or horticultural commodity, and any practices performed by a farmer or on a farm as an incident to such farming operations, including delivery to market. Independent contractors and their employees engaged in transporting farm products from farm to market are not persons employed in agriculture.

(8) "Oppressive wage" means a wage lower than the applicable minimum wage declared by order of the Administrator under the provisions of section 4.

(9) "Oppressive workweek" means a workweek (or workday) longer than the applicable maximum workweek declared by order of the Administrator under the provisions of section 4.

(10) "Oppressive child labor" means a condition of employment under which (A) any employee (as defined in this act to exclude employees in agriculture) under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent) in any occupation, or (B) any such employee between the ages of 16 and 18 years is employed by an employer (other than a parent or a person standing in place of a parent) in any occupation which the Chief of the Children's Bureau in the Department of Labor shall from time to time by order declare to be particularly hazardous for the employment of such children or detrimental to their health or well-being; but oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file a certificate issued and held pursuant to the regulation of the Chief of the Children's Bureau certifying that such person is above the oppressive child-labor age. The Chief of the Children's Bureau shall provide by regulation or by order that the employment of employees under the age of 16 years in any occupation shall not be deemed to constitute oppressive child labor if and to the extent that the Chief of the Children's Bureau determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

(11) "Substandard labor conditions" means a condition of employment under which (A) any employee is employed at an oppressive wage; or (B) any employee is employed for an oppressive workweek; or (C) oppressive child labor exists.

(12) "Fair labor standards" means a condition of employment under which (A) no employee is employed at an oppressive wage; or (B) no employee is employed for an oppressive workweek; or (C) no oppressive child labor exists.

(13) "Labor standard order" means an order of the Administrator under sections 4, 6, or 8 of this act.

(14) "Goods" means goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but shall not mean goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

(15) "Unfair goods" means goods in the production of which employees have been employed in any occupation under any substandard labor condition, or any goods produced in whole or in part by convicts or prisoners except convicts or prisoners on parole or on probation, or inmates of Federal penal or correctional institutions producing goods for the use of the United States Government.

(16) "Fair goods" means goods in the production of which no employees have been employed in any occupation under any substandard labor condition.

(17) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on; and for the purposes of this act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any process or occupation necessary to the production thereof.

(18) "Sale" or "sell" includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition.

(19) "To a substantial extent" means not casually, sporadically, or accidentally, but as a settled or recurrent characteristic of the matter or occupation described, or of a portion thereof, which need not be a large or preponderant portion thereof.

(20) The term "person employed in agriculture" as used in this act, insofar as it shall refer to fresh fruits or vegetables, shall include persons employed within the area of production engaged in preparing, packing, or storing such fresh fruits or vegetables in their raw or natural state.

(b) For the purposes of this act, proof that any employee was employed under any substandard labor condition in any factory, mill, workshop, mine, quarry, or other place of employment where goods were produced, within 90 days prior to the removal of such goods therefrom (but not earlier than 120 days after the enactment of this act), shall be prima facie evidence that such goods were produced by such employee employed under such substandard labor condition.

(c) All wage and hour regulations under the provisions of this act shall apply to workers without regard to sex.

Mr. GRISWOLD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 4, line 19, strike out all of lines 19 and 20 to and including the comma after the word "amended" in line 21.

Mr. GRISWOLD. Mr. Chairman, I ask the attention of the gentleman from Wisconsin [Mr. SCHNEIDER]. I intend to withdraw the amendment I have just offered, but I ask his attention because he was the author of the amendment in the committee. On page 4, beginning in line 19, we find the language:

And further includes the definition contained in subdivision (g) of section 15 of the Agricultural Marketing Act approved June 15, 1929.

This, it will be recalled, did not appear in the original Senate bill, and was placed in this, I think, upon the motion of the gentleman from Wisconsin. The Agricultural Marketing Act of June 15, 1929 (46 Stat., pt. 2, p. 11), does not contain any paragraph (g), and never did contain any paragraph (g). That act designated paragraphs only as far as paragraph (f). Thereafter, in 1931, under a separate act, which was an act to amend an act entitled "An act defining butter"——

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. CULKIN. Does not the gentleman think that would be corrected by striking out paragraph (g) and making it apply simply to section 15, which, as I understand, it defines cooperative marketing?

Mr. GRISWOLD. I am not endeavoring to tell the gentleman how it should be amended. I am telling the gentleman that as it now reads it cites one to nothing.

Mr. CULKIN. May I suggest that the gentleman offer an amendment striking out paragraph (g) and letting section 15 be descriptive?

Mr. GRISWOLD. I am not interested in it. I am calling the attention of those gentlemen who are interested in it to the fact that so far as this reads now they have cited something that does not exist in the statutes or anywhere else,

and that no court could possibly know from this citation to what they refer.

Mrs. NORTON. I think the gentleman should make the correction that it is not a committee amendment, but that it was in the original Senate bill.

Mr. GRISWOLD. The gentlewoman from New Jersey informs me that this is not a committee amendment, that it was in the Senate bill.

Mr. SCHNEIDER of Wisconsin. I did not offer that amendment in the committee.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GRISWOLD. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. SCHNEIDER of Wisconsin: Page 6, line 4, after the word "employment", insert "of the age of 14 but".

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, most of the discussion of this bill has been upon the matter of hours and wages, notwithstanding the fact that a very important part of the bill deals with child labor. That has been given very little consideration. I have offered this amendment to set a bottom to the age prescribed in the bill under which child labor cannot be employed, and that would be 14 years in other than manufacturing and mining. Employment between 14 and 16 years would be permissible at the discretion of the Chief of the Children's Bureau, in case such a permit to a child would not be used in manufacturing and mining nor interfere with its schooling nor with its welfare. Children between 16 and 18 years of age may not be employed in any hazardous employment. The amendment as it would read in the bill, perfecting that part of the bill, would provide that the Chief of the Children's Bureau shall provide by regulation or by order, that the employment of children of the age of 14 but under the age of 16 except in mining and manufacturing shall not be deemed to constitute oppressive child labor if and to the extent that the Chief of the Children's Bureau determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being. I have another amendment pending that will strike out the words "and occupation" and substitute "occupations other than manufacturing and mining." Children between 14 and 16 would not be permitted employment in mining and manufacturing.

This bill applies only to products moving in interstate commerce. There is not much employment for children between 14 and 16 years of age, outside of mining and manufacturing, in interstate commerce, so there would be few who would be employed between the ages of 14 and 16. Further, there need be no fear with reference to abuses of the discretionary power by the Chief of the Children's Bureau. The bill, with reference to child-labor administrative machinery, provides that there shall be cooperation between the Federal Children's Bureau and the respective States, all of which now have some form of child-labor regulation, and there are State officials who administer those child-labor laws. The bill directs that there shall be cooperation with them. The bill provides for establishing administrative machinery a good deal the same as is provided in practically all of the States, at least all of the progressive States that have child-labor legislation that is effective, and it provides for work certificates that children shall have before they can be employed.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. NORTON. Mr. Chairman, the committee accepts this amendment. It merely limits the jurisdiction of the Chief of the Children's Bureau to children of 14 or over. Not to do this would certainly mean a great deal of confusion of jurisdiction, as nearly all States have laws governing the employment of children under 14 years of age.

Therefore, Mr. Chairman, the committee is inclined to accept this amendment.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Perhaps some of you ladies and gentlemen think I am just a little prevalent on the floor on this bill; but if you do, I want to say in extenuation that the duty devolves on me to present the Wheeler-Johnson child-labor amendment, which I am glad to do, and I have been conducting a little one-man insurrection against the House Labor Committee child-labor provisions of the bill, trying to tell you what is the matter with it. I have explained my objections twice to the House.

Mr. Chairman, I am surprised that a member of the committee comes in now at the eleventh hour and fifty-ninth minute, under the 5-minute rule, with a bunch of amendments, the effect of which you cannot possibly understand in the limited time, on a bill which has been in the Committee on Labor since last summer, and which from time to time they have been amending until some House mathematician has calculated there are 159 amendments in the bill. But none of those amendments, until this amendment by Mr. SCHNEIDER of Wisconsin, touched the child-labor committee amendment. That was presumed to be the one perfect thing in the bill, that, like Minerva, sprang full-orbed from the brow of Jove. It was perfect. It could not be touched. Now, at the last moment, a bunch of amendments are brought into it. It reminds me of an old engineer named Steve Weir that I used to fire for on the Dodge division of the Santa Fe. We had an old rattletrap that we had to nurse over the division, and when we finally got her back to the roundhouse, Old Steve went in to put his work-repair report on the book, and he put on a report that came very near costing him his job. He simply wrote on the book, "Engine No. 562. Jack up whistle and bell and run new engine under them." [Laughter.]

It seems to me, Mr. Chairman, that the only way they can repair this alleged child-labor bill is to jack up the title to it and run a new bill under it.

I said in my analysis of this House provision in general debate, and I said yesterday, that it is the most unconstitutional delegation of power to a bureau chief ever attempted by legislation, perhaps with the exception of the first "hot oil" bill. The first "hot oil" bill undertook to delegate power to the President to define and put into effect prohibitions against interstate commerce in oil, and it was unanimously held unconstitutional by the Supreme Court of the United States.

I want the members of the Committee on Labor who said they could convince this House of the merits of this legislation to take this floor and read the definition of "oppressive child labor," and if it does not convince the Members of this House that it is a mere gesture, that there is no law in it, that it hands over to a bureau chief the law as well as the children, I will get up in the presence of this House and I will eat that page and swallow it. [Laughter.]

That does not rest on my word alone, Mr. Chairman. It rests also on the word of the Chief of the Children's Bureau, who, when asked by the chairman of the Senate Interstate Commerce Committee whether Congress could undertake to delegate such powers as were contained in a provision of that sort, said that she did not think such delegations of power ought to be made and constitutional questions raised. Now, you are going to vote on perfecting amendments to the thing and you cannot know in a few minutes what they mean. [Applause.]

[Here the gavel fell.]

Mr. VOORHIS. Mr. Chairman, I rise in favor of the pending amendment.

The child-labor provisions of the bill we have before us constitute one of the best child-labor laws that has ever been brought before the Congress of the United States. The

amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER] simply does this: It answers all possible objections which have just been made by the gentleman from Colorado [Mr. MARTIN], because it provides that the Chief of the Children's Bureau shall not have the power to issue special certificates to any children less than 14 years of age, if employed in interstate commerce. Neither shall that official be able to issue certificates for manufacturing and mining employment. It is simply a perfecting amendment to make more clear and plain the intent and purpose of this legislation as drawn and introduced by the committee.

Mr. DOCKWEILER. Mr. Chairman, will my colleague yield?

Mr. VOORHIS. In just a moment I will. If this amendment is not adopted, it is true that the Chief of the Children's Bureau might be subjected to great pressure from certain groups in order to issue special certificates. Under the present administration of that Bureau, I have no fear whatsoever that that pressure would be effective. In the future, however, it might be. Therefore, I believe it is wise to adopt this amendment of the gentleman from Wisconsin.

But, above all things, I believe it is wise for us to stick to this legislation as it has been drawn by the committee. This is merely a perfecting amendment and seems to be worthy of support by all means.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. DOCKWEILER. As I understand this amendment, and as the gentleman has just stated, this amendment would not permit the Children's Bureau to issue a certificate for the employment of any child under the age of 14 years in any circumstances. Is that correct?

Mr. VOORHIS. This applies only to children employed in interstate commerce.

Mr. DOCKWEILER. All right; the sending of reels of motion-picture film for the entertainment of people through exhibition of the pictures in movie theaters has been construed to be interstate commerce. How in the world are you going to employ Freddie Bartholomew or any other minor in the light of such an amendment, notwithstanding the fact that our State protects them and forbids that they be contracted with except under supervision of the court? Should we not think of this phase of the question?

Mr. VOORHIS. The gentleman knows perfectly well what I did yesterday afternoon in the amendment I myself introduced to the Griswold substitute, wherein theatrical work was still left in its present situation and special certificates could still be issued for such work. But I feel that it is more important that we protect the millions of children in this country who might be employed in interstate commerce at very low wages. I am supporting this amendment because it meets the main issue squarely. I hope the theatrical problem can be cared for in another amendment.

Mr. DOCKWEILER. I am not alone in this position.

Mr. SIROVICH. If the gentleman from California will yield, if the amendment offered by the gentleman from Wisconsin is not adopted, then we shall have exceptions under which a million boys and girls under 16 will still work in the mills, the mines, the looms, and the factories producing goods that enter interstate commerce and taking the positions of men entitled to them.

Mr. VOORHIS. And undercutting the wage scale of their fathers who ought to have their places.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. SCHNEIDER of Wisconsin. Is it not true that there are tens of thousands of children who would like to work just the same as the children employed in the motion-picture industry? If we start to make exceptions for the motion-picture industry we shall have all that pressure placed upon the Children's Bureau in behalf of the tens of thousands of other children who probably are in greater need of employment for many reasons than the children employed in the motion-picture industry.

Mr. VOORHIS. I think the gentleman is absolutely right, and he is to be commended for the big thing he is doing in such a fine, clean way.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mrs. ROGERS of Massachusetts. I understand that this amendment would be a very definite and real protection for children under 14 who might otherwise be allowed to work without this provision in the bill.

Mr. VOORHIS. That is right. This bill is the best piece of legislation that Congress can pass. We should make it a matter of law that children under 14 cannot work in interstate commerce occupations instead of leaving it to the Children's Bureau.

[Here the gavel fell.]

Mr. DOCKWEILER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, like the other Members, I do not wish to see child labor continued as we generally understand it. I am just as strong in my opposition to child labor as any Member, but there must be exceptions to the rule. The arts, the sciences, the theater represent such exceptions. The businesses that I represent in my district produce moving pictures. As I understand, the courts have through various cases established precedents holding the motion-picture business to be interstate commerce. The transportation of motion-picture film in interstate commerce is just as much interstate commerce as the transportation of any other packages.

Under this amendment clearly it would not be possible to employ children under 14, because the Children's Bureau is forbidden to issue a certificate to any person under that age. This clearly means that it is forbidden to issue a certificate to the industry in my State and will keep us from having such fine entertainment, as you and I know it to be, as is given us by Shirley Temple, Freddie Bartholomew, and many other notable child actors and actresses. Forbid the use of their talents and you help destroy a business that employs 300,000 people in this country and do an injury to these children.

These children are protected, they go to school daily; and not one child can be employed in California, irrespective of all the rumors one hears about the motion-picture industry, without the contract being approved by the court of general jurisdiction. All the moneys that the child receives are impounded in the name of a guardian, or the person that stands as parent to that child.

This sort of amendment, Mr. Chairman, would eliminate this kind of good entertainment. The women present here today know that the best sort of entertainment they can offer their children is the entertainment provided by these little actors and actresses.

Mr. SIROVICH. But that is intrastate commerce.

Mr. DOCKWEILER. I beg the gentleman's pardon; it is not intrastate commerce, it is interstate commerce. The sending of any sort of theatrical entertainment by way of motion pictures has been held to be interstate commerce, and the people employed in making those pictures are employed in interstate commerce.

Mr. SIROVICH. Can the gentleman cite any decision that so holds?

Mr. DOCKWEILER. I cannot at the moment refer the gentleman to a specific decision, but I know it has been so held.

I have read, reread, and analyzed this provision and I am 100 percent for the provision as it stands in the bill. Let us stand by the bill and not try on the floor of the House to amend it so as to forbid something else. This provision on child labor has been properly worked out and makes it

possible to have the exceptions I have mentioned. If you try to go further on the floor of the House, it will mean the destruction of the bill and its defeat on final passage.

[Here the gavel fell.]

Mrs. O'DAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when my colleague the gentleman from Colorado, yesterday said that the Senate amendment to the child-labor provision had been thrown into the wastebasket, in one respect he was right. It was put in the wastebasket because it was opposed by the National Child Labor Committee and by every body of men and women I know of who have been working on the child-labor proposition for 20 years or more. His fear of domination by the Children's Bureau has been removed by the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER]. I am told that the Bureau wishes no more power because of the great political pressure that would be brought to bear upon it.

Let me say a word with reference to the interstate movement of goods manufactured partially at least by child labor. There is a county, Washington by name, in a certain State in our country in which mines are located. There are children working with their parents in those mines. An investigation was made by the National Child Labor Committee and it was found that most of the children of that district were employed in these so-called mines. The work is not done underground. Holes are dug and the earth is brought up in buckets. The children sort the material. We have the case of a mother with three sons, one 6, one 10, and one 12-years old and they all work at that kind of mining all day long. Their combined wages were found to be $4.20 per week.

Mr. SIROVICH. Does the gentlewoman from New York approve that?

Mrs. O'DAY. I do not. There is a similar condition existing in certain sections where shrimp canning goes on. The children do not can the shrimp, but they take the heads off and they take from the shrimp that very stiff cellophane-like covering. Those children go out at 4 and half past 4 in the morning to meet the shrimp people who come in. They work for their parents and their work is thrown in with that of their parents. Those shrimp are canned and sent all over the country. Now, does that come under the interstate feature?

Mr. VOORHIS. Will the gentlewoman yield?

Mrs. O'DAY. I yield to the gentleman from California.

Mr. VOORHIS. For the sake of those children, we want to try to pass this amendment.

Mrs. O'DAY. We do.

Mr. VOORHIS. But if the gentlewoman will pardon me, may I say I think we understand the point of view of the gentleman from California [Mr. DOCKWEILER]. I would suggest to the gentleman from California [Mr. DOCKWEILER] that he could accomplish his purpose by adding a provision at the end of the section to the effect that the Chief of the Children's Bureau shall have discretion in the case of children employed in theatrical work. I should be glad to vote for such an amendment. Young actors and actresses will then be eligible to special certificates. Let us pass the Schneider amendment as it is though.

Mr. DOCKWEILER. I have prepared such an amendment.

Mr. SIROVICH. Is the gentlewoman in sympathy with the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER]?

Mrs. O'DAY. Yes; I am.

[Here the gavel fell.]

Mr. DOCKWEILER. Mr. Chairman, I ask unanimous consent that the consideration of the pending amendment be passed over until my amendment is considered.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SIROVICH and Mr. HOOK objected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER].

The amendment was agreed to.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SCHNEIDER of Wisconsin: Page 6, line 5, after the word "in", strike out the words "any occupation" and insert "occupations other than manufacturing and mining."

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, this amendment perfects the committee amendment by striking out "any occupation" and inserting in lieu thereof the words "occupations other than manufacturing and mining." This will not permit the employment of children between 14 and 16 in manufacturing or mining. In industries other than that, they may be employed in case it does not interfere with their schooling or welfare. The amendment is a perfecting amendment to the effect that children shall not be employed in manufacturing or in mining and, of course, there will not be a large number of children who may be employed at the discretion of the Chief of the Children's Bureau between those ages. Aside from manufacturing and mining there are not a large number of occupations having to do with interstate commerce in which children participate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER].

The amendment was agreed to.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHNEIDER of Wisconsin to the committee amendment: On page 5, line 14, after the word "parent" and before the parenthesis at the end of the line, insert "employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining."

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, this amendment perfects the bill in respect to the ambiguous language on page 5, line 14. After the word "parent" and before the parenthesis there are added the words "employing his own child or a child in his custody under the age of 16 years in any occupation other than manufacturing and mining." This change will perfect such language to the extent it will be definite that parents can employ only their own children or a child in their custody.

Mr. CELLER. Mr. Chairman, will the gentleman yield for a question?

Mr. SCHNEIDER of Wisconsin. Yes.

Mr. CELLER. Does the gentleman mean they would be exempted from the supervision of the Administrator?

Mr. SCHNEIDER of Wisconsin. Yes.

Mr. CELLER. Except in manufacturing and mining. There they could not be employed without exemption?

Mr. SCHNEIDER of Wisconsin. The language is, "other than a parent or a person standing in place of a parent."

Mr. HEALEY. Mr. Chairman, if the gentleman will yield, where will this be inserted?

Mr. SCHNEIDER of Wisconsin. At the end of line 14, following the word "parent" and before the parenthesis. This amendment clarifies that language so that the intention of Congress will be clear that in the case of a parent he can employ only his own child and in the case of a person standing in the place of a parent, he can employ only a child to whom he has the definite relation of a parent in the eyes of the law.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SCHNEIDER of Wisconsin. I yield to the gentleman from New York.

Mr. CELLER. Is not the language of the bill better than the language of the gentleman's amendment?

Mr. SCHNEIDER of Wisconsin. The language of the bill is improved to the extent that it is made very definite.

Mr. CELLER. A good many of the Members on this side do not get the import of the gentleman's amendment. I believe it would be well to repeat it.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. SCHNEIDER of Wisconsin. I yield to the gentleman from New York.

Mr. LANZETTA. Does not the gentleman believe the word "custody" to be too broad, and that it may encourage evasion of the law whereas the original language used in the bill would limit the employment of children to the natural parents and legal guardians?

Mr. SCHNEIDER of Wisconsin. Has the gentleman a substitute for the word "custody"?

Mr. LANZETTA. I believe that the language "one who stands in the place of a parent" should be used.

Mr. KELLER. I believe the gentleman is right.

Mr. LANZETTA. Using the word "custody" broadens the limits to the point where children may be "farmed" out for the sole purpose of employment.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield to me briefly?

Mr. SCHNEIDER of Wisconsin. Yes.

Mr. VOORHIS. May I ask the gentleman whether it is not true that what this amendment really does is to state that children may not be employed by their parents in manufacturing and mining, but the amendment does not affect anything else?

Mr. CELLER. May I ask the gentleman if that would not be purely intrastate commerce?

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in favor of the amendment. As I understand, if the present words are left in the amendment, children—for instance, orphans who might be in the custody of someone—could be employed. I believe if the phrase "in loco parentis" were put in there it would take care of the situation.

Mr. SIROVICH. And would include guardians, too?

Mrs. ROGERS of Massachusetts. And guardians, yes, in loco parentis; otherwise I fear there might be very grave abuses in the employment of children. But the gentleman from Wisconsin meant that only parents or guardians in loco parentis should be exempted; and I know that is the will of Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER].

Mr. SIROVICH. Mr. Chairman, there is an amendment to the amendment of the gentleman from Wisconsin.

Mrs. ROGERS of Massachusetts. As I understand, the employment of children in industry would not be permitted. For instance, a parent could not employ his children in a mill.

Mr. CELLER. That would be intrastate commerce. It would not be applicable at all.

Mrs. ROGERS of Massachusetts. That will be taken care of?

Mr. SCHNEIDER of Wisconsin. That will be taken care of.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER].

The amendment was agreed to.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHNEIDER of Wisconsin: On page 5, lines 17 and 18, strike out the phrase in parentheses, "(other than a parent or a person standing in place of a parent.)".

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, this language has reference to the employment in dangerous occupations of children of parents or children in their charge, and covers children 16 to 18 years of age. This precludes them from being employed, and the language of the phrase I am striking out is ambiguous. It reads, "(other than a parent or a person standing in place of a parent.)".

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. SCHNEIDER of Wisconsin. I yield to the gentleman from Texas.

Mr. RAYBURN. We are having quite a number of amendments here. If these amendments have been passed upon by somebody who has gone over this bill and it is understood they are perfecting or clarifying amendments, that is one thing; but if they are substantive amendments, it is quite different. I cannot sit here and hold this bill in my hand and tell what may be the effect of these amendments. I believe this is a bad way to legislate.

Mr. KELLER. If the gentleman will yield, I may state they are clarifying amendments.

Mr. RAYBURN. They do not change the substance?

Mr. KELLER. They do not; as a matter of fact they are really clarifying amendments.

Mrs. NORTON. Mr. Chairman, if the gentleman will yield, these are clarifying amendments, and are perfectly acceptable to the committee.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me the Committee on Labor ought to go into an executive session and rewrite this bill. This is about the only way they can amend it, in my judgment. [Applause.]

You understand all of this is preliminary to the introduction of the Wheeler-Johnson amendment by myself, if and when, in the course of human events, we reach that stage of the bill. [Laughter.]

I think I can reassure my good friend, the gentleman from California [Mr. DOCKWEILER], unless I have completely misread this bill—one of the Members has just asked me, sotto voce, to explain the Wheeler-Johnson amendment. This is not the time or place to do so, but I hope to explain it a little bit when I propose it as an amendment. I started to say I did not think the gentleman from California need be unduly exercised about Shirley Temple, because as I read this legislation—and this is one of my objections to it as an unconstitutional delegation of power to the Chief of the Children's Bureau—she can exempt any and all children under 16 years of age and subject them to work in any or all occupations. This is the way the bill reads. Under the language in the House committee amendment, Shirley's parents could go into court and prove that her work does not affect her education, health, and well-being, and get an order allowing her to work.

Mr. SIROVICH. Not according to the amendment now made to the bill.

Mr. MARTIN of Colorado. Yes; you put in an amendment taking mining and manufacturing out of this grant of power to her over children between the ages of 14 and 16 years to exempt them from the law and suffer them to work; but the way this bill is framed, and I cannot take time to read it all over to you, that means she has been deprived of her power and discretion as to children between the ages of 14 and 16 years to exempt them from the law and subject them to labor in manufacturing and mining, but how about the children under 14 years? I say she has the power. I do not say she will exercise it. But I do say that under the bill, even as amended, the Chief of the Children's Bureau has power to exempt any child under 14 years of age and subject them to labor in a mill or in a mine. You have only limited her discretion as to children between 14 and 16 as to mining and manufacturing. I repeat, under the bill as now amended she can exempt all children under 16 and let them labor, except children between 14 and 16 in mining and manufacturing.

She has the same discretion as to hazardous occupations under the language of the House definition, and I challenge any Member to get up here and read it and explain it and contradict my statement. Under the language regarding hazardous work she can without any investigation, or any findings of fact, declare any occupation nonhazardous and subject children between the ages of 16 and 18 years of age to labor in hazardous industries.

There is no law in this definition. It is simply a grant of power to the Chief of the Children's Bureau to write the law.

Another thing, there is nothing in the hazardous-work clause about children under 16 years of age. The Wheeler-Johnson amendment exempts all children under 18 years of age clear down to the cradle from employment in hazardous child labor. This is the way good legislation ought to be written. The way this provision is written, it simply exempts children between the ages of 16 and 18 years and is silent

with respect to children under 16, and you ought to be satisfied from what you have seen here in the last 15 minutes that they have not a well-thought out and well-drafted child-labor bill. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHNEIDER].

The amendment was agreed to.

Mr. BULWINKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BULWINKLE: Page 6, line 15, strike out the period, insert a semicolon and the following: "(D) minors are employed between the hours of midnight and 6 o'clock a. m.; or (E) any employee is employed in the operation of productive machinery between the hours of midnight and 6 o'clock a. m. in any manufacturing industry which the Administrator may find and by order declare does not require continuous operation, unless such employee is paid at a rate of not less than one and one-half times the rate otherwise payable. The provisions of section 24 (relating to the effective date of labor-standard orders shall not apply to orders made to carry out the provisions of clauses (D) and (E) of this paragraph."

Page 6, line 20, strike out the period, insert a semicolon and the following: "Or (C) no oppressive child labor exists; or (D) no minor is employed between the hours of midnight and 6 o'clock a. m.; or (E) no employee is employed in the operation of productive machinery between the hours of midnight and 6 o'clock a. m. in any manufacturing industry which the Administrator may find and by order declare does not require continuous operation, unless such employee is paid at a rate of not less than one and one-half times the rate otherwise payable."

Mr. BULWINKLE. Mr. Chairman, this amendment has for its purpose cutting out the "graveyard" shift in manufacturing—that is, the shift that works between the hours of 12 o'clock at night and 6 o'clock in the morning. Many manufacturing establishments, largely but not altogether chiselers, carry this night work on, which is detrimental to the health of the employees and detrimental to industry over the United States.

Mr. SIROVICH. What industries are they?

Mr. BULWINKLE. There is quite a number, but especially do I have in mind the textile industry at the present time. You cannot continue to work these 24 hours a day without increasing quite an amount of production. The amendment does that on the one hand. On the other, it prohibits minors under 21 from working at night, between the hours of 12 o'clock at night and 6 o'clock in the morning.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. CASE of South Dakota. What would be the effect of the gentleman's amendment on those who work producing a morning newspaper?

Mr. BULWINKLE. The amendment provides "in the operation of productive machinery in any manufacturing industry," and it would not apply.

Mr. CASE of South Dakota. I think the newspapers are interpreted to be manufacturing industries, and that would include the working of linotype.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. DONDERO. Would that apply to men working in foundries at night who prepare the iron for the day's use in the factories.

Mr. BULWINKLE. Not if it is a continuous operation. In the plants where they manufacture rayon from wood pulp and cotton this is a continuous operation.

Mr. DONDERO. That is what I had in mind. That applies to the automobile factories in my district.

Mr. BULWINKLE. This is where a continuous operation is not required, but is overproduction. The third proposition puts it into effect just as soon as your board or administrator is appointed and will declare it so. I will be glad to answer any questions, if gentlemen wish to ask them.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. MURDOCK of Arizona. Would the gentleman's amendment apply to smelters?

Mr. BULWINKLE. Does not that require continuous operation?

Mr. MURDOCK of Arizona. It does.

Mr. BULWINKLE. Then it would not apply to them.

Mr. MURDOCK of Arizona. Nor in mining operations?

Mr. BULWINKLE. No.

Mr. DONDERO. Could the gentleman's amendment be so modified as to except industries where the operation has to be continuous by the very nature of the industry?

Mr. BULWINKLE. That is provided for in the amendment.

Mr. DONDERO. That is in the amendment?

Mr. BULWINKLE. Yes.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. In any manufacturing industry which the administrator may find does not require continuous operation, then this amendment applies.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. THOMAS of Texas. Will the gentleman inform the House whether or not his amendment has any definition of what is meant by "continuous operation"?

Mr. BULWINKLE. Continuous operation is where the product to be manufactured requires a continuous operation to be produced or manufactured.

Mr. THOMAS of Texas. In my district I have literally thousands of employees who are engaged in the refining of oil. Those plants never shut down. Under the gentleman's amendment, would that eliminate the "graveyard" shift, that third shift in the oil refinery?

Mr. BULWINKLE. No.

Mr. THOMAS of Texas. Is the gentleman sure about that?

Mr. BULWINKLE. Yes. The amendment says productive machinery in any manufacturing industry.

Mr. THOMAS of Texas. I want to go along with the gentleman, if he is satisfied it will not shut down my oil refineries.

Mr. RAMSPECK. Does not the gentleman feel that refining oil is necessarily a continuous operation?

Mr. BULWINKLE. It is a continuous operation.

Mr. MURDOCK of Arizona. How about the operation of sawmills? Is that a continuous operation that would be exempted? In your opinion, would a meat-packing plant come under your amendment?

Mr. BULWINKLE. Answering your two questions, if these are continuous operations the administration would so find and declare and they would be exempt. I have seen in times past instances where women were worked night after night from 10 o'clock until 6 o'clock in the morning, and they are doing it some places yet. It is not right or just to those people, and it also spells ruin to many industries.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. RAYBURN. I think the gentleman presents one of the best thought-out amendments and in fine form, and I absolutely believe it is necessary to protect this great industry and the people who work in it.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. RANDOLPH. This amendment was before the committee, and received consideration. Certain deletions have been made by the gentleman, which bring it in line with what the committee believed.

Mr. MAGNUSON. Would this apply to sawmills?

Mr. BULWINKLE. It would if it were not a continuous operation on productive machinery in a manufacturing industry.

Mr. LEAVY. Will the gentleman yield?

Mr. BULWINKLE. I will be glad to yield.

Mr. LEAVY. Who would interpret the question as to whether it was or was not continuous?

Mr. BULWINKLE. The Administrator or the Board.

Mr. HEALEY. Will the gentleman yield?

Mr. BULWINKLE. Yes; I yield.

Mr. HEALEY. I was not present when the gentleman offered his amendment. May I ask him to please state whether or not this is entirely confined to minors, working on this shift?

Mr. BULWINKLE. No; minors cannot be employed after 12 at night and before 6 in the morning and ought not to be. Others may be employed if they are paid time and a half between 12 night and 6 in the morning.

[Here the gavel fell.]

Mr. HARTLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to take the 5 minutes to which I am entitled, but I take this opportunity to read to the members of the committee a telegram which I have just received, which I think is important to be read at this time.

This wire reads as follows:

Because the pending wage and hour bill is highly objectionable to the membership of the American Federation of Labor, I respectfully request you to move to recommit to the appropriate committee for revision, study, and necessary changes, in order to make it a practical and constructive measure.

It is signed by William Green, president of the American Federation of Labor. [Applause.]

I yield back the balance of my time.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota to the amendment offered by Mr. BULWINKLE: At the end of the matter proposed to be inserted in line 20, page 6, strike out the period, insert a colon and the following proviso: "*Provided*, That this shall not apply to the production of morning newspapers."

DISCRIMINATION AGAINST MORNING NEWSPAPERS

Mr. CASE of South Dakota. Mr. Chairman, I do not intend to use all the 5 minutes, but I want to call the attention of the Committee to the fact that the production of morning newspapers is not necessarily a continuous operation. That depends on the definition given to the term "continuous operation."

It is perfectly true that practically every person working on a morning newspaper, working on a machine, receives more than 40 cents an hour. Some apprentices may not and some pressmen helpers may not. I do not object to increasing their pay, but I do not want to see them or other workmen squeezed out of a job.

On its face the Bulwinkle amendment sets up time-and-a-half pay for morning-paper employees but not for their afternoon competitors. That will drive some morning papers to drop employees who do not produce time-and-a-half results.

Qualifying provisions elsewhere in the bill may make my amendment to the amendment unnecessary—that depends on the definition of continuous operation—but it is difficult to tell, with the amendments that are being offered and the changes in the bill, whether proper provision is made.

There can be no harm done by the additional amendment. It may be superfluous, but it is impossible to tell, and I submit the amendment to the amendment should be agreed to unless the intention is to set up unequal competitive conditions between morning and afternoon papers.

Mr. KELLER. Mr. Chairman, I will only take a minute. I am not only heartily in favor of the amendment now pending offered by Major BULWINKLE, upon which we are going to vote, and I not only agree with the gentleman from Texas [Mr. RAYBURN] in saying it is one of the best thought-out amendments, but I think I ought to tell you where it came from and the consideration it had. It was a provision written into the Ellenbogen textile bill that was worked out by a subcommittee of the Committee on Labor of which I have the honor still to be chairman, and on which six other men on the Labor Committee, namely, Messrs. RAMSPECK, WELCH, SCHNEIDER of Wisconsin, WOOD, SMITH of Maine, and GILDEA cooperated to eliminate the graveyard shift without actually prohibiting it in industry. It was finally decided that if we provided for time and a half from midnight to 6 in the morning in all industry excepting only the necessarily continuous operating industries, it would take the profit out of the graveyard shift. This would eliminate it in ordinary industry in normal times and yet permit its use whenever a special seasonal profit would justify the payment of time and a half. It will work to that very desirable end. It is a splendid amendment to this bill.

Mr. SMITH of Connecticut. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this amendment, insofar as it applies to women and children, is perfectly satisfactory, and I am heartily in favor of it; but I do oppose it as it applies to all workers in industry, because it abandons the theory behind this wage and hour bill. Insofar as it applies to all workers, it is an attempt to curtail production. It will result in the cutting off of all third shifts in industry and make them increase the amount of machinery they use so they can use the same number of men they are now using, with more machinery, in two shifts a day.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. Yes; I certainly yield.

Mrs. NORTON. We discussed that in committee, and we have a great deal of evidence that that is not true. In fact, it has been proven to us that if we could do this it would do more to spread employment than any other thing concerned in the bill. That is the purpose of the bill—to try to spread employment.

Mr. SMITH of Connecticut. It is the purpose of the bill, and I am in favor of that; but I do not believe this amendment will bring that about. In some industries I realize that men are forced to work a third shift for the same wage at which they work the other two shifts, and it is not fair, because it is at a time when it is more difficult to work. It is not as desirable to work at that time as during the daytime. There are some industries which offer a bonus of, say, 10 percent for working those hours, where men desire to work those hours some months in the year and shift from one shift to another in order to increase their pay.

These industries usually pay more than 40 cents an hour, and I think that this is a production-curtailment amendment.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. DOWELL. Does not this amendment discriminate as to who shall work during that time; and if the purpose of the amendment is to curtail production should it not be prohibited in the same way?

Mr. SMITH of Connecticut. I am afraid I do not understand the gentleman's inquiry.

Mr. DOWELL. As I understand, this amendment would prohibit employment during certain hours.

Mr. SMITH of Connecticut. It does not prohibit, but it requires the payment of so high an extra wage during certain hours that this would have a tendency toward curtailment.

Mr. DOWELL. The gentleman states that the purpose of this amendment is the curtailing of production, and I understood the chairman of the committee so to state. If this be true, why should it not apply to all alike?

Mr. SMITH of Connecticut. It should if that be true; and my principal objection to it is that it gets away from the theory of the bill, a theory with which I am entirely in accord, that of setting a wage floor below which no one shall be allowed to work and setting a ceiling in the number of hours beyond which people shall not be required to work.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. CELLER. I am in sympathy with the gentleman from Connecticut. Will he explain more in detail, however, how the amendment will curtail production?

Mr. SMITH of Connecticut. It shuts down the time within which men can work on individual machines.

Mr. CELLER. It affects the machinery irrespective of the person operating it?

Mr. SMITH of Connecticut. It shuts off entirely all work at certain times of the day.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. CASEY of Massachusetts. Does the gentleman understand that by this amendment men are not precluded from work between the hours of 12 midnight and 6 a. m., but an employer desiring to employ them within these hours must pay time and a half.

Mr. SMITH of Connecticut. Yes; and that is calculated to reduce a lot of the night work.

[Here the gavel fell.]

The CHAIRMAN. Without objection the pro forma amendments will be withdrawn.

There was no objection.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to speak for the amendment or against the amendment. Frankly, I do not know what it all means. The gentleman from North Carolina said one thing and the gentleman from Connecticut said another. Somebody ought to explain this amendment so we can understand what we are voting upon.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. RAMSPECK. The amendment provides that any person employed between the hours of midnight and 6 a. m. shall be paid time and a half.

Mr. CELLER. Does that mean that the machines must stop?

Mr. RAMSPECK. It does not. It means that the employer must pay time and a half during those hours. In other words, it means a maximum of 60 cents an hour. It does not keep the plant from operating but it does put a penalty on overtime work.

Mr. SMITH of Connecticut. It does not mean a maximum of 60 cents an hour. Many of them are now receiving $2 an hour. This amendment means that they must be paid $3, or time and a half of the wage received on the day shift.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CELLER. Certainly.

Mr. CRAWFORD. May I ask the gentleman this: Is it the gentleman's understanding—and I shall have to go about this on a triangular basis—is it the gentleman's understanding that this amendment will so operate against industry as to have the effect of preventing production between the hours of 12 midnight and 6 in the morning; and, if so, why am I not justified to demand time and a half because I have to work on the shift from 6 o'clock in the afternoon until midnight, because the other fellow has the favorable time during the daylight hours?

Mr. CELLER. The gentleman from Georgia tells me that this will not curtail production, that the wheels of industry will still turn, that the machines will still operate.

Mr. RAMSPECK. I said it required the payment of time and a half for employment during these hours, but that it did not prohibit production.

Mr. CELLER. If they continue working during those hours, they must pay their employees time and a half.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in order that we may have the viewpoint of the president of one of the largest textile concerns in the country, I want to read a letter concerning this very proposition which the president of the Pepperell Manufacturing Co., Mr. Russell H. Leonard, recently wrote to Dr. Claudius Murchison, president of the Cotton Textile Institute. I inserted a copy of this letter in the RECORD of last Friday, by the way. The letter reads as follows:

PEPPERELL MANUFACTURING CO.,
December 3, 1937.

Dr. CLAUDIUS MURCHISON,
President, the Cotton Textile Institute, Inc.,
Washington, D. C.

DEAR MR. MURCHISON: It seems to me that our industry has right now a great responsibility. It has also the best opportunity it has ever had to correct the fundamental abuse which is contributing more than any other factor to its continuing uncertainty and wretchedness.

No one who has studied the industry and whose vision is at all clear has failed to realize that the productive capacity of cotton textiles and rayons on three 40-hour weekly shifts is completely out of relation to any conceivable demand. On this basis there are still, at least, ten or more millions of surplus spindles. Does the industry propose to continue on through another 10 years of depression while these spindles are being junked? Of course, no one in his senses would look forward to such a period except with despair. And yet this will happen inevitably if the unregenerate, chiseling minority are permitted to continue their selfish ways.

Besides being an economic monstrosity, the midnight to sunrise shift is, to say the very least, not a pleasant or healthful occupation for anyone. Especially is it of positive harm and danger to the health of women.

Our industry should assemble its enlightened membership, I believe, and insist upon a law passed now in the present Congress, as part of the wage and hour bill, or separately, which will wipe out unequivocably and for all time this injudicious, disgraceful, uneconomic practice which a small minority must inevitably force on everybody who desires to remain in business.

According to my view, the institute will never find a finer purpose for its leadership, and its accomplishment would justify the existence of the institute for years to come.

With regards,

Faithfully yours,

——— ———.

It is my understanding that the Pepperell Manufacturing Co. conducts plants in both the North and South. Certainly this letter is most pertinent to the proposed amendment, and, in my judgment, presents a sound and eloquent argument for the adoption of this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota to the amendment offered by the gentleman from North Carolina.

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE].

Mr. DOWELL. Mr. Chairman, there seems to be a wide difference of opinion as to the provisions of the amendment. I ask unanimous consent that the Clerk may again read the amendment for the information of the House.

The CHAIRMAN. Without objection, the Clerk will again read the amendment .

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE].

The amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Page 4, line 1, strike out all of line 1 after the semicolon, all of line 2, and all of line 3 to and including the semicolon and insert: "or any employee of an employer subject to part I of the Interstate Act."

Mr. THOMAS of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have the highest regard for my friend the gentleman from Ohio [Mr. CROSSER] and for my distinguished fellow Member from Texas, the majority leader; but let me point out that one of the main purposes of this bill is to protect the weak and protect the man who cannot help himself.

I call the attention of the Committee to a statement made before the joint committee of the House and Senate at the time hearings were held on this bill by Mr. L. E. Keller, representing the Brotherhood of Maintenance of Way Employees.

This statement appears on page 1194 of the hearings, as follows:

By way of digression, I might say that while some of the other organizations do not want to be under this bill, I might indicate our position at this moment by saying that nobody appreciates the discomfort of a sore thumb as much as a person who is afflicted with it. That is why we are taking a different position here.

Senator Black, the chairman, asked:

In other words, you are the brotherhood that has the sore thumb of low wages?

Mr. Keller replied:

That is right.

Further, may I call attention to his statement appearing on page 1158 of the same hearings. He was enumerating the wages paid in different sections of the country to these track boys who work in all kinds of weather—freezing weather, rainy weather, hot weather, and dry weather. He stated, on page 1158, in enumerating the wages paid these track boys in different sections of the country, the following in reply to a question which I asked him, as follows:

Do you have the figures as to what the railroads pay these boys in Texas and the Southwest?

He said:

Yes. The Missouri Pacific pays a minimum of 17½ cents an hour. That is paid on the Gulf Coast lines. International-Great Northern and the Missouri Pacific line itself, so that takes care of that Texas situation pretty well.

Think of it, 17½ cents an hour. There are over 200,000 of these boys who are getting wages now of less than the maximum provided in this bill. I certainly hope the committee will vote down the gentleman's amendment and give these underprivileged, underpaid employees a decent wage. I will go along with the gentleman from Ohio [Mr. CROSSER] if he will make his amendment provide that they shall be placed under the Hours-of-Service Act, namely, 8 hours a day. I shall not object if they only work 8 hours a day, but they should be under the pay provisions of this bill.

Mr. CROSSER. Will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Ohio.

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to have the Clerk read this telegram and letter from the president of the organization about which the gentleman is speaking.

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Ohio for that purpose?

Mr. THOMAS of Texas. I yield to the gentleman from Ohio [Mr. CROSSER].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

DETROIT, MICH., *December 13, 1937.*

Hon. ROBERT CROSSER:

Since August 5, the effective date of our recent national mediation wage agreement, the condition in respect to minimum wages for employees represented by the Brotherhood of Maintenance of Way Employees has materially changed, and we now find a majority of these employees receiving in excess of 40 cents per hour. There are, however, a group of railroads situated in the southeast and southwest regions of the United States where less than a 40-cent minimum is paid for trackmen and those in general lower wage brackets. On November 15 a notice was served under the provisions of the Railway Labor Act on this latter mentioned group of railroads having for its purpose establishment of a 40-cent minimum wage, and negotiations are now in progress with these railroads. Taking all these circumstances into consideration, we would prefer to deal with the situation through collective bargaining directly with railroads, as we are now attempting, and would therefore ask that we be excluded from pending wage and hours-of-service legislation. This is in line with my letter addressed to you under date of August 10.

F. L. JOZDAL,
President, Brotherhood of Maintenance of Way Employees.

Mr. THOMAS of Texas. Mr. Chairman, I do not yield any further.

[Here the gavel fell.]

Mr. THOMAS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS of Texas. Mr. Chairman, I have great respect for the gentleman who wrote that telegram, and I have great respect for the fine work he has done in the past, but, according to his statement, even though the railroad employees in the Southwest have received a 5 cents an hour increase, they are still getting 22½ cents an hour, and this is not enough.

I respectfully ask the Committee to vote down this amendment.

Mr. MEAD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have heard a number of Members say this afternoon that at one time or another they had worked in the mines, on the railroads, or in some shop or factory. Therefore, in keeping with this practice, I may say I was formerly a railroad track worker, and now that the subject is before the House I hope you will indulge me a moment in order that I may tell you something about their hopes and aspirations.

For a long period of time the House has eliminated railroad workers from various acts which apply to industrial workers. This was done in the case of the Wagner Labor Relations Act, again in the passage of the Social Security Act, and prior to that in the passage of the National Recovery Act. The railroads and the railroad industry have their own social and labor legislation. As you know, they have the Adamson Hours of Service Act, the Railroad Labor Act with its Mediation and Arbitration Boards, and they have the Railroad Retirement Act. Therefore there is sufficient precedent for the committee to accept the amendment of the distinguished gentleman from Ohio [Mr. CROSSER] and in doing so eliminate all railroad workers from the provisions of this bill.

Collective bargaining has advanced to a marked degree in the railroad industry. There industrial democracy actually exists. Never in the history of industry in America has there been such statesmanship displayed as has taken place on several occasions in recent years by the railroad executives and the representatives of the railroad brotherhoods. I need but recall for your benefit the manner in which they adjusted the railroad retirement controversy. I can also remind you of how they adjusted their wage schedules only a few months ago. When this high degree of real industrial democracy exists let us use it as a pattern and an example for other industries to follow.

True, some employees of the railroads are working for less than what I deem to be a satisfactory wage, but in view of the fact that already 90 percent of all railroad employees are organized and operate under collective-bargaining agreements, it will perhaps be only a short time—yes; a short time, and made shorter by the passage of this bill—until 100 percent of the railroad employees will be under collective-bargaining agreements. There is real democracy on the railroads, and this is the same democracy we hope this legislation will develop among the low-wage groups employed in private industry.

In conclusion, I ask you to accept the amendment offered by the gentleman from Ohio [Mr. CROSSER], who on numerous occasions has espoused the cause of the railroad employee. I ask you to keep railroad employees separate, because they have their own acts; and they have their own operating machinery and instrumentalities of government which have been set up for them. I hope the amendment of the gentleman from Ohio will be agreed to. [Applause.]

[Here the gavel fell.]

Mr. GRISWOLD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, no one has made his mark higher on the standard of friendship for railroad labor than the gentleman from Ohio [Mr. CROSSER]. For that reason, without knowing any of the facts in the case, I would gladly support the amendment. Aside from that there are other

strong reasons for supporting it. According to the statement of the president of the maintenance-of-way workers himself, because of collective-bargaining agreements, the only employees of railroads who now receive less than 40 cents an hour are located in the southeastern and southwestern regions of the United States. They are the workers in whom the gentleman from Texas [Mr. THOMAS] is interested. The men out on the track should have more pay, but the fact is they are not getting it now. If they are left in the bill they will have no more hope of getting it than they now have when you consider the provisions of the bill which refer to the value of services in that particular locality, the economic conditions which must be considered, and the labor conditions.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I decline to yield, I have so little time.

Under this bill they could not hope to better themselves. They are bettering themselves all over the country by their collective bargaining agreements, made possible by legislation passed by this Congress giving them the right to bargain collectively.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Ohio.

Mr. CROSSER. The people of whom the gentleman speaks are now negotiating under the Railway Labor Act to better their working conditions.

Mr. GRISWOLD. They are negotiating an agreement, which we hope will give them better conditions.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. As a matter of fact, they have been negotiating for about 8 or 10 years under that act, and they still are getting only 22½ cents an hour. How much longer are you going to give them to negotiate to get a fair and decent wage?

Mr. GRISWOLD. I believe that, probably, if the people in the gentleman's section of the country would set a higher standard of wages generally, and if the citizens of the gentleman's section of the country would promote collective bargaining for the men, these employees would probably have had it long ago. Besides, the gentleman is very gifted with exaggeration as the bill was not passed until about 3 years ago.

Mr. THOMAS of Texas. Does the gentleman know what standard of wages we have in our part of Texas, particularly Houston, Tex., which is reached by the railroads the gentleman is now defending, who pay the boys 22½ cents an hour?

Mr. GRISWOLD. I am not defending the railroads. I say it is a shame and a crime that they pay these men 22½ cents an hour when they have higher freight rates than do the roads which are paying their men 40 cents for the same work. The gentleman complains about the freight rates in my section being lower than in Texas, yet we pay these men a higher wage in my section. We now pay them more than 40 cents. I want them to receive as much as they do on the railroads in my part of the country. They receive it with us through collective bargaining. It is strange to me that in the gentleman's section they cannot.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Is it not a fact that all that is necessary for the railroads to do to avoid coming under the provisions of the bill is to go ahead and pay the men 40 cents an hour?

Mr. GRISWOLD. Yes.

Mr. BOILEAU. If they would pay that, what would be the idea of not including them in the bill? They would not be bothered by it then.

Mr. GRISWOLD. The gentleman forgets that so far as the railroads themselves are concerned they are probably not interested in raising the wages.

Mr. BOILEAU. I know they are not, and that is why we ought to keep them under the provisions of the bill.

Mr. GRISWOLD. Keeping them under the provisions of this bill will not increase the wages, because, as the gentleman knows, and as I before stated, this bill provides for differentials. It provides for the basing of wages on the value of services and the cost of living and, indirectly, on climatic conditions. The value of their services, according to the gentleman from Texas [Mr. THOMAS], is now 22½ cents an hour. Under the yardstick laid down in the Norton amendment it would remain 22½ cents an hour.

The president of the maintenance-of-way men's organization and their official spokesman says they prefer not to come under the bill. The employer and employee are both satisfied to be left out. More than that, they prefer to be. Here is one place where we have the consummation of all that is most desirable in labor legislation. Both employer and employee agreed on a proposition. I hope we will refuse to disturb that agreement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The question was taken; and on a division (demanded by Mr. O'CONNELL of Montana) there were—ayes 107, noes 45.

So the amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 2475, the wage and hour bill, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, this morning in addressing the Committee I prepared two charts, and I ask unanimous consent to include them in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to include in the remarks I made today excerpts from certain letters pertinent to my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BACON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks and also to include therein a short bill I introduced on yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, nearly 4 weeks ago the President sent a message to the Congress on the subject of a road program in the interest of economy. I have been waiting for the Democratic leadership to introduce some kind of bill to meet this emergency referred to by the President in his message. No such bill having been introduced, I introduced a bill to carry out the President's program in the interest of economy and a balanced Budget. I did this on yesterday, and I called it to the attention of the Democratic leadership of the House.

It will be 4 weeks next Saturday since the President sent a special message to Congress urging an immediate curtailment of the road-building program. Briefly, the President recommended that the Federal-aid appropriation for roads for the fiscal year 1939 be reduced from $214,000,000 to $125,000,000. Although this recommendation was in the nature of an emergency measure to assist toward a balanced Budget, no action has been taken in either House of Congress to carry out this economy program.

Under the existing law, the Secretary of Agriculture is required to allocate $214,000,000 for roads among the several States, as of January 1, 1938. This allocation, under the express provisions of the act of June 16, 1936, constitutes a contractual obligation of the Federal Government. If the economy program is to be carried out, therefore, Congress must act in this matter at once.

The Roads Committee has failed to give serious consideration to the President's recommendations, and no effort has been made by the Democratic leadership in any other quarter to realize the economy program. Neither has the White House sought to press action in this emergency program, although White House pressures have been felt in Congress on several other matters of a far less urgent nature.

We are bound to accept the President's recommendations at their face value, regardless of the fact that nothing is done by the President's leaders on Capitol Hill to bring about their realization in law and in fact. It is difficult for some of us to believe, in view of the wild and reckless spending in so many other directions, that the President is seriously concerned about economy or balancng the Budget. And I read a statement in the New York Times last Saturday quoting the chairman of the Roads Committee to the effect that not only would the President's economy recommendations be rejected but that the chairman and some members of the Roads Committee would seek larger appropriations for this purpose.

Under the circumstances, it seems desirable to offer the Democratic leadership in the House an opportunity formally to uphold and sustain the President in his economy recommendations. I, therefore, present a bill embodying precisely the program recommended in the President's message of November 27—specifically to reduce the Federal roads appropriation from $214,000,000 to $125,000,000 for each of the fiscal years 1939, 1940, and 1941. This is an emergency measure. The President has so described it. This bill must be enacted before the special session adjourns next week or the 1939 allocations will be made by the Secretary of Agriculture and will be beyond recall. I earnestly urge the Democratic leaders to support this bill. The President has recommended it. The country demands it. It will give every Member of the House an opportunity to support the President and at the same time to move in the direction of a balanced Budget.

Rejection of this bill, or failure to give it immediate consideration, would be a signal to the entire country that the Democratic leadership in Congress repudiates the President in his demand for economy. At the same time it would be a signal that the President himself is without power to enforce the balanced Budget he has so often promised.

A bill (H. R. 8712) to amend certain provisions of the act entitled "An act to amend the Federal Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes," approved June 16, 1936, and to reduce the authorized appropriations to not to exceed $125,000,000 for public roads for each of the fiscal years 1940, 1941, and 1942.

Be it enacted, etc., That the act entitled "An act to amend the Federal Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes," approved June 16, 1936, be, and the same is hereby, amended as follows:

In paragraph 1, section 1, of said act strike out the words and figures "and the sum of $125,000,000 for the fiscal year ending June 30, 1939."

In paragraph (a), section 1, of said act strike out the following words: "The Secretary of Agriculture shall act upon projects submitted to him under any such apportionment, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto."

In section 2 of said act strike out the words and figures "the sum of $14,000,000 for the fiscal year ending June 30, 1939."

In section 2 of said act strike out the words "and to incur obligations or enter into contracts under his apportionment and prorating of the authorization, and his action in so doing shall be deemed a contractual obligation on the part of the Federal Government for the payment of the cost thereof."

In section 3 of said act strike out the words and figures "and the sum of $2,500,000 for the fiscal year ending June 30, 1939."

In section 4 of said act strike out the words and figures "and the sum of $7,500,000 for the fiscal year ending June 30, 1939."

In section 5 of said act strike out the words and figures "and the sum of $10,000,000 for the fiscal year ending June 30, 1939."

In section 6 of said act strike out the words and figures "and the sum of $4,000,000 for the fiscal year ending June 30, 1939."

In section 7 of said act strike out the words and figures "the sum of $25,000,000 for the fiscal year ending June 30, 1939."

In section 8 of said act strike out the words and figures "the sum of $50,000,000 for the fiscal year ending June 30, 1939."

SEC. 2. Appropriations for public roads for each of the fiscal years 1940, 1941, and 1942 shall not exceed in the aggregate $125,000,000.

SEC. 3. This act shall take effect immediately upon its passage.

EXTENSION OF REMARKS

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two or three very brief telegrams relative to the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter written to me by Mr. James E. Van Zandt, former commander of the Veterans of Foreign Wars and now chairman of the national legislative committee, in reference to the so-called Ludlow amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNELL of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a few editorials in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. VOORHIS, Mr. MAVERICK, Mr. PATRICK, and Mr. ZIMMERMAN asked and were given permission to extend their own remarks in the RECORD.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief article by L. T. Murray.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some comment on the Ludlow resolution by Franklyn Waltman.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in Committee and to include therein a brief editorial taken from the Baltimore Sun on the resolution which I offered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ORDER OF BUSINESS

The SPEAKER. Under special order of the House heretofore made, the gentleman from New York [Mr. DICKSTEIN] is entitled to recognition for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, in view of the lateness of the hour and the fact that the Members have been working very hard today, I ask unanimous consent to waive my right today, and that if the House is in session on Monday next I be given the privilege to address the House for 20 minutes after the disposition of business on the Speaker's table and the legislative program of the day.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPEAKER. Under special order of the House heretofore made, the gentleman from Oklahoma [Mr. MASSINGALE] is to be recognized for 20 minutes.

Mr. MASSINGALE. Mr. Speaker, it is too late to make my talk today upon the subject I intended to discuss. Therefore, I ask unanimous consent that I be permitted to make this talk tomorrow, after the disposition of business, if the House is in session. If not, then on the next day it is in session.

The SPEAKER. The Chair will submit the first request. The double request made by the gentleman from Oklahoma is rather unusual. The gentleman from Oklahoma waives his right to the floor today and asks unanimous consent that if the House is in session tomorrow, after the legislative program of the day, he be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Iowa [Mr. EICHER] is entitled to be recognized for 30 minutes. Is the gentleman in the Chamber? If not, his permission will be considered as waived.

FINDING OF GOLD PENCIL

Mr. KRAMER. Mr. Speaker, I wish it to appear in the RECORD that I found a gold pencil, which, perhaps, is of value to some Member. If anyone has lost such a pencil, I shall be glad to return it to him.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Friday, December 17, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Tuesday, December 21, 1937, at 10 a. m.

COMMITTEE ON THE JUDICIARY

The Special Bankruptcy Subcommittee of the Committee on the Judiciary will hold a public hearing on the Frazier-Lemke bill (S. 2215) to amend section 75 of the Bankruptcy Act, in the Judiciary Committee room at 346, House Office Building, on Friday, December 17, 1937, at 10 a. m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. CROSSER's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Friday, December 17, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles; room 1501, House Office Building.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Friday, December 17, 1937. Business to be considered: Hearing on S. 1261, through-routes bill.

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales-tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, trainlengths bill.

EXECUTIVE COMMUNICATIONS, ETC.

894. Under clause 2 of rule XXIV a letter from the Secretary of the Interior, transmitting the draft of a bill authorizing the repeal of certain authorizations of appropriations contained in the act approved June 16, 1936, amending the Federal Aid Highway Act, and for other purposes, was taken from the Speaker's table and referred to the Committee on Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STEAGALL: Committee on Banking and Currency. H. R. 8730. A bill to amend the National Housing Act, and for other purposes; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H. R. 8730) to amend the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. COCHRAN: A bill (H. R. 8731) to relieve disbursing officers and certifying officers of the Veterans' Administration from liability for payment where recovery of such payment is waived under existing laws administered by the Veterans' Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. CELLER: A bill (H. R. 8732) to amend the Revenue Act of 1936 with respect to capital gains and losses; to the Committee on Ways and Means.

By Mr. MAAS: A bill (H. R. 8733) to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality; to the Committee on Foreign Affairs.

By Mr. KNUTSON: A bill (H. R. 8734) to provide reamortization of land bank commissioner loans which have heretofore been made by the land bank commissioner and which provide for liquidation of principal and interest in a 10- or 13-year period; to the Committee on Agriculture.

By Mr. BEITER: A bill (H. R. 8735) to provide for the establishment of the Niagara Falls National Park in the State of New York, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 8736) to provide for the establishment of the Niagara Falls National Park in the State of New York, and for other purposes; to the Committee on the Public Lands.

By Mr. BEAM: A bill (H. R. 8737) to prohibit false transportation charges in connection with the sale of motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. CALDWELL: A bill (H. R. 8738) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, authorizing the Secretary of War to extend the services and operations of the Inland Waterways Corporation to Pensacola, Fla.; to the Committee on Interstate and Foreign Commerce.

By Mr. O'MALLEY: A bill (H. R. 8739) regulating trading and securities listed or traded in American security markets by foreign traders, for foreign purchasers or accounts; to levy a tax upon such transactions; and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ASHBROOK: A bill (H. R. 8740) granting a pension to Roberta Thornton; to the Committee on Invalid Pensions.

By Mr. BATES: A bill (H. R. 8741) for the relief of William H. Carter (deceased); to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 8742) granting an increase of pension to Annie I. McCoy; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 8743) for the relief of Louis Michael Bregantic; to the Committee on Immigration and Naturalization.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8744) for the relief of J. G. Bucklin; to the Committee on Claims.

By Mr. SWOPE: A bill (H. R. 8745) granting a pension to Cyrus K. Harter; to the Committee on Invalid Pensions.

By Mr. SIROVICH: A bill (H. R. 8746) for the relief of Cesare Guglielmo Leopoldo Torrelli; to the Committee on Immigration and Naturalization.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8747) granting an increase of pension to Linda Paul; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8748) granting a pension to Jenny L. Cole; to the Committee on Pensions.

PETITIONS, ETC.

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

3641. By Mr. PFEIFER: Petition of the Merchants Association of New York concerning the repeal of the undistributed-profits tax; to the Committee on Ways and Means.

3642. By Mr. BLOOM: Petition of the members of the New York & New Jersey Dry Dock Association, protesting against the enactment of Senate bill 2555 and House bills 7365 and 7863; to the Committee on Rivers and Harbors.

3643. By the SPEAKER: Petition of the Washington Saving & Loan League, Seattle, Wash., with reference to House bill 8520 and Senate bill 3055; to the Committee on Banking and Currency.

3644. Also, petition of the Santa Barbara County Chamber of Commerce, California, concerning House bill 7558; to the Committee on the Public Lands.

3645. By Mr. PFEIFER: Petition of the Appalachian Mountain Club, Boston, Mass., concerning the reorganization bill (S. 2970); to the Committee on the Civil Service.

3646. By Mr. DELANEY: Petition of the United Laundry Workers Union, Local 300, New York City, urging the immediate enactment of the fair labor standards bill; to the Committee on Labor.

3647. By Mr. MERRITT: Resolution of the Utility Workers Union, Local 1212, of the United Electrical, Radio, and Machine Workers of America, urging the enactment of the Black-Connery wage and hour bill; to the Committee on Labor.

SENATE

FRIDAY, DECEMBER 17, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, December 16, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is detained from the Senate because of illness.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LEWIS], and the Senator from New Jersey [Mr. MOORE] are detained on important public business.

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

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition signed by Harold Christoffel, president, and Meyer Adelman, secretary-treasurer, of the Milwaukee (Wis.) Industrial Union Council, C. I. O. (representing 65,000 organized workers), praying for the enactment of the so-called Murray resolution, being the joint resolution (S. J. Res. 127) memorializing the Honorable Frank F. Merriam, Governor of the State of California, to grant to Thomas J. Mooney a full and complete pardon, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD presented resolutions adopted by the Texas Agricultural Association at Fort Worth, Tex., in reference to pending cotton legislation, which were referred to the Committee on Agriculture and Forestry.

Mr. WALSH presented a letter in the nature of a memorial from Bricklayers' Benevolent and Protective Union, No. 3, of Boston, Mass., remonstrating against the enactment of legislation to reduce the present scale of wages in the building industry, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Western Massachusetts Joint Board of the Textile Workers' Organizing Committee, Committee on Industrial Organization, assembled at Holyoke, Mass., favoring the prompt enactment of pending wage and hour legislation in its original form, which was ordered to lie on the table.

He also presented a resolution adopted by the Western Massachusetts Joint Board of the Textile Workers' Organizing Committee, Committee on Industrial Organization, favoring the prompt enactment of legislation looking to the employment of every able-bodied person who is seeking work at a minimum wage of $20 per week with a maximum 30-hour workweek, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by a mass meeting held under the auspices of the Western Massachusetts Joint Board of the Textile Workers' Organizing Committee, C. I. O., favoring the enactment of legislation to control technological industrial improvements and to put an end to the so-called stretch-out system in industry, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Association of Manufacturers of Shoe and Leather Finishes and Cements, Boston, Mass., favoring an increase in the present tariff rates on cemented shoes so as to meet foreign competition, which was referred to the Committee on Finance.

He also presented a paper in the nature of a petition from W. T. Perry, of Dover, Mass., praying for the repeal of the undistributed-profits tax or its amendment so that reasonable reserves may be built up by the silver-fox industry during prosperous periods, which was referred to the Committee on Finance.

He also presented a resolution adopted by the common council and board of aldermen, and approved by the mayor, of the city of New Bedford, Mass., favoring the enactment of legislation to provide relief for the needy, employment for workers, a system of fair taxation, and adequate protection of American industry from foreign competition, which was referred to the Committee on Finance.

He also presented a resolution adopted by the common council and board of aldermen, and approved by the mayor, of the city of New Bedford, Mass., favoring the naming of a naval vessel for the port of New Bedford, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Worcester County (Mass.) Dairymen's Association, protesting against the enactment of the so-called Black-Connery wage and hour bill in its present form, which was ordered to lie on the table.

He also presented resolutions adopted by a mass meeting at Worcester and a meeting of textile employers and employees held under the auspices of Governor Hurley at Boston, in