tions, and signed by the president, vice president, and directors thereof, urging the congressional delegation of our State to work for farm legislation that will bring to the farmer a reasonable return above the cost of production, to which he is justly entitled, and further that the farmer should be charged interest rates comparable to those paid by industry such as the rate at present in effect on Federal Land Bank loans, which rate should be continued permanently by act of Congress; to the Committee on Agriculture.

5275. By Mr. WIGGLESWORTH: Petition of the members of the Federation of State, City, and Town Employees, residing in the Commonwealth of Massachusetts; to the Committee on the Civil Service.

5276. By the SPEAKER: Petition of the Seibert Evangelical Congregational Church, Allentown, Pa., petitioning consideration of their request dated May 26, 1938; to the Committee on Appropriations.

5277. Also, petition of the City Council of the City of New York, petitioning consideration of their resolution G. O. 34 (Res. No. 49) with reference to Home Owners' Loan Corporation Act; to the Committee on Banking and Currency.

5278. Also, petition of Commissioner Anderson for the entire Board of Commissioners of the County of St. Louis, State of Minnesota, petitioning consideration of their resolution dated May 24, 1938, concerning House bill 4199, known as the General Welfare Act, to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 1, 1938

(Legislative day of Wednesday, April 20, 1938)

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 Tuesday, May 31, 1938, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 10737. An act to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; and

H. J. Res. 631. Joint resolution to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 52), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 38,000 additional copies of Public Law No. 554, current Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes," of which 25,000 copies shall be for the use of the House document room, 10,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolutions, and they were signed by the Vice President:

S. 3843. An act to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps;

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

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

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

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are detained from the Senate on important public business.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent on account of the death of his wife.

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

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES

The VICE PRESIDENT. The Chair appoints the Senator from Texas [Mr. SHEPPARD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Michigan [Mr. BROWN], the Senator from Nebraska [Mr. NORRIS], and the Senator from Vermont [Mr. AUSTIN] as members of the Special Committee to Investigate Senatorial Campaign Expenditures for 1938, authorized by Senate Resolution 283 (agreed to May 27, 1938).

Mr. McNARY subsequently said: Mr. President, earlier in the day the Vice President conferred with me concerning the personnel of the committee to be appointed under Senate Resolution 283. I recommended for the consideration of the Vice President the name of the Senator from Vermont [Mr. AUSTIN]. My attention has been called to the language on page 2 of the resolution, as follows:

No Senator shall be appointed on said committee from a State in which a Senator is to be elected in the general election of 1938.

That language disqualifies the Senator from Vermont. I regret that I had not read the resolution, and was not familiar with that language. I beg the pardon of the Vice President. I now suggest the name of the Senator from Maine [Mr. WHITE].

The VICE PRESIDENT. The Chair desires to assume equal responsibility for having made the error. Probably he is more responsible than is the Senator from Oregon, because he had before him the list, as well as the resolution. Without objection, the name of the Senator from Maine [Mr. WHITE] will be substituted for that of the Senator from Vermont [Mr. AUSTIN].

Mr. NORRIS. Mr. President, while this matter is before us, permit me to say that I was absent from the Chamber when the appointments were made, and I have just had my

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attention called to the fact that the Vice President has appointed me a member of that committee. Under the circumstances, and for reasons with which the Vice President is familiar, reasons which I stated to him on another occasion when he was thinking of appointing me on a committee, I believe I ought to say to the Chair, as I would have said if I had known he had any idea of appointing me on the committee, that I cannot serve on the committee. With great respect to the Chair, I must decline to serve. I hope, therefore, that the Chair will appoint someone on the committee in my place.

The VICE PRESIDENT. In connection with this committee permit the Chair to say that the committee is to be composed of members from both political parties. The Chair conferred with the Senator from Kentucky [Mr. BARKLEY] with reference to the Democratic members of the committee and with the Senator from Oregon [Mr. MCNARY], with reference to the Republican members. The Chair himself took the responsibility of appointing the Senator from Nebraska, without consulting anyone. If the Senator from Nebraska feels that for health or other conditions he cannot serve, the Chair, of course, cannot force him to do so, and the Chair will take under consideration filling the vacancy.

LESTER P. BARLOW *v.* THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims, transmitting, pursuant to law, certified copies of the special findings of fact and opinion of the court of February 3, 1936, additional findings of fact on accounting, decided June 7, 1937, and a motion for new trial, decided May 31, 1938, in the case of Lester P. Barlow against The United States, No. H-272, which, with the accompanying papers, was referred to the Committee on Claims.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, Agriculture, and Labor, the Veterans' Administration, and under Executive Order No. 6060, papers of and pertaining to the President's Emergency Committee for Employment and the President's Organization on Unemployment Relief, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Board of Supervisors of the County of Maui, Territory of Hawaii, and the County Court of Deschutes County, Oreg., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Steinway Community Council, Queens County, N. Y., favoring the continued operation of the present quota laws relative to immigration, which was referred to the Committee on Immigration.

He also laid before the Senate a cablegram in the nature of a petition from Nicolas Nogueras Rivera, Acting General Secretary, Puerto Rico Free Federation of Working Men (affiliated with the American Federation of Labor), of San Juan, P. R., praying that in the enactment of pending wage and hour legislation no discrimination be made detrimental to the working classes of Puerto Rico, and also praying for the prompt enactment of pending legislation extending to Puerto Rico the Federal social and economic benefits thereof, which was ordered to lie on the table.

CLOSING OF MONTANA COPPER MINES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from Butte Miners' Union No. 1 of Butte, Mont., showing a startling condition of unemployment as the result of the closing down of the copper mines of Montana. This letter is pertinent in connection with the consideration of the pending relief measure.

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

BUTTE MINERS' UNION NO. 1,
I. U. OF M., M. AND S. W.,
Butte, Mont., May 28, 1938.

Hon. JAMES E. MURRAY,
United States Senate, Washington, D. C.

DEAR SENATOR: With the closing down of the mines here May 27, the Mountain Con and the Belmont, approximately 1,500 more men are unemployed in Butte, with proportionate increases in Great Falls and Anaconda.

The almost complete shut-down of the basic industry here will also bring lay-offs in other lines of work in the near future.

There are now about 4,500 people on W. P. A. in this county, 900 certified and waiting for jobs, and a large proportion of the additional 1,500 unemployed will be in need of some form of relief within a month.

The county welfare board is now almost entirely dependent on the State welfare board for direct relief funds. There is, therefore, a need for an immediate increase in W. P. A. jobs for this community. As a sidelight, the local high schools are graduating the largest classes in history, with nothing to do.

Trusting this will have your immediate attention and thanking you for past efforts, we are

Sincerely yours,

BUTTE MINERS' UNION NO. 1,
By WALTER R. SMITH, *Secretary.*

REPORTS OF COMMITTEES

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

S. 3922. A bill to afford an opportunity of selection and promotion to certain officers of the United States Naval Academy class of 1909 (Rept. No. 1939);

S. 3787. A bill awarding a Navy Cross to Hector Mercado (Rept. No. 1940); and

H. R. 7560. A bill to authorize alterations and repairs to certain naval vessels, and for other purposes (Rept. No. 1941).

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 3798) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, reported it without amendment and submitted a report (No. 1942) thereon.

He also, from the same committee, to which was referred the bill (S. 4023) to amend the United States Housing Act of 1937, reported it with an amendment and submitted a report (No. 1944) thereon.

Mr. PITTMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 6178) to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal, reported it without amendment and submitted a report (No. 1943) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 4041) granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River, reported it with an amendment and submitted a report (No. 1945) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. NORRIS:

A bill (S. 4121) granting a pension to Allie Doll; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 4122) to amend section 601 of the Revenue Act of 1932, as amended, to provide for an excise tax on poultry, eggs, and egg products; to the Committee on Finance.

By Mr. BROWN of Michigan:

A bill (S. 4123) for the relief of Homer P. Cota; to the Committee on Naval Affairs.

By Mr. SMITH:

A bill (S. 4124) for the relief of J. Vernon Phillips; to the Committee on Claims.

By Mr. KING:

A bill (S. 4125) for the relief of Chris Barkas and Mabel Barkas; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 4126) to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.; to the Committee on Commerce.

By Mr. DUFFY:

A joint resolution (S. J. Res. 303) to authorize an appropriation for, and direct the Department of Labor to make, an investigation and report regarding the effect upon the printing trades resulting from the manufacturing requirements of chapter 320 of the acts of 1909; to the Committee on Education and Labor.

CHANGES OF REFERENCE

On motion by Mr. BAILEY, the Committee on Claims was discharged from the further consideration of the joint resolution (H. J. Res. 146) granting insurance payments to Hugh H. Newell, and it was referred to the Committee on Finance.

On motion by Mr. THOMAS of Utah, the Committee on Education and Labor was discharged from the further consideration of the bill (S. 4095) to amend the National Housing Act, as amended, to provide loans for the acquisition of inexpensive homes, and it was referred to the Committee on Banking and Currency.

AMENDMENT OF MOTOR CARRIER ACT, 1935—AMENDMENT

Mr. HAYDEN and Mr. JOHNSON of Colorado, jointly, submitted an amendment intended to be proposed by them to the bill (S. 3606) to amend the Interstate Commerce Act, as amended, by amending certain provisions of part II of said act, otherwise known as the Motor Carrier Act, 1935, which was ordered to lie on the table and to be printed.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENTS

Mr. ANDREWS, Mr. AUSTIN, Mr. LEE, and Mr. MCADOO each submitted an amendment, and Mr. WALSH submitted an amendment (intended to be proposed by him to an amendment previously submitted by Mr. COPELAND), intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD submitted the following concurrent resolution (S. Con. Res. 38), which was referred to the Committee on Agriculture and Forestry:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Forestry and to be composed of five Senators, appointed by the President of the Senate, and five Members of the House of Representatives, appointed by the Speaker of the House of Representatives. The President of the Senate shall designate a chairman for the five Members of the Senate, and the Speaker of the House of Representatives shall designate a chairman for the five Members of the House, and the two chairmen shall alternate in presiding over the meetings of the joint committee.

SEC. 2. The committee is authorized and directed to study and make an investigation of the present and prospective situation with respect to the forest land of the United States, its condition, ownership, and management as it affects a balanced timber budget, watershed protection, and flood control and the other commodities and social and economic benefits which may be derived from such lands with a view to ascertaining among other things:

(a) The adequacy and effectiveness of present activities in protecting public and private forest lands from fire, insects, and diseases, and of cooperative efforts between the Federal Government and the States.

(b) Other measures, Federal and State, which may be necessary and advisable to insure that timber cropping on privately owned forest lands may be conducted as continuous operations, with the productivity of the lands built up against future requirements.

(c) The need for extension of Federal, State, and community ownership of forest lands, and of planned public management of them.

(d) The need for such public regulatory control as will adequately protect private as well as the broad public interests in all forest lands.

(e) Methods and possibilities of employment in forestry work on private and public forest lands, and possibilities of liquidating such public expenditures as are or may be involved.

(f) The need for additional legislation, authorizations, appropriations, research, and other measures to insure adequate administration and development of the forest lands in Federal ownership.

The committee shall make a report to Congress immediately after said investigation has been concluded, but in any event not later than January 1939, and in said report the committee shall make such recommendations as it may deem proper, including the legislative action necessary to effectuate its recommendations.

SEC. 3. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized and directed to hold such hearings, to sit and act at such times and places in the District of Columbia and the principal forest regions of the continental United States, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary; and oaths or affirmations may be administered by any member of the committee. The committee is further authorized to request the fullest cooperation in the conduct of this investigation from such departments of the Government as the committee may deem necessary, and to request the use of the facilities of such technical agencies in the executive branches of the Government as deal with our forest problem, in such ways as the committee may desire. The expenses of the committee shall not exceed $25,000, which shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall cease to exist upon submission of its report to the Congress in accordance with the provisions of this resolution.

ELLA GERTRUDE KAY

Mr. HILL submitted the following resolution (S. Res. 287), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Ella Gertrude Kay, widow of William A. Kay, late an employee of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SALE OF SOUVENIRS IN PUBLIC BUILDINGS AND PARKS

Mr. BONE. Mr. President, A few days ago I introduced Senate Joint Resolution 273, which had to do with the sale of souvenirs in public parks and public places controlled by the United States. As the result of my brief remarks on that subject the director of the National Youth Administration of my State sent me a number of little objects in the nature of souvenirs, such as this little totem pole, gloves, wrist bands, little things of one sort or another which fall easily into the category of souvenirs. I should like to have permission to let those objects lie on the table for a little while so that Senators may see them. It was my object, in presenting the resolution, to indicate that we should allow our own boys and girls in this country to make these things, and I want Senators to look them over because they will see they are the usual, customary type of souvenirs.

RETAIN PREVAILING RATES OF WAGES—ADDRESS BY SENATOR M'CARRAN

[Mr. LODGE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MCCARRAN on March 9, 1935, on the subject Retain Prevailing Rates of Wages, which appears in the Appendix.]

FLOOD CONTROL IN NEW ENGLAND

[Mr. WALSH asked and obtained leave to have printed in the RECORD a statement prepared by him with respect to pending legislation relating to the flood-control problem in the Connecticut River Basin and the Merrimack River Basin in New England, which appears in the Appendix.]

CONSUMER'S INTEREST IN INTERNATIONAL TRADE—ADDRESS BY F. H. RAWLS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address on the subject The Consumer's Interest in International Trade, delivered by F. H. Rawls,

Assistant Director, Bureau of Foreign and Domestic Commerce, Department of Commerce, at Jacksonville, Fla., on May 25, 1938, which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The VICE PRESIDENT. When the Senate took a recess yesterday, the Senator from Arkansas [Mr. MILLER] had expressed a desire to continue this morning the discussion of an amendment concerning the National Resources Committee. The Senator from Arkansas is recognized.

Mr. MILLER. Mr. President, the amendment now under consideration is found on page 6 of the joint resolution, lines 3 and 4, in which the committee recommends that the appropriation for the National Resources Committee be increased from $250,000 to $750,000. It is to that particular amendment that I desire to call the attention of the Senate for a few moments only. I realize that it is difficult, if not impossible, to prevent the allocation of money to this kind of an organization.

This organization sprang into existence as a result of an Executive order issued on June 30, 1934. The National Resources Committee is an outgrowth of the National Planning Board. It has no legal jurisdiction of anything or anybody in this Government. Heretofore, it has been sustained by money allocated for the W. P. A. and other relief organizations. There has been built up in this organization a staff of about 100 on the pay roll, plus certain consultants throughout the Nation. The hearings before the Committee on Appropriations disclose the fact that we have expended on this organization—that is, the Congress has not expended it, but there has been expended by the relief organizations to maintain this Committee—up to June 15, 1935, $1,011,144.99.

In the fiscal year 1936 there was taken from the relief money of the country, for this Committee, the sum of $831,119.76.

In the fiscal year 1937 the amount was $992,217.22.

It is estimated that in the fiscal year 1938 the sum of $843,333.33 will be used by this Committee, and in the fiscal year 1939 the sum of $825,000.

The representatives of the National Resources Committee went before the Bureau of the Budget and obtained its approval of the Committee's application for $825,000 to be expended by the Committee as it sees fit. I should like the Senate to bear in mind the fact—and if I am wrong, I should like to be corrected—that here we have an organization which has attached itself to our Government structure, which has no jurisdiction over anything or anybody at all in any way, shape, form, or fashion. It has no legal authority to superintend the action of a single department, a single bureau, or any other branch of our Government; but the hearings reflect the fact that the Committee—

> Has always considered itself a kind of "general staff" for emerging problems in the spirit so ably set forth in the report of the Select Committee on Government Organization on the bill to provide for reorganizing agencies of the Government.

It has set itself up as a "general staff" to superintend, the report further shows, practically every governmental activity.

The record further reflects the fact that "Under the general direction of the industrial committee studies have been proceeding during the last 2 years in a variety of fields, chiefly concerned with consumption and production capacities of the American people. The Committee was able to assist the Bureau of Labor Statistics and the Bureau of Home Economics in the organization of the study of consumers' habits" in this country.

It further states, under its public works, that it has taken upon itself the task of trying to prepare plans for the spending of public money over a period of 6 years.

I call the attention of the Senate to what I consider to be the only problem involved. I have no personal feeling about this Committee. I know some of the members of the Committee. But if the Congress is ready to embark upon an expedition of discovery to find new ways in which to spend the people's money, then let us create this National Resources Committee by act of Congress; let us enact a law and create it and charge it with certain definite duties. If we desire to look for new ways of spending money, I would recommend that the National Resources Committee be retained. But if we have already ample agencies and ample ways to spend the people's money, we are merely throwing away $750,000 this year, and taking it from those in need, if we make this appropriation.

Mr. President, I have said that there is no necessity for this Committee. I wish someone would point out one thing they have done worth while, notwithstanding that the record of the hearings, which are here, contains the testimony of Mr. Eliot and Mr. Delano, and some additional statements, in which they undertake to justify the Committee's existence.

They say they made a study of Alaska by virtue of a resolution passed by the Congress. But how did they make that study? They simply called upon the Departments of Government and obtained the data and the statistics furnished by the regular and old-line establishments. That is all they have done in that regard.

During its life this Committee has issued some six or seven volumes. They are beautiful books. I imagine Senators have read them. The first report of the Committee was issued December 1, 1934. It is about five or six hundred pages long, printed on fine paper, and it is replete with illustrations, maps, graphs, charts, and so forth and so on, outlining the more abundant life and how it may be obtained, how we can reach it by a further regimentation of our resources and a regimentation of human effort.

If the Congress is willing to embark upon that kind of a program, then I say not only make the $750,000 appropriation, but double it, because if it is a good thing, $750,000, considering how we are appropriating money, is a mere pittance; it is not worth discussing, much less attempting to save.

I was considerably amused at some of the passages in the report of 1934. They invariably end with some such statement as that concluding the article in their report on mines and minerals, as to the necessity of conserving our mineral resources. The last paragraph in that section says that the Bureau of Mines is capable and fully established for the purpose of making such plans and supervising such plans as may be necessary.

Then they consider the subject of wildlife and the other matters handled by the Biological Survey, and they conclude by saying that the Biological Survey is amply suited and well qualified to make any plans and regulations that are necessary.

Let me review what we have done in the way of legislation. We have set up various bureaus, we have set up various departments of government, and we have charged those departments with certain duties by legislative enactment. Following the statutes, those departments have established personnel prepared to carry out the legislative enactments and the legislative commands.

For instance, who makes the plans and who superintends the expenditure of the Federal funds for reclamation? Such matters are handled by the Bureau of Reclamation. In the case of forestry, the Forest Service is called upon. In handling matters having to do with parks, the National Park Service is responsible.

What happens in matters affecting fisheries? We passed a bill a few days ago providing a 5-year plan for building fish hatcheries in the United States. Who drew up that plan? It was prepared by the Bureau of Fisheries, as will always be the case.

Wildlife conservation is handled by the Bureau of Biological Survey. The National Resources Committee has not had one thing to do with it.

I have already referred to minerals and to the Bureau of Mines.

In the matter of Indian Affairs, whenever we want to do anything for the Indians of the country, we turn to the Indian Office for the plan.

This Committee has an article in one of its reports about the oil resources of the United States and concludes by saying that the oil administration in the Department of the Interior is best prepared to handle that subject.

The National Resources Committee refers to the National Bituminous Coal Commission for the regulation of the coal industry and the conservation of the coal resources.

In the matter of housing, we have the Federal Housing Administration and the United States Housing Authority.

Roads are a national resource, and the Bureau of Public Roads superintends the expenditure of Federal money on roads.

Agricultural problems, land utilization, all are provided for in the Agricultural Adjustment Act and are handled by the bureaus now in existence in the Department of Agriculture. They make the plans. The Soil Conservation Service is under the Department of Agriculture. A great work is being undertaken in this country today in an effort to coordinate the soil-conservation work—that is, the work for the prevention of soil erosion. But that is being done in connection with flood control; it is being coordinated by the statutory agencies; and why impose this board, this so-called Committee, upon such statutory organizations as are charged with the execution of the work?

Mr. AUSTIN. Mr. President, will the Senator from Arkansas yield to me?

Mr. MILLER. I yield.

Mr. AUSTIN. Has the Senator observed that it is one of the characteristics of our day that we create a supergovernment which brings us one step nearer to the autocracy which is sought?

Mr. MILLER. Suppose the National Resources Committee desire some statistics; they go to the Bureau of the Census, a statutory bureau, where all such matters are available.

Suppose they want to deal with questions relating to commerce. They go to the Bureau of Foreign and Domestic Commerce.

The VICE PRESIDENT. The Senator's time on the amendment has expired.

Mr. MILLER. I will take some time on the bill.

In the matter of coast development and lighthouses, they go to the Bureau of Marine Inspection and Navigation.

On questions of flood control, navigation, and rivers and harbors the work is entrusted to the Army engineers, as it always has been, and it ought always to be kept there.

Federal buildings are constructed by the Procurement Division of the Treasury Department in connection with the coordinating committee of the Department for which the building is erected.

Hydroelectric developments in this country are superintended by the Federal Power Commission, which regulates the height and the extent of dams erected on navigable streams.

Rural electrification is handled by the Rural Electrification Administration.

I venture to say that one cannot find a Government activity of this Nation today which is not already provided for by statute.

Mr. President, as I see the matter, there have sprung up during the last 4 or 5 years 46 State planning agencies in this country as a result of the activities of the National Resources Committee. For what purpose? To organize public sentiment in the States in order that they may come to the doors of Congress and knock and the Congress may unlock the doors of the Federal Treasury. That is exactly what we have done, and this committee is one of the causes of that condition being created. If the Congress is willing to look for new means for the expenditure of Federal money, then let it not only keep in existence the National Resources Committee, but let it create additional "general staffs" for that purpose, if that is the desire.

I wish to say very frankly that if the pending committee amendment shall not be adopted, if it shall be rejected, I expect at the proper time to offer an amendment to strike out the entire provision with reference to the National Resources Board. I will not do that, as I have stated, as a result of any personal feeling against the National Resources Committee, but I feel keenly, in my capacity as one of the representatives of a sovereign State, the trend of national affairs. I feel keenly the program we have adopted and have been following during the last few years, of expending everything we can lay our hands upon, mortgaging our children and their children, and the lives of those yet unborn to pay the enormous debt, which it is said will aggregate $42,000,000,000 before very long. That is just one of the serious problems. Seven hundred and fifty thousand dollars or a millions dollars does not amount to much in Government finances these days, but I think we have to make a start somewhere in reducing expenditures, and this is one organization which is superimposed upon other Government organizations, upon other statutory organizations, creatures of the Congress, which can well be done away with, and nobody will ever miss them except those who are directly employed.

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

Mr. MILLER. I yield.

Mr. KING. A very distinguished representative of our Government said to me a little while ago that a few years ago, when the Congress of the United States exercised its functions, it watched the appropriation bills, and it considered an appropriation of $10,000 carefully, but now we have been so prostituted—and I insert that word myself—that we will appropriate millions, and indeed billions, with scarcely any examination. Does not the Senator believe that the course which we are pursuing will ultimately lead to inflation, and to the degradation of the States, and the concentration of power in the Federal Government, until it will be a totalitarian state?

Mr. MILLER. There is not any doubt, in my opinion, that it will lead to the complete abolition of our States and of our form of government unless we call a halt.

MESSAGES FROM THE PRESIDENT

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

REPORT OF UNITED STATES RAILROAD ADMINISTRATION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Interstate Commerce, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress the Annual Report of the United States Railroad Administration for the year ended December 31, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1938.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

Mr. TYDINGS. Mr. President, at this critical time in the life of the American people, it is important that we should keep the facts occasioned by the depression constantly before us. Too often plain truths and clear facts are not present in our national thinking.

I am therefore taking this occasion to make a record of facts—facts which cannot be brushed aside or which cannot be talked down—to show the losses of all businesses since January 1, 1929, to December 31, 1935, in the effort to carry on during the depression, and the stake in these losses and in recovery of the businessmen, the laborers, and the farmers of the United States.

These facts are taken from two recent publications of the United States Department of Commerce, compiled and issued under the administration of President Roosevelt.

These two publications, entitled "National Income in the United States, 1929–35," and "National Income 1929–36," are published by the United States Department of Commerce, Bureau of Foreign and Domestic Commerce. Keep in mind that these two publications were issued by the present national administration, and that they show the facts of the income of the American people from January 1, 1929, to December 31, 1936.

These studies show the amount of money taken in and the amount of money paid out by all the different businesses and occupations in the United States. The studies include all activities for gain. They embrace agriculture, mining, electric light, power and gas, manufacturing, construction, transportation, communication, trade, finance, service, and miscellaneous occupations.

The first startling figure is that from January 1, 1929, down to and including December 31, 1935, businesses of all kinds, in the categories I have just described, paid out $23,529,000,000 more than was taken in. In other words, in order to operate the businesses at all, they had to be operated at a loss, and the loss for all kinds of work in America in the 7-year period was $23,529,000,000.

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

Mr. TYDINGS. I yield.

Mr. LUNDEEN. That money was largely paid out, was it not, to keep men on the pay rolls and to protect those who might become unemployed? Now that it has been expended, is it not true that they cannot be taken back?

Mr. TYDINGS. The Senator is correct. He has anticipated me. I am coming to that point. That was not the national, but the private contribution of all forms of endeavor in the United States to the depression, because all kinds of businesses, including agriculture, taking them as a whole, operated in the red to the extent I have mentioned in the 7-year period.

Mining and quarrying expended $2,084,000,000 more than that business took in.

Electric light, power, and gas spent $1,274,000,000 more than that business took in.

Manufacturing spent $7,146,000,000 more than manufacturing business took in.

Construction spent $1,207,000,000 more than all the construction business took in.

Transportation spent $1,177,000,000 more than all the transportation business took in.

Communications spent $279,000,000 more than all the communication interests took in.

Trade spent $5,000,000,000 more than all the trade in the country took in.

Finance spent $3,416,000,000 more than all the finance in the country took in.

General services, professional and otherwise, spent $2,838,000,000 more than they took in.

Miscellaneous enterprises spent $1,951,000,000 more than they took in.

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

Mr. TYDINGS. I yield.

Mr. LUNDEEN. Is there any law or any compulsion which has compelled them to pay out this money?

Mr. TYDINGS. Let me go ahead with the story. I will answer the Senator and say, "No; there is not."

Mr. LUNDEEN. Then they deserve some credit for what they did in that respect at that time.

Mr. TYDINGS. They deserve more credit than they frequently get, because the real facts, the real truths are not known by the people in many cases.

Agriculture alone finally got into the black, although it was in the red for some of the 7 years I have described. For the 7-year period agriculture took in $2,843,000,000 more than it paid out. That was largely due, I might add, to payments made by the Federal Government to the farmers, which are included in this figure. But the net figure for all businesses, including agriculture, during this 7-year period, shows that as a whole they lost $23,529,000,000, for that was their outgo over their income.

At this point I wish to have inserted in the RECORD table 8, from page 24 of the booklet entitled "National Income, 1929–36," which I hold in my hand.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

TABLE 8.—*Business savings, plus and minus, by industrial divisions*

[In millions of dollars]

Item	1929	1930	1931	1932	1933	1934	1935
Total business savings	+2,583	−4,903	−8,052	−8,942	−3,094	−1,429	+310
Agriculture	+1,178	+218	−577	−811	+320	+1,134	+1,381
Mining	−186	−425	−511	−352	−292	−175	−143
Electric light and power, and gas	−10	−278	−283	−290	−187	−129	−97
Manufacturing	+1,295	−1,852	−2,798	−2,928	−724	−457	+318
Construction	−2	−171	−227	−322	−212	−162	−111
Transportation	+379	−105	−337	−490	−162	−236	−226
Communication	+88	+9	−31	−84	−97	−87	−77
Trade	+102	−1,179	−1,677	−1,892	−347	−74	+67
Finance	−116	−357	−726	−769	−597	−603	−248
Service	−79	−344	−494	−702	−504	−384	−331
Miscellaneous	−68	−419	−391	−303	−292	−256	−222

Mr. TYDINGS. The table breaks the business savings, positive and negative, down into years, and breaks it down into the respective businesses to which I have referred.

In 1929 the table shows that all businesses had an income over expenses of $2,583,000,000.

In 1930 all businesses lost $4,903,000,000.

In 1931 they lost $8,052,000,000.

In 1932 they lost $8,942,000,000.

In 1933 they lost $3,094,000,000.

In 1934 they lost $1,429,000,000.

In 1935 they took in $310,000,000 more than they paid out.

I regret that I do not have the figures for 1936 and 1937, but I understand the Department will issue them in a new booklet shortly.

Agriculture ran behind in the years 1931 and 1932.

Mining ran behind in all 7 years, as did electric light, power and gas, construction, finance, general services, and miscellaneous business enterprises.

Manufacturing was in the red for the years 1930, 1931, 1932, 1933, and 1934.

Transportation has been in the red each year since 1929.

Communications have been in the red each year since 1930.

These figures only go to the end of 1935, so I have no way of knowing at this moment what the years 1936 and 1937 and what the year we are in, 1938, will show.

The lesson of all this summed up shows that all kinds of occupations and businesses carried on by the people of the United States in the 7-year period from the beginning of 1929 to the end of 1935 were conducted at a loss to them of $23,529,000,000, for that was the amount which was paid out by them above what they received as income.

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

Mr. TYDINGS. I yield.

Mr. MURRAY. Has the Senator figures showing the great reserves of the corporations?

Mr. TYDINGS. If the Senator will let me come to that point in my discussion, I will answer. I think I can answer a great many of the questions which suggest themselves to Senators. I would rather not answer at this moment.

I know, for example, that 37 railroads are now, as I stand here, in the hands of receivers, and they have no resources. I know that the railroad industry as a whole cannot carry on with the resources at its disposal at the present moment. I know that there are some concerns in the country which may have resources left, but as this study was compiled under this administration, and is factual, in my opinion, and the best one in all the world today of the picture of the last 7 years of depression, I do not think the figures that I have offered can be lightly brushed aside.

Mr. MURRAY. The Senator refers to the fact that agriculture has made some profits during the depression.

Mr. TYDINGS. That is correct.

Mr. MURRAY. Of course, the Senator understands that agriculture had no opportunity to build up reserves as industry and business had.

Mr. TYDINGS. That is correct. But the Federal Government had to come to the aid of agriculture during the depression with billions of dollars.

Mr. MURRAY. Business and industry were allowed to build up these enormous reserves on the very basis of being able to expend them in periods of depression.

Mr. TYDINGS. They did this prior to 1930. Let me go ahead.

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

Mr. TYDINGS. I will yield for a question.

Mr. HATCH. There are many questions that I should like to ask the Senator, but I realize that he is speaking under limited debate and would prefer not to be interrupted.

Mr. TYDINGS. No; I think the Senator has a right to ask questions. I wish to yield to the Senator for a question or two that are pertinent.

Mr. HATCH. The Senator speaks of outgo. Will the Senator explain what he includes in outgo?

Mr. TYDINGS. It is well for me to explain what these studies include in outgo. They mean by that the expenditure of money; money paid out greater than income. Let me say to Senators who wish to explore the question in some detail that if they will take these books they will find just how the figures were arrived at. Briefly, in answer to the Senator's question, outgo includes money actually paid out to an extent greater than money was actually paid in, plus the other normal expenditures, depreciation, or what not allowed in sound business practice.

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

Mr. TYDINGS. I yield.

Mr. MURRAY. The outgo was not exclusively in connection with operating expenses, but was partly in connection with large expansions during the period referred to.

Mr. TYDINGS. No. The study begins with January 1, 1929; and there has not been much expansion in the last 9 years. For the most part the outgo represents money actually paid out from resources accumulated in the good years. For example, in the case of the railroads, the most visible example, we all know today that the railroads had some resources in 1929. We know today that they now have no such resources. We know that the men who work on the railroads are threatened with a 15-percent reduction in wages, the railroads claiming they are not taking in enough money to meet expenses. We know that the Reconstruction Finance Corporation loaned $87,000,000 to the Pennsylvania Railroad in one loan. We know that many of the railroads have received help from the Reconstruction Finance Corporation. Therefore, the fact that they are borrowing to meet their pay rolls shows that the resources which they once had are no longer present.

The businesses of the country have used up the resources they had saved during the comparatively good years preceding 1929, and more besides, in many cases, since the depression started. Business has paid from its resources, to stem the tide of the depression, to keep people employed, to keep the doors open, to keep the plants operating, more than has the Government, for business has paid out twenty-three and a half billion dollars in the 7-year period, while the Government has expended sixteen and a half billion dollars to meet the ravages of the depression in a similar period. Therefore, in the 7-year period business has contributed about $7,000,000,000 more than has the Government of the United States to the solving and lessening of the burdens of the depression.

The study to which I have referred is very complete and full of factual tables to supplement what I have said. It is a very informing work. The tables show that nobody has more to lose in the collapse of the economic picture than has the salaried worker and the wage earner in the various activities in which our people engage.

On page 74 of the booklet entitled "National Income in the United States, 1929–35," there is a chart of the mining and quarrying income dollar, and what becomes of it once it is taken in.

The charts to which I shall refer hang behind me on the wall. They were prepared by the Department of Commerce. Each of them shows at the bottom the income dollar in a respective field. The heavy black represents the part paid out for salaries and wages. At the top is usually shown the interest. Underneath that is usually shown the dividends; and under the dividends are usually shown the entrepreneurial withdrawals.

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

Mr. TYDINGS. I yield.

Mr. LUNDEEN. The charts to which the Senator has referred are very interesting. I hope they may be placed in the RECORD.

Mr. TYDINGS. I am grateful to the Senator for his remark. I have had the matter up with the Joint Committee on Printing with a view to having the charts carried in the book, of which the charts on the wall are larger reproductions, put into the RECORD to supplement my remarks. I understand that although they are Government charts in another publication, the rules of the Joint Committee on Printing forbid their insertion in the RECORD. Therefore, I do not have the visible picture to put in the RECORD, which I should like to have to supplement what I am saying.

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

Mr. TYDINGS. I will take time on the bill if my time on the amendment has expired, as I want to give here an accurate picture of conditions in the United States; to show what all businesses have lost since the depression started; what the United States Government has done, and to point the hope and way to better conditions for labor, business, and farmers. I wish every citizen could read these facts.

Referring to the chart on mining and quarrying, which hangs on the wall, it shows that over 80 cents of the mining and quarrying income dollar is paid out for salaries and wages.

On page 91 of the same volume is shown what happens to the income dollar from electric light, power, and manufactured gas.

On page 99 there is a chart showing what happens to the manufacturing income dollar. Here we find that an average of 82 cents out of every income dollar in manufacturing goes for salaries and wages. The table on page 109 shows that in 1929 there were 9,799,000 persons engaged in the manufacturing industry in the United States, and only 7,713,000 in 1934. Thus, about one-fifth of all the people in the United States who are employed find work in the manufacturing industries of the United States. The chart shows that this vast number receive, as an average, about 82 cents out of every manufacturing income dollar.

If we were to take the balance sheet of any large corporation, such as General Motors, for illustration, we would find so much paid out for labor and so much paid out for materials. In the list of materials there would undoubtedly be a huge item, for example, for the purchase of rubber tires. This would be carried on the statement as an expenditure for materials rather than for labor. But what makes the cost of the tires? Is it the rubber in them? Of course, the material in the tires is a factor, but the transportation of the rubber to the rubber plant, the labor necessary to manufacture the tire, and the labor necessary to transport it to the consumer, which in this case is General Motors, are large factors in the cost of the tires. Therefore a large labor content is reflected in the General Motors statement showing the amount of money paid for materials. In other words, labor has been a material part of the cost of the rubber tires; but on the General Motors statement this cost would be under the head of material rather than labor. Therefore, when we take the labor content from Goodyear and add it to the labor content in General Motors, the picture of 82 cents paid for labor and

salaries out of the manufacturing income dollar bears out the facts set forth in the two books to which I have referred.

In the construction industry, shown on page 118, a chart of which hangs on the wall, 80 cents out of the construction income dollar goes for wages and salaries.

In transportation, which embraces the railroads and the steamship lines, motor transportation, street railways, and so forth, over 70 cents of the transportation income dollar goes for salaries and wages. This is shown on page 124.

Parenthetically, I may say that a few nights ago I was riding on a passenger train of the Pennsylvania Railroad. I asked the conductor and the brakeman what part of the transportation income dollar goes for salaries and wages. I was gratified to hear each of them say about 70 cents. On the contrary, I have asked men in other lines of activity what percentage of the manufacturing income dollar went for salaries and wages and I have received replies such as 15 cents. One man answered as high as 28 cents. The figures in the report show that 82 cents of the manufacturing income dollar goes for salaries and wages. All too often the salaried worker and the wage earner do not realize the large part of the income dollar that goes to them in their respective fields of employment.

Communications are shown on page 149 of the book to which I have referred. An average of slightly more than 70 cents of the communications income dollar goes for salaries and wages.

In trade, shown on page 160, 72 cents of the trade income dollar goes for salaries and wages.

In finance, shown on page 169, only 35 cents of the finance income dollar goes to salaries and wages, about 30 cents more to rents and royalties, and 22 cents for interest. Dividends account for about 6 cents.

In government about 79 cents goes for salaries and wages out of the government income dollar, while in the service industries, such as professional, personal, recreation, and amusement—such as movies and broadcasting, domestics, and so forth—about 65 cents of the service income dollar goes to salaries and wages, as shown on page 201.

Under the heading of "Miscellaneous" all other business activities are lumped together, but this is a small category. Taking all businesses as a whole, including agriculture, for the 7-year period from January 1, 1929, to December 31, 1935, we find that about 66 cents out of every income dollar went for salaries and wages, about 15 cents for agency, commission, and entrepreneurial withdrawals, an average of between 5 and 6 cents for dividends, about 10 cents for interest, and 3 cents for rents.

That is the picture. During the 7-year period I have described businesses of all kinds, including agriculture, had minus business savings of over $23,000,000,000. These represent accumulated resources which have been paid out or expended in one way or another by businesses of all kinds during the depression. Business has no such resources today. They have already been used up.

In the meantime the Government also has been spending more than it has been taking in, and the national debt has soared from twenty billion to forty billion.

Thus today, after businesses of all kinds, including agriculture, have poured out $23,000,000,000 of their resources more than was taken in during the 7-year period, and Government has poured out $20,000,000,000 of its resources more than Government has taken in during the 9-year period, both business and Government have paid out $43,000,000,000 more than they together have taken in. We go forward from here with the resources of business already largely expended and some $20,000,000,000 of Government credit used up as we approach the future.

It is obvious, therefore, that business cannot contribute in the future as it has in the past toward economy recovery, for no branch of our American business has the money.

It appears, therefore, that the one thing left is Government credit. How far we can use that up by borrowing against the future is a problem for us all to think about. Certainly the wage earner has a larger stake in the revival of business than anyone else, for the study I have mentioned shows that two-thirds of every income dollar from business in the country as a whole goes to salaries and wages. The wage earner wants to work for private concerns rather than be on Government relief or Government made work if he can get a job in private employment.

It is up to us, therefore, to cooperate in every way we can with agriculture and industry, to revive business along normal lines; for if unemployment continues, Government will be forced to bear a burden which its resources cannot continually support.

To repeat, from the beginning of 1929 to the end of 1935, 1 good year and 6 years of the depression, agriculture and business together paid out $23,000,000,000 more than they took in. That is gone; gone forever. They cannot do this any more, for the resources have been used up. In the meantime, the Government has increased its debt some $20,000,000,000.

Now, we have 14,000,000 people totally unemployed. All agricultural prices are down. Wheat is selling for 72 cents a bushel, corn for 56 cents, oats for 26¼ cents, rye for 53 cents, cotton for between 8 and 9 cents, cattle in Chicago for from 8 to 9 cents, and hogs in Chicago for from 8 to 9 cents.

I have presented these facts, taken from Government documents, compiled under this administration, in order to make up the record. It is important that the record should show the facts, for after 9 years of the depression we must face the facts, the unvarnished truths, in order to move along safely from this point.

I have fought consistently for the proposition submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] to "pay as we go." Sooner or later, if we continue as we are going, we must face one of three alternatives—crushing taxation, inflation, or repudiation.

Who pays the taxes? All the income taxes paid into the Federal Government from every source, plus all the corporation taxes paid into the Federal Treasury, total approximately two and one-half billion dollars. The other three and one-half billion dollars are not paid by the rich but by the masses of the people, in taxes such as the cigarette and tobacco tax. Does the workingman realize that every time he buys a package of cigarettes he pays 6 cents into the Federal Treasury? If he smokes nearly a pack a day, or 300 packs a year, he pays $18 in cigarette taxes alone. If he earns $4.50 a day he has to work 4 days a year just to pay his cigarette taxes.

There are taxes on ball games and amusements; tariff taxes on clothing and shoes and food and shelter; United States Government gasoline taxes, taxes on toilet articles, on toothpaste and mouth washes, toilet soap, furs, phonograph records, and sporting goods; taxes on cameras, on chewing gum, on crude petroleum; taxes on beer and whisky; taxes on oils, automobiles, on tires, and inner tubes; taxes on matches; taxes on tractors; stamp taxes on the sale of stocks and bonds; taxes on mechanical devices, on the sale of property; social-security taxes; and the like. In other words, the masses of the people pay more in taxes to the Government than all the corporations and all the income-tax payers combined. In enlarging the national debt that is a factor we should keep in mind.

It is said there are 67,000,000 life-insurance policyholders in the United States. The life-insurance companies collect the life-insurance premiums from the masses of the people and reinvest them in Government bonds; State, county, and municipal bonds, railroad and industrial bonds, farm and city mortgages, and the like. Life insurance policyholders are the largest owners of our business establishments, for their annual premium payments are invested in businesses of all kinds. Thus upon the successful revival of business obviously depends the worth of every life-insurance policy held by an American citizen; upon such business revival depends the job of the wage earner, wherever he may be; and also upon it depends the credit of the Government of the United States.

It is important that these facts be before us, for shortly we will be entering the tenth year of the depression, with

unemployment, according to Mr. Hopkins, Works Progress Administrator, as widely spread today as it ever was.

We must begin to cut our cloth, not for the next year alone, but for the future as far as we can see it. To do otherwise is to subject the people of this Nation to a darker and even graver depression than any which we have yet passed through, even darker than the one which began in 1929.

The failure to comprehend that the workingman, the wage earner, the general public, the man in the street, have more at stake than anybody else in the revival of business is to drift further and further down the road on which we are now headed, leading to conditions which threaten the home and fireside of every citizen, his job, whatever it may be, his income, and the institutions of our country. The present state of affairs should lead to a realization that business in every form should be encouraged, not discouraged; helped, not hindered; supported, not attacked; for in a revival of business there is work for the unemployed, a better market and better prices for the farmer, a decrease of the governmental burden of taxation, and a normal way of American life.

PRINTING OF ADDITIONAL COPIES OF REVENUE ACT

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 52, which was read as follows:

Resolved, etc., That there be printed 38,000 additional copies of Public Law No. 554, current Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes," of which 25,000 copies shall be for the use of the House document room, 10,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

Mr. HAYDEN. I move that the Senate concur in the resolution.

The motion was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. HAYDEN. Mr. President, on behalf of the committee, I desire to comment briefly upon the remarks made by the Senator from Arkansas [Mr. MILLER] with respect to the pending amendment.

The committee proposes in lieu of $250,000 to be appropriated for the National Resources Committee that $750,000 be allowed for that purpose. The Budget estimate was $825,000.

The Senator from Arkansas [Mr. MILLER] indicated in his remarks that this was a somewhat unusual organization, that its creation was not authorized by law.

Mr. MILLER. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MILLER. I think the Senator misunderstood me. When I said "it was not authorized by law," what I had in mind was that it was created by Executive order of the President under act of the Congress passed in 1933, but the provision of law simply authorized him to set up the National Planning Board, now the National Resources Committee, for the purpose of aiding him in the expenditure of money.

Mr. HAYDEN. The National Resources Committee was established by the same authority by which the Works Progress Administration and the Public Works Administration were established. Congress first gave to the President $3,300,000,000 for relief and work relief. The President could use the money in any way he saw fit to accomplish those purposes. He created a number of other emergency organizations, such as the Rural Resettlement Administration, for example, and has continued to do so. None of these agencies was specifically authorized to be established by an act of Congress. In creating a great organization, such as the Works Progress Administration or the Public Works Administration, under which the national resources were to be utilized and developed, it is perfectly logical that it should occur to the President that there might be duplication of effort—that one organization might invade the field properly occupied by another. Therefore, considering the enormous sums of money to be expended, it was reasonable that he should seek to establish some sort of an agency in order to coordinate the expenditures made with respect to the national resources. So the organization was established within the broad authority of law granted to the President.

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

Mr. HAYDEN. I yield.

Mr. CONNALLY. Is it not true that the constitutional authority which rests in the President—the Chief Executive—authorizes him to employ any administrative or executive agency that he may see fit, if he can get the money from Congress to pay for it? Is not that fundamental?

Mr. HAYDEN. There is no question about that.

Mr. CONNALLY. And the reason we speak of statutory authority is that heretofore we have been making appropriations limiting the expenditure of funds to certain specific purposes. Now, as the Chief Executive, presiding over all the executive and administrative branches, the President may employ any agency he may see fit to employ; he may create an agency; the only condition is that he must get the money from Congress to pay for it. We are paying for it in all the appropriation bills heretofore and now pending. All that he needs to do is to say, "Yes; I will create this board or that board and pay for it out of this money." If the Congress gives him power to pay for it, he has the authority to do it.

Mr. HAYDEN. And with the power to pay and the authority to create the President established this agency. The pending joint resolution differs from the first appropriation of $3,300,000,000 and the second relief bill of $4,800,000,000 in that those two measures were popularly described as blank checks. The President was given vast sums of money to expend in any way he saw fit. He could make an allotment for a certain purpose and then could withdraw it; he could set up any kind of an agency he pleased to accomplish the general purpose of relief and work relief. The House of Representatives, in considering this measure, determined that Congress should resume control of the purse strings; and so this joint resolution is not a blank check. It is divided into specific appropriations for particular purposes.

Under the language of the joint resolution stipulating just what sums of money shall be expended by various agencies there could be no money expended for the National Resources Committee unless it were specifically set out in the measure itself. That is the reason why this item appears here and why it did not necessarily appear in the other two relief measures.

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

Mr. HAYDEN. I yield.

Mr. MILLER. The Senator said, as I understood him, that the National Resources Committee was established as a coordinating agency. That is not my understanding of the Executive order, or my understanding of what the Committee has undertaken to do. In other words, the National Emergency Council is the coordinating agency of the relief agencies. The National Resources Committee described itself in the hearings before the committee when it called itself the general staff. But the point I tried to make clear to the Senate was that this Committee, although established by the President under authority given him by the Congress, does not have any legal jurisdiction or legal authority over the planning and executing agencies of the other branches of the Government.

Mr. HAYDEN. Mr. President, in using the term "general staff" I think the National Resources Committee paid me a compliment, because that is how I described its function last year on the floor of the Senate.

Mr. MILLER. That is what they call themselves.

Mr. HAYDEN. The Committee apparently adopted a term that I used.

Mr. MILLER. I congratulate the Senator.

Mr. HAYDEN. I stated to the Senate at that time, and I now repeat, that no agency of the Government which plans

any kind of an activity should have anything to do with its execution, and I used the General Staff of the Army as an illustration. The General Staff of the Army plans what our Army should have by way of infantry and cavalry and artillery, or the number of men to be assigned to the Air Corps. The General Staff plans the general operations of the Army. The General Staff does not take charge of a regiment or a battery of artillery and direct its movement in time of war. There should be a planning agency, and when I use the term "planning" I use it in the same sense as "coordination"—that is, that somebody should think out the broad problem and what particular agency should execute its details.

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

Mr. HAYDEN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish to make an inquiry of the Senator from Arkansas, who has just suggested that the National Resources Committee has no authority over the execution of the duties of the various Departments. I wondered if the Committee did have that authority, whether the Senator from Arkansas would not be more opposed to the Committee than he now is.

Mr. MILLER. Decidedly so.

Mr. HAYDEN. I join the Senator from Kentucky in that view.

Mr. BARKLEY. I would join in that sort of opposition, too, because whenever Congress sets up an agency—for instance, the Corps of Engineers of the Army or any other agency in a Department—it is my understanding that the National Resources Committee has not any jurisdiction to interfere with the administration of the duties of that agency, but that the Committee takes a general bird's-eye view of all the resources of the United States, investigates them, makes surveys, makes reports to the President or to Congress, or both, and makes recommendations which will never be carried out unless Congress authorizes somebody to carry out the recommendations.

Mr. HAYDEN. Mr. President, if there is any conflict between the National Resources Committee and the Corps of Engineers, that conflict lies in planning for the utilization of the water resources of the United States. I cannot help but suspect that the Senator from Arkansas is presenting today more or less a repetition of a controversy which was settled by the President of the United States when he vetoed a joint resolution which provided that the Corps of Engineers should do all the planning with respect to the water resources of the United States. I refer to Senate Joint Resolution No. 57 of the present Congress entitled:

Joint resolution to authorize the submission to Congress of a comprehensive national plan for the prevention and control of floods of all the major rivers of the United States, development of hydroelectric power resources, water and soil conservation, and for other purposes.

Mr. MILLER rose.

Mr. HAYDEN. That joint resolution provided that such a national plan should be prepared by the Corps of Engineers. If the Senator will permit me, I desire to quote the President's veto message.

The President stated as follows:

In my message of June 3, 1937, I proposed for the consideration of Congress, a thoroughly democratic process of national planning of the conservation and utilization of the water, and related land, resources of our country. I expressed the belief that such a process of national planning should start at the bottom through the initiation of planning work in the State and local units, and that it should contemplate the formulation of programs on a regional basis, the integration of fiscal and conservation policies on a national basis, and the submission of a comprehensive development program to the Congress by the President.

The President continues in his veto message:

The reverse of such a process of national planning is prescribed in Senate Joint Resolution No. 57. By this resolution the War Department would become the national planning agency, not alone for flood control but for all the other multiple uses of water. Although the Department of Agriculture would prepare reports on run-off retardation and soil-erosion prevention, and the Department of the Interior be consulted on reclamation projects, the War Department would report for these coordinate agencies directly to Congress instead of to the Chief Executive. The local and regional basis of planning would be ignored, and there would be no review of the whole program, prior to its presentation to Congress, from the standpoints of national budgetary considerations and national conservation policies.

The Corps of Army Engineers has had wide experience in the building of flood-control projects and has executed the projects entrusted to it with great skill and ability. Its experience and background is not alone sufficient, however, for the planning of a comprehensive program for the development of the vast water and related resources of the Nation.

The planning of the use and control of water and related resources is distributed by law among numerous governmental agencies, such as the Departments of Agriculture and Interior, the Federal Power Commission, the United States Public Health Service, the International Boundary Commission, and the Tennessee Valley Authority. The joint resolution encroaches upon the functions of these agencies and ignores and duplicates the coordinated planning work already in progress under the general guidance of the National Resources Committee.

I find it impossible to subscribe, therefore, to the proposal that has been embodied in this joint resolution.

A distinct issue was raised with respect to our water and land resources, and in that instance it was proposed that the Corps of Engineers do the work. The President had created the National Resources Committee. He felt that instead of allowing one agency of the Government to supervise what should be done by other agencies—and there are many agencies of the Government which are interested in the development of our water resources—it was better to have one central planning board, a general staff, if you please, to undertake that work. For that reason he vetoed the joint resolution. I think the reasoning in his veto message is entirely sound. I am convinced that it would be a great mistake, by reducing the appropriation, to destroy the effectiveness of this agency.

I have the highest regard for the Corps of Engineers. It is composed of men who were educated at a great public institution. They have their life careers fixed and assured to them. They have no interest to serve other than the Government and the people of the United States. They are sincerely patriotic men. They love their country, and their record as a corps is without blemish. In all the years since the corps was first established, there has been no more intelligent and no more impartial agency in advising the Congress as to expenditures. I do not desire in any manner to disparage the magnificent results which have been accomplished by the Corps of Army Engineers; but because the members of that corps have been engaged in river and harbor work and in flood control upon the rivers—and that has been their specialty—it does not follow that they are particularly qualified to undertake everything else or to supervise everything else relating to the utilization of our water resources, not only for navigation but for irrigation and for power. To my mind, it would be a mistake to thus widen the scope of their activities.

The Senator from Arkansas [Mr. MILLER] is a very able lawyer. If, however, a medical matter should come to his attention, I am sure he would consult a physician, and he would go to the specialist who knew the most about it. There are other specialists in other agencies of the Government who are best qualified to advise the President and the Congress upon the things with which they are particularly familiar.

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

Mr. HAYDEN. I shall utilize a few moments of time on the joint resolution.

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

Mr. HAYDEN. I yield.

Mr. MILLER. I do not know that I know especially about the joint resolution referred to by the Senator. Is that the joint resolution which was passed at the last session of the Congress, introduced by the senior Senator from Arkansas [Mrs. CARAWAY] and Representative McCLELLAN?

Mr. HAYDEN. I referred to Senate Joint Resolution No. 57. It was vetoed by the President on August 13, 1937.

Mr. MILLER. That is the joint resolution. I will say to the Senator that I did not have that measure in mind.

What I had in mind was that in this instance I think we have an agency which has been imposed upon by the other planning agencies, and which simply is not doing anything.

If the Senator will indulge me further, let me call attention to an experience which I am sure every Senator has had. I will use as an illustration an experience that I had with the Army engineers and the Biological Survey.

Notwithstanding the Executive order of the President, every Department in our Government has a coordinating committee. Recently a conflict arose between the Army engineers and the Biological Survey over the location of a 65-mile levee in Arkansas. The conflict was not settled by the National Resources Committee. That Committee was not called into the thing at all, but the conflict was settled by the coordinating committees of those two agencies of the Government.

Mr. HAYDEN. What the Senator refers to has been a common practice, and it is a highly desirable practice.

Mr. MILLER. Precisely.

Mr. HAYDEN. We have an excellent illustration of cooperation, in the Army appropriation bill which is now pending, between the Department of Agriculture and the Corps of Engineers with respect to the construction of dams on streams, and the protection of the watersheds above the dams. The two agencies are working in perfect harmony; but that illustration relates to individual projects, to particular instances. There was no such general agency until the National Resources Committee was created to view the problem as a whole throughout the United States. When Congress was appropriating in one instance $3,300,000,000, and in another instance $4,800,000,000, and in consideration of the large sums contained in this joint resolution, is it unreasonable to spend three-quarters of a million dollars to have a qualified group of men view the problem as a whole?

That is the justification for this appropriation; and on behalf of the committee, I ask that the committee amendment be adopted.

Mr. MILLER. Mr. President, will the Senator further yield?

Mr. HAYDEN. Yes.

Mr. MILLER. The Executive order creating the National Planning Board, the predecessor of this Committee, says:

> The Board shall submit a report on land and water use on or before December 1, 1934. The program and plan shall include the coordination of projects of Federal, State, and local governments and the proper division of responsibility and the fair division of cost among the several governmental authorities.

That report has been filed. As I say, six or seven volumes have been printed, and every Senator has them in his office library today. All of those reports have been made; and the question is whether or not we want to engage further upon a plan of seeking new avenues or new places to spend money.

Mr. HAYDEN. That is not the point. The question is whether Congress can, on a given day, acquire all the information needed, and from then on can depend on that one particular finding.

Mr. HATCH. Mr. President, the remarks just made by the junior Senator from Arkansas [Mr. MILLER] to the effect that the agency covered by the pending amendment, the National Resources Committee, is simply another agency to provide methods and means for spending public money, is one with which I cannot agree. I am not so familiar with the duties or the work of the National Resources Committee in the Senator's State or elsewhere throughout the Nation, but I do know that my own State of New Mexico has presented a peculiar problem, and one which was not even attempted to be solved, considering the problem as a whole, until the National Resources Committee began taking cognizance of some of the conditions existing in my State. I merely wanted to call attention to the conditions with which we are confronted there, and why there is need for some general planning board.

We have in New Mexico an Indian problem. Thousands of acres of land are located on Indian reservations. Early in this administration efforts were made to largely extend the boundaries of some of the reservations. I have not criticized the purpose of those boundary extension bills, but it is a fact that in some of the proposals which were made only the concern and the welfare of the Indians were thought of. Thousands of native-born New Mexico citizens who had resided in the State, they and their ancestors, for hundreds of years, would have been dispossessed from lands they occupied through the extension of Indian reservations.

The Taylor Grazing Act came into effect, and it presented its complications and its problem. There were formed drainage districts with funds loaned by the Federal Government, through the Reconstruction Finance Corporation, and payment of those funds presented a peculiar problem in certain sections of New Mexico.

Reclamation districts were sought to be organized. Flood-control programs were started. Then came the Works Progress Administration, spending vast sums of money for the relief of the people in various sections of the State, and there was no general coordination of these various programs and projects. Instead of there being coordination, there was in many instances competition, there was conflict and duplication of effort, and no one tried to solve the problem as one entire problem, as in reality it was.

The National Resources Committee went into the State of New Mexico, and has been for some time engaged in a survey and study of conditions there, making recommendations which have already proved to be beneficial, and we are very hopeful that, as a result of the work of this Committee, many of these conflicting and duplicating and competing activities of the Federal Government will be eliminated.

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

Mr. HATCH. I yield.

Mr. NORRIS. In a case where there is conflict between two or more of the various agencies the Senator has enumerated, where there is an overlapping of laws which set them up, how could this Committee settle an overlapping of that kind where the law itself was to blame for the conflict, inasmuch as they could not modify a law? I can see how their work might be very useful indeed, but it seems to me they would be handicapped in a case—and there are many such—where the law setting up one agency and the law setting up another agency were in conflict. At different times it is only a natural thing that that should occur, and it has occurred many times. How could this Committee settle a difficulty of that kind?

Mr. HATCH. Of course, the Senator has already answered his own question, where laws are in conflict, the Committee would be helpless. They could not modify or change a law.

Mr. NORRIS. I concede that there are many useful things they have done and are being done, and I am in favor of their retention, and in that I agree with the Senator; but it seems to me we ought to be frank enough to realize that unless Congress passes a law, such as the reorganization bill, for instance, or something of that kind, we cannot remedy many of the defects which come about because Congress has passed laws which conflict with each other.

Mr. HATCH. I quite agree with the Senator.

Mr. POPE and Mr. MILLER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Mexico yield; and if so, to whom?

Mr. HATCH. I yield first to the Senator from Idaho.

Mr. POPE. Let me ask the Senator whether the value of the National Resources Committee is not more in planning and coordinating projects which are to be constructed or improvements which are to be made. I remember when I was mayor of a city at one time we worked out a plan for the future development in the city. We had a street department, we had a park department, we had departments which were working on their individual plans, but they would conflict; it was a hit-and-miss proposition. Is not that true of various agencies of the Federal Government? I know it is true in my own State. Each Department has its particular ideas as to what ought to be done. The Reclamation Bureau has, the Forest Service has, the War Department has, and

the various other Departments have. Is it not the idea to take a long view, to plan so that the various projects will dovetail into each other, and make a comprehensive development in the State?

Mr. HATCH. Mr. President, I desire to answer first the Senator from Nebraska. In my State there has not been so much real conflict of the laws, I believe. The National Resources Committee has been and is now engaged in bringing the various agencies together in one unified and comprehensive program which they can carry on.

In reply to the Senator from Idaho, without any criticism of expenditures which have been made in my State, I believe that if we had had the time to go into New Mexico with a complete and comprehensive program, taking into consideration all the needs of the various communities, localities, and citizens of New Mexico, we could by this time have placed practically every citizen of the State of New Mexico on a self-sustaining, sound, economic basis without the expenditure of any more funds than we have expended; and I believe that careful and sane and intelligent planning and coordination of the activities of these various agencies, instead of being a method of spending money, will be a method of saving money.

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

Mr. HATCH. I yield.

Mr. MILLER. I have no quarrel with the general statement of the Senator, but I desire to ask him a question. As I understand, he has said that the National Resources Committee has coordinated the various activities, for instance, the activities of the Indian Office, the activities under the Grazing Act, the activities under the Reclamation Act.

Mr. HATCH. I did not say they had coordinated them.

Mr. MILLER. Very well; that is the point I am making. They have not done anything except make some reports.

Mr. HATCH. Oh, yes; they have.

Mr. MILLER. Let us be fair. If any Senator on this floor has any report showing where the National Resources Committee has made a single, solitary coordinating plan for a single spending and executing agency of this Government, I should like to see the report.

Mr. HATCH. The next report of the National Resources Committee, which is to be issued shortly, will deal with the problems along the Rio Grande, and I understand that they have worked out a plan, which will be contained in that report.

I wish to say to the Senator that in my State they have not confined their activities to making reports. They have been out there with their representatives, actually on the ground, not coordinating and compelling the various agencies to work together, but cooperating and seeking to get them all to cooperate and to work together, to understand the entire problem, and then to advance along that line. My colleague and I have been in conference many times with representatives of the Committee; we have gone over the entire situation, and have urged and begged them to get the different Departments to see the whole problem as it exists in the State of New Mexico; and they are trying to do that. They are bringing some of these agencies around to that point of view, agencies which heretofore had looked only at their own particular problem, the thing with which they were dealing, a perfectly natural thing for a Department to do. They want to make their activities a success, even though it might work to the injury of some other development.

Mr. MILLER. I know the problems of the Southwest are peculiar to that section itself, but such coordination as has occurred has been brought about, has it not, more through the coordinating committees of the various regular establishments, than through the National Resources Committee?

Mr. HATCH. I will show the Senator how they coordinated. I think it began with the fight my colleague made against the extension of the Navajo boundary in the State of New Mexico. Attention was first vigorously given to the problem in that connection. Then we both worked in an effort to get the various agencies to work together, and through the National Resources Committee we got the first and only response to our efforts. I think my colleague will agree with me in that statement.

Mr. COPELAND. Mr. President, as I understand, the pending amendment is a proposal to increase the amount appropriated for the National Resources Committee.

I did not hear all the speech made by the Senator from Arkansas [Mr. MILLER], but did hear a part of it. I usually follow him in all of his ideas, and the criticisms he offered I think are just criticisms; but I have this feeling about the National Resources Committee: In my judgment, there should be some organization of government seeking all the time, not necessarily to find new ways to spend money, but to determine what are wise projects, what the future has in store for us, what protection should be given posterity, what should be done to make certain that this great country of ours shall continue to be great and even greater.

The National Resources Committee is a body which is studying many problems. I happened to preside over a committee hearing in the Commerce Committee when the matter of the Resources Committee came up for consideration, in the hope of drafting permanent legislation. The members of the National Resources Committee demonstrated to the committee what it had done, what it had found out, for example, about the development of resources in our country, and about products which are necessarily brought in from abroad. I say "necessarily brought in from abroad," because they have not yet been developed to a sufficient degree in America to make us independent of foreign countries.

I regard this sort of investigation exactly as the investigation which is made by great commercial concerns. For example, take the New York Telephone Co. It has a small staff at work all the time to determine, so far as may be determined in advance, the drift of population in the city, where more telephones are likely to be needed, and where fewer telephones in other sections may be required in the future. They regard it as a matter of good business to point out, if they may, those trends, and in a sense to read the population barometer and thermometer, to study trends of shifting population, in order that they may be wisely governed in their investments, in extensions, or as to the wisdom of limitation of the activities of certain exchanges.

What is true of the telephone company is true of the cigar stores. Senators will see in New York City and in every city, cigar stores located at strategic corners with reference to the possibilities of attracting trade. The owners of those stores study the pedestrian habits of the population. They find out where there are places which would be worth while for the establishment of new stores, likewise they study existing establishments to see if conditions have changed since those particular stores were placed.

Mr. President, if that is wise policy for business it ought to be wise policy for government. I join with the Senator from Arkansas in resentment against the sidetracking of any organization, particularly the Army engineers. If there is one body, if there is one governmental institution in this country which stands above all others in integrity, in character, in good sense and in good judgment, and honesty of activity, which is in a position beyond personal or political influence, if there is one body in this country which is independent of all these outside influences, it is the Board of Army Engineers. I should not wish to see that body interfered with. But, Mr. President, I am convinced that it is the part of wisdom on the part of government to have in existence some small study group such as the National Resources Committee. I heard someone say today—I think it was the Senator from Arkansas—that the staff of that particular Government agency is about 100. I do not see any reason for it to be larger than that. All it has to do is to plan, to study, to see what is wise for us in the future. It has no power beyond the power of recommendation. But if we are to earmark the proposed projects in title I of this measure, I can see how we could wisely expend the money proposed for the activities of this particular body.

I recognize that the committee is not yet established in the sense that perhaps it should be. I myself on the floor of the Senate tried to have a measure passed, which we approved in the Commerce Committee, to give the organization a permanent status, but did not succeed.

Mr. President, unsympathetic as I am to the pending measure in many of its aspects, I feel that we could wisely and sensibly adopt the pending amendment, and I shall be glad to vote for it.

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

Mr. COPELAND. I yield.

Mr. HATCH. In the remarks I made a moment ago about the National Resources Committee, and in speaking of its accomplishments, of what it had done in the State of New Mexico, I was reminded after I sat down that the Department of Agriculture and the Department of the Interior have set up their own interdepartmental committee to study the general plan, and they are working along the lines suggested by the National Resources Committee. They are following that plan, as the Senator from New York has been saying, which is in accordance with sound business practices.

Mr. COPELAND. I may say in reply that I happen to belong to a profession, and in that profession there are specialists. I confess I myself was one. The danger with respect to the specialist is that he sees only the part of the human body over which he presides, in a sense, as a doctor. It is important that there should be general practitioners, that there should be men who view the relations of these special organs to the whole body. So as I view it, it would be wise for us to have one body, an advisory body, to study all these problems, each with relation to all the rest, in order that there may be wise action on the part of the Congress when a given project or enterprise or measure is presented to us for our consideration.

The PRESIDENT pro tempore. The question is on the committee amendment on page 6, lines 3 and 4.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Adams	Connally	Johnson, Colo.	Pope
Andrews	Copeland	La Follette	Radcliffe
Ashurst	Davis	Lee	Russell
Austin	Dieterich	Lodge	Schwartz
Bailey	Donahey	Logan	Schwellenbach
Bankhead	Duffy	Lonergan	Sheppard
Barkley	Ellender	Lundeen	Shipstead
Berry	Frazier	McAdoo	Smathers
Bone	George	McCarran	Smith
Borah	Gerry	McGill	Thomas, Utah
Brown, Mich.	Gibson	McKellar	Townsend
Brown, N. H.	Green	McNary	Truman
Bulkley	Guffey	Maloney	Tydings
Bulow	Hale	Miller	Vandenberg
Burke	Harrison	Minton	Wagner
Byrd	Hatch	Murray	Walsh
Byrnes	Hayden	Neely	Wheeler
Capper	Hill	Norris	White
Caraway	Hitchcock	Overton	
Chavez	Hughes	Pepper	
Clark	Johnson, Calif.	Pittman	

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

The question is on agreeing to the committee amendment on page 6, lines 3 and 4.

Mr. JOHNSON of California. Mr. President, I intend to ask for the yeas and nays when I shall have finished the 3 or 4 minutes which I wish to devote to the pending amendment.

The item reads as follows:

To the following agencies for administrative expenses: (a) National Emergency Council—

That item was raised from $250,000 to $850,000. Last night by viva voce vote we disposed of that matter—

(b) National Resources Committee—

Two hundred and fifty thousand dollars raised to $750,000. That is the particular matter which is now before us.

I congratulate the Senator from Arkansas [Mr. MILLER] on presenting this matter, and the fashion in which he did it. He showed conclusively that there is no more reason for increasing this appropriation by half a million dollars than there would be for me to attempt to describe the transit of Venus to the Senators who sit before me.

The sum involved is utterly and absolutely inconsequential. I recall when half a million dollars in the matter of an appropriation was considered of some moment, and when we would hesitate about appropriating half a million dollars. Now we pass, with a supercilious sneer, an appropriation of half a million dollars, and nobody thinks it is of sufficient consequence to occupy the time of the Senate for a quarter of a second. Half a million dollars! Just think of it. This is a relief measure. In this relief measure we are asked to add half a million dollars for the National Resources Committee.

Last night we added $600,000 for the administrative expenses of a couple of agencies whose existence really is in doubt, if we judge from what has been said here today, and whose duties during all the time they have been in existence have been practically nil. So far as relief is concerned, they would not amount to a last year's bird's nest.

These particular appropriations for administrative expenses are in the joint resolution, for what reason no man knows. No one will say. No one will discuss the particular need for the increases, and what is to be done. If anyone dared interfere with the head of this particular administrative relief, Mr. Harry Hopkins, he would find himself out the door so quickly that it would make his head swim.

So, Mr. President, we are here now, asking an increase of only half a million dollars. That is all. Half a million—what is it? What do we care for a half million dollars? Half a million dollars amounts to nothing, when we consider the amount appropriated by the pending measure. Give it; but let us have a yea and nay vote upon it. I ask for the yeas and nays.

Mr. LA FOLLETTE. Mr. President——

The yeas and nays were ordered, and the Chief Clerk called the name of Mr. ADAMS.

Mr. LA FOLLETTE. Mr. President, I wish to discuss this amendment briefly.

The PRESIDENT pro tempore. The Senator is out of order. The Senator from Colorado answered to his name.

Mr. LA FOLLETTE. Mr. President, I was addressing the Chair before the clerk started to call the roll.

The PRESIDENT pro tempore. By unanimous consent the rule will be set aside.

Mr. JOHNSON of California. Mr. President, I ask unanimous consent——

Mr. LA FOLLETTE. The Senator from California [Mr. JOHNSON] will testify that I was on my feet.

Mr. JOHNSON of California. It makes no difference. I ask unanimous consent that the Senator from Wisconsin be permitted to be heard.

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

Mr. NORRIS. Mr. President, I do not think unanimous consent is necessary. The Senator was on his feet. I sat right here beside him. He addressed the Chair before the first name on the roll was called.

The PRESIDENT pro tempore. The Chair did not hear the Senator from Wisconsin. Without objection, the Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. Mr. President, I regard the work of the National Resources Committee as being one of the most important activities which the Federal Government is carrying on at the present time. This Nation was generously endowed with great natural resources. It is estimated that the area which now comprises the United States once contained 850,000,000 acres of timber. Under the profligate and wasteful policies of Government, both State and National, those resources have been stripped and burned away until today, if my recollection serves me correctly, there are but 150,000,000 acres of virgin timber, which is

growing. In spite of all the activities for forestation and reforestation, if we project the use curve of timber over 125 years in the future, there will not be another stick of merchantable timber left in the United States.

We had the greatest endowment of rich soil that any country has ever known, and yet, because of our profligacy and wasteful utilization of that precious and almost irreplaceable natural resource, today we are losing 3,000,000,000 tons of topsoil every year. It takes Nature, under virgin conditions, upward of 400 years to produce 1 inch of topsoil. Unless the profligacy, waste, and destruction of this precious natural resource are checked, and checked effectively, it can now be certainly predicted that in the distant future the civilization in what is now the United States will disintegrate and decay, just as have past nations which destroyed and wasted their soil resources.

Each year in this country the damage caused by flood and the run-off of waters involves the loss of tremendous sums. Furthermore, our streams are rapidly becoming polluted. To say, Mr. President, that we should not continue the activities of an organization which exercises, it is true, no administrative power but which is undertaking to formulate the necessary policies upon which other agencies and the Congress itself may predicate for the long future a program for the restoration and preservation of our resource base is, in my judgment, to fly in the face of all history.

If this agency had power to interfere with the duly organized and recognized agencies of government, to change their policies, to alter their programs or their plans, the opposition to the amendment might be justified by some Senators. But here is an agency which for the first time, so far as I know, in the long history of our Government, has been organized for the purpose of collating all existing information and making it available both to the Congress and to the executive arm of the Government, to the end that we may adopt a comprehensive program to preserve for posterity a resource base upon which a decent civilization may be predicated.

In my judgment, a half million dollars could not be expended more effectively, more usefully, and more advantageously than it could be expended by this agency. I say, unless we continue the activity of this organization, unless for the long future we formulate a sound policy for the preservation and restoration of our resource base, that oncoming generations will justly charge us with having been derelict in our duty to posterity.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The question is on agreeing to the committee amendment on line 3, page 6. Upon that question the yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. That Senator is not present, and therefore I cannot vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. DIETERICH. On the vote on this amendment I have a pair with the Senator from Utah [Mr. KING]. If I were permitted to vote, I should vote "yea." If he were present and permitted to vote, he would vote "nay."

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES], who is absent on account of the death of his wife, has a general pair with the Senator from North Carolina [Mr. REYNOLDS].

Mr. FRAZIER. My colleague [Mr. NYE] has a general pair with the Senator from Illinois [Mr. LEWIS].

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

The Senator from Mississippi [Mr. BILBO], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], and the Senator from Indiana [Mr. VAN NUYS] are detained in important committee meetings.

The Senator from North Carolina [Mr. BAILEY], the Senator from Utah [Mr. KING], and the Senator from New Jersey [Mr. MILTON] are unavoidably detained.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The result was announced—yeas 59, nays 18, as follows:

YEAS—59

Adams	Connally	La Follette	Pittman
Andrews	Copeland	Logan	Pope
Ashurst	Duffy	Lonergan	Radcliffe
Barkley	Ellender	Lundeen	Russell
Berry	Frazier	McAdoo	Schwartz
Bone	George	McCarran	Schwellenbach
Brown, Mich.	Green	McGill	Sheppard
Brown, N. H.	Guffey	McKellar	Smathers
Bulkley	Harrison	Maloney	Smith
Bulow	Hatch	Minton	Thomas, Utah
Burke	Hayden	Murray	Truman
Byrnes	Hill	Neely	Tydings
Caraway	Hitchcock	Norris	Wagner
Chavez	Hughes	Overton	Walsh
Clark	Johnson, Colo.	Pepper	

NAYS—18

Austin	Davis	Lee	Vandenberg
Bankhead	Gerry	Lodge	Wheeler
Borah	Gibson	McNary	White
Byrd	Hale	Miller	
Capper	Johnson, Calif.	Townsend	

NOT VOTING—19

Bailey	Gillette	Lewis	Reynolds
Bilbo	Glass	Milton	Shipstead
Bridges	Herring	Nye	Thomas, Okla.
Dieterich	Holt	O'Mahoney	Van Nuys
Donahey	King	Reames	

So the amendment of the committee was agreed to.

SALLIE S. TWILLEY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1585) for the relief of Sallie S. Twilley, which was, on page 1, line 7, to strike out "Samuel" and insert "William."

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

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

The message also announced that the House had passed a bill (H. R. 5379) for the relief of Mrs. B. E. Hennigan and her dependent minor children, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTION

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

H. R. 5379. An act for the relief of Mrs. B. E. Hennigan and her dependent minor children; to the Committee on Claims.

H. R. 10737. An act to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; to the calendar.

H. J. Res. 631. Joint resolution to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg; to the Committee on the Library.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 6, line 4, after "$750,000", to strike out:

and (c) Prison Industries Reorganization Administration, $120,000.

Mr. BARKLEY. Mr. President, I rise to call the attention of the Senate to certain facts connected with the Prison Industries Reorganization Administration, carrying an appropriation of $120,000, which has been stricken out by the committee.

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

Mr. BARKLEY. I yield.

Mr. COPELAND. Is the Senator seeking to find out why the committee did this?

Mr. BARKLEY. I desire to present certain facts which have been brought to my attention by the Prison Industries Reorganization Administration itself.

Mr. COPELAND. I hope the Senator will do so, because I want to know why this important organization was not permitted to have an appropriation.

Mr. BARKLEY. I will say to the Senator that I do not know, except that I have been informed by members of the committee that the appropriation was stricken out because of the opinion that it did not directly affect unemployment or give employment to any considerable number of persons.

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

Mr. BARKLEY. I yield to the Senator.

Mr. COPELAND. As a matter of fact, is it not one of the duties of this organization to find out how prison labor may be used so that it will not conflict with free labor?

Mr. BARKLEY. Yes. I am going to call attention to that matter.

I have here a memorandum from Mr. James P. Davis, the executive secretary of this organization, setting out certain facts with reference to the work of the Prison Industries Reorganization Administration. I think it is well for the Senate to have them in mind in voting on this amendment, because the amendment seems to have been adopted in the full Committee on Appropriations without any hearing on the part of the Reorganization Administration. I suppose they did not ask for a hearing because the appropriation was in the joint resolution as it passed the House, and they did not contemplate that it would be eliminated by the Senate committee, if I am not misinformed about there being no hearing on it.

Mr. ADAMS. Mr. President, I may say to the Senator that the Senate committee made use of the House hearings. There were hearings upon the item before the House Appropriations Committee, and those hearing were considered by the Senate committee. The Senate committee had no hearings of its own on the subject.

Mr. BARKLEY. And the Senate committee, acting upon those hearings, struck out an item which the House, acting upon the same hearings, included in the joint resolution.

Mr. Davis' memorandum says:

With reference to the Appropriations Committee amendment striking out the item of $120,000 for administrative expenses of the Prison Industries Reorganization Administration, along with the clause extending the life of that agency to June 30, 1939, these items were in the bill as reported by the House subcommittee and full committee and later passed.

The motion to strike it out of the bill apparently was made in the full meeting of the Senate Appropriations Committee on Saturday morning. No representative of the organization was asked to appear before the Senate subcommittee or full committee. I understand that the item was struck out because it was felt that the connection between the work of the Prison Industries Reorganization Administration and the relief program was not clear.

This is a memorandum signed by Mr. Davis, executive secretary, and sent to me.

As you know, the Prison Industries Reorganization Administration grew out of the problems which were created in the States when the Federal Government passed the Hawes-Cooper Act and the Ashurst-Sumners Act throwing thousands of prisoners into idleness.

The Hawes-Cooper Act, as you all know, was an act to bar prison-made goods from interstate commerce; and the Ashurst-Sumners Act, I believe, was an act to divest goods which were manufactured by prison labor of their interstate-commerce character, so as to make them subject to State laws with regard to the sale and distribution of prison-made goods when those goods entered into the States.

In order that the States should not resort to methods of employing these prisoners which would compete with free labor and thus add to the relief problem outside of prisons, the P. I. R. A.—

The Prison Industries Reorganization Administration—

has been engaged in helping the States plan their prison-employment programs for the past 3 years. It has completed reports in 13 States and the District of Columbia, as follows: Arkansas, California, Delaware, Georgia, Kentucky, Maryland, Oklahoma, Tennessee, Texas, Utah, Vermont, West Virginia, Wyoming, District of Columbia.

It has under way at the present time investigations in seven States: Idaho, Indiana, Kansas, Nebraska, Missouri, New Mexico, Oregon.

I desire to say for the investigation made by this board in the State of Kentucky that as a result of the investigation and survey made by the board, in cooperation with the State administration, a plan has been worked out for the utilization of prison labor in wholesome employment in the State and also in the erection of a new penitentiary for the care of our prisoners who are incarcerated as a result of violations of the law and trials before juries, which has resulted in the partial completion of an up-to-date and modern State penitentiary or reformatory, as it is now called, toward which the Federal Government, by means of the W. P. A. and the P. W. A., has made a contribution ranging between a million and a half and two million dollars; and it has been at least in large part because of the board's survey and investigation and information and expert knowledge regarding the care of prisoners in my State that there has been passed a new welfare act governing the care, control, and working of prisoners in the State of Kentucky. I know also that in the State of Georgia, where the question of the chain gang was a very important and troublesome problem to the State, largely through the activities and cooperation of the Prison Industries Board they have been able in part to solve the problem in that State. The same thing is true in different degree and along different lines in all the 13 States and the District of Columbia in which these investigations have been made. The investigations now under way in the seven States named in this memorandum are incomplete, and I have no doubt that the beneficial results in those States will be as great as they have been in the States in which the investigations have been completed.

In addition to these surveys, the P. I. R. A. has advised with the Public Works Administration and the Works Progress Administration in various construction and other projects in a number of States. At the present time the board is also engaged in helping the State of Georgia to map out a prison program for its new institution at Reidsville, Ga., which was built with P. W. A. funds. In Missouri, similar service is being rendered in connection with the reorganization of the penitentiary made possible by substantial P. W. A. building grants. A prison-building project approved by W. P. A. in California and involving several million dollars of State and Federal funds is being developed in accordance with suggestions made by the P. I. R. A. These various activities are typical of the service which the P. I. R. A. is rendering incident to the expenditure of relief moneys in many of the States where its services are being made use of.

With so direct a connection between the work of the P. I. R. A. and the expenditure of relief funds on prison projects, as well as the service rendered the States in meeting this problem of prison employment which has grown out of the relief problem outside of prisons—

And as a result of laws we have passed in Congress—

we believe it would be most unfortunate to eliminate this particular agency from the program at this time. While we are conscious that the connection between P. I. R. A. and the general relief program is an indirect one, it is nevertheless important that every assistance be given to the State prison administrations to meet their problem in a way which will permanently avoid a recurrence of the unfortunate competition between prison labor and free labor, which can only add to the general relief problem.

That is outside the prisons.

That is a very concise and, I think, forceful statement of this problem. Only $120,000 is required in order that this work may continue and be completed.

Mr. President, I have here an excerpt from an address delivered by the Attorney General on the 23d day of May 1938. He said:

While I have necessarily confined myself to the problems of the Federal prison system, I would be remiss if I did not refer to the accomplishments of the Prison Industries Reorganization Administration, which was created by President Roosevelt 3 years ago to assist the States, upon their request, in planning better penal methods. The services of this organization have been availed of by 22 States and the District of Columbia. Mention should also be made of the large sums in grants and loans through the P. W. A. and the W. P. A. for new correctional facilities in various States and municipalities throughout the country.

I have here, but I have not the time to read it, a very illuminating editorial which appeared in the Washington Post on June 21, 1937, on the subject of the work accomplished by the Prison Industries Reorganization Administration, which would be eliminated by the amendment. I ask that the editorial be inserted in the RECORD at this point.

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

[From the Washington Post of June 21, 1937]

PRISON INDUSTRIES

The work that is being done by the Prison Industries Reorganization Administration in surveying and trying to improve prison-industry systems is tremendously important. The wastage of man power, the destruction of morale, the intense suffering caused by enforced idleness in our penitentiaries are distressing to contemplate.

For reasons of humanity, apart from all other considerations, jobs ought to be found or invented for every employable prisoner. For those who are to be released before the years of active life are over, the work should, if possible, be of a character to equip them for independent existence. From a purely selfish community viewpoint, moreover, it is highly desirable to find work for idle hands inside prison walls. Otherwise, riots and attempted escapes are bound to occur and men released from prison will be tempted to fall back on lawbreaking for a livelihood. Such factors add to the problems of law-enforcement agencies and indirectly cost much more than would adequate systems of prison work.

It is most encouraging to learn, then, that the Prison Industries Board, which was appointed by President Roosevelt to study plans for speeding up employment of the prison population, is making progress. Its task has been exceptionally pressing because of the numbers of convicts thrown out of work by increased prohibitions upon sales of prison-made goods in competition with private industry. The Hawes-Cooper Act, imposing restrictions upon transportation of prison-made goods across State lines, and the widespread abandonment of the practice of leasing prison labor to private contractors, have also added to the idle prison population.

In our well-meant efforts to safeguard free labor from the unfair competition of prison-made goods, new problems have been created for our prison authorities. Among the recommendations for solving them the Prison Industries Reorganization Board suggests "wise and constructive use of prisoners of the better types on highway work" and work on conservation projects such as forestry, drainage, and soil erosion. This is a type of activity that offers no direct competition with private industry and does not require the expensive equipment necessitated by many kinds of factory work, now largely limited to products intended for State use.

In any case, the direct cost of putting prisoners to work at useful tasks is repaid many times in indirect ways—notably through an improvement in prison morale which makes the inside work of administration easier and protects the outside world from the menace of undisciplined, untrained men.

Mr. BARKLEY. Mr. President, I have before me a resolution adopted by the State Senate of the State of Georgia, I think it is; also one adopted in the State of Maryland through its board of welfare in the city of Baltimore, and one from the Board of Public Welfare of the District of Columbia.

I have a communication from the Governor of California on the subject praising the work of this organization and asking for its continuance.

I also have a copy of a letter addressed to the President of the United States by the Governor of Arkansas, together with a letter addressed to the President from the State of Vermont by Mr. T. C. Dale, the commissioner of public welfare in the State of Vermont.

I have also a letter from the State of Tennessee addressed to the President by the commissioner of institutions and public welfare, Mr. George H. Cate, dated April 17, 1937.

I have also a letter from the vice chairman of the State Board of Public Affairs of the State of Oklahoma, praising this work, and asking for the continuance of the Board.

I have here a letter from the Governor of Kentucky addressed to Mr. Joseph M. Ulman, chairman of the Prison Industries Reorganization Administration, dated March 25, 1936, commending the work of the Prison Industries Board, and also mentioning it in connection with the work of our own welfare department in the State of Kentucky.

I have other documents from throughout the country approving the work of this organization and asking for the continuation of the administration.

In view of the uncompleted state of the work being done by this Board, and the small amount of money involved, I feel constrained to ask the Senate to disagree to the Senate committee amendment, and to restore this item in the bill.

I ask that I may at this point insert in the RECORD the documents from which I have quoted, as well as others along the same line.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Is there objection?

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

Whereas the Prison Industries Reorganization Administration has made without cost to the State of Georgia a comprehensive survey of the penal system of this State, and on the basis of such survey has made recommendations for the reorganization of such penal system in accordance with modern penalogical principles; and

Whereas the said survey and recommendations and the personal consultative services extended by members and representatives of the Prison Industries Reorganization Administration have been of the highest value to this State in the planning of legislative and administrative action for the reorganization and improvement of the treatment of persons convicted of crime: Now, therefore, be it

Resolved by the Georgia State Senate, That we do hereby express to the President of the United States and to the Prison Industries Reorganization Administration the sincere appreciation of this body and of the State for the valuable assistance heretofore and presently made available to this State as above described.

Whereas the Prison Industries Reorganization Administration appointed by President Roosevelt made its first State survey of prison conditions in the State of Maryland; and

Whereas the subject-matter and recommendations of this administration were used as the basis of the recommendations of the Maryland Commission on Prison Labor in its report and recommendations to the General Assembly; and

Whereas the General Assembly of Maryland accepted these recommendations for the most part and passed suitable legislation and appropriations for the carrying out of the plans set forth for the rebuilding of the prison system of the State of Maryland: Therefore be it

Resolved, That the board of welfare, the governing body of the prison system of the State of Maryland, at its monthly meeting held on Friday, April 23, 1937, does hereby express to the Prison Industries Reorganization Administration its sincere appreciation of the endeavors to aid the State in the working out of the prison dilemma in this State and directs that the Secretary forward a copy of this resolution to Dr. Louis N. Robinson, the present chairman of the Prison Industries Reorganization Administration and another copy to Hon. Joseph N. Ulman, who was chairman of the administration at the time the Maryland survey was made and who is at present a member of the Federal organization.

BOARD OF PUBLIC WELFARE,
DISTRICT OF COLUMBIA,
April 29, 1938.

Mr. JAMES P. DAVIS,
Administrator, Prison Industries Reorganization Administration,
Washington, D. C.

DEAR MR. DAVIS: I find that in the rush of events I neglected to thank you personally, and on behalf of the Board of Public Welfare for the admirable survey of our penal institutions that your administration recently completed and published. We regard it as a splendid piece of work, thoroughgoing, analytical, forward-looking, and constructive. I know it will be of the greatest benefit to us and shall endeavor to translate its recommendations into action as rapidly as possible. We think we were most fortunate to have so able an agency available to render so valuable a service so efficiently and so courteously.

Very truly yours,

ELWOOD STREET,
Director of Public Welfare

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, January 10, 1938.

JAMES P. DAVIS,
Executive Secretary, Prison Industries Reorganization Administration, Washington, D. C.

MY DEAR MR. DAVIS: Your letter of December 27, together with a bound copy of your report on the prison labor problem in California, awaited my return this morning from a trip to southern California.

While I have not had an opportunity to go over the report, this pleasure is anticipated at an early date. May I also thank you for the splendid service to California and her people in gathering the material and the preparation of the report. Your efforts are much appreciated and will be most helpful in solving these difficult problems.

With kindest personal regards and the season's greetings, I am,

Very sincerely yours,

FRANK F. MERRIAM,
Governor of California.

STATE OF ARKANSAS,
April 16, 1937.

The PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Arkansas has been fortunate in having received the services of the Prison Industries Reorganization Administration in a study of our prison labor problems. During the year 1936 that organization made an exhaustive study of our penal system and produced a report, which I consider invaluable as a foundation for a future program. I used the report as a basis for recommending a program of legislation to the 1937 general assembly. Every item of legislation necessary to carry out the program recommended by the P. I. R. A. was passed and is now the law.

An emergency exists in this State with respect to the facilities for carrying forward the program which has been planned. I hope that the P. I. R. A. may be continued and given sufficiently broad powers to make possible the execution of plans which have been worked out. In my opinion, the use of convict labor and materials produced by the prisoners should be permitted in the improvement of the penal plant in connection with any Federal Public Works program.

Any effort of yours toward an ultimate solution of our prison problems will be appreciated by the citizens of my State.

Respectfully yours,

CARL E. BAILEY, *Governor.*

STATE OF VERMONT,
DEPARTMENT OF PUBLIC WELFARE,
Montpelier, April 16, 1937.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
Washington, D. C.

MY DEAR MR. ROOSEVELT: We understand that the relief bill which will be presented to Congress this week contains a provision for the continuation of the Prison Industries Reorganization Administration. In connection with this we would like to bring to your attention our regard for the fine work carried out by this agency in Vermont.

Upon the invitation of former Governor Charles M. Smith the Prison Industries Reorganization Administration made an intensive survey of prison labor problems in Vermont during 1936. We call your attention to the detailed and very comprehensive report made to Your Excellency by the board as a result of this survey. Copies of this report were forwarded to this office and in turn received careful study by the members of the 1937 legislature recently adjourned. As a result we have noted considerable favorable comment and interest from citizens heretofore apparently unconcerned about prison problems.

An appropriation was made during this recent session providing for a substantial revolving fund to be used in connection with establishing several industries at our prison and many of the suggestions of the P. I. R. A. board are about to be carried out. Our administrative appropriation has been increased to enable us to revise our probation and parole system along lines recommended by the P. I. R. A.

The persons who took part in this study are very evidently men of wide experience and sound judgment. Their knowledge and experience applied in a practical way to the peculiar problems of Vermont has been of tremendous assistance to us and we sincerely hope that this fine service may continue. Those States which do not take advantage of this service are missing a golden opportunity.

Most respectfully yours,

T. C. DALE, *Commissioner.*

APRIL 17, 1937.

Hon. FRANKLIN DELANO ROOSEVELT, *President,*
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The Prison Industries Reorganization Administration has recently completed a survey of Tennessee institutions and their report was delivered to you under date of March 31, but released in Tennessee as of April 14. The officials of our State are deeply grateful to the P. I. R. A. for their study and for the recommendations made and we also wish to express our appreciation to you in making these services available to Tennessee.

We are vitally interested in obtaining some additional service in the way of expert assistance and advice or funds for construction and equipment, and we believe the P. I. R. A. is in a position to render this service to us.

We want you to know that we have taken advantage of your splendid offer through the P. I. R. A. in making our study and we urge you to continue the P. I. R. A. under the proposed Relief Administration.

We have a very definite emergency in Tennessee in that our general assembly has enacted legislation in February 1937, requiring us to make a complete transition from open-market competition to a State-use system. We wish to use the facilities of P. I. R. A. to aid us in this most important project.

We sincerely trust that you may continue the P. I. R. A. and make available through them to the State funds for building and equipment.

Assuring you of our appreciation of your interest in the people as a whole, we are

Yours very truly,

GEORGE H. CATE,
Commissioner of Institutions and Public Welfare.

STATE BOARD OF PUBLIC AFFAIRS,
STATE OF OKLAHOMA,
April 20, 1937.

The PRESIDENT,
Washington, D. C.

SIR: The Prison Industries Reorganization Administration has just completed a rather thorough report of the two primary penal institutions in Oklahoma. This report was very thorough, and some very constructive recommendations were made in same.

We have submitted bills supporting the recommendations to the legislature, which is now sitting, but the writer is very much afraid that we are not going to get very far with these bills, because they call for appropriations and the legislature, of course, is very much put to it to find revenues for this and other needed measures. The ones of us who are interested in penal reforms feel very deeply that one of the necessary reorganizations has got to be in the solution of penal rehabilitation.

If it should be known that the Federal Government and that you, personally, are interested to the extent of aiding the States in their attempts at penal reform by setting aside some appropriation to supplement the appropriations of the States, I am of the opinion that it would be beneficial to us in securing some very necessary State appropriations.

I am sure that you are cognizant of the fact that an emergency exists in the State prisons of America which is fraught with dangerous consequences unless constructive leadership is exerted to correct it. It is my belief that on account of the existence of State lines and our unique set-up in the United States that the Federal Government perhaps must take the lead in bringing about a reformation.

The P. I. R. A. has done some very effective work in the surveys that have been made. I feel very deeply that we should go one step further and provide some funds to carry out some of the most essential recommendations made by this board.

Respectfully yours,

A. W. HORTON,
Vice Chairman, State Board of Public Affairs.

COMMONWEALTH OF KENTUCKY,
EXECUTIVE CHAMBER,
Frankfort, March 25, 1936.

Mr. JOSEPH N. ULMAN,
Chairman, Prison Industries Reorganization Administration,
907 Sixteenth Street NW., Washington, D. C.

MY DEAR MR. ULMAN: Thank you cordially for your letter of the 19th.

Let me express for myself, for Commissioner Wallis, and for those in our State interested in the penal institutions our heartfelt gratitude for your cooperation and advice. It was a real pleasure to have the brief meeting with you and the other representatives of the Federal agencies.

It is my hope that we may very shortly begin the program looking toward the rehabilitation of Kentucky's prisons.

Cordially yours,

A. B. CHANDLER, *Governor.*

[From the Washington Post of May 27, 1938]

NOT THE PLACE TO CUT

One of the minor mysteries of the spending bill is why the Senate Appropriations Committee eliminated the relatively insignificant item of $120,000 for the Prison Industries Reorganization Administration. This agency was created in 1935 to devise ways and means of employing inmates of penal institutions in lines that do not compete with private enterprise. It has served a useful purpose and is still engaged in a number of surveys similar to the excellent study recently completed for the District of Columbia.

The work undertaken by the P. I. R. A. is directly related to the unemployment problem. Since 1932 there has been a decrease of 80 percent in the direct competition between prison labor and that employed in private enterprise. Many factors have contributed to this change. Certainly, however, the P. I. R. A. has been the leading influence in giving it intelligent direction. That agency has not

only worked to minimize this source of unfair competition. One of the largest elements in its program has been the development of noncompetitive prison industries so that increased opportunities for private employment would not mean enforced idleness for a larger number of prisoners.

Moreover, the P. I. R. A. serves in an advisory capacity to the W. P. A. and P. W. A. in the allocation of funds for new prison projects. The Government has spent $30,000,000 on improvements of this sort during the last few years. The initiation of another spending spree is no time to cut off expert planning agencies designed to curtail wasteful expenditures. An agency that has been so useful and inexpensive as the P. I. R. A. should at least be permitted to finish the work in which it is engaged before its source of funds is cut off.

Mr. BARKLEY. As a measure of economy, the P. I. R. A. endeavored from the beginning to utilize the services of such other Federal agencies as were doing technical work of comparable character instead of setting up its own divisions for such work. For this reason arrangements were made with the Bureau of Labor Statistics of the Department of Labor to collect and tabulate in some States information on prison production and the consumption of manufactured products in State-supported institutions. Similarly, the Procurement Division of the Treasury Department was requested to supply architectural and engineering advice, and in some cases the Department of Agriculture, Navy Department, and the Bureau of Mines were requested to give technical assistance and advice on problems arising in certain States. While the Bureau of Labor Statistics gave some assistance of this type, for which it was reimbursed on a cost basis, its services were limited to the collection and tabulation of statistical data. The analysis of this data was completely carried out in the staff of the P. I. R. A. without any direction or assistance from the Bureau of Labor Statistics. Moreover, the work covered by these production and consumption tables is only a limited part of that covered by each State survey, which ordinarily would include such questions as housing, the operation of the sentencing, probation, and parole laws, and penal administration, including personnel and related problems.

Date	Cost of operation	Amount paid to Bureau of Labor Statistics	Percent
1937	$74,342.77	$12,000.00	16.1
1938 (10 months, July 1, 1937, to Apr. 30, 1938)	151,657.23	41,203.25	27.1
	100,284.78	14,410.00	14.4

Mr. ADAMS. Mr. President, in the consideration of the pending measure the committee recognized it as a relief measure, and that its purpose was to provide employment and relief. When we came to the appropriation for the Prison Industries Reorganization Administration the committee was unable to see any connection between that board and the purposes of the joint resolution. The committee was not considering whether or not the prison board was an admirable institution; we were considering whether or not this appropriation belonged in this measure.

The provision occurs in a section providing for administrative expenses of agencies connected directly or indirectly with the relief purposes. This board in the first place, as I recall, was created by an Executive order in 1935. Its functions were described in the Presidential order creating it.

The President said in substance:

I hereby prescribe the following duties and functions of the said Prison Industries Reorganization Administration:

1. In cooperation with the proper authorities of the several States and the political subdivisions thereof and the District of Columbia to conduct surveys, studies, and investigations—

And so forth.

Then to initiate, formulate, and recommend for the approval of the President programs of projects, and to recommend for the approval of the President loans and grants to the several States.

In the testimony before the House committee I think the matter is condensed in a statement by Dr. Robinson, the head of the organization. He said:

The Federal Prison Bureau runs Federal prisons. We have no contact with them.

This board has nothing to do with the Federal prisons.

We are in the nature of an advisory service to the States and the political subdivisions of the States.

It was our judgment that an organization whose function was solely that of acting in an advisory capacity, not to the Federal Government in any way but to the States and to the political subdivisions of the States, did not belong within the appropriation provided in a relief measure for Federal agencies. Therefore, the committee eliminated the appropriation.

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

Mr. ADAMS. Certainly.

Mr. COPELAND. If this money is not voted as proposed will the board go out of existence? Does it have funds from any other source?

Mr. ADAMS. That is purely a matter which is up to the Congress. Here is a board operating by virtue of a Presidential order. It is within the control of the Congress, of course, to continue the board, to provide funds for it. Now comes an emergency relief measure, with a single purpose, to provide for those who are in distress and in need. If we are to open this measure to appropriations for every agency because we approve it, because we think it has a good purpose, there will be no end to it. It has seemed to the committee that here was one which clearly did not come within the proper purview of the joint resolution, and therefore we eliminated it. Whether or not other funds would be available is not answered in the measure, of course.

Mr. COPELAND. Will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. COPELAND. I take it from what the Senator has said that unless this organization can find an appropriation somewhere else, its activities will end, unless this particular appropriation is made.

Mr. ADAMS. That is correct. Let me state the practical situation. If the administration had been interested in this board they could have very readily asked to have it included in one of the general supply bills which have gone through the Congress. It comes up just at this point, after the general appropriations have been passed, and apparently the Budget and apparently the administration were not sufficiently interested in this organization to include it in their recommendations, and it only comes in now, when we reach this emergency measure.

Mr. COPELAND. Mr. President, a few years ago the British Bar Association sent a large delegation of attorneys and judges to visit the United States. It so happened that I was invited to attend the banquet given by the New York Bar Association to this distinguished group of visitors. I suppose the Senator from Oregon [Mr. McNARY], the leader on the other side, would say that I was invited because of my high standing as an authority on constitutional law, but be that as it may, I was invited.

The residents of New York City were distributed around the banquet table so that next to every visitor was a local American. I happened to sit next to a distinguished judge from Dublin, an Irishman, and of course on an occasion like that one does the best he can to make conversation. Since I could not discuss legal matters with the judge, I ventured to ask him this question:

"You have now visited the United States, and gone rather extensively over our country. What have you to criticize? Please be free to criticize. The natural thing for a visitor to do is to praise; I should be glad if you would tell us what you have in your mind that is critical of our institutions."

He replied, "If you want me to be perfectly frank, I think I must say that the most outrageously defective system you have in America is the system of taking care of prisoners. I could speak very strongly about the ill housing of the prisoners, about the defective architecture, and the arrangements of the prisons, and also the seeming neglect in many institutions of the care of prisoners."

Mr. President, I have been interested for a long time in the study of juvenile delinquency. I think the greatest social problem with which we have to deal in the United States is that problem. In connection with the custodial

care of these delinquents we find that many of them are sent to county jails. There are 3,500 county jails in the United States, and every one of them is a breeding place for crime. It is an outrageous thing to think that the youth of America, those who have wandered into wrong paths, should be so neglected when it comes to the matter of their care, when they come under the penalty of the law.

I know that the first place to begin the training of a child is in the home, and I dare say that the church and the school have a large part to do with it. Nevertheless, the fact remains that many more than should be sent there are sent to county jails and to other custodial institutions, where they come in contact with hardened criminals and are taught personal practices and led into knowledge of methods of more serious crime than that committed by these prisoners.

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

Mr. COPELAND. I yield.

Mr. LUNDEEN. Is it not a fact that many are sent to prison who are simply wanderers about the country seeking work and employment, and who really have committed no crime, but have been committed to what we may call preliminary institutions, and there have come in contact with crime, as the Senator has so well stated. That is, indeed, a very regrettable situation.

Mr. COPELAND. The Senator is entirely correct. I may say to him further that today between 4,000,000 and 5,000,000 boys and girls of school age are not in school, and are unemployed. Thousands of them will land in jail, and what will they be taught there? They will be taught the methods of high crime. It is a sad reflection upon the intelligence and capacity of our Nation that we have not learned how to deal with these problems.

Mr. President, I recognize that no matter how strongly we may feel about the conditions in the prisons and jails, and their sociological effect upon our people, we would not be justified in making appropriations in this measure merely to deal with problems such as I have mentioned. But I understand that one of the activities of the Prison Industries Reorganization Administration, as we have learned from the excellent remarks of the Senator from Kentucky, is to find out how to provide useful employment in jails and prisons and custodial institutions, and at the same time prevent, so far as possible, competition with free labor. If that is an important function of the Prison Industries Reorganization Administration, we are fully justified in earmarking this small sum for the perpetuation of that work.

When I first came into the Senate there was in this body a Senator from Ohio who was always protesting against the competition of prison labor with free labor in his State. In that State, in those years long past, it was customary for the prisoners to make bricks, furniture, shoes, and other articles which were thrown upon the market in competition with the products made by free labor. One of the purposes, as the Senator from Kentucky has pointed out, is for this Board to devise plans, to make suggestions, and to give advice, in order that those who are in charge of the prisons and other custodial institutions of our country may give decent employment, to occupy the minds of these men, and at the same time so to employ them that in the making of articles of commerce they may not be brought into competition with articles of commerce produced by free labor.

Mr. BARKLEY. Mr. President, the Senator will recall, as suggested a while ago in the communication which I read, that upon the passage of the Federal acts which affected interstate commerce in prison goods, many of the States were confronted with a very serious problem as to what to do, not only with the prisoners, but how to integrate them into a new situation, and many of the States had to reform and rebuild and reconstruct their prisons, and find new ways by which the prisoners could be employed, because they had had collar factories within the walls of the penitentiaries, chair factories, furniture factories, shoe factories, and all sorts of factories. They had to find a way by which these men could be worked into the new situation so as to take them out of competition with free labor, and we were all in favor of that. We voted for those acts, and we were glad to do so.

While the $120,000 carried in this provision does not of itself employ very many men, the work and the survey and the cooperation of this organization with State welfare boards and administrators has resulted in the reconstruction of many of the prisons of the country, which has given employment to tenfold the number of men that can be employed with the $120,000 contained in the pending measure. It has given employment, in an indirect way, of course, but in another sense it is a very direct and very beneficial and very intelligent pursuit of the solution of this prison problem which faces all the States of the Union, which after all make up the Union for which we attempt to legislate.

Mr. COPELAND. I agree fully with what the Senator has said. I remember in my boyhood in my State there was a wagon sold called the Jackson wagon, which was made in the State prison in competition, of course, with the wagons made by the manufacturers in that part of the country.

The Prison Industries Reorganization Committee has found ways of encouraging prison administrators to develop farms in connection with the prisons, where the products for the consumption of the prisoners themselves can be raised. They have found ways of limiting the work of the prisoners to products which could be used in the prisons themselves, and in one way or another they have done much to promote a prison system which enables the prisoner to be usefully employed, and yet that free labor should not be interfered with.

Mr. President, I think the sum in question is a very small one. I do not think we should hesitate to give the $120,000 to a body which is seeking not alone to do these things which have their sociological effect, but to take the prison labor out of competition with the labor of those who are free. In that sense I am confident that the language adopted by the House is proper language and that it is germane to the purposes of the bill.

Mr. McADOO. Mr. President, I do not want to occupy the time of the Senate unduly in supporting the position taken by my distinguished colleage from Kentucky and my equally distinguished colleague from New York. It strikes me, however, that it is eminently wise to reject the committee's amendment and to include in the bill the $120,000 we have been discussing.

This problem is both economic and humanitarian. It is humanitarian in that it is quite essential that men who have lost their liberty and who are confined in our penitentiaries throughout the Union should be occupied in some way. We cannot leave them idle in prisons. At the same time the products of their employment present the problem of possible competition, as has so well been stated, with free labor in the country. The various States have had various methods of dealing with this problem, and none of them has been altogether successful. We have frequently enacted laws in the States, and I think we have some Federal laws, prohibiting the sale of the products of prison labor in interstate commerce or within the States themselves in competition with private industry.

It is highly important for us to obtain the results of intelligent study, which for the first time is being made by this organization, of all the methods employed in the different States, as the result of which it is hoped to find some common formula which will enable us to carry out the humane purpose of keeping these prisoners employed and not permitting the product of their toil to be used to the disadvantage of free labor. To the extent that we permit such competition we drive labor out of employment, especially in times of depression or recession. If we drive free labor out of employment because of prison competition we force free labor on relief. Therefore it is perfectly proper in a measure of this kind that provision should be made for these studies, so that, if possible, the prisoners may be taken care of in a humane way, and that we shall not force on the relief rolls people who are outside of the prisons.

I know that this particular agency has done good work in my own State, and I think it has done splendid work in every

State. I think it would be a very grave blunder to put its useful activities at an end by refusing to grant this small appropriation, which accomplishes so much, or promises to accomplish so much of good for the entire country.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on agreeing to the committee amendment on page 6, lines 4 and 5.

Mr. BURKE. Mr. President, it seems to me something may be said in favor of the Prison Industries Reorganization Administration, as a general matter, but nothing at all has been said to indicate that it has any place in the pending relief measure. The argument of the Senator from California, just concluded, concerning the rather farfetched idea that if prison labor is not controlled prison goods may be made and enter into competition with free goods made outside, and put somebody out of work, seems to me to carry very little conviction. It seems to me very clear that the committee ought to be sustained. Without passing judgment upon this type of work, I merely say that it has no place in a relief bill.

Mr. President, at this time I suggest the absence of a quorum. I think the matter is of sufficient importance to have a larger attendance.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. BYRNES. Mr. President, I desire to make a very short statement with reference to the pending amendment. The committee struck from the bill the appropriation for the Prison Industries Reorganization Administration. That agency was created by executive order of the President in 1935. I have no doubt that some commission or board might be of service to the States of the Union in giving advice to the officials of States who are not confident of their own opinions as to how to handle their prison population. If that is to be done, then, Congress should do it by establishing the organization, defining its powers, and providing the funds the Congress deems wise for such an organization.

Mr. President, this is a relief measure. The money appropriated by the pending joint resolution is for relief or work relief. It is proposed here to divert $120,000 of the money supposedly for relief for hungry people in order to pay the expenses of an organization which is to give advice to the States of the Union as to their prison problems.

What is done by this Board? The Senate committee did not have the witnesses representing the Board before them but the committee carefully went into the testimony of the witnesses before the House Appropriations Committee. The representatives of the Board stated their duties and said that some 22 Governors had asked the Prison Industries Reorganization Administration to help them solve their prison problems.

Mr. President, we often act upon the assumption that in the States there is absolutely no intelligence and that no one is capable of devoting thought to State problems. I do not agree with that assumption. In every State of the Union State officials have been confronted with the problem of how best to handle prison populations. In every State it has been a live subject. Finally the Congress of the United States enacted the Hawes-Cooper Act designed to prevent the shipment in interstate commerce of goods manufactured in prison unless such goods were brought within the laws of the States into which they entered. Here we are appropriating year after year $120,000 for a number of gentlemen who are very sincere about their duties. The list of the staff will show that they draw salaries as high as $7,500. In all there are two salaries of $7,500, two of $6,800, and two of $5,300 a year.

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

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

Mr. BORAH. Does the Senator mean to convey the thought that this $120,000 is to be used to pay those salaries?

Mr. BYRNES. It is to pay those salaries. Not one who is not on relief would get a job through the appropriation of this $120,000. It is to pay these salaries. These gentlemen state that their duties are those to which I have just called attention, and then, in addition, one or two other things, such as "services requested by the P. W. A." In other words, after we appropriate money for the P. W. A. to build projects, they request the services of the Prison Industries Reorganization Board. For what? Here is what they say:

Aid to the State of Kentucky in setting up its P. W. A. building project.

The State of Kentucky has a planning commission; it can also make use of the National Resources Committee for which we have just appropriated money to help in planning, and the reason for the existence of the National Emergency Council, for which we have just appropriated money, is that the representative of the council in the various States of the Union may aid the State officials in applying for funds.

Yesterday, in response to a question by the Senator from the State of Missouri as to the National Emergency Council, I told him I would vote for that appropriation, standing by the committee's recommendation, but the reason I urged was that I had been impressed that that council was doing some service in advising State officials who ask for information as to the method they should pursue in order properly to present their applications for funds. The Prison Industries Reorganization Board comes in to say it has furnished an "opinion to P. W. A. on suitability of certain proposed industries for the Maryland penal system."

P. W. A. has no business establishing a penal system in Maryland. The officials of Maryland can do that. P. W. A. can construct a building, but when it has constructed the building it has done it solely because the project is an instrumentality to give employment to persons. That is the only reason they ever approve any projects. They have no business going into States to advise them as to the conduct of any system in connection with prisons.

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

Mr. BYRNES. I yield.

Mr. BARKLEY. I do not understand that P. W. A. authorities have ever undertaken to control the conduct of prisons or their regulation.

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

Mr. BARKLEY. Just a moment. The Senator from South Carolina has yielded to me. After this prison board has made its investigation, and as a result of that investigation or any investigation, it is found that the reconstruction of prisons is desirable or advisable and is recommended, and the State authorities cooperate and agree with such recommendation, then the P. W. A. can make, and has made, grants and loans to the States for the purpose of aiding in the construction of prisons, brought about by reason of the recommendations and survey and information of the Prison Board. I do not understand that P. W. A. has injected itself into the control of the prisons in any State.

Mr. BYRNES. Mr. President——

Mr. CLARK. Mr. President, will the Senator from South Carolina yield at that point?

Mr. BYRNES. I yield.

Mr. CLARK. I may say for the information of the Senator from Kentucky that I know of one or two instances in which the P. W. A. withheld over a long period of time the allocation for a project which had already been approved, having to do with the State penitentiary in the State of Missouri because the Director of Prisons, Mr. Sanford Bates, did not like the method by which the guards in the Missouri Penitentiary were selected.

In other words, he said they ought to be selected on one basis, while under the law of Missouri they were selected on another basis. That was injected into the case, and the matter was held up over a period of a year and a half, largely, of course, because of the method by which the State of Missouri selected the guards for the penitentiary, as well as the fact that Mr. Bates, in his wisdom, disapproved of the penal system in the State. No question of the desirability of the project from the standpoint of employment entered into it.

Mr. BARKLEY. Mr. President, if the Senator from South Carolina will yield further, as I cannot speak in my own time upon this amendment——

Mr. BYRNES. I yield.

Mr. BARKLEY. The Senator was not here when I put in the RECORD and read communications from the head of the Welfare Department of the State of Missouri commending the work of this Board and asking for its continuation.

Mr. CLARK. If the Senator from South Carolina will pardon me just a moment further, I do not know what the head of the Welfare Department of the State of Missouri recommended about this amendment. As a matter of fact, I never heard of such a department in Missouri. I was challenging the statement of the Senator from Kentucky that he did not understand that P. W. A. ever tried really to interfere in the running of prisons. I happen to know that is not true.

Mr. BYRNES. Mr. President, my time is short and I should like to proceed. I thought the Senator from Kentucky was right. I did not think that the P. W. A. had anything to do with the prison system, but I am reading what the representative of the Prison Industries Reorganization Board submitted to the Appropriations Committee in justification of this appropriation. The representative of the Board said as to services rendered by it—

Opinion given to P. W. A. on suitability of certain proposed industries for the Maryland penal system.

Now, what else?

Advice and help to Governor Blood, of Utah, looking toward obtaining Federal aid in construction work in line with their penal program.

The State of Utah knows how to apply for Federal aid. They have the National Emergency Council to advise them. If they do not have that Council, they have the National Resources Committee. They have a State planning committee. There is not a Representative or Senator from Utah who would not advise the State officials how to proceed. We do not have to appropriate $120,000 of the money of the people to have these gentlemen advise the Governor of Utah how to proceed.

Advice and help to Governor Holt, of West Virginia, in his efforts to obtain Federal aid for prison construction deemed necessary in West Virginia.

If they have a project, all they need to do is file an application with the P. W. A. They do not need any board to advise them. There is not a secretary in the office of any Representative or Senator who could not give them such advice.

Mr. GEORGE. Mr. President——

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

Mr. BYRNES. I yield.

Mr. GEORGE. It may be recalled that some 3 or 4 years ago Congress passed an act creating a Prison Industries Board, as I recollect. It was a regular board set up under the Department of Justice. I inquire, as a matter of fact, whether that Board still exists and if the organization covered by the amendment is that organization or if it is an Executive order organization?

Mr. BYRNES. This is an Executive order organization. Another reason they give why the appropriation should be made is that they looked—

Into the matter of industries for the recently completed Georgia prison built by P. W. A. for the State.

Mr. ADAMS. Mr. President, may I perhaps answer the question of the Senator from Georgia? There is a Federal Prison Bureau which is functioning in the Department of Justice, and which controls the Federal prisons. The organization now under discussion has nothing to do with Federal prisons, but is purely for the purpose of advising the States.

Mr. GEORGE. It has nothing to do with the Federal prisons?

Mr. ADAMS. Not at all.

Mr. BYRNES. It has nothing to do with the conduct of Federal prisons. Its purpose, as stated here, is to advise the State officials of Georgia and other States as to what kind of work should be given to the prison population and to advise governors how they should apply for money with which to construct prisons.

If the National Emergency Council, and the National Resources Committee, and the State planning commissions cannot do that, and it is necessary to have this organization to do nothing but advise 48 States how they shall apply for projects, the States are in a terrible fix if they cannot find out from any other source how to apply for money and have to go to this Board.

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

Mr. BYRNES. I yield.

Mr. MILLER. The Senator probably stated it, but I was out of the Chamber, and I wish to ask him how was the Prison Board created in the first instance?

Mr. BYRNES. It was created by Executive order; and my only reason for speaking at this time is that I know the history of commissions. Whenever a commission is established, whenever the pay roll is signed, no matter how distinguished the gentlemen are, their attachment to the cause in which they are interested is such that it is very difficult for Congress ever to abolish the commission.

If this is a meritorious cause, if this Board is essential, then the Congress ought to establish it, define its duties, and see that it is provided with funds, but it should not be continued in a joint resolution which provides for relief and work relief.

We are told that there are today 3,000,000 men out of employment in this country who are seeking jobs on W. P. A.

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

Mr. BYRNES. One second. The purpose of this joint resolution, and particularly this title of it, is to give jobs to these unfortunate men who throughout the country have been certified for relief, and up to this time 500,000 of them have been unable to get jobs. I do not believe we ought to divert $125,000 of this money to a Prison Industries Reorganization Administration to advise people in the States how to go about borrowing money to construct prisons.

Mr. BARKLEY. Mr. President——

Mr. BYRNES. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator complains about this provision—which was put in the joint resolution in the House after the House committee had heard the representatives of the organization—on the ground that the Board does not give any employment, but is only to give advice. What is the essential difference in principle between the Prison Industries Reorganization Administration and the National Emergency Council, whose appropriation was increased and which I helped the Senator to increase, and the National Resources Committee, which does not employ anybody, but is an advisory committee? What is the difference in principle between those two, whose appropriations we have already increased, and this one, which the Senator's committee has eliminated altogether?

Mr. BYRNES. Mr. President, I have already stated—the Senator from Kentucky evidently was not in the Chamber at the time—that the only reason urged for the establishment of the National Emergency Council was, as I stated in answer to a question of the Senator from Missouri, that the representative of the National Emergency Council testified before the committee that his duty was to advise the officials of the States not alone as to prisons but as to all projects, to help them with the legislature, to advise them as to the necessary legislation. After the Senate followed the action of the committee and increased the fund for the National Emergency Council to perform their duty, and increased the fund for the National Resources Committee to perform their duty, taking into consideration all subjects, for the Senator from Kentucky to come in and ask for an additional $125,000 for no purpose other than to advise about prisons is just exceeding the speed limit. There ought to be some traffic regulations even in an appropriation measure. The amendment with reference to the National Emergency Council has been adopted; the amendment with reference to the National Resources Committee has been adopted; but that does not mean that we must go on forever appropriating funds for commissions and boards to advise the people of the States how to make applications for funds.

Mr. BARKLEY. If the Senator will further yield, the point I made, or attempted to make, was that these three Boards are all of a similar character. They are advisory. They have no power to do even what they recommend.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The time of the Senator from South Carolina on the amendment has expired.

Mr. BYRNES. I stated that, but I stated that the Prison Industries Reorganization Administration were getting $125,000 to advise only as to prisons. I stood by the Senator in the case of the National Emergency Council and the National Resources Committee because they covered all subjects; but that is no reason for having 12 commissions to do the same thing.

Mr. NORRIS. Mr. President, I have not heard all the debate on this particular amendment, and therefore I feel somewhat handicapped in discussing the subject; but from the information I have, from the little of the debate I have heard, and from the study I have been able to make of the subject, I agree with the Senator from South Carolina that this particular provision ought not to be in the pending joint resolution.

The work to be done by the Prison Industries Reorganization Administration is a very worthy one, and I am in hearty sympathy with it; but I do not see why that provision should be put in this joint resolution. It seems to me it can well wait until we are better able than we are at the present time to expend money in that direction. At least it seems to me we ought not to put in a joint resolution the object of which is to increase employment a provision of this kind, which, so far as I can see, will have nothing to do with increasing employment.

The Senator from Kentucky [Mr. BARKLEY] asked what is the difference between this Board and the National Resources Committee, upon which we had a roll-call vote just a short time ago. I can see a great difference between the two. The National Resources Committee has to do with all governmental activities, with a view to harmonizing difficulties and overlappings, and in that way bringing about not only harmony between the overlapping agencies but economy as well, and providing more fully by its advice, after it has made its studies, a method by which the other activities of the various agencies of government can be better coordinated and can work together, in that way helping all of them. As I see the matter, however, there is not any relief of unemployment—or, if there is, it is a very minor factor—in the work of the Prison Industries Reorganization Administration.

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

Mr. NORRIS. I yield.

Mr. BARKLEY. I do not know whether or not the Senator was in the Chamber when I put into the RECORD a communication from the executive secretary of the Prison Industries Reorganization Administration, enclosing communications from Governors and chairmen of welfare boards in various States.

Mr. NORRIS. No; I did not hear that.

Mr. BARKLEY. I will say that it is not a question of life and death whether this appropriation of $120,000 is kept in the joint resolution or not; and it is not, as the Senator indicated, putting something into the joint resolution to start a new activity. This activity has been going on for 3 or 4 years, and it came about as the result of two laws passed by Congress denying the right of interstate commerce to prison-made goods, taking away their interstate character, which presented very troublesome problems to States which for a long time had engaged in prison labor for the manufacture of certain products. Growing out of that situation, which resulted in great idleness within the prisons, this Board was set up and has helped to coordinate and helped to make researches and surveys resulting in reorganization of prisons and in many cases in their reconstruction. Now the work is in the middle of progress in 7 States and has been completed in 13 States; so it is not as if we were injecting something new into the joint resolution.

Mr. NORRIS. No. I hope the Senator will not take up too much of my time.

Mr. BARKLEY. I apologize to the Senator, but I did not think he was present when those facts were presented.

Mr. NORRIS. No; I was not present, but in a general way I know about them. I know how this activity started. I had something to do with framing the legislation which started it. I will say to the Senator from Kentucky that I am in entire sympathy with it; but still the unemployment situation, at least as I see it, does not enter into the matter in any degree.

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

Mr. NORRIS. Yes.

Mr. HAYDEN. The Senator's view is exactly my own. If this sum of $120,000 were offered as an amendment to a deficiency bill, to be appropriated out of the Treasury of the United States, I should be heartily in favor of it.

Mr. NORRIS. So should I.

Mr. HAYDEN. But to take $120,000 away from a relief appropriation, to be expended for a purpose which to my mind is not connected with relief, is hardly justified.

Mr. NORRIS. I do not believe we can justify ourselves in doing it. It is not because I am opposed to the work being done by the Prison Industries Reorganization Administration that I have come to that conclusion. It is a very worthy work. It appeals, I think, to every student of prison activities. We have before us, however, a joint resolution which is intended to bring about reemployment, to bring about to a degree at least a return of prosperity; and I do not believe an item of this kind tends to do that. Worthy as it may be, there are a great many other things which, if we were considering them separately and making appropriations out of the Treasury of the United States, or at a time when we were not so sadly in need of money, would be very worthy of our consideration and our approval; but personally I cannot see how this particular item, worthy as it is, is going to help out the work of returning our country to a prosperous condition.

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

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. BYRNES. I think the Senator will agree with me that if this is done separately, then the Congress can determine how many members there shall be on the board and what the salaries shall be, and can provide for it as for any other department of the Government; but under the relief fund there is no restriction.

Mr. NORRIS. I think there is great force in that argument.

Mr. BARKLEY. Mr. President, will the Senator from Nebraska yield again?

Mr. NORRIS. I yield.

Mr. BARKLEY. If it is so essential that Congress take independent action to set up a board that is to spend

$120,000, why should it not also set up by independent action a board that is to spend a million dollars, or $800,000?

Mr. NORRIS. Perhaps as an abstract proposition that is true.

Mr. BARKLEY. But we have not done it.

Mr. NORRIS. We cannot do it.

Mr. BARKLEY. We can do it as much with the other boards as in the case of this one.

Mr. NORRIS. I do not agree with the Senator that we can do it to the same degree. In other words, this relief activity, which we must delegate to the President and instrumentalities which he sets up, is on an entirely different basis, because all those other things contribute to the relief of the country in its present deplorable condition; this does not, worthy as the subject matter may be.

Mr. LUNDEEN. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. LUNDEEN. What bothers me is this: Will not the agency which has been set up be scrapped if we do not appropriate the money?

Mr. NORRIS. I do not understand it that way. I do not understand that it is necessary to insert something in the pending joint resolution in order to keep this organization from being scrapped, as the Senator puts it. I think they can go on in the regular way.

Mr. LUNDEEN. But there is no fund for it.

Mr. NORRIS. We can appropriate funds, if we consider it worthy.

Mr. LUNDEEN. In the brief time within the next few days?

Mr. BARKLEY. Mr. President, I do not wish to take the Senator's time, but this Board will go out of business if this appropriation is not made, because the House provided for its continuation until June 30, 1939, and even that provision is stricken out of the pending joint resolution. If the extension of the life of the Board is eliminated and the appropriation to sustain it is eliminated, there is nothing else to do but to scrap it.

Mr. BYRNES. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. BYRNES. I may say to the Senator from Nebraska that within a week a deficiency bill will be before the Senate. The Senator knows, as I do, that it is now being drafted by the House Committee on Appropriations, and if Congress wants to appropriate the money for this Board, in the proper way, it can add the appropriation to the deficiency bill without taking the money out of relief funds.

Mr. NORRIS. It seems to me that the proper way to take care of an instrumentality of this kind is in some regular appropriation bill. I do not see why it cannot be put in a deficiency bill. I should not like to see the Board abolished.

Mr. BARKLEY. Mr. President, this appropriation is just as regular as the deficiency appropriation bill will be, except that we regularly appropriate money in deficiency bills, but this in itself is a regular appropriation.

Mr. NORRIS. If the Senator's argument is sound, we could take everything that goes into a deficiency bill and put it into this measure.

Mr. BARKLEY. That is correct.

Mr. NORRIS. That would not be right. We do not want to do that. The amount is small; I do not think its importance is very great; but the principle involved, I think, is just as precious as though the amount were a million dollars instead of $120,000. We will not do with other items what is requested as to this. Why should we do it with this matter? In other words, as I see it, it is entirely foreign to what we are taking up and what we are considering in connection with the pending measure.

Mr. BARKLEY. If the Senator will yield further, the reason for putting it in this way by the House is that out of the relief funds which have been appropriated heretofore this Board has been set up and its expenses have been paid.

Mr. NORRIS. If we, out of relief funds, earmark and put $120,000 aside for this special purpose, we will reduce by $120,000 the money which would otherwise be used for relief purposes, the object of which is to return the country to a prosperous basis.

Mr. BORAH. Mr. President, I do not see in this appropriation any provision for relief at all. It is to take care of a situation which perhaps ought to be taken care of, but no one who can be said to be on relief, or who is expecting relief, will derive any benefit. If it were true that we were helping someone, or expected to help someone, who was on relief, or expected to be on relief, that would be different, but I do not see why we should take care of the institution in question in this particular measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I was called from the Chamber yesterday when an amendment was agreed to which I should like to have reconsidered. I ask unanimous consent that the vote by which the amendment on page 3, between lines 15 and 20, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. JOHNSON of California. What is the proposal of the Senator from Kentucky?

Mr. BARKLEY. The amendment agreed to yesterday was an amendment providing for the earmarking of $50,000,000 of the funds for direct relief. The Senator from Michigan [Mr. VANDENBERG] tried to increase the amount to $150,000,000, without success. After conferring with the Treasury Department, the Secretary of the Treasury, and others interested in this problem, it has been suggested that the $50,000,000 may not be sufficient to take care of direct relief from now until next January, when Congress will have an opportunity to increase the appropriation for direct relief.

It is necessary, and so long as the present situation continues, even perhaps after some improvement in it, it will be necessary for the Relief Administration or the W. P. A. to purchase considerable quantities of food and clothing and other supplies from the Surplus Commodities Corporation, the surplus supply which is being utilized to feed and clothe and take care of people who are in distress, but for whom employment is not available. Therefore I am constrained to propose that the committee amendment be eliminated, and that in lieu of it there be provided the amendment I am sending to the desk, concerning which I have conferred with the Senator from Colorado, and with a slight modification I think he has indicated he will accept the amendment.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, line 15, after the word "classes", it is proposed to strike out the following:

Provided further, That notwithstanding the foregoing provisions of this section, the Works Progress Administrator is authorized to set aside in a separate fund not to exceed $50,000,000 of the funds herein appropriated, to be used in emergencies for the purpose of providing relief to needy persons.

And to insert:

Provided further, That notwithstanding any other provision of this title, the Works Progress Administrator is authorized, from time to time, out of funds herein appropriated, to use such amount or amounts as shall be determined by the President to be necessary for the purpose of providing relief to needy persons. Such amounts shall be used in the discretion and under the direction of the President, and through such agencies as he may designate.

Mr. BARKLEY. Mr. President, this does not increase at all the total amount carried in the joint resolution, but it does give flexibility to the authority of the President in case of emergency, and unforeseeable need on the part of the people, to use a larger sum than $50,000,000, if he should find it necessary, through the W. P. A. or any other agency.

Mr. BORAH. Mr. President, will the Senator explain just what kind of relief would be included and be taken care of by this special discretionary power?

Mr. BARKLEY. I might give the Senator an example of the sort of relief contemplated.

As a result of the decision of the United States Court of Appeals for the District of Columbia nullifying the action of the Bituminous Coal Commission in setting up certain prices for coal in the United States on the ground that they had not held sufficient hearings, making it necessary for the Coal Commission to retrace their steps and go through the process again, thousands of miners in my State and in other States were thrown out of employment because the price of coal entered a chaotic condition again as a result of this condition, and the uncertainty with respect to the future.

In the counties affected there was not a sufficient number of projects to enable the W. P. A. to employ all the people who were thrown out of employment, and it was necessary and is necessary for the W. P. A. to purchase food and clothing of all sorts to send into those counties and to give the people direct relief, because there is no work they can do. That is only an illustration of the situation which may exist in many, many communities.

In the large cities, even in the cities of Michigan represented by the senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from Michigan [Mr. BROWN] thousands of men may be out of work, and are indeed now out of work, for whom there are no P. W. A. or W. P. A. projects which can give them employment.

The question is whether they shall be thrown back upon the communities, upon the city of Detroit, we will say, or the city of Chicago, or other cities where the people must be fed or permitted to starve, and where the city has exhausted its own resources, and where all charitable institutions, private and public, have exhausted their resources, the W. P. A. shall have the authority and the money to buy food and clothing and, it may be, provide shelter for these unemployed people.

It is to meet that sort of emergency that I offer this flexible amendment, which will enable the President to deal with the situation between now and the next session of Congress, as the circumstances may require.

Mr. BORAH. Is it the opinion of the Senator that under the proposed law without this amendment the W. P. A. Administrator would not have sufficient discretionary power?

Mr. BARKLEY. He would have up to $50,000,000.

Mr. BORAH. Suppose the amendment were not in the law; would he not have sufficient discretionary power to deal with such conditions as the Senator has described?

Mr. BARKLEY. It is very doubtful; the administration does not think so, although they have engaged in some of this activity; but the Senator will recall that a year or two ago the Federal Government sought to get out from under the matter of direct relief altogether, and to relegate that back to the States and counties and cities, but the situation has been of such an emergent nature in many communities where the authorities have not been able to work out sufficient projects to give all these people work, that through the purchase of surplus commodities, they have had to supply food for people who were hungry. In order that they may not be handicapped by a particular restriction, in view of the uncertainty of the situation, it is desirable that this provision be a flexible one instead of a rigid limitation of $50,000,000, or any other sum.

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

Mr. BORAH. I yield.

Mr. NORRIS. I wish to get the parliamentary situation in my mind. As I understand, the action by which the amendment of the committee was adopted has been reconsidered?

Mr. BARKLEY. That is correct.

Mr. NORRIS. Now, the Senator offers an amendment as a substitute for the committee amendment?

Mr. BARKLEY. That is correct.

Mr. VANDENBERG. Mr. President, I wish heartily to approve the substitute which the Senator from Kentucky has offered. Yesterday afternoon I tried to increase the funds specifically available for emergency use, and my amendment was defeated. I think it is far preferable that the available fund for this emergency use should be elastic. I am afraid that none of us can foresee the extent to which W. P. A. will be able to provide work relief, particularly in our larger cities. We know that is the situation, for example, in Detroit today. There must be this sort of elasticity if this bill is even remotely to contemplate meeting the situation.

Mr. BORAH. Mr. President, just how much of this money which we are going to appropriate for relief could be used under the proposed discretionary power if those authorized to use it should come to the conclusion that it should be used in a certain way?

Mr. BARKLEY. If the Senator is propounding that question to me, I will say that my amendment provides that the President may use whatever sum he may think is necessary to administer for direct relief, and only in an emergency, when there is no work provided, is direct relief provided. Of course, unless we limit it by the restriction in amount of the appropriation, we have to leave that discretion somewhere. My amendment leaves it in the President of the United States. I do not know where else we can leave it.

Mr. BORAH. There is no objection, of course, to leaving it with the President of the United States if such power is to be delegated to anyone.

Mr. BARKLEY. Of course, it is not conceivable that the President is going to divert from legitimate work any amount of money beyond what is absolutely necessary in order to feed hungry people and clothe them and give them shelter if they are unable to obtain work under the program.

Mr. McKELLAR. Mr. President, why cannot a limitation be put on this amount? Yesterday the Senate voted down a proposal made by the Senator from Michigan [Mr. VANDENBERG] to increase the limitation from $50,000,000 to $150,000,000. It seems to me that there ought to be a limitation placed on it of, say, $125,000,000, otherwise we simply turn the whole matter over and it might cause complications. Of course, I am willing to trust the President and, indeed, would be willing to turn the whole sum over to him as we have done before, but this substitute, as offered, would destroy the theory of the bill as drafted.

Mr. BORAH. Mr. President, do I understand that the Senator from Michigan is satisfied with the proposed substitute?

Mr. VANDENBERG. I am satisfied with the substitute, so long as we are proceeding under the theory of title I. Of course, I am opposed to that title, and ultimately I am going to offer a complete substitute for title I. But so long as we are proceeding under the theory of that title, I see no way by which the Federal Government can hope to meet the danger and assume its responsibility unless the provision is elastic.

Mr. BORAH. In other words, it seems to be necessary to have no limit as to the amount?

Mr. VANDENBERG. Yesterday I suggested the limitation of $150,000,000. The amount is limited solely by the necessity which will ultimately arise, and which cannot be assessed in advance. I have no idea what the necessity is going to be in the city of Detroit, except I know the necessity is multiplying every hour of every day, and that work relief cannot possibly be supplied for those who have been accepted by the Federal Government as its responsibility.

Mr. BORAH. It is that condition of affairs which leads me to conclude that there is no limit to this discretionary power so long as those who are given the power keep within the appropriation made by the general provision.

Mr. VANDENBERG. I completely agree with the Senator, and it is for that reason that I am ultimately proposing to offer a complete substitute for title I. But on the theory that title I was formulated, and in sympathy with the theory of the title, I feel that the amendment proposed by the Senator from Kentucky is a good one.

Mr. JOHNSON of California. Mr. President, of course I am in sympathy with what is now suggested. Every Senator is. This country is big enough and rich enough to feed its hungry, and to care for those in need. However, like the Senator from Tennessee [Mr. McKELLAR], I should like to see a limit placed on the amount in question, so that in some way an estimate could ultimately be made of the sum which would be needed, if the requirement could be ascertained.

I hope the Senator from Kentucky will see his way clear to place some limit on the amount. Put it high enough if the Senator will, so it will meet all requirements, but put a limit on it so that the entire measure will not be left to the discretion of any one person.

Mr. BONE. Mr. President, may I make an inquiry of the Senator from Kentucky? I am interested in the legal results of the Senator's amendment in case it were adopted. I understand it is sufficiently flexible to permit all the money appropriated to be used for direct need, if he felt it necessary to do so.

Mr. BARKLEY. Of course, from a legal standpoint the amendment is sufficiently flexible to enable the President to divert any amount he found necessary, but it is incredible to think that the President is going to divert the whole sum or any considerable part of the amount carried in this title.

Mr. BONE. I am quite willing to concede that.

Mr. BARKLEY. Of course, when the President or anyone else is given a discretion to use an indefinite sum he has the legal power to do so. There is no use to argue on that point at all. But it is inconceivable that he would do it. It never has been done heretofore.

Previous appropriations which have been made have not limited the amount that he could use for direct relief. The language of the pending joint resolution, as it came to the Senate did not limit it.

I do not know what sort of a limit to put on it, Mr. President. If I were sufficiently wise and prophetic to see in advance during the next 7 or 8, or 8 or 9 months, how much would be the proper limit, I would have no objection to fixing a limitation, but I do not know how much money it is going to take. I do not think any Senator can foresee how much it will take. But I can guarantee to the Senator and to the Senate that no more than is absolutely necessary to provide what we call direct relief for those who cannot secure employment either in private or public enterprise will be used.

Mr. JOHNSON of California. Very well. But the Senator sees the uncertainty in which we are engaging now. Yesterday when it was proposed that a limitation of $150,000,000 be placed upon the matter, practically the whole Senate voted against the amendment proposed by the Senator from Michigan. Today we say, "Only put what you may think wise as a limitation upon the amount that may be expended," and I do not think that is an unreasonable request.

Mr. BARKLEY. I cannot, of course, assume what may have actuated Senators in voting against the proposal to place a limitation of $150,000,000. They may have thought that was too much. I hope it will be too much. I hope it will not be necessary to spend $150,000,000, or $100,000,000. I do not believe anyone on this floor or anywhere else in this country is sufficiently prophetic to know how much will be required to feed and to care for those people who cannot obtain employment.

Mr. JOHNSON of California. I grant that.

Mr. BARKLEY. We must trust someone. If not, we might as well abandon government.

Mr. JOHNSON of California. The Senator has changed his mind since yesterday.

Mr. BARKLEY. No; I have not changed my mind since yesterday. I was called from the floor and did not vote on the Vandenberg amendment yesterday.

Mr. JOHNSON of California. Very well. Then the Senator did not change his mind.

Mr. BARKLEY. But if I had changed my mind, it is nothing more than has happened on this floor day after day for 150 years.

Mr. JOHNSON of California. Quite so. But because of the ability with which we can change our minds and because of the facility with which we can change our minds, let us fix a limit upon this sum.

Mr. BARKLEY. The Senator from California, admitting our ability and our facility to change our minds, is unwilling to let anyone else in the executive branch of the Government have the right to change his mind.

Mr. JOHNSON of California. Oh, yes; I am willing to let him change his mind.

Mr. BARKLEY. He could not change it beyond the amount we could fix. I am not willing to quibble with the Senator from California. I do not want to do so.

Mr. JOHNSON of California. Does not the Senator from Kentucky see that I am quite in earnest in desiring to do what he wants, but I do not want an unlimited discretion granted to anyone under this measure?

Mr. BARKLEY. The Senator is objecting to this particular unlimited discretion, but all through the measure, of necessity, we grant an unlimited discretion to the President of the United States with respect to the projects that will be approved, because not a project in any State of any character will be undertaken or inaugurated except by the approval of the President, and he has a discretion to deny every one of them or to approve every one of them, within the limit of the appropriation, so we cannot, under these circumstances, pass a law that will take away from the President unlimited discretion in some direction to administer this appropriation.

Mr. JOHNSON of California. But we can earmark wherever it is possible the amount which shall we used for a certain purpose.

Mr. BARKLEY. Of course, we can earmark. We can earmark all of this appropriation. We can tie it all up. We can freeze it all up according to our judgment. But I do not believe that as a body we can deal with the problem from day to day in such a flexible manner as to be able wisely to earmark all of the appropriations.

Mr. JOHNSON of California. We disagree in that respect.

Mr. BARKLEY. I am sorry we do, because I have great respect for the Senator from California.

Mr. JOHNSON of California. The Senator is entitled to his opinion.

Mr. BARKLEY. Whenever we disagree I wonder whether I am right; but, at the same time, I proceed with my own convictions in the matter.

Mr. JOHNSON of California. The Senator makes it necessary for me to say that I wonder if I am right.

Mr. BARKLEY. Perhaps we are both wrong.

Mr. JOHNSON of California. Conceding the mental processes of the ordinary human being, we find this body changing its mind overnight, and yet it would not increase by a 10-cent piece the amount in this measure for a particular kind of relief.

Mr. BARKLEY. That is hardly an accurate statement, because an increase from $50,000,000 to $150,000,000 is not merely an increase of a 10-cent piece. The Senate would not increase the amount by $100,000,000, or 200 percent. Whether it would have agreed to an amendment increasing the amount to $100,000,000, I do not know. No such an amendment was offered.

Mr. JOHNSON of California. The Senator now proposes an amendment which makes the amount not $150,000,000 but several billions.

Mr. BONE. Mr. President, I will say to the Senator from Kentucky that my inquiry was not directed to him because I object to the President having discretion to utilize the money. I was merely interested in the legal phase of the amendment which was tendered.

I am compelled to leave the Chamber in order to look after some official work, and I regret it very much, because I had been hopeful that I would be present when the Senator from Minnesota [Mr. LUNDEEN] speaks on his amendment increasing the amount of money available for the W. P. A.

I fear that during the coming winter we shall all be made to realize very keenly that we have not been sufficiently generous in this matter.

It seems to me there is an astounding distortion of perspective in considering this matter, because we have spent more time in the Senate Chamber this afternoon discussing one item of $120,000 than we have spent, and in my judgment will spend, in discussing the item of $1,425,000,000 for relief. This winter we shall be confronted with a great army of unemployed for whom we can make no provision.

That is why I have made this perhaps rather unpleasant reflection on the amount of time we are devoting to a $120,000 item, when we shall pass the measure appropriating $1,425,000,000 without giving it half the time we have given this small item. That statement is not necessarily a challenge to our methods; but it is not the happiest sort of contemplation.

I had hoped to hear the Senator from Minnesota [Mr. LUNDEEN]. I know generally what he is going to say. I know he has in his breast the same fears I have, that after leaving the Chamber we shall regret that we have not done more to meet the situation. God knows, I hope my fears are groundless; but personally I am worried over the fact that we shall not be able to do the work.

I think the Senator will probably advert to some colloquy between the Senator from South Carolina [Mr. BYRNES] and Mr. Hopkins, in which the Senator from South Carolina was interrogating Mr. Hopkins with respect to at least half a million persons who are certified for relief but who cannot be taken care of. We face the problem of whether we shall try to take care of them or whether we shall wash our hands, like Pontius Pilate, and let them go. They will become the focal point of bitterness. We have to resolve the question in our own minds as to whether or not we shall try to take care of them.

I wish I might be present when the Senator from Minnesota [Mr. LUNDEEN] speaks, because I am much interested in what he is going to say.

Mr. LUNDEEN. Mr. President, will the Senator yield for a moment?

Mr. BONE. I yield the floor.

Mr. LUNDEEN. I merely wish to inquire, Mr. President, whether we should not follow the advice of Mr. Hopkins, who says that more than 500,000 persons are certified for the relief rolls but are not taken care of, and that some 800,000 will be off the employment rolls after the allotment has expired. I understood the Senator from South Carolina [Mr. BYRNES] to say that over 3,000,000 persons now unemployed are storming at the W. P. A. rolls. Why not take the advice of the executive departments which have made available this information? I think that information ought to be a fairly safe gage.

Mr. KING. Mr. President, I shall vote against the amendment offered by the Senator from Kentucky. I have no objection to a reasonable limitation. However, I think we are paying but slight attention to the work of the committee which has been considering the appropriation measure which came over from the House.

There was a universal demand that there should be an earmarking of the appropriations or of the allocations which were to be made. The committee addressed itself, with a good deal of zeal and earnestness, to determining just where the money should be spent and the objects for which it should be spent. Mr. Hopkins appeared before the committee, as did others.

I am compelled to declare that the committee were not acting in a futile way. They believed that earmarking was a wise course to pursue. Indeed, the demand was almost universal that there should not be unlimited discretion given Mr. Hopkins or any other person, but that whatever amount was appropriated for relief, whether it was $1,000,000,000 or $1,425,000,000, should be earmarked, to use a common expression. So the committee, after listening to the testimony which was presented, selected a large number of projects for which the $1,425,000,000 was to be expended.

It seems to me we would impair the execution of the law if we now adopted the amendment offered by the Senator from Kentucky. Suppose Mr. Hopkins, or the head of any other organization to which allocations are made, desires to go forward and make expenditures. Take, for example, the $655,000,000 for educational, professional, clerical, cultural, recreational, production, service, including domestic service, and miscellaneous nonconstruction projects. It would seem to me that the organizations which would have the execution of that power would hesitate to embark upon any of those miscellaneous projects, professional, clerical, or otherwise, until they knew whether the President was to expend the entire amount, or very considerable part of the $1,425,000,000, for general relief.

It is obvious that over the various organizations which are to carry out the projects there would be a club. They would not know how much they were to have. They might prepare plans for the expenditure of the various sums which they were authorized to expend, and embark upon enterprises, knowing that the President could withdraw the entire amount, or any part of it, and leave their projects incomplete. It seems to me that if we are not to earmark the projects, if we are to give unlimited discretion to the President, we might just as well rewrite the section, and eliminate everything upon which the committee has agreed. We might just as well eliminate the $5,500,000 for the Treasury Department, Procurement Division; we might just as well eliminate the $3,500,000 for the Division of Disbursement; the $750,000 for the Office of the Treasurer; the $300,000 for the Secret Service Division; and the $8,000,000 for the Office of Commissioner of Accounts and Deposits and Division of Bookkeeping and Warrants; and the various other agencies and organizations which have been set up for the purpose of expending the money. They might just as well be eliminated. The National Emergency Council, to which we have allotted $850,000, does not know whether or not it will receive it. The National Resources Committee, to which we have allocated $750,000, will not be able to make any plans for the expenditure of that amount, because that organization will not know whether or not the President will take all of the $1,425,000,000 and leave them without a dollar.

I repeat, Mr. President, that if we are going to give unlimited discretion to the President, or to any other person or board to expend the full amount for relief, we had better eliminate from the joint resolution the various provisions which fall in the category of earmarking. It seems to me we ought to make some limitation. I agree entirely with my friend from California [Mr. JOHNSON] and my friend from Tennessee [Mr. MCKELLAR]. I suggest that we provide a limitation. If we set the limit at $150,000,000, that would be in excess of what I think should be the unlimited discretion given to the President to expend money for relief, in view of the other earmarking and the other allocations.

Mr. ADAMS. Mr. President, there is one error in the statement of the Senator from Kentucky, which I think, perhaps, ought to be corrected. If I understood the Senator correctly, he said that the measure before us, when it came from the House, left discretion in the relief agencies to grant direct relief. That is not my understanding of the measure as it came over from the House.

All previous relief measures gave to the President full and unrestricted discretion to use for direct relief the entire amount to be appropriated, should he see fit. The allocations of amounts in the bills were to types of projects to which he was authorized to apply the moneys if he saw fit. They were not earmarkings of the fund. The appropriations were made to the President in his discretion for relief and work relief, providing that not more than certain sums could be used for certain types of projects. However, the pending measure, as it came from the House, was strictly a work-relief measure, which allocated the money directly to the several agencies.

When the matter was brought to their attention as to the necessity of relief, especially in some of the great cities where emergencies had arisen and no time was available to set up projects, the committee felt that there should be an opportunity afforded the Relief Administrator to provide direct relief; that is to say, that a man who is hungry or cold should not be expected to starve while a project was being set up on which he could be employed. So the committee recommended releasing from the requirement of work relief $50,000,000.

The amendment has been presented by the majority leader. He discussed it with me. I have no authority to speak for the committee, but, merely giving my own individual judgment, I am inclined to think that the amendment should be

adopted. I do not think the discretion will be abused. Similar discretion has not been abused in the past. The policy of this administration has been one of work relief; that is, there has been no direct relief given under any of the appropriations up to the present time. The only direct relief which is being provided in the country is being provided under the Farm Security Administration to the farmers. The amendment would give to the administration officials authority in cases where there was an emergency—and the emergency is specified in the amendment—to meet such emergency with direct relief.

I cannot see that the Government would be harmed in any way, that is, certainly not from a financial standpoint. Direct relief has been disapproved as a policy, but feeding the hungry, clothing and sheltering the cold and the needy are certainly in line with our policy. If work projects are not available, we should not tie the hands of the administration so that they may not afford relief to the needy.

So far as cost is concerned, it costs not to exceed one-third to give direct relief as compared with what it costs for work relief. The administration is committed to the work-relief policy, and I am convinced that it will not grant direct relief except in emergencies.

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

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Colorado yield to the Senator from New Mexico?

Mr. ADAMS. I am glad to yield to the Senator from New Mexico.

Mr. HATCH. In view of the argument the Senator is making I wish to see if I correctly understand the proposed amendment. Take a community, any community, I will say, where there is a work-relief project, but the funds available are only sufficient to carry on the work-relief project, and yet in that same community or city, such as Detroit, there might be countless numbers of people suffering for want of food; would it not be better to give the President discretion in that case, even to abandon work relief altogether, and to use the funds to supply that which is absolutely necessary? Is that the point the Senator is making?

Mr. ADAMS. Yes; except I would not say "abandon work relief," but I take it we should not allow anyone to go cold or hungry until there is time to set up a work project. In other words, if a man is hungry it is not possible to wait until a survey has been made, plans have been drawn, and the work-relief project has been commenced. We should give to those administering relief authority to feed the hungry and clothe the cold and shelter the needy where there is not an opportunity to give them employment upon work-relief projects and thus to take care of them.

Mr. HATCH. I did not mean to abandon work relief as a policy, but I can readily see that in certain communities it might be necessary to take funds that otherwise would be spent for work relief and use them to buy food and clothing and fuel and other things for those in actual want.

Mr. ADAMS. That is my idea.

Mr. HATCH. I think certainly there should be some discretion vested somewhere over the funds which are to be made available.

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

Mr. ADAMS. I yield.

Mr. POPE. The Senator from Kentucky stated a little while ago, in answer to a question of the Senator from Washington, that legally there would be no limit to the discretion of the President, even to the full amount provided by the bill.

Mr. BARKLEY. The Senator misunderstood me. I only referred to that part of the title which appropriates the amount for work and work relief. I did not mean that he would have the right to use any money provided in the other titles. That was only a legal and technical view.

Mr. POPE. Let me ask the Senator from Colorado if he does not think that the use of the word "emergencies" would so operate that the full amount could not be used. Yesterday one member of the committee, the Senator from South Carolina, said he interpreted the word "emergencies" to mean emergencies such as occur in a drought or in a flood or under unusual conditions. I cannot see that a depression, in which there are large numbers of unemployed, can be construed as an "emergency." So I will ask the Senator from Colorado if he does not agree with me that a very distinct limitation would be placed upon the discretion of the President by the use of the term "emergency"?

Mr. ADAMS. I will say, Mr. President, that that particular distinction does not especially interest me. If a man is hungry and cold, there is a personal emergency, and I do not imagine that the relief is going to be granted except in case of need. Need is an individual emergency.

Mr. KING. Mr. President——

Mr. ADAMS. I yield to the Senator from Utah.

Mr. KING. I ask if the joint resolution as presented to us does not provide $50,000,000 to be used for relief without reference to any allocation? There is an amendment here setting aside $50,000,000, as I understand, out of the $1,400,000,000, which will be deducted from the entire amount. So there will be $50,000,000 that may be used for direct relief.

Mr. ADAMS. I will say to the Senator from Utah that the suggestion I made to the Senator from Kentucky was that we eliminate the phrase "set aside in a separate fund", which is now in the measure. It seems to me that was an improper thing to do, and that we should not set aside a fund which could only be used for direct relief, even if it was not needed. The amendment the Senator from Kentucky has offered simply gives the authority to the relief administrators to use such amount as they find is necessary in order to meet the needs of people who cannot be cared for by direct relief.

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

Mr. ADAMS. Yes.

Mr. KING. Would not that mean that we would have to use an expression I employed a few minutes ago, a club hanging over all the agencies that are to be provided for, so that they would not dare to make any plans for the expenditure of these various amounts, because at any moment the President might withdraw half a billion dollars or, for that matter, all of the $1,425,000,000 for relief, upon the ground, as contended by the Senator from Minnesota, that with four or five million men out of employment the President might say we will need it all?

Mr. ADAMS. I suggest two answers to that. The first is that if a project has been approved funds are allocated to it. The other is that I cannot assume that there is going to be an abuse of the power. After we have set aside this vast sum, and I cannot assume that the power is going to be abused so as to prevent the carrying out of the plans, that is, if $100,000 has been set aside for a project, I do not believe that the President is going to step in, and, after the work has proceeded part way, stop its completion in order to meet the other demand. I would go this much further, however, that if a condition of great need should develop and there were hungry and starving people by the million, I would, for one, let the President stop the construction of a project and feed the people through the medium of direct relief.

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

Mr. ADAMS. I yield.

Mr. BARKLEY. The authority which I seek to confer by this amendment, which is a general authority and discretion, is the same the President has had in connection with all relief appropriations up to this time.

Mr. ADAMS. That is correct.

Mr. BARKLEY. He has not abused it. He has sought everywhere to give preference to work projects in order to put people to work rather than to bring about direct relief. But, as I said a while ago, and it has been confirmed by the Senator himself, there are and will be instances—we cannot tell how many of them—of men needing work in order to support themselves and the work may not be available; there may not be anything to do in the community that ought to be done in the way of a construction program; and yet the

needy ones cannot be transported to other counties or cities. They are to be taken care of, so they will not suffer, out of this appropriation, at the discretion of the President. I mention that, so that the Senator from Utah, who seems to think that the President might take all this money, $1,425,000,000 for direct relief, may understand that in the case of greater sums than that, with the same discretion and the same authority, the President has not abused the authority, but has only used it in cases of emergency.

Mr. ADAMS. I may say to the Senator from Kentucky that one criticism which has been directed at the Works Progress Administration has been due to the fact that there have been people in need, and under the policy that work projects must be provided, we have seen projects devised which we had difficulty in justifying. I would much rather see direct relief given than to enter upon the construction of useless and worthless projects.

Mr. BAILEY. Mr. President——

Mr. BARKLEY. Mr. President, I have no objection to putting a limitation on the amount carried in this amendment if anyone can suggest a wise limitation. The Senator from Michigan [Mr. VANDENBERG] yesterday offered a limitation of $150,000,000, and it was voted down. I do not like to be in the attitude of coming along today and offering a limitation of the same amount, and yet it may take that much.

In order, however, that the Senate may pass on the question of a limitation, I am willing to modify my amendment by inserting the words "not to exceed $125,000,000", so as to read:

The Works Progress Administration is authorized from time to time to use out of funds herein appropriated such amount or amounts as shall be determined by the President, not to exceed $125,000,000, to be necessary for the purpose of providing relief to needy persons—

And so forth.

Mr. McKELLAR. All right; let us vote.

Mr. BAILEY. Mr. President——

Mr. BARKLEY. I will modify my own amendment so as to include that limitation.

Mr. BAILEY. I had intended to offer an amendment to that effect.

Mr. BARKLEY. I do not want to take the amendment away from the Senator.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment, in the nature of a substitute, offered by the Senator from Kentucky [Mr. BARKLEY] to the amendment reported by the committee.

The modified amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BARKLEY. Mr. President, while there is a fairly good attendance of Senators, I think I ought to announce that if the Senate is willing, I expect to ask the Senate to sit continuously until sometime this evening, without any recess for dinner. I think we shall be compelled to do that in order to make progress.

We have spent four and a quarter hours here today with very little progress. If we are to conclude the consideration of this measure, I think the Senate ought to be willing to sit at night; and I shall ask the Senate to remain in session until some hour this evening which will be determined later.

AMENDMENT OF FEDERAL AID ROAD ACT—CONFERENCE REPORT

Mr. HAYDEN. I submit a conference report on House bill 10140, amending the Federal Aid Road Act, and I ask for its immediate consideration.

There being no objection, the report was considered and read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 24, 25, 26, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 27, and to the amendment to the title; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$100,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 15.", and insert in lieu thereof: "Sec. 13"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 16.", and insert in lieu thereof: "Sec. 14"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
J. W. BAILEY,
W. J. BULOW,
LYNN J. FRAZIER,
Managers on the part of the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL M. WHITTINGTON,
JESSE P. WOLCOTT,
Managers on the part of the House.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on agreeing to the conference report.

The report was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 6, line 5, after the numerals "$120,000" which were stricken out, to insert—

and (c) Department of Labor, United States Employment Service, $5,000,000.

Mr. McKELLAR. Mr. President, it will be noted that the item proposed to be inserted by the pending amendment is taken from page 5, line 17, where the appropriation made by the House was $1,500,000, and brought over here on page 6, and the amount is increased to $5,000,000.

Mr. President, we all realize that the Employment Service is a splendid thing if properly administered. I am not so sure that it is being properly administered. I desire to read a very short statement from page 281 of the Senate committee hearings.

Senator MCKELLAR. Who is the man in Tennessee?
Mr. PERSONS. Mr. Jessen.
Senator MCKELLAR. How do you spell that name?
Mr. PERSONS. J-e-s-s-e-n.
Senator MCKELLAR. Mr. Jessen?
Mr. PERSONS. Yes.
Senator MCKELLAR. Where is he from?
Mr. PERSONS. He was appointed by the State. I do not know.

While this testimony applies only to Tennessee, because I asked Mr. Persons only about Tennessee, the same thing applies to every other State in the Union.

Senator MCKELLAR. Well, you confirmed his appointment, did you not?

Mr. PERSONS. Well, we appointed him at $1 a year as the State reemployment service director. We thought he was the proper person in that State.

Senator MCKELLAR. You selected him as the man in charge of the State employment service?

Mr. PERSONS. He is the man now in charge of the State employment service.

Senator MCKELLAR. And you pay him $1 a year and he selects those on the list. That is the way it is done?

Mr. PERSONS. Undoubtedly.

Senator BYRNES. All of the men are in the State?

Mr. PERSONS. Yes.

Senator BYRNES. You avoid building up a separate organization from the State organization?

Mr. PERSONS. Yes; we have harmony; there is no duplication of effort.

Senator BYRNES. That is the purpose, in order to avoid any conflict within the State?

Mr. PERSONS. Yes. Otherwise we would have.

Senator HALE. You turn over a certain amount of your funds to the State directors, out of the $3,000,000, which goes to the States?

Mr. PERSONS. Senator HALE, we have appointed the present State director of the State employment service, to serve also as reemployment service director in Maine and to have charge of the State reemployment service in that State. He selects the men whom we approve, and they are put on the pay roll.

The remarkable thing to me is that in this instance we are appropriating a considerable sum for the purpose of reemployment, and yet the reemployment director here does not have the direct appointment of his own employees. He simply furnishes the money to employ the State employees, and he appoints them in that way. He seems not to have any authority over them. Nobody can doubt that a State employment service or a national employment service or reemployment service is a fine thing, and it ought to be carried out; but I am wondering if this is the proper way to do it.

Under those circumstances, I asked Mr. Persons to furnish me a list of the Tennessee employees who were thus appointed by Mr. Jessen, the State reemployment agent. Mr. Persons furnished the list. There are 268 of these employees who are paid by the United States Government, not employed by Mr. Persons, our Director, but employed by the State director. There are also 50 temporary employees, as they are called, making 318 altogether; and last year the service for Tennessee cost $451,948, nearly half a million dollars. It seems to me, to say the least of it, that that is rather a lackadaisical way of running this business. Four hundred and fifty-one thousand nine hundred and forty-eight dollars was spent for Tennessee last year.

Mr. BORAH. Mr. President——

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

Mr. BORAH. The Senator now is speaking to the amendment appropriating $5,000,000 for the Department of Labor?

Mr. McKELLAR. Yes; that is the one. There must have been a larger sum last year; otherwise, $451,948 would not have been expended for Tennessee.

Mr. BORAH. I should be glad if someone on the committee would give us an idea of what it is that calls for the appropriation of $5,000,000 for this purpose.

Mr. McKELLAR. I probably am not the one to answer the Senator's question, because I voted against the increase. I do not say that it may not be proper. I have not enough information to enable me to say that $5,000,000 may not be the proper sum. What I am doing is simply calling the attention of the Senate to the situation, so that they may do as they please about it.

To my mind, to have the United States Government put $5,000,000 into an agency here, and have the director of the agency simply turn over so much of the fund to various other agencies and let them pay salaries out of it, and apparently, judging from his testimony, not know very much about what is done, is a rather poor way to do a most important thing. I cannot imagine anything in this joint resolution which is more important than seeking and securing reemployment for persons who are now unemployed.

Mr. MILLER. Mr. President——

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. MILLER. May I interject and call the attention of the distinguished Senator from Tennessee to the fact that on page 5 the committee struck out the provision of $1,500,000, and inserted it on page 6 under paragraph (7)——

Mr. McKELLAR. I made that statement at the very beginning of my remarks.

Mr. MILLER. With the intention of giving the United States Employment Service the right to select the employees of the W. P. A., the P. W. A., and the Bureau of Public Roads.

This is what we are doing according to the hearings, and according to Mr. Persons. I desire to call the attention of the Senate to this great coordinating board for which we have been appropriating money all day long, the National Resources Committee, and the National Employment Council, which we talked about yesterday, and the other board. This is what we are doing. The W. P. A., the P. W. A., and the Bureau of Public Roads cannot select the men to whom they furnish relief work until those men are certified by this other agency.

Mr. McKELLAR. Yes; that is true.

Mr. MILLER. That is where the $5,000,000 is going. The Employment Service asked for and obtained the approval of the Budget Bureau of $6,307,000 for that purpose. I think the committee did well to cut down the amount to $5,000,000.

Mr. McKELLAR. That was the very best that could be done. The committee differed with those of us who did not agree to it.

Mr. MILLER. If the P. W. A. is going to put men to work, would it not be better to have the P. W. A. determine the eligibility of the workers than to require them to go off to some reemployment agency and get a card or a certificate? That is what we are doing in this case. We can put a great many good men to work with this $5,000,000.

Mr. McKELLAR. Mr. President, I desire to call the attention of the Senate to the peculiar way in which these men are employed. There is a provision of the code, section 58, page 31, which provides:

> Unless otherwise specified thereto by law, no money appropriated by any act shall be available for payment to any person receiving more than one salary when the combined amount of said salary exceeds the sum of $2,000 per annum.

There are a great number of these salaries which exceed that. Evidently they are salaries of State employees. I do not know what the employees receive from the States. I am not advised.

There is another provision of the code, section 62, which provides:

> No person who holds an office the salary or annual compensation attached to which amounts to the sum of $2,500 shall be appointed to or hold any other office to which compensation is attached unless specifically authorized thereto by law.

Mr. President, I shall not undertake to argue the case. I voted for the amount appropriated by the House simply because the method provided seemed such a lackadaisical way, such an unbusinesslike way, of managing one of the most important features of this activity, perhaps the most important. I cannot imagine anything more important than the reemployment of persons out of work. I could not say what was done in my State last year, but there were 318 employees, and $451,948 was spent—268 regular employees, at a cost of $390,508; and 50 temporary employees, at a cost of $61,446. If these expenditures have resulted in the reemployment of a great many people, it has been a wonderful thing. I think reemployment is one of the most necessary matters with which we have to deal at this time.

So that the facts may be in the RECORD, I ask unanimous consent to insert a statement as to the personnel of the Tennessee State Employment Service as a part of my remarks.

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

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, May 21, 1938.

Hon. KENNETH McKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR McKELLAR: I am transmitting with this letter a list of employees of the Tennessee State Employment Service, showing both regular and temporary employees. This list has been compiled from the latest information in our records.

There are at the present time no employees of the National Reemployment Service in Tennessee, with the exception of Mr. Paul Jessen, who, by virtue of his appointment as director of the Tennessee State Employment Service, holds a dollar-a-year appointment as State reemployment director for Tennessee.

Please call upon me if I can furnish any further information.

Very truly yours,

W. FRANK PERSONS, *Director.*

Personnel of the Tennessee State Employment Service

District and branch	Title	Salary per annum
Administrative:		
Adams, Edward Albert	Field supervisor	$2,700
Adams, Julian H	Research assistant	1,500
Benton, Virginia	Chief statistical clerk	1,680
Buhler, Lucille	Stenographer-clerk	1,500
Carlton, Florrie M	Secretary	1,800
Carpenter, Margaret D	Clerk-typist	1,080
Cloys, George C., Jr	Administrative assistant	2,880
Doxey, Elizabeth F	Stenographer-clerk	1,500
Duke, Cecil A	Training supervisor	2,700
Evans, Henry Clay, Jr	Reporting supervisor	2,400
Jessen, Paul T	Director	3,600
Love, Clarence E	Field supervisor	2,700
McWilliams, Mary A	Stenographer-clerk	1,500
Noah, Clyde R	Fiscal supervisor	2,400
Seigenthaler, Mary	Stenographer-clerk	1,500
Shepherd, Emmitt J	Chief supply clerk	1,680
Tipton, Inez M	Stenographer	1,200
Voss, Henry Taylor	Chief fiscal clerk	1,680
Chattanooga:		
Barger, Virginia H	Junior interviewer	1,380
Bloker, Henry S	Senior interviewer	1,680
Bowling, Kate R	Junior interviewer	1,380
Brandon, Nelle R. (paid from National Youth Administration).	Junior counsel	1,440
Clark, Norvon	Senior interviewer	1,680
Clift, Charlotte E	Stenographer	1,200
Davis, Mrs. Agnes Smith	Stenographer-clerk	1,500
Dudderar, George W	Junior interviewer	1,380
Elliott, Jenevieve L	Stenographer	1,200
Fry, Martin T	Reporting clerk	1,500
Griffith, Lester L	Clerk	1,200
Harper, Elizabeth S	Junior interviewer	1,380
Hurst, Albert L	do	1,380
Johnson, Stella	Stenographer	1,200
Jolly, Edgar L	Senior interviewer	1,680
Kolodkin, Molly C	Junior interviewer	1,380
L'heureux, Lucien D	Senior interviewer	1,680
Lucas, Harold E	Clerk	1,200
McKenna, Leona	do	1,200
Mahoney, John T	District manager	2,100
Merriam, Garnett D	Telephone operator	1,080
Porter, Frank Lee	Janitor	720
Quinn, Creed W	Junior interviewer	1,380
Ramsey, Sarah L	do	1,380
Richie, Nell C	Stenographer	1,200
Roberson, Gertrude	Senior interviewer	1,440
Robeson, Harold M	Junior interviewer	1,380
Scoggins, Pauline B	Receptionist	1,380
Shumacker, Sybil T	Senior interviewer	1,630
Siddall, Edwin R	do	1,680
Wheeler, Delia M	Stenographer	1,200
Wight, Elizabeth B	Junior interviewer	1,380
Wright, George R	Senior interviewer	1,680
Cleveland branch:		
Hampton, Eula V	Stenographer	1,200
McLain, David P	Senior interviewer	1,680
Thomas, Isaac M	Junior interviewer	1,330
Walker, Georgia M	do	1,380
Tullahoma branch:		
Inlow, C. Lloyd	Senior interviewer	1,680
McManus, Nonie A	Stenographer	1,200
Vaughn, Myra Jane	Junior interviewer	1,380
Johnson City:		
Barton, Edith G	Senior interviewer	1,680
Brabson, Annie J	Junior interviewer	1,380
Burke, Elizabeth D	Stenographer	1,200
Brookey, Virginia E	Clerk	1,200
Downey, Herman E	Senior interviewer	1,680
Dykes, Katherine R	Stenographer-clerk	1,500
Horton, Joe Marshall	District manager	2,100
Mathes, Mildred C	Receptionist	1,380
McNew, Frank C	Stenographer	1,200
Ray, Mary I	Senior interviewer	1,680
Saylor, Blanche E	Stenographer	1,200
Sherwood, Arthur C	Senior interviewer	1,680
Taylor, Clarence W	do	1,680
Wininger, John M	Reporting clerk	1,500
Bristol branch:		
Clark, Russell B	Senior interviewer	1,680
Owen, Jack A	Junior interviewer	1,380
Perkins, Carrie M	do	1,380
Sherfey, Eleanor S	Stenographer	1,200
Elizabethton branch:		
Clark, J. C., Jr	Senior interviewer	1,680
Curry, Lila N	Junior interviewer	1,380
Starr, Dorothy Lou	Stenographer	1,200
Wallace, Louise F	Junior interviewer	1,380
Kingsport branch:		
Grizzard, Helen C	Clerk	1,200
Harold, Wm. M	Senior interviewer	1,680
Moneyhun, Hobart W	Junior interviewer	1,380
Nelms, Clara V	Stenographer	1,200
Reed, Charles C	Junior interviewer	1,380
Morristown branch:		
Clark, Shirley	do	1,380
Evans, Nancy A	Stenographer	1,200
Grigsby, Joseph A., Jr	Senior interviewer	1,680
Waddell, Ralph D	Junior interviewer	1,380
Knoxville:		
Bibee, Edith	Stenographer	1,200
Cain, Edward C	Senior interviewer	1,680
Carlock, Lula Lee	Stenographer	1,200
Cook, Raymond H	Junior interviewer	1,380

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Knoxville—Continued.		
Cox, Jeanette B	Junior interviewer	$1,380
Cummings, Lula Mae	do	1,380
Davis, Raymond H	Senior interviewer	1,680
Durbin, Lillian R	do	1,680
Edmondson, Rosalie	Junior interviewer	1,380
Firmin, Maynard V	Senior interviewer	1,680
Ford, Boyd Boaz	Junior interviewer	1,380
Frantz, Dorothy R	Receptionist	1,380
Garner, Gertrude	do	1,380
Gillenwaters, Margaret P	Private branch exchange operator	1,080
Glover, Roberta V	Stenographer	1,200
Hill, Zola Elizabeth	Clerk	1,200
Johnson, Kenneth N	Junior interviewer	1,380
Keough, Gladys M	do	1,380
Kirk, James H	do	1,380
Martin, Charles Hix (paid by National Youth Administration).	Junior vocational counsel	1,440
Morgan, Emily	Stenographer-clerk	1,500
Rhegness, Edward B	District manager	2,100
Robbins, Meredith	Senior interviewer	1,680
Roehl, James	Reporting clerk	1,500
Shouse, Albert F	Senior interviewer	1,680
Summitt, Sarah M	Stenographer	1,200
Switzer, Margaret E	Receptionist	1,380
Tryday, Mary F	Stenographer	1,200
Waddle, Robert H	Senior interviewer	1,680
Wilson, Warren R	do	1,680
Bowling, Mrs. Roberta G	Stenographer	1,200
La Follette branch:		
McCloud, Olive H	do	1,200
Miller, Paul Robert	Junior interviewer	1,380
Morse, George G	Senior interviewer	1,680
Loudon branch:		
Hill, Meredith R	Stenographer	1,200
McCormick, Christine C	Junior interviewer	1,380
Still, Wallace Burkman	do	1,380
Vineyard, S. Smith	Senior interviewer	1,680
Maryville branch:		
Adams, John H	do	1,680
Linginfelter, Jeanette	Junior interviewer	1,380
McMurray, Kathryn A	Senior interviewer	1,680
McNutt, Martha E	Stenographer	1,200
Rockwood branch:		
Blank, Kathleen	do	1,200
Martin, Howard G	Junior interviewer	1,380
Ramey, Hubert Oliver	Senior interviewer	1,680
Wilson, Mary Elizabeth	Stenographer	1,200
Memphis:		
Avery, Virginia T	do	1,200
Black, Edith E	Junior interviewer	1,380
Bolton, Idalea C., Jr	do	1,380
Boyd, Tom	Janitor and porter	720
Brown, Rozelle W	Receptionist	1,380
Browning, Lunsford O	Clerk	1,200
Carter, Muriel A	Junior interviewer	1,380
Cobb, Jesse E., Jr	do	1,380
Collins, Joseph J	Senior interviewer	1,680
Cummings, Mabel	Telephone operator	1,080
Davis, Mary V	Stenographer-clerk	1,500
Dillard, Robert Y. W	Junior interviewer	1,380
Eastman, Harold Leroy	Receptionist	1,380
Farmer, William Otis	Junior interviewer	1,380
Friedman, Ike	Assistant district manager	2,100
Guinozzo, John J	Senior interviewer	1,680
Hale, Marion Hodges (paid by National Youth Administration).	Junior placement counsel	1,680
Henson, Ramon W	Clerk	1,200
Hurley, Ethel E	Stenographer	1,200
Jacobs, Bessie M	Receptionist	1,200
Jamerson, Louis W	Senior interviewer	1,680
Kirsch, Fred W	Reporting clerk	1,500
McDonald, May C	Junior interviewer	1,380
McElroy, Juluis D	do	1,380
McKinstry, Mary Ann	do	1,380
Morgan, Edwin L	Senior interviewer	1,680
Morris, Isabel H	do	1,680
Morriss, Woodward D	Junior interviewer	1,380
Nolan, Lola McKee	Senior interviewer	1,680
Norment, Emmett M	District manager	1,920
Owen, James Gibbs	Senior interviewer	1,680
Parker, Ruth	Receptionist	1,380
Parks, Jack Wallis	Clerk	1,200
Parsley, Rose Virginia	Stenographer	1,200
Perrow, Herbert E	Junior interviewer	1,380
Pope, Lida Mai	Senior interviewer	1,440
Sloan, Jessie I	Stenographer	1,200
Sparger, Lucille	do	1,200
Spencer, Katherine Sue (paid by National Youth Administration).	Junior counsel	1,440
Taylor, Clois M	Junior interviewer	1,380
Thornburgh, Neva T	Clerk	1,200
Waring, Robert Payne	Senior interviewer	1,440
Webb, Jessie T	Junior interviewer	1,380
White, Archie B	Senior interviewer	1,440
Winkler, Christmas P	Junior interviewer	1,380
Worthington, William W	do	1,380
Wright, Christine	Stenographer	1,200
Dyersburg branch:		
Pierce, William W., Jr	Junior interviewer	1,380
Price, Marjorie C	Stenographer	1,200
Robeson, Warren B	Senior interviewer	1,680

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Memphis—Continued.		
Jackson branch:		
Chester, James W	Junior interviewer	$1,380
Christopher, Mona P	Stenographer	1,200
Coppedge, McCoy O	Manager	1,980
Davis, Lillian P	Senior interviewer	1,680
Moore, Rachel Brooks	do	1,680
Taylor, Mary Alice	Clerk	1,200
Wilde, George William	do	1,200
Williamson, Jessie T	Junior interviewer	1,380
Paris branch:		
Morris, Herbert Brown	Senior interviewer	1,680
Smith, Conrid	Junior interviewer	1,330
Wilson, Louise McCall	Stenographer	1,200
Union City branch:		
Cloar, Virginia L	do	1,200
Cox, Talitha Katherine	Junior interviewer	1,380
Swearengen, James D	Senior interviewer	1,680
Nashville:		
Asher, Loubelle N	Receptionist	1,380
Bishop, Harry M	Senior interviewer	1,680
Cherry, Roger William	Reporting clerk	1,500
Clark, Mary E	Clerk	1,200
Dickerson, Guy William	Junior interviewer	1,380
Drew, Gladys Smith	Receptionist	1,380
Fort, Norman McL	Junior interviewer	1,380
Foster, Livonia	Senior interviewer	1,680
Fuller, Joseph L	Junior interviewer	1,380
Fulks, Martha Evelyn	Stenographer	1,200
Gleaves, James Albert	Junior interviewer	1,380
Goad, Robert O	do	1,380
Graves, Myra O	do	1,380
Harding, Joseph F	Porter	720
Harwood, Leone Barry	Junior interviewer	1,380
Higgs, John C	Senior interviewer	1,680
Hopkins, John Walter	Clerk	1,200
Isaacs, Bertha L	Junior interviewer	1,380
Jordan, Lillian B	do	1,380
Knopp, Herbert W	Senior interviewer	1,680
Law, Flora M	Junior interviewer	1,380
Leath, Whitelaw R	District manager	1,920
Logue, Elizabeth	Stenographer-clerk	1,500
Loventhal, Esta M	Stenographer	1,200
Matthews, Andrew L	Junior interviewer	1,380
McKelvey, Josephine	Senior interviewer	1,440
Miller, William A	Assistant district manager	2,100
Minor, Marilee S	Senior interviewer	1,680
Phillips, Elsie Y	Receptionist	1,380
Reese, Polly	Junior interviewer	1,380
Robinson, Lucy M	Senior interviewer	1,680
Slaton, Daniel F	Junior interviewer	1,380
Spain, Bernard E	Clerk	1,200
Stultz, Jewel	Stenographer	1,200
Sugg, Margaret H	do	1,200
Thackston, Guy C	Senior interviewer	1,680
Ulrich, Paul	Junior interviewer	1,380
Wade, Willis C	do	1,380
Walker, Leona	Stenographer	1,200
Ward, Lillian R	Telephone operator	1,080
Weiss, Gladys L	Receptionist	1,380
Clarksville branch:		
Cooper, Carl Altman	Senior interviewer	1,680
McMurray, Laura E	Junior interviewer	1,380
Smith, Ruth E	Stenographer	1,200
Columbia branch:		
Akin, Henderson E	Reporting clerk	1,200
Burns, John Ross	Junior interviewer	1,380
Hume, Martin O	Senior interviewer	1,680
Johnson, Henry	Janitor (part time)	208
Oliver, Charles	Senior interviewer	1,680
Padgett, John B	Manager	1,980
Richardson, Roland	Junior interviewer	1,380
Springer, James B	Senior interviewer	1,680
Stanley, Hilda W	Stenographer	1,200
Thomson, Mary Laita	Junior interviewer	1,380
Witherspoon, Kate E	Stenographer	1,200
Cookville branch:		
Goodpasture, Hugh L	Senior interviewer	1,680
Morre, Mary K	Stenographer	1,200
Paris, Helen Lucille	Junior interviewer	1,380
McMinnville branch:		
Barnes, Beulah L	Stenographer	1,200
Overall, Juanita G	Junior interviewer	1,380
Young, Cordell Douglas	Senior interviewer	1,680
Murfreesboro branch:		
McBurnett, Roc	do	1,680
McKnight, Lorena N	Stenographer	1,200
Travis, John A	Junior interviewer	1,380
Shelbyville branch:		
Bass, Ruth K	Senior interviewer	1,680
Dickerson, Mary Ellen	Stenographer	1,200
Turpin, Ernest Lee	Junior interviewer	1,380
Springfield branch:		
Andes, Howard P	Senior stenographer	1,680
Draughon, Vernie V	Stenographer	1,200
TEMPORARY PERSONNEL		
Chattanooga:		
Anderson, Evelyn	Junior interviewer	$1,380
Chapman, Dixie T	Clerk	1,200
Duncan, Dorothy	do	1,200
Graham, Peggy M	Stenographer	1,200

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Chattanooga—Continued.		
Hill, Mary Rankin	Junior interviewer	$1,380
Slabosky, David	Senior interviewer	1,680
Stump, Leonard	Clerk	1,200
Williams, Alexander W., Jr	do	1,200
Cleveland:		
Fisher, John W., Jr	do	1,200
Hayes, Gertrude M	do	1,200
Walker, Mary Cate	do	1,200
Tullahoma: Haynes, Jonathan L., Jr.	Junior interviewer	1,380
Johnson City:		
Kingsport: Roller, Ethel	Clerk	1,200
Morristown:		
Gamble, James V	do	1,200
Russell, Frances Elizabeth	do	1,200
Knoxville:		
Buffat, Neil	do	1,200
Dunn, Ann	do	1,200
Henderson, Blaine F	do	1,200
Kuhlman, Fred	Junior interviewer	1,380
McInturff, Mary Nell	Clerk	1,200
Norton, Homer C	do	1,200
Rohde, Henry C	do	1,210
Loudon: Rector, Manning W	do	1,200
Memphis:		
Allen, Florence	do	1,200
Coffland, Marie	Stenographer	1,200
Derryberry, Mary L	do	1,200
Estes, Joseph E	Clerk	1,200
Mast, Eileen M	Stenographer	1,200
Miranne, Wilbert Frederick	Clerk	1,200
Reeves, Horace M	do	1,200
Saviore, Thomas A	do	1,200
Jackson:		
Campbell, Amy Jo	do	1,200
Heavner, Margaret	do	1,200
Tracy, Alma M	Junior interviewer	1,380
Paris: Bonds, Vernon L	do	1,380
Nashville:		
Berry, Mildred	do	1,380
Bianco, Rosa	Clerk	1,200
Burton, Herman	do	1,200
Carter, John E	do	1,200
Chandler, Frances	Junior interviewer	1,380
Coker, M. L	Clerk	1,200
Dillon, Robert E	Junior interviewer	1,380
Reasoner, Asalee	Clerk	1,200
Reckless, Martha W	Junior interviewer	1,380
Thibodeau, J. U	Clerk	1,200
Columbia: Edwards, Lorena A	do	1,200
Cookeville:		
Thompson, Callie H	Junior interviewer	1,380
Whiteaker, Fannie Ruth	do	1,380
Dickson: Elliott, Sara	Stenographer	1,200

Mr. HAYDEN. Mr. President, on behalf of the committee I should like to say, first, that the appropriation was transferred from lines 17 and 18, on page 5, to lines 5 and 6, on page 6, because in the place proposed by the House of Representatives the United States Employment Service could only be used to place men with the Works Progress Administration, whereas its function has been all through the depression to provide lists of men eligible for employment not only on W. P. A. projects but on all public employment. Therefore the committee recommends this transfer to a place in the joint resolution where its services would be available to all the agencies of the Government which heretofore utilized this service.

The three agencies which have made the greatest use of the United States Employment Service are the Works Progress Administration, the Public Works Administration, and the Bureau of Public Roads in the expenditure of emergency highway funds.

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

Mr. HAYDEN. I yield.

Mr. MILLER. I think the Service is rendering great help to the unemployed of this country, and I am aware of the fact that the contracts for public works usually carry a provision that the employees shall be selected as far as possible from a list furnished by the National Reemployment Service.

Mr. HAYDEN. The only exception is where union labor is employed. Then the employee may be selected directly from the union, but so far as all unskilled labor is concerned throughout the United States, the only way a common laborer can secure employment on public works is by having his

name on the United States Employment Service list. The contractor goes there to get his men.

Mr. MILLER. That is true, and I have no objection to that; but I desired to ask the Senator about another matter. He has taken a leading part in the formation of the bill. In the construction of public roads or any other roads by contract where the clause to which I have referred is inserted in the contract——

Mr. HAYDEN. It is so provided in all public-works contracts.

Mr. MILLER. I know it is in all public contracts; is it necessary that a man be eligible for reemployment before he can possibly obtain employment, under the Senator's construction of the contracts?

Mr. HAYDEN. The provision of the contract is that the man must have gone to a United States employment agency, listed himself there and given his qualifications. If the contractor says he wants a certain type of labor, the employees in the local office of the United States Employment Service will look over the list and submit the names of the men qualified to do the kind of work desired. From the names so submitted the contractor selects his employees. That gives every man seeking work an even break.

Mr. MILLER. So far as the W. P. A. is concerned, I doubt the advisability of the National Reemployment Service participating.

Mr. HAYDEN. I cannot agree with the Senator.

Mr. MILLER. Because, after all, that work is let on the proposition of local need and local conditions.

Mr. HAYDEN. The condition of employment on the Works Progress Administration jobs is that a man shall have been certified by the local or State authorities as in need of relief. He has to be on a relief roll. When he is placed on the relief roll, at the same time he is placed upon the list of the Employment Service. The determination of whether or not his family is in want and needs relief is a matter determined by the State relief authorities. The man's qualifications for a job, that is to say, whether he really is a carpenter or a bricklayer, or is merely qualified to carry a hod or run a wheelbarrow, is a matter of classifying him which must be undertaken by the Employment Service, and he is so classified on its list. Then, when there is work to be done which fits the qualifications, the men able to do it are quickly found.

Mr. MILLER. That is the distinction of which I was not aware. The point I was insisting on was that the W. P. A. should determine the eligibility of those being classified for work relief.

Mr. HAYDEN. That has never been done from the very beginning, because to do so would put the burden of deciding upon some Federal official as to whether or not in every community particular men should obtain jobs. Just as in the case of the selective draft during the World War, that is something a man's own neighbors should pass upon.

Mr. MILLER. After all, the final arbiter is the W. P. A.

Mr. HAYDEN. Certainly. The Works Progress Administration has its own men to carefully investigate and determine whether or not the representations made by the State authorities are correct. They check and recheck the findings of the local and State authorities.

As to the size of the appropriation, it is conceded that the United States Employment Service has been engaged for the past 5 years in doing this kind of work. When we were at the peak of Federal employment expenditures a year or more ago, when we were not only engaged in heavy expenditures under the Works Progress Administration, but when we were also carrying on a large public works program, there was an appropriation of $13,000,000 to carry on this service. The Budget sent up an estimate for the portion of the fiscal year covered by this joint resolution in excess of the amount the committee authorized. The committee was of the opinion that instead of $6,300,000, as estimated by the Budget, the Employment Service could get along until Congress shall meet again with $5,000,000, and that is the minimum amount with which results can be accomplished. To cut it down to a million and a half would mean that the necessary service would not be rendered.

Every contractor in the United States is accustomed to utilizing this service and knows just where to go when he gets a public-works contract. Congress is now setting up a great public-works program. If we do not make this appropriation, we will disturb conditions throughout the country, so that contractors will not have any place to go to get men to whom they desire to give employment. Men seeking employment will have no place to register for employment. Instead of proceeding smoothly by putting people to work quickly, there will be confusion throughout the United States, there will be labor difficulties, there will be complaints that the purpose of Congress in making these large appropriations is not being carried out. When Congress is appropriating such vast sums as are contained in this joint resolution, why should we not set aside $5,000,000 to see that people who need work get work in the regular way to which they have been accustomed?

The Committee on Appropriations, therefore, was fully justified in allowing this sum of money, and in my opinion the Senate should approve the amount. It is not enough to carry the work on for a full year. The head of the Employment Service very frankly said:

> We do not know how fast this new relief program will start. I believe that with the Budget estimate of $6,300,000 we can carry on until Congress meets again.

The committee said:

> Perhaps you can get along with $5,000,000.

And that is the amount we placed in the bill. That is the minimum. It cannot be below that. If more money is needed, it can be provided next January.

Mr. KING. Mr. President, if the Senator will permit me, have not all the States had for years employment organizations set up for the purpose of looking after the unemployed; very efficient organizations? I have been in New York, and I know that a number of years ago they had a very efficient organization of that kind. I know that we had one in my State, and there were such organizations in other States before the present situation developed.

It seems to me there has been no retrogression in the efficiency of the organizations set up in the States. On the contrary, they have increased in the facility with which they have handled matters, and are more efficient than they ever were before.

Mr. HAYDEN. Recognizing that the State employment organizations are efficient, Congress passed what was known as the Wagner Act, and pursuant to that act every year Congress appropriates $4,000,000, and $3,000,000 of the $4,000,000 is immediately turned over to the excellent State organizations the Senator has described. That leaves but $1,000,000 for the United States Employment Service to engage in all its varied activities throughout the United States.

The duties of that organization and the duties of these State employment services in normal times are to list men, not to find work with the Government, but to find work with private employers. That is the function of an employment service in normal times. Now we are in an emergency, to meet which the Federal Government appropriates many billions of dollars. The question then is, Who is going to get this work for which Congress is appropriating the money? There must be some segregation; there must be some supervision; there must be some determination of who is the worthy person to get the job, and not give the work to someone who does not need it. That is the reason why, when we were at the peak of our public-works and W. P. A. programs of a year ago, we were spending $13,000,000 for this service, and that is why the United States Employment Service cannot get along with less than $5,000,000 between now and next February.

Mr. WAGNER. Mr. President, my only excuse for saying anything is that I was one of the sponsors of the enactment which brought about the establishment of the Employment Service. I am very much interested in the success of its operation. I remember that during the winter of 1934, I

think it was, when we had the C. W. A., Mr. Hopkins and others in authority stated that without the aid of this coordinated system which we call the United States Employment Service, they could not have mobilized those men and women who needed employment in the different communities. If Senators will remember, a very serious situation existed at that time, and in a period of about a month, I think it was, there were registered in the different employment exchanges throughout the country over 8,000,000 men and women, and the fact that those 8,000,000 men and women were speedily given employment alleviated a very serious situation.

I am sure that the W. P. A. officials will tell Senators that without the services of the employment exchanges, which, by the way, are State institutions performing State functions, to which the Federal Government makes a contribution—that is, the Federal Government matches the amount which the States contribute toward the service—they would be unable to make the necessary investigations to see to it that those really in need secure employment.

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

Mr. WAGNER. I yield.

Mr. McKELLAR. According to the statement made by Mr. Persons, the Government pays the entire salaries of the employees, with the exception of one man and he is the head of the department in the particular State to whom the Government pays only one dollar.

Mr. WAGNER. The Government pays the salary of the Federal supervisors, but the service itself, the employment exchanges, are State institutions manned by State employees for placement service.

Mr. McKELLAR. But the employees are paid entirely by the Government.

Mr. WAGNER. Not all of the employees.

Mr. McKELLAR. Mr. Persons so stated.

Mr. WAGNER. I am sure he did not intend to say all the employees.

Mr. McKELLAR. If the Senator will look at his testimony, he will see that he so stated.

Mr. WAGNER. But the Federal Government supplies the employees who do supervisory work. It may be this particular and exceptional service may be paid by the Federal Government.

For the information of the Senate, let me present the record of the United States Employment Service during the 4½ years of the existence of this organization. In the 4½ years of operation a total of 55,000,000 applicants, including reapplicants, were registered for jobs by the public employment officers throughout the country. During this period the public employment officers have made almost 22,000,000 placements. The W. P. A. could not have operated successfully without this service. In the operation of this system particular attention has been given to the needs of veterans. More than 2,000,000 veterans have been placed in jobs throughout the public employment service, not counting the placements made on relief jobs before July 1935. Earlier placement work of the public employment office was carried on largely in connection with various phases of the public-works program. That too could not successfully operate without this service. But in more recent times placements in private industry have predominated. During the calendar year 1937 over 2,353,000 private placements have been made.

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

Mr. WAGNER. I yield.

Mr. LUNDEEN. The record of placement of veterans covers what period of time? I presume it covers the time from the beginning of the service, whatever that was?

Mr. WAGNER. The service has been in existence 4½ years.

Mr. LUNDEEN. I thank the Senator.

Mr. WAGNER. So I think it would be very unfortunate and would very much cripple the service of the placement of needy individuals with the W. P. A. if this amendment were defeated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 6, line 5.

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment on page 3, line 8, which was passed over, will be stated.

The CHIEF CLERK. On page 3, line 8, it is proposed to strike out "$575,000,000" and insert "$655,500,000."

Mr. FRAZIER. Mr. President, yesterday I offered an amendment in behalf of my colleague the Senator from North Dakota [Mr. NYE], who is absent, with respect to the provision of page 3, line 8. I now withdraw the amendment which I offered on behalf of my colleague.

The PRESIDING OFFICER. The amendment offered by the senior Senator from North Dakota on behalf of his colleague is withdrawn.

The question is on agreeing to the committee amendment on page 3, line 8.

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment on page 2, line 3, which was passed over, will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed to strike out "$1,250,000,000" and to insert "$1,425,000,000."

The PRESIDING OFFICER. The Senator from Minnesota [Mr. LUNDEEN] has offered an amendment to the committee amendment on page 2, line 3, which will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed by Mr. LUNDEEN to strike out "$1,425,000,000" and to insert in lieu thereof "$4,425,000,000."

EVERY MAN HAS THE DIVINE RIGHT TO WORK. IF HE CANNOT FIND WORK IN PRIVATE INDUSTRY, IT IS THE DUTY OF GOVERNMENT TO CREATE WORK

Mr. LUNDEEN. Mr. President, back in 1932 the Senator from Wisconsin [Mr. LA FOLLETTE] asked that $5,000,000,000 be appropriated for public works. As I remember the RECORD, that was not done. In 1933 the Senator from Wisconsin again came forward with a proposal asking for $10,000,000,000. So the figures proposed in my amendment, which may seem large, are not so large when compared to figures which have already been proposed by the Senator from Wisconsin.

PROVIDING $10,000,000,000 FOR PUBLIC WORKS

Mr. President, it is pretty generally agreed among many students of political economy that had the amendment providing for $10,000,000,000 proposed by the Senator from Wisconsin in 1933 been adopted, perhaps we would not find ourselves in the difficulty we are in today. In the past we did not have a plan, we did not have blueprints, we did not have the engineering data planned which would give employment to people. Soundings for foundations for dams, and blueprints drawn, and engineering data furnished take time. Had we engaged in such work back in 1932 and 1933, we would have aided the situation today.

THE NATION

I have before me a statement which appears in the May 28, 1938, issue of The Nation, which states:

> Even with the spending program, people today are starving—in Chicago, in Cleveland, all over the country.

Perhaps The Nation is too progressive or liberal or radical, so we will turn to last night's Evening Star.

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

Mr. LUNDEEN. I yield.

Mr. CONNALLY. I am very greatly interested in the statement of the Senator that someone reports that people are actually starving in Chicago and in Cleveland. I wonder if the Senators from Illinois really would not know if such were the case, or, if there are people actually starving in Cleveland, if the Senator living there [Mr. BULKLEY] would not be concerned and do something about it. I cannot conceive that people are actually starving anywhere in America. If they are, we ought to do something about it, and do that quickly.

Mr. LUNDEEN. The Senator has stated that very well. There should be something done, if what is set forth in these articles is true.

Mr. CONNALLY. On what authority does the Senator make the statement?

Mr. LUNDEEN. I am reading from an editorial from The Nation of May 28.

Mr. CONNALLY. Is that published in Cleveland or Chicago?

CITIZENS SLEEPING IN THE OPEN AND STARVING

Mr. LUNDEEN. I think it is published in New York. I wish to say that if that statement appears to be too strong or too radical, or whatever we may call it, let us quote from last night's Star, of date May 31, 1938, in an article called "The Political Mill," by G. Gould Lincoln, in which he says:

There are more millions of unemployed today than there were last year—or even during the Hoover administration. There has been a tremendous falling off in industrial production along many lines.

That statement is from the Washington Evening Star of yesterday.

I have before me a report by Gov. Herbert H. Lehman, of New York, dealing with public relief for transient and non-settled persons in the State of New York. The report deals with persons sleeping in the open, and starving. The report shows the utter inadequacy of the present program of relief in the joint resolution. I ask that there may be printed in the RECORD table II, on page 26 of that report.

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

TABLE II.—*Census of homeless persons in New York City, Apr. 1, 1936* [1]

	Transients	Locals	Under 21	Total
Independent city-owned rapid-transit lines	141	318	21	459
B. M. T. rapid transit lines	306	383	61	689
Interborough Rapid Transit Co. lines	610	953	63	1,563
Subtotal	1,057	1,654	145	2,711
Public parks in all boroughs	476	973	142	1,449
Sleepers in 245 abandoned buildings in all boroughs	194	418	67	612
Police reports from all precincts in all boroughs	338	427	51	765
Sleepers in ferry houses and on properties adjoining	35	22	4	57
Sleepers under bridges, etc. (department of plant and structures)	4	79	4	83
Railroad stations, terminals, and bus stations	35	59	7	94
Markets and immediate vicinity (loiterers)	16	36	0	52
Total	2,155	3,668	420	5,823

[1] Census covered the places indicated in the table. Conducted under the auspices of the men's division of the emergency relief bureau between the hours of 12:01 and 6 a. m. with the cooperation of (1) the departments of police, fire, tenement houses, and parks; (2) the Longshoremen's Union; and (3) the transit lines.

Mr. LUNDEEN. In table II of the report, concerning New York City, there occurs the statement that only one-fifth of the abandoned buildings in the city have been surveyed for the purpose of a census. There was a census made concerning unemployment, and the general situation in the city.

UNEMPLOYMENT MUST COME FIRST

The statement I am making now, Mr. President, is made in no hostile attitude toward the administration or toward anyone else. I want to go along and do everything I possibly can as a Senator to aid relief, and to aid the unemployed. However, I wonder whether we are proposing to do enough. I realize that any statement I might make would be the statement of a person not expert in figures. Therefore I shall base whatever I say not merely on newspaper extracts and the report of Governor Lehman, but upon the testimony of Harry Hopkins, beginning on page 149, and running through pages 150, 151, 152, 153, and part of 154. The statement is brief, and I ask that it be included in the RECORD at this point.

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

ABOUT 600,000 CERTIFIED FOR W. P. A. NOT EMPLOYED

Senator BYRNES. Do you know how many have been certified by the various agencies at this time who have not been passed upon?

Mr. HOPKINS. About 600,000 that they have certified as in need and they state are employable.

Senator BYRNES. You do not mean to say, though, that you have not passed upon some of those people constituting that 600,000?

Mr. HOPKINS. They move through our office every day.

Senator BYRNES. You do not contend that you are able today to give a job out of the funds available to every person certified as eligible and deemed by you to be eligible?

Mr. HOPKINS. No. We have approximated that number.

Senator BYRNES. What I wanted to get at is your best estimate of the number who are on the rolls certified as eligible, as approved by you and eligible and have not been able to secure work on your work-relief projects.

NEARLY 600,000 OR 500,000 PLUS NOT PROVIDED FOR

Mr. HOPKINS. I would discount that 600,000 by about 12 or 15 percent—say 500,000; that would be about right.

Senator BYRNES. Your deductions then would result in a reduction of 10 or 12 percent?

Mr. HOPKINS. About 15 percent.

Senator BYRNES. I think that is an important factor.

Senator ADAMS. Mr. Hopkins, if the appropriation goes through as it stands, would that enable you to take up this entire load?

Mr. HOPKINS. Well, I would like to say one or two things before going into that.

Senator TOWNSEND. Just let me ask one more question right there.

Mr. HOPKINS. Yes, sir.

Senator TOWNSEND. I think you testified before Senator BYRNES' committee that as to every man who was employable you were able to give him a job, offer him a job, did you not?

Mr. HOPKINS. No; I said in a great many cities, where rumors were that we were not offering a job to every employable person, that we actually were.

JOBS NOT GIVEN ALL UNEMPLOYED

Senator TOWNSEND. Maybe I misunderstood you. I was there. And I understood you to say that you were offering a job to every employable every day.

Mr. HOPKINS. No, sir; I did not.

MILLIONS UNEMPLOYED

Senator BYRNES. What is the condition today as compared with the date you were testifying?

Mr. HOPKINS. Well, from the time I testified before your committee, Senator, and even as of the time a week or 10 days ago, or 2 weeks ago, when I was testifying before the House committee, it is my judgment that the relief problem in terms of unemployed people, projecting this simply for the next few months, is even more serious than I had contemplated.

In general, the problem is a serious one. There are about 800,000 people receiving unemployment insurance benefits today. After the benefit periods come to an end many of those people will come to us. Furthermore, there has just occurred a drop in private employment of from three to four million over a few months' period. The speed with which that drop occurred was probably unprecedented.

RESOURCES OF UNEMPLOYED GRADUALLY EXHAUSTED

Now, some of those people who were thrown out of work may have resources that will carry them for months; but if they do not get back into private employment at the end of 3, 4, 5, or 6 months many have to go to the local relief offices for aid. Taking the lowest of the unemployment estimates, there are about 10,000,000 out of work, and the other estimates run up to over 12,500,000.

Even if a million and a half people go back to private employment during the next 7 or 8 months—and that is a very large number to be reemployed in such a short period of time—we are still left with a relief situation in the coming months that is serious, and I do not want to be the one to underestimate it.

Senator TYDINGS. Mr. Hopkins, I do not want to interrupt your statement, but I would like to call your attention to a study recently made by the Department of Commerce called National Income, 1929–35, inclusive, which is quite a comprehensive study, in which there is broken down the income from manufacturing, transportation, public utilities, agriculture, finance, mining, and so on.

PRIVATE BUSINESS PAID OUT $20,000,000,000 MORE FROM ITS RESOURCES THAN IT TOOK IN

I have been reading that study pretty carefully, and as near as I can estimate it from the charts and information there, which is very complete, since 1929, beginning in 1929 and on down to and including 1935, private industry has paid out, roughly, $20,000,000,000 more than it has taken in from its reserves. That is in all lines of activities.

This thought comes to mind in line with what you have just said—this study is very comprehensive and very much in detail: If private industry has been carrying a load of $20,000,000,000 in that 6-year period, or 7-year period, in addition to what the Federal Government has contributed, private industry from now on must not have the money to keep on paying out more than it is taking in; and if my surmise is correct—I do not have the figures, and the study does not show the amount of reserves still remaining—you are going to reach a point where the load that private industry formerly carried can no longer be carried by private industry. In other words, private industry has paid out more in pay rolls than has the Federal Government in relief since the beginning of the depression.

MANY PRIVATE CORPORATIONS NO LONGER ABLE TO CARRY MEN ON PAY ROLLS—RESERVES LOWERED OR EXHAUSTED

Mr. HOPKINS. That may well have contributed to the rapid drop in private employment.

Senator TYDINGS. Yes; they could not do it any longer.

Mr. HOPKINS. Some undoubtedly could not.

Senator TYDINGS. Have you seen that study, Mr. Hopkins?

Mr. HOPKINS. Yes, sir.

Senator BYRNES. Returning to those figures, Mr. Hopkins, you estimate, then, that you have 500,000 certified as eligible without jobs. The amount of this estimate, as I understand it, provides for furnishing jobs to the same number of people you have upon your projects as of about 2 weeks ago; is that right?

Mr. HOPKINS. Senator, it would enable us to employ an average of 2,800,000 over a period of 7 months.

Senator BYRNES. 2,800,000 a month? How many have you got this month?

NUMBER POSSIBLE TO EMPLOY UNDER BILL

Mr. HOPKINS. About 2,600,000 on W. P. A. projects.

Senator BYRNES. I notice in the written statement you submitted to the House you estimated that your load might go up to 3,000,000 or 3,100,000 in the winter months.

Mr. HOPKINS. Yes; but that still leaves an average of 2,800,000, if we get any breaks this summer. I must say that prospects for this summer are not as hopeful as they were a little while ago.

Senator BYRNES. According to your statistics, according to your figures which you had when this matter was first discussed about 2 weeks ago, 2,600,000 was the estimate.

Mr. HOPKINS. The estimate was upon a continuance over the 7 months of an average number of 2,800,000.

Senator BYRNES. Now, I understand you to say, as a matter of fact, you could provide out of these funds for 2,800,000.

Mr. HOPKINS. An average of 2,800,000.

INCREASED EMPLOYMENT CAN BE PROVIDED FOR

Senator BYRNES. You could provide for an increase then of 200,000.

Mr. HOPKINS. That is right.

Senator BYRNES. As of this date.

Mr. HOPKINS. That is right.

Senator BYRNES. It would not be necessary for you to provide for 500,000, but it might be necessary to provide for that many additional men in August or September.

Mr. HOPKINS. That is right.

Senator BYRNES. And your opinion is, averaging it from now to February 1, the amount carried in the bill will provide for the average which you give here.

Mr. HOPKINS. It would provide for an average of 2,800,000.

Senator BYRNES. Two million eight hundred thousand.

HARRY L. HOPKINS EMPHASIZES SERIOUSNESS OF WORK PROBLEM

Mr. HOPKINS. I want to say that I have been trying to project relief needs for this committee for 5 years. It is not possible always to be completely accurate with respect to the future. I certainly did not foresee the sharp decline that was coming last fall. I do not know anybody else that did guess it.

I simply want to try to impress upon you the seriousness of the problem and the difficulty of projecting the need on an exact basis. I have complete conviction about the needs of these people; complete conviction about it.

This relief problem changes with great rapidity. The relief situation a month from now may be far more serious than I think it is going to be. As a matter of fact, I think the picture, so far as relief is concerned, is not so good now as it was 2 weeks ago. I am assuming that employment is going to get better, and that this bill will help.

GOVERNMENT STIMULATION OF PURCHASING POWER

Senator TOWNSEND. Partly due to Government spending?

Mr. HOPKINS. Partly due to Government stimulation of purchasing power. I have testified both before Senator BYRNES' committee and the House committee that I have no illusions on the proposition that public spending of and by itself will do this job, because I do not think it will. Unless you get private money moving into this thing there simply cannot be a proper volume of private employment; but I think it will accomplish some essential things if it is done quickly and promptly; but I do not want you to think that I am overconfident about this relief situation. I do not want, on the one hand, to overstate the problem. On the other hand, I want to be sure I am not understating it. I feel a great responsibility for presenting this thing accurately to you, since the well-being of millions of people who have no other resources depends on the action of Congress.

ROLLS INCREASING EVERY WEEK BY 30,000

The figures, as I see them, speak for themselves. This appropriation to the W. P. A. will permit the employment of an average of 2,800,000 people. Our rolls are increasing every week by 20,000 or 30,000.

Senator BYRNES. Let us stop right there. Instead of assuming, let us take the figures. You say that you have 500,000. If your assumption did not turn out to be correct and you had that number to take care of between now and the time Congress convenes, is there enough money provided for the W. P. A. to do it?

Mr. HOPKINS. No. The favorable factor in it, Senator, is that we ought to get some breaks now on a seasonal basis, that is, a sizable number should be leaving W. P. A. projects for private employment, thus making room for others.

Senator BYRNES. But, I want to know what you are going to do if this bill passed in its present form and you have got 500,000 men that you say have not been cared for. Are you going to take the necessary funds at this time to put them to work immediately or are you going to maintain the same number that you now have and apportion it throughout the months?

Mr. HOPKINS. Senator, if we do not experience a favorable seasonal movement and if the situation continues to remain as it is now and the pressure is as it is now, we are going to continue to increase this thing to the limit so far as we can.

Senator TOWNSEND. What do you mean by "limit"?

Mr. HOPKINS. We could run this thing to 2,800,000 and keep within the appropriation.

AVERAGE OF 2,800,000 LIMIT OF W. P. A. UNDER THE BILL—THAT LEAVES MILLIONS OF CITIZENS STILL UNEMPLOYED AND STARVING

Senator BYRNES. If you are going to do it, do you not think that it ought to be done immediately? If your objective is to help this situation, what you are going to do should be done now instead of arranging to spend the money a year and a half from now.

Mr. HOPKINS. Senator, I am not talking about this problem in terms of the W. P. A. appropriation alone.

Senator BYRNES. That is not in your title of the bill.

Mr. HOPKINS. No; it is not.

Senator BYRNES. If Congress saw fit to give you this money, I want to know whether you would tackle this problem immediately. I think, my own opinion is, that whatever funds are appropriated should be made immediately available, and if you are going to do anything about this thing, I would like to know what plans you have in mind. Would you do it right now?

Senator TOWNSEND. We could put a half a million people to work in the next 5 or 6 weeks.

Senator ADAMS. Senator Byrnes, this bill as I recollect does make the money immediately available, does it not?

Senator BYRNES. I have some doubts about it. Of course in that connection I have been figuring on an amendment. I want to find out about it.

NECESSARY FUNDS MUST BE MADE AVAILABLE NOW—SOME DAY IT MAY BE TOO LATE

Senator ADAMS. That occurs to me to be so from the first section there. The usual proviso is to make funds available at a certain time and the time is set.

Senator BYRNES. And they would be available from the date of approval if that were not provided.

Senator MCKELLAR. And remain available until June 30, 1939.

Senator BYRNES. There are a number of those things when we get down to it that I want to suggest; but I would like to know what your plans are with regard to this, assuming that the language is already in the bill and if not will be put in the bill to make the funds immediately available, what would you do as to these men who are, according to you and your information, throughout the country certified and eligible for jobs, and without jobs? Are you in a position to put them to work?

Mr. HOPKINS. If the bill passed in this form, with this figure, our number could go up to 2,800,000 and at that point we would stop arbitrarily.

Now, I should say, Senator, that all of the powers to meet an emergency situation I think are not in the bill at present. I think those powers should be there. There always should be the power to act in any emergency.

Senator BYRNES. I agree with you on that provision. I note that the House bill does not have that provision.

But, would you have projects, worth-while projects, throughout the country upon which you could put these people to work?

GOOD PROJECTS NOW READY FOR A MILLION MORE WORKERS

Mr. HOPKINS. Senator, we have good projects to put a million more people to work.

Senator BYRNES. In what time?

Mr. HOPKINS. Within about 6 weeks.

Senator MCKELLAR. That would be about the first of July.

Senator OVERTON. Have you provisions for putting the farmers who are in need to work?

Mr. HOPKINS. Yes, sir. We have a tremendous number of farm-to-market road projects.

Senator OVERTON. They would not be taken away from their homes?

Mr. HOPKINS. Perhaps they might have to go 20 miles.

Senator BYRNES. Just because it is mentioned at this time, the language in the House bill seeking to provide projects for farmers would put upon the W. P. A. the burden of certifying, would it not?

FEDERAL GOVERNMENT READY TO GO AHEAD—HOPKINS READY

Mr. HOPKINS. In a great many rural communities they have inadequate relief machinery and in some they have none. In such cases we would have to determine the need ourselves. That is not a difficult thing to do, Senator.

Senator BYRNES. Who would pass upon them?

Mr. HOPKINS. We would ourselves in that case.

Senator BYRNES. That would have to be passed on by the State directors.

Mr. HOPKINS. We do that in a few places now where local relief machinery is inadequate.

Senator MCKELLAR. You mentioned that certain powers were not included in this bill. Have you an amendment to suggest to the bill which would provide for that?

Mr. HOPKINS. For what?

Senator MCKELLAR. For the lack of power not in this bill. You say that you cannot continue. Have you got an amendment which you have offered, which you have prepared?

Mr. HOPKINS. I do not have any here now, but I will be glad to submit it if you wish me to.

Senator BYRNES. You mean language which would permit you to act in case of a serious drought, hurricane, or anything of that sort?

Senator MCKELLAR. I think it would be better if you submitted that.

Senator BYRNES. I have an amendment along this line.

Mr. HOPKINS. It will only take a few words to do it.

Senator BYRNES. I know.

Mr. LUNDEEN. During Mr. Hopkins' statement he was questioned by the able Senator from South Carolina [Mr. BYRNES]. His statement brings out the fact that not only are there 2,800,000 persons on W. P. A. but that 600,000 more are certified for W. P. A., but have not been taken care of.

I wish to say, in all fairness, that Mr. Hopkins made the statement that perhaps some 10 or 12 percent ought to be taken from this amount, leaving something more than 500,000 who have not been provided for.

TIME TO SET OUR COMPASS AND CHART OUR COURSE

It may seem to Senators, and to others who fear a substantial increase in the Federal debt—that the amount called for in my amendment, which represents an increase of $3,000,000,000, making the total proposed W. P. A. appropriation $4,425,000,000, is a very large sum. However, it seems to me that a careful reading of Harry L. Hopkins' testimony before the subcommittee of the Senate Appropriations Committee will convince any unprejudiced mind that no smaller amount can abolish starvation conditions throughout the Nation and bring any temporary recovery to business.

It seems to me we had better set our compass at this point and chart our course before we enter the stormy seas of another 12 months, so that when we get out in midocean we will not run out of fuel with the ship of state adrift.

SUBMERGED ONE-THIRD OF OUR CITIZENS—40,000,000 SOULS

The submerged one-third of the Nation, 40,000,000 citizens, are neither given employment by which they can support themselves decently, nor are they given bare subsistence relief, as is clearly shown by the relief figures of the Social Security Board. We find that in 15 States the average relief benefits range from $4.91 in Mississippi to $14.34 in Indiana per family per month. In the 36 States reporting to the Board for January 1938 the average rate per case is $17.15 per family per month. According to Mr. Hopkins' testimony—and that is the testimony of 1938—some three or four million unemployed have been added during the past 4 months. Taking the higher figure of 4,000,000, added to the Biggers' census estimate of 10,870,000 in November 1937, we have a present unemployment total of 14,870,000. Nobody can laugh that off. There are 14,870,000 unemployed in this great Nation of ours.

ALSO 800,000 UNEMPLOYMENT INSURANCE BENEFITS EXPIRING—ALL WILL BE THROWN ON RELIEF

Mr. Hopkins stated that the proposed appropriation for W. P. A. of $1,425,000,000 would employ an average of 2,800,000 persons for the first 8 months of the fiscal year; that more than 500,000 now on direct relief are eligible for W. P. A. work relief, but that the fund would not provide for those cases; and that 800,000 persons, in addition to the 500,000, would soon join the unemployed groups, seeking work or relief, because their unemployment insurance benefits will have expired. Adding the 500,000 and the 800,000, we get a total of 1,300,000. Taking the higher figure of 600,000, which Mr. Hopkins used himself, we have 1,400,000 not taken care of.

Mr. Hopkins has repeatedly stated that more than one-half of the unemployed have never received aid from any public source. I am glad that they have been able to get by thus far. Just how much longer they will be able to sustain themselves without applying to the Government, I cannot say.

JOBS FOR THE UNEMPLOYED OR STOP TALKING ABOUT GIVING JOBS TO THOSE WHOM PRIVATE INDUSTRY DOES NOT HIRE

It is apparent from present conditions that 10,000,000, or two-thirds of the unemployed, will be unable to receive any assistance under the provisions of the pending measure. The time has arrived, after 8 years of failure, under two administrations, to meet these conditions, either to appropriate the money to save our citizens from starving and give them employment, or to stop talking about providing jobs for those whom private industry does not hire, and stop talking about no one starving in America.

I wish to point out at the outset of my remarks what the amount of $4,425,000,000 will accomplish if expended on useful and carefully planned public works of all character during the first 8 months of the fiscal year 1939. I am willing to entrust these funds to the administration, in order that they may be expended for the people of the United States.

FOOD FOR THE HUNGRY OR STOP TALKING ABOUT NO ONE STARVING IN AMERICA

I recall that not long ago, in both Houses of the Congress, more than $10,000,000,000 was appropriated for the kings and emperors of Europe, for the rehabilitation of other countries, over which fly flags other than The Star-Spangled Banner. If we can give them more than $10,000,000,000 of Government funds, in addition to private loans, I think we should be able to do something for our own people in excess of the provisions of the pending measure.

I ask that there be printed in the RECORD at this point a statement as to what the money provided by the joint resolution would do in the way of taking care of 500,000 added to the 2,800,000 now on the rolls, and one-third of the remainder of 10,000,000 unemployed who are receiving no aid from any source. The figures are given in detail, and I ask that they be printed in the RECORD, together with a resolution unanimously adopted by the National Anti-War Congress, attended by 1,017 delegates, held in Washington, D. C., on May 28–30, 1938.

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

House Joint Resolution 679

Amount proposed by the pending resolution, for 8-month period, July 1, 1938, to Feb. 28, 1939	$1,425,000,000
Increase proposed by Lundeen amendment	3,000,000,000
Total	4,425,000,000

THE PROBLEM

To employ on W. P. A. 25 percent of the 2,000,000 on direct relief now supported by States and local governments	500,000
Add average W. P. A. rolls	2,800,000
Add about one-third of balance of 10,000,000 unemployed (who are receiving no aid from any source) at $80 per month—$73 wages and $7 materials	3,000,000
Total to be employed	6,300,000
Cost of 6,300,000 at $80 per month for 8 months	4,032,000,000

Leaving balance of $393,000,000 for other employment or emergencies.

There are now on direct relief paid for by the States and local governments	$2,000,000
Mr. Hopkins estimates (testimony before Senate subcommittee on May 17) that one-quarter of these 2,000,000 are eligible for W. P. A. work relief	500,000
Leaving on direct relief	1,500,000

The Federal Government does not now, nor will it, under the relief resolution, in its present form or under the proposed Lundeen amendment, assume any responsibility for these 1,500,000 cases who receive, from State and local governments, family relief benefits ranging from $4.91 to $14.34 per month per family in 15 States and an average of $17.15 in 36 States. (Social Security Board Bulletin for January 1938.)

RESOLUTIONS ON RELIEF, WAR, AND UNEMPLOYMENT

Resolution adopted unanimously by the National Antiwar Congress (1,017 delegates attending), held at Washington, D. C., on May 28–30, 1938

Whereas there are in the United States today approximately 15,000,000 unemployed workers—70 percent of the world's unemployed; and

Whereas millions of our one-third of a nation ill-housed, ill-clad, ill-nourished are receiving family relief benefits ranging from $5 to $14 per month per family in 15 States and an average of $17.15 a month in 36 States, while others are denied all relief and are compelled to shift for themselves; and

Whereas such economic conditions breed not only the seed of war as an escape but also create a fertile soil for the growth of fascism and dictatorship; and

RELIEF BILL WILL ONLY CONTINUE SEMISTARVATION CONDITIONS

Whereas the relief bill now before the Senate of the United States proposes appropriations which do little more than continue the present semistarvation conditions: Now, therefore, be it

Resolved, That the National Antiwar Congress in convention assembled at Washington, D. C., on May 30, 1938, calls upon the Congress of the United States—

1. To continue the Works Progress Administration program to the extent of the full need of the surplus unemployed able-bodied workers of the Nation;

2. To provide adequate direct relief for those unable to work; and

3. To adopt, as a first step in this direction, the Lundeen amendment now before the Senate calling for an increase in appropriations of $3,000,000,000 in the pending relief bill, House Joint Resolution 679.

Mr. LUNDEEN. The statement which I have just offered for the RECORD maintains that such economic conditions not only sow the seed of war as an escape, but provide a fertile soil for the growth of dictatorship.

I may be asked by some Senator where the money is to come from to finance this public-works program. My reply would be that the Senator would not ask that question if we were to enter a major war, for which, unfortunately, we seem to be preparing, with our regular annual appropriations of over $1,000,000,000 for the Army and the Navy, and a supplemental expenditure of more than another billion for a super Navy, one battleship to cost possibly $100,000,000, which I understand is equal to the cost of all the buildings in the Government Triangle in Washington.

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

Mr. LUNDEEN. I will take time on the joint resolution.

I would not quarrel with such expenditures for military and naval preparations if I thought they were necessary for the defense of our coasts and the maintenance of the Monroe Doctrine. However, I am not interested in building a navy for aggressive service in European, African, and Asiatic waters.

Permit me to state further that when the United States has an estimated wealth of $367,000,000,000, which is $85,000,000,000 more than the combined wealth of the five other largest industrial nations—Great Britain, France, Germany, Italy, and Japan—it is folly to intimate that an expenditure of $4,000,000,000 during the next 8 months to create greatly needed public improvements would bankrupt the country and destroy confidence.

PAYMENT OF BONUS, $2,400,000,000

Let me remind the Senate at this point of the bonus payment. I was in the center of that fight in the House of Representatives; it was on the Lundeen motion that 145 signatures were secured and the bonus bill was taken from the committee. The motion was adopted by a vote of 305 and the bill passed the House by a vote of 295 in its favor. It came to the Senate, where it was handled by my colleague, the senior Senator from Minnesota. When that bonus was proposed, it was said it would bankrupt the country. I wish to say that the $2,400,000,000 which was appropriated to pay the bonus may have had much to do with staving off for a few months such conditions as we are now facing .

FIVE BILLION DOLLARS MORE FOR OUR MILLIONAIRES

In this connection I call the attention of Senators to the fact that many of our investors never felt the present 1929–38 economic chaos until 1933. According to the figures of the Standard Statistics Co., the amounts received by the investors of the Nation in the first 3 years of the depression, 1930, 1931, and 1932, exceeded by $5,000,000,000 the amount received in the peak years of 1927, 1928, and 1929.

I should also like to recall the salary and bonus payments made to our industrial magnates in the years 1929, 1930, 1931, and 1932 as published by the Federal Trade Commission.

We in America have become so accustomed to doing our financial thinking in terms of hundreds of millions and billions of dollars, whether it be about governmental debts or national wealth and income, that full pages in the daily press publishing these Federal Trade Commission figures concerning annual incomes of executives of our leading corporations, ranging from $75,000 to $1,500,000, almost fail to register. I am sure they will not fail to register in the Senate of the United States.

ENORMOUS SALARIES PAID BY PRIVATE INDUSTRY WHILE OUR PEOPLE GO HUNGRY

There are, of course, carping critics of the present social order who are constantly rocking the boat, and publishing, in such times as the present, the unfortunate fact that millions of our population in 1932 were compelled to exist on relief rations, or cash incomes, of from 14 to 16 cents per day per person; but, on the whole, the mass of our people accept these great inequalities of society and make no comparisons of economic conditions.

In going over the long lists of corporations, some having 2 to 20 executives receiving annually from 2 to 21 times the salary of the President of the United States, I was impressed by the fact that 114 executive officers, or directors, of 20 corporations were given yearly compensation, in salaries and bonuses, of from $75,000 to $1,635,000. These corporations were doing business in the varied fields of steel, tobacco, mail-order houses, dry goods, oil, agricultural implements, moving pictures, chain stores, motor cars, copper, war munitions, electrical goods, and public utilities.

TOBACCO COMPANY OFFICIALS FAIRLY WELL PAID

I noted that a tobacco company, in the first 3 years of the depression—1930, 1931, 1932—paid its president an average of $962,000 a year, or 12 times the salary of the President of the United States; and three vice presidents received an average of $538,000, $345,000, and $436,000 a year—a total average compensation each year for four executives of $2,281,000.

One of the moving-picture corporations paid four executives in the 3 years, 1928, 1929, 1930, an average of $539,000, $536,000, $431,000, and $331,000 each. Two officials of a 5-and-10-cent chain store received a 5-year average of $689,000 and $214,000. A food company paid a 3-year average compensation of $276,000 and $139,000 to two officials. An oil company paid 20 officers and directors average annual incomes of from $76,000 to $200,000. An agricultural-implements corporation paid, over a 3-year period, eight average executive salaries ranging from $104,000 to $361,000.

BETHLEHEM STEEL CORPORATION IS STILL KING

But it remained for the Bethlehem Steel Corporation to head the list in generous compensation in the 3 years, 1928, 1929, 1930. The corporation's president and director, Eugene G. Grace, was paid in these years an average of $1,168,000 each year—in 1929 the amount was $1,635,000. A director, C. A. Buck, received an average annual income of $279,000; in 1929, $388,000. All the above payments are, of course, exclusive of any amounts received as interest on bonds or dividends on stock owned by these officials.

I am not speaking in terms of hostility to any of these very fine gentlemen; they are merely going along in the accustomed way of doing things. But we must face these facts, and we must change conditions when there is unemployment to the extent of 15,000,000 people in these United States.

PRESIDENTS, SENATORS, AND GOVERNORS RECEIVE MERE MESSENGER-BOY SALARIES WHEN COMPARED TO OUR INDUSTRIAL OVERLORDS

The following comparison of political and industrial values interested me, and I want Senators who are within the sound of my voice to listen to it:

Annual compensation of Mr. Grace and Mr. Buck, president and director, respectively, of Bethlehem Steel Corporation:

Mr. Grace, $12,000 (salary), $1,623,000 (bonus)		$1,635,000
Mr. Buck, $10,000 (salary), $378,000 (bonus)		388,000
		2,023,000
Annual compensation of—		
The President of the United States	$75,000	
The Vice President of the United States	15,000	
The 9 members of the Cabinet	135,000	
The 9 United States Supreme Court Justices	180,500	
The 53 Governors of the States, Territories, and island possessions	432,900	
The 96 United States Senators	960,000	
		1,798,400
Difference		224,600

So it appears that these two officials of the Bethlehem Steel Co. drew $224,600 more than the combined salaries of the officials I have mentioned. The balance would more than pay the salaries of 22 of Pennsylvania's 34 Congressmen—$220,000.

SUCH CONDITIONS CANNOT LONG CONTINUE

I know the United States Senate will not permit such conditions to continue. We came here and with uplifted hands we swore to uphold democracy and our form of government and our Constitution and the flag we love. But it cannot be protected if we allow such conditions to continue. We cannot permit the wealth of America to be piled high by a few individuals, high as the Empire State Building in New York City, piled so high that it may fall upon them and destroy them, which, perhaps, would not be so bad, except for the fact that it may drag the country down with them. These are facts we must think about. I do not expect the Senate to agree with me today, but I wonder what we will be saying next winter and a year or 2 years from now. I did not find the United States Senate or the House of Representatives agreeing with me in 1917 when I opposed the entry of the United States into the World War. I predicted that these conditions would come upon the country. But I do not find anybody now disagreeing with my position of 20 years ago.

NO MAN SHOULD HAVE A SALARY GREATER THAN THE PRESIDENT OF THESE UNITED STATES

If we add to the above compensation of $2,023,000, payments made in the same year, 1929, to 10 other executives and directors of the Bethlehem Steel Corporation, payments amounting to $1,692,000, the total annual compensation of $3,715,000 would more than double the salaries of all the officials I have mentioned. No intelligent people will long endure economic slavery, with kings of capital enthroned to rule them, for that is what we have today. In all this I am no foe of small business, independent business, and the great dwindling middle class. I bear no commission from Minnesota to strike them from the rolls of the Nation.

THE GREAT AMERICAN TRAGEDY

Is it not tragic that it can be truthfully said that in a democracy, by consent of the people of the Nation, these salaries amount to from 2 to 21 times the salary of the President of the United States, while at the same time millions of American citizens live on relief rations of 14 cents to 16 cents per day per person and others die of starvation?

The United States of America is still functioning—with civil liberties preserved in all but a few sections of the country—as a political democracy which, in theory at least, means that the people, by majority vote, can control both their political and economic destiny. What will future historians say of our political wisdom, or our economic intelligence, when they uncover such conditions as obtain today and realize how little effort was made to change them?

How will they characterize the failure of leadership in this most crucial period of our own, and of the world's, history?

FAILURE OF LEADERSHIP

I wish to say here that, so far as I am concerned, I want to give due credit to all officials of the United States Government who have bent their efforts to change these conditions and better the conditions of the average man.

What was happening in the Nation during the second half of 1937 was evident to all, that is, that before we had emerged from the 8 years of economic chaos of 1929–37 we had plunged headlong into another major depression. It should have been apparent that the business recovery of 1936 and early 1937 could not be of a permanent character with a mass-unemployment problem of eight to ten millions, and with only a hand-to-mouth purchasing power left in the hands of 40,000,000 of our citizens. Even increased dividends of the great corporations, princely salaries, and old-time bonuses could not sustain business activity built upon the quicksands of one-third of a nation living on the verge of destitution.

I QUOTE THE PRESIDENT OF OUR UNITED STATES WHEN I SAY THAT ONE-THIRD OF OUR PEOPLE ARE ILL-FED, ILL-CLAD, AND ILL-HOUSED IN THE MIDST OF OUR PLENTY

Mr. President, I wish to recall the fact that the Chief Executive of this Nation, standing on the historic front entrance to this great Capitol Building in 1937, said that one-third of our Nation was ill-housed, ill-fed, and ill-clad. I do not know what higher authority Senators might desire in this discussion than that; and I cite to them the authority of the Secretary of Agriculture and the President himself, I presume, based on that statement, that many of the farmers of the United States are living under conditions worse than those of the peasants of Europe. There is no necessity for that. This great country has the wealth and the producing power, and should have the intelligence—and I think we have if we will bend to the work—necessary to distribute the wealth of the country in such a manner that we shall not destroy initiative, and yet shall deal more justly with the people of the United States. So I have quoted Mr. Hopkins and the Secretary of Agriculture and the President of the United States, not asking the Senate to rely upon any surmises or statements or conclusions at which I may arrive.

UNEMPLOYMENT BREEDS SOCIAL DISORDER AND CRIME

Mr. President, there is another phase of this problem of mass unemployment and consequent poverty that I wish to touch upon, namely, the relation of unemployment to social disorder and crime.

A business executive, recently discussing sympathetically the problem of unemployment and poverty, said, "But I must protect my family. They must be secure"; to which the rejoinder was made, "There can be no permanent security for your family without security for all families."

I subscribe to that statement, and believe there is an imminent menace to society, and to our democratic institutions, lurking in the present situation.

SOCIAL JUSTICE MUST PREVAIL

I desire to say that I have not appeared here to ask the destruction of the present order. I have not asked here that there should be a complete leveling process. I have not advocated that. I am advocating social justice, based upon the economic resources of this great Nation.

We have in the United States of America 70 percent of the world's unemployed, and at the same time an estimated wealth of $85,000,000,000 more than the combined wealth of the other five great industrial nations—Great Britain, France, Germany, Italy, and Japan. Yet, still functioning as a democracy, with all political power in the hands of the people, we lack the wisdom and intelligence to enact laws that will enable us to feed, clothe, and house our comparatively small population.

AMERICA MUST WAKE—WE MUST RISE TO THIS CRISIS

I do not wish to have the startling statement that we have in the United States 70 percent of the world's unemployed rest upon my own assertion. I wish to give the figures from the International Labor Office, Geneva, Switzerland. I presume they ought to be correct. So many proponents and exponents of the League of Nations and of the World Court were abroad in the land a while ago that this must be a divinely anointed statement and correct. I ask that it may be printed in the RECORD so that we may have the figures here to substantiate my statement.

SEVENTY PERCENT OF WORLD'S UNEMPLOYED IN AMERICA

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the statement will be printed in the RECORD.

The statement is as follows:

[From the International Labor Office, Geneva, Switzerland]

GENEVA, April 1938.—World unemployment statistics for the first quarter of 1938, which have just been compiled by the International Labor Office, show a decline in a majority of countries as compared with the corresponding quarter of last year.

However, increases occurred in Belgium, Bulgaria, Canada, France, Great Britain, Ireland, Norway, and the United States.

Compared with the last quarter of 1937, the statistics show that unemployment rose in all countries except Australia. But officials explain that this trend was for the most part seasonal.

Index numbers of employment, compiled at the same time by the I. L. O. show that, compared with the corresponding quarter of last year, employment increased in all countries except the United States and Belgium.

UNEMPLOYMENT IN THE UNITED STATES

In the first quarter of 1937 the number of persons in employment in the United States equaled 92.2 percent of the 1929 total, while in the first quarter of 1938 the number declined to 78.8 percent of the 1929 figure. This was a drop of 13.4 percent. The decline in Belgium from the first quarter of 1937 to the first quarter of 1938 was only 0.4 percent.

Eleven countries, the index numbers disclose, now have more persons in employment than in 1929. These are: Great Britain, with 110.2 of her 1929 figure; Hungary, with 108.1; Latvia, 121.1; Yugoslavia, 117.3; Estonia, 139.2; Finland, 109.2; Italy, 109.3; Japan, 135.3; Norway, 109.0; South Africa, 131.8; and Sweden, 117.3.

Figures for other countries are: Belgium, 87.2; Czechoslovakia, 79.5; the Netherlands, 74.6; Canada, 92.6; France, 81.1; Luxemburg, 75.6; Poland, 84.5; and Switzerland, 78.6.

STATISTICS NOT ALWAYS ACCURATE

In making public the unemployment and employment statistics, officials cautioned that since the method of compiling them as well as the dates for which latest figures are available differ from country to country, they cannot be accepted as accurate measurements but only as showing trends.

The attached table gives a comparison of the volume of unemployment in the various countries during the first quarter of 1938 with the corresponding quarter of 1937 and the last quarter of that year:

	First quarter 1937	First quarter 1938	Difference	Last quarter 1937	Difference
Austria	316,050	302,263	−13,787	224,166	78,097
Australia	46,863	37,558	−9,305	42,145	−4,587
Belgium	131,565	136,298	4,733	90,574	45,724
Bulgaria	10,964	19,062	8,098	5,012	14,050
Canada	27,379	27,530	151	19,140	8,390
Chile	5,516	3,137	−2,379	2,928	209
Czechoslovakia	198,492	177,972	−20,520	107,782	70,190
Danzig	16,724	8,580	−8,144	3,800	4,780
Denmark	133,795	127,222	−6,573	107,101	20,121
Estonia	2,064	1,798	−266	1,473	325
Finland	5,383	4,544	−839	3,924	620
France	441,207	444,376	3,169	362,551	81,825
Germany	1,853,460	1,051,745	−801,715	501,847	549,898
Great Britain and Northern Ireland	1,624,765	1,807,517	182,752	1,506,590	300,927
Hungary	50,863	46,132	−4,731	45,187	945
Ireland	91,680	104,829	13,149	94,414	10,415
Japan	322,948	281,215	−41,733	277,200	4,015
Latvia	6,358	4,123	−2,235		
Netherlands	466,242	439,278	−26,964	378,000	61,278
Norway	34,440	35,311	871	32,239	3,072
Rumania	9,549	6,343	−3,206	6,343	
Sweden	33,509	21,723	−11,786	12,411	9,312
Switzerland	87,120	81,040	−6,080	42,420	38,620
United States [1]	9,241,000	10,973,000	1,732,000	9,267,600	1,705,400

[1] American Federation of Labor figures.

Note International Labor Office (Geneva) unemployed estimate (A. F. of L.) for United States	10,973,000
To this should be added additional unemployed from date of Biggers census of November 1937 to April 1938	4,000,000

The most accurate estimate of the unemployed in the United States is as follows:

Biggers census estimate, November 1937	10,870,000
Additional unemployed since November	4,000,000
Total in April 1938	14,870,000

The 4,000,000 additional unemployed figure is based on statements by the highest administration officials.

Estimated wealth of 6 largest industrial nations

	Year	Wealth
Italy [1]	1925	$22,300,000,000
Germany [1]	1924	40,000,000,000
Japan [1]	1928	51,017,000,000
France [1]	1925	51,600,000,000
Great Britain [1]	1925	117,800,000,000
Total, of 5 nations		282,717,000,000
United States (estimated) [2]	1928	367,610,000,000

[1] World Almanac, 1938.

[2] Estimate of Dr. Willford I. King, formerly economics adviser of National Bureau of Economic Research; now professor of economics of New York University.

Mr. LUNDEEN. Mr. President, the threat to our institutions, and to our very lives, lies in this amazing contradiction—namely, long-continued mass unemployment and poverty in the midst of great abundance for all; and all that the unemployed ask is a chance to work for a bare subsistence wage. The patience, forbearance, and reverence for law and order of the workers, under great provocation, will be the marvel of future historians of this period.

CONGRESS IS ON PROBATION—IF WE FAIL, OTHERS WILL REPLACE US

I have talked to many of these persons. I have gone among them, as I know you have. I have always found them willing to work. There may be, here and there, some unfortunate person who is below the average mentality; but all that the average American citizen asks is a job. All he asks is a chance, that he may walk among his fellow citizens in America upright, with the sun shining full upon him, and with hope in the future. I have hope in the future. I have it to the extent of believing that if this Congress and succeeding Congresses do not solve these problems, there will be those in our places here by the votes of the people who will solve them; and that is only right and just.

IT IS NOT WISDOM TO IGNORE THE LESSONS OF HISTORY

Is it the part of wisdom to ignore all the lessons of history and trust that millions of men and women in a democracy, or under any other form of government, will continue to endure starvation indefinitely? That is more than we can rightfully expect.

I hope the statesmen of this Nation, and our "60 families of America," will pause in their mad demand for economy at the expense of human life.

There are those who say, with callous disregard of the anguish and misery of the millions of unemployed and their dependents, that we have spent billions of money, that we still have the unemployed with us, and that we had better, therefore, all go home and let things right themselves, or words to that effect.

In reply to this sentiment, Mr. President, I say that had we not appropriated and spent these billions in the past 4 years in aid of the unemployed, it is not impossible that the people who say this would have had no homes to which to return.

WE CANNOT IGNORE THE LESSONS OF THE PAST

We cannot afford longer to ignore the lessons of the past, and the danger that lurks in our present economic situation.

Let me now come to the yet unheeded warnings of businessmen, economists, and historians setting forth the menace in such conditions as exist today and have prevailed for the past 8 years in our Nation.

The quotations I am to give you, showing clearly the relation of unemployment and poverty to crime and social disorder, may be found in a hearing before the Committee on Labor of the House, considering an unemployment bill (H. R. 14185) on February 17, 1923. The statements and addresses from which the quotations are taken were made during the depressions of 1914–15 and 1919–21, when the number of unemployed was about one-third of that of the present time.

I QUOTE FROM OUR GREAT BUSINESS AND PROFESSIONAL LEADERS

I have compiled here statements from men like Maj. Gen. Leonard Wood; Mr. Elbert H. Gary, president of the United States Steel Corporation; and other businessmen, so that I may be within the limits of respectability in my quotations.

Maj. Gen. Leonard Wood, speaking at the Methodist centenary luncheon, held at Hotel Pennsylvania, New York City, on March 8, 1919, said:

The streets of your city, the streets of St. Louis, the streets of Kansas City, of Chicago, are full of men without places to sleep, without food, without occupation. They are wearing the uniform of our country which is as sacred as our flag. * * * Imagine the feeling of a man who still has in mind a photograph of the great heaps of men in the Argonne, coming home robbed, selling papers on the streets. Do you know what that breeds? It breeds a spirit we do not want to see in this country. * * * We must

organize to receive these fellows. * * * If you don't do it you may create a feeling of discontent in many thousands of minds which won't do us any good. They have done their work—let us do ours.

MAJ. GEN. LEONARD WOOD

The address of General Wood, from which I have just quoted, was made in New York on March 8, 1919. Four months prior to that date—namely, on December 10, 1918—I appeared before the Committee on Rules of the House, Hon. Edward W. Pou presiding, to speak in support of two resolutions, 463 and 452, the purpose of the resolutions being to provide employment for soldiers who were unemployed by reason of demobilization, and for industrial war workers thrown out of work by the ending of the war. On February 28, 1919, I again referred to House Resolution 452, which I introduced on November 21, 1918.

LUNDEEN UNEMPLOYMENT RESOLUTION 452—INTRODUCED NOVEMBER 21, 1918

Everyone realized that the Nation would be faced with a serious unemployment problem caused by returning soldiers and discharged war workers, but no adequate remedial measures were enacted by the Congress to meet the situation, which neglect resulted in the conditions described by Gen. Leonard Wood.

Notwithstanding the debt the Nation owed these millions of men sent overseas to fight in the most devastating and horrible war of all history, no steps were taken, either by the leaders of industry or by the Federal Government, to assure to these returning soldiers jobs by which they might support themselves and those dependent upon them. Despite all the pledges made to these men when they enlisted or were drafted, they were left to shift for themselves; the streets of our cities were full of these men without places to sleep, without food, without jobs.

300,000 VETERANS UNEMPLOYED IN 1938

On March 1, 1938, an Associated Press article stated that the Veterans' Administration at Washington had undertaken the task of finding jobs for 300,000 unemployed ex-service men. It was stated that 1938 would be a critical year for former soldiers, and that as the average age of World War veterans is between 45 and 46 years, their reemployment constituted a serious problem because of commercial and industrial reluctance to employ older men.

Elbert H. Gary, president of the United States Steel Corporation, in a signed article published in the New York Times on January 3, 1915, when Judge Gary was chairman of Mayor Mitchel's New York City Committee on Unemployment, stated:

THE PRESIDENT OF THE UNITED STATES STEEL CORPORATION SPEAKS

No inefficiency could be greater in a community than to leave honest and competent labor, of whatever type, subject to humiliation of charitable or philanthropic relief * * *. It very often has happened in the past that disorder and even crime have been the outcome of unwilling idleness. Is it not obvious, therefore, that it is the wise course for individuals, firms, corporations, and even government to cooperate toward its prevention?

It seems to me that there can be no question of the fact that it is better for society to support the workingman by giving him an honest opportunity to earn an honest living than to support him in hospitals, almshouses, or prisons. * * * It really comes down to this: The more the community and the Government do toward furnishing work for the workers, the more they are doing, at the same time, for themselves * * * but the strongest argument of all is the practical argument. The man in want not only suffers personal discomfort but he burdens and may menace the community in which want strands him.

Col. Arthur Woods, a former police commissioner of New York City, in an address before the Brooklyn Institute of Arts and Sciences, on March 8, 1921, on the subject: Prevention of Crime, said:

In order to be able to prevent crime one must know the cause of crime, and in my opinion poverty from unemployment or other causes is the most important and the biggest factor in the question of crime.

Walter Lincoln Sears, superintendent of the city of New York Public Employment Bureau, at the New York City conference on Probation, in city hall, April 22, 1915, said:

Unemployment and its relation to crime, delinquency, and probation, is a particularly appropriate subject for discussion at the present time. Doubtless nonemployment or idleness is largely responsible for crime. * * * Idleness begets mischief, and its ultimate result is crime. When the people are busy in a productive capacity, they have little time to think of crime. * * * Just so long as we have idleness and unemployment we shall have crime. The longer the idleness continues the less willing men are to commence work again.

MEN SENT TO PRISON BECAUSE THEY COULD FIND NO WORK

Commissioner Davis, of the Department of Corrections, New York City, at the same conference—1915—tells us that the prison population of the Boroughs of Manhattan, Brooklyn, Queens, and the Bronx has increased 50 percent during the last 14 months.

From the same House Committee on Labor hearing of 1923, and just as pertinent to the present time, I quote two more passages. The warden of the penitentiary in New York City said:

Men are constantly being committed here in large numbers who have been charged with no crime. Over 50 percent of the commitments to this institution are for vagrancy—the crime (?) of being out of work and homeless. I am convinced from seeing the efficient work of some of these men while here, that they never would be here could they have secured employment outside. By our treatment of the unemployed we are making criminals of men who have heretofore been honest, self-sustaining members of the community, and who would be so again could they obtain work.

William Dean Howells many years ago said:

It is not that misery is growing, but that it is growing intolerable, if not to the sufferer, then to the witness. In this age a man denies the claim of humanity with much greater risk to himself than formerly.

It is not yet so apparent to us all that men must take care of one another, but in the history of the race that is the most obvious lesson. The stronger man must take care of the weaker, as his jailer, on the old lines and in conformity to the ideals of the stone age in political economy, or else he must take care of him as his brother.

Jailer or brother, which shall it be?

In 1893, at a public meeting for the unemployed held in the Academy of Music in the old city of Brooklyn, Supreme Court Justice William J. Gaynor (later mayor of New York) said:

The stupid cry has come down through all the ages, and we hear it yet, "Don't disturb the existing order of things. Leave matters alone." There can be no advance of the human race without a change in the existing order of things. Popular education has been and always will be the great disturber and improver of the existing order of things. Diffusion of human knowledge, and change in the existing order of things, have come down from the twilight of fable, hand in hand.

THE EXISTING ORDER OF THINGS

The existing order of things may be the worst possible order of things. The existing order of things crucified Jesus because he was a denouncer of the existing order of things; and in this enlightened Nation the existing order of things, even during the lifetime of those of us who are still called young, was that one human being might own another, and good men were mobbed and killed for objecting to it. We owe all that we have to the steady advance of the human race against the compact mass of those who have always cried out, and still cry out as lustily as ever, "Don't disturb the existing order of things." * * *

LET US NEVER FORGET OUR SOCIAL SYSTEM IS STILL IMPERFECT

Let this meeting remind us, and let us never forget, that while the human race has advanced, while the condition of men has steadily grown better, our social system is still imperfect. Can it be that in the wisdom of the Godhead there is not some social and political system under which it would be impossible for any man to starve to death, simply because he could not get work to do with his hands, when the earth possesses and produces much more than abundance for all? Let us not doubt it, but assist in moving forward to it.

Mankind is advancing on toward perfection. It has not reached the goal. Let us not be content to believe that everything is just as it ought to be, and also cry out, "Leave things as they are; change nothing"; but let us listen, read, and inquire.

Bringing this subject of the menace of crime and social discontent, disorder, and bloodshed down to the economic chaos of 1929–38, I quote from other business leaders, economists, and historians.

William Butterworth, president of the Chamber of Commerce of the United States, said in his keynote address at the annual meeting in Washington on April 29, 1930:

Business must frankly face the inevitability of change. Change is omnipotent; nothing can resist it. Change—political, social, or economic—has always followed two well-defined courses: It is either an ordered and controlled evolution, or sudden, extreme, and

violent. Business, in very large measure, may determine whether change will be an orderly development or of an eruptive character. The dislocations which follow in the train of unmastered change are the price of narrow-visioned leadership.

Prof. A. F. Hinrichs, director of research in Brown University Bureau of Business Research, said in an article published in the Atlantic Monthly, July 1931:

Relatively little progress has been made in the adaptation of economic society to its changed material and technological environment * * *.

Drastic changes have occurred either by revolutionary processes or by more or less rapid evolutionary development. The only thing for which there is no historical precedent is the continuation of a status quo under existing conditions of social tension. The most successful transformations have been effected when the dominant groups in a society have made their own the most immediately practicable parts of the opposition program. Where they have done this they have stayed in power. Where they have insisted on maintenance of the status quo their temporary successes have only increased the violence of the ultimate change * * *.

NO MORATORIUM ON PROGRESS

We cannot declare a moratorium on mechanical developments. We have created a monster endowed with the power of reproduction. The salvation of our society lies in bringing our institutional environment into harmony with its technological setting.

Harper Sibley, president of the Chamber of Commerce of the United States, in an address before New York Board of Trade, Hotel Waldorf-Astoria, January 13, 1937, said:

There is bound to be change from the things we have known. It is the one thing clear in a confused world, that we've got to be open-minded and quick on our feet to meet the changes that are impending. The question is whether businessmen will be able to handle these changes or whether they will slip out of our hands, as they have done disastrously in other countries.

This is a statement by the president of the Chamber of Commerce of the United States.

Prof. Wallace Brett Donham, dean of the Graduate School of Business Administration, Harvard University, states in his book Business Adrift (1931):

If capitalism and capital are not based on programs which are socially sound for the whole mass of the people, the preservation of existing capital and the continuance of the capitalistic system will both be impossible. The few can never defend themselves against the many.

Our sense of security has broken down and labor cannot be kept in this cooperative frame of mind without security.

The only way to defend capitalism is through leadership which accepts social responsibility and meets the sound needs of the great majority of our people. Such leadership will seek to form constructive plans framed not in the interest of capital or capitalism but in the interest of the American people as a whole.

Dr. Nicholas Murray Butler, addressing the American Club, in Paris, on June 11, 1931, stated:

The period through which we are passing is a period like the fall of the Roman Empire, like the Renaissance, like the beginning of the political and social revolutions in England and France—it is different from them all, is more powerful than them all and holds the world more in its grip than any of them, but it resembles them in its epoch-making character.

James Truslow Adams, in an article in the magazine section of the New York Times, January 10, 1937, entitled "A Test for American Business," made this statement:

It is not merely that they (businessmen) will have to recognize a greater social responsibility but they will have also to develop statesmanlike qualities if they are not to lose, in a wholly altered pattern of American life, such leadership as they formerly enjoyed. Interesting as are the social implications of President Roosevelt's increasing majorities in three successive elections, I do not form this judgment merely on account of them. They are only symptoms of the crisis to which America has come. * * *

With almost every American, big or little, striving to go as far and as fast as he could for the sake of his private advancement, little or no attention was paid to the larger social results of his acts.

COLOSSAL TAXES AND SOCIAL UPHEAVAL

I believe that a change is coming not only over the people but also over the businessmen. * * * They have found that men will no longer starve quietly, and that the old leadership means both colossal taxes and possible social upheaval.

In this depression businessmen have had to consider the good of society as a whole, not merely as a legal enforcement or a religious or humanitarian ideal but as perhaps the only method of salvaging their business and their own permanent position in the social group. * * *

The old order may go down in blood and agony like the French nobility in the revolution, or it may have the sense and capacity to adapt itself to new conditions and continue leadership as in England, the land of compromise. But it cannot stand still.

OUR BUSINESS LEADERS MUST DECIDE

On the decision of our business leaders will depend the sort of life we and our children live * * *.

Unless he (the business leader) can go on and provide the masses with increasing means to buy the things he has taught them they should have, his production may prove as disastrous to the stability of society as the poison gases of the scientists.

If they cannot do so (solve the problem of wholesome living of the masses), then they will have to meet the fate of every class which has been unable to adjust itself and thus has outlived its social usefulness.

R. C. Leffingwell, of J. P. Morgan & Co., in an address before the Academy of Political Science, March 21, 1934, and in his introductory remarks when presiding at a dinner of the same body on April 2, 1936, said:

Government is the residuary legatee of all the successes and all the failures of all of us. Government must keep itself going and keep its people going too. Government can balance its budget only by enriching its people, not by impoverishing them.

Government must intervene to relieve the sufferings of the people. It is intolerable in the modern world, with its elaborate mechanism of trade and finance, its highly industrialized and mechanized economy, that our people should be left to starve or to endure privation almost worse than starvation. It is intolerable that the monetary mechanism evolved for the sole purpose of achieving stability and human welfare should be permitted ever again to run amuck as it did from 1929 to 1933.

Henry A. Wallace, Secretary of Agriculture, made this statement in an article in the New York Times, Sunday magazine section, January 3, 1937:

One-third of the farmers of the United States live under conditions which are so much worse than the peasants of Europe that the city people of the United States should be thoroughly ashamed.

Mr. President, I would remind the Senators—especially those sitting on the Republican side—that former President Hoover has for the past 20 years been one of the most outspoken advocates of the principle of expansion of public works in times of business depression to relieve the unemployed and to stabilize business; and yet we remember that President Hoover, in his Detroit address of October 22, 1932, attacked Governor Roosevelt for pledging his support in a letter—

To whatever measures I may deem necessary for inaugurating self-liquidating public works, such as utilization of our water resources, flood control, and land reclamation, to provide employment for all surplus labor at all times.

In commenting on this letter President Hoover said that there can be only one conclusion, that is the holding out of a hope to the 10,000,000 men and women now unemployed that they will be given jobs by the Government. The President then said:

It is a promise no government could fulfill. It is utterly wrong to delude suffering men and women with such assurances.

He further stated:

There are a score of reasons why this whole plan is fantastic. These 10,000,000 men, nor any appreciable fraction of them, cannot be provided with jobs in this fashion. The only way is by healing the wounds of the economic system to restore them to their normal jobs.

It is strange to have this attack come from President Hoover, who has for the past 15 years advocated exactly this principle, that is, that the expansion of public works in times of business depression not only is a correct method of relieving unemployment but of reviving industry and stabilizing business itself.

Let us look at the record. One of the chief recommendations of President Harding's conference on unemployment of 1921, of which Mr. Hoover, then Secretary of Commerce, was chairman, was this expansion of public works by Federal, State, and municipal governments in times of business depression to employ the surplus unemployed and to stabilize business.

PRESIDENT HARDING'S UNEMPLOYMENT CONFERENCE, 1921—MR. HOOVER THEN SECRETARY OF COMMERCE, CHAIRMAN

The membership of the conference was composed of 98 men and 4 women, representatives of business and labor, public officials, economists, engineers, educators, and social

workers. A large number of the members of the conference had for many years advocated the expansion of public works by the Federal Government to relieve unemployment in times of business depression.

The measure of the problem before the conference, and the ability and resources of the Nation to find solution, were best set forth by the following three or four sentences from President Harding and Secretary Hoover in their opening addresses to the conference.

President Harding:

Fundamentally sound, financially strong, industrially unimpaired, commercially consistent, and politically unafraid, there ought to be work for everybody in the United States who chooses to work. * * *

Secretary Hoover:

There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which numbers, willing and anxious to work, are deprived of these necessities. It simply cannot be if our moral and economic system is to survive. * * * What our people wish is the opportunity to earn their daily bread, and surely in a country with its warehouses bursting with surpluses of food, of clothing, with its mines capable of indefinite production of fuel, with sufficient housing for comfort and health, we possess the intelligence to find solution. Without it our whole system is open to serious charges of failure.

Now that was 17 years ago. Just how far have we traveled in those 17 years?

The advisory committee of the public-works committee of the conference includes in its report the following (see page 98 of the conference report):

Your committee is convinced that the expansion of public works during the winter of 1921–22 constitutes one of the most important measures to revive private industry and to check unemployment. We therefore recommend to the conference that methods be formulated and measures pressed for the advancement and augmentation of public works for the following reasons:

1. The best remedy for unemployment is employment.
2. Direct employment is given by public works.
3. Indirect employment is given in the manufacture of the materials.
4. The wages paid to those directly and indirectly employed create a demand for other commodities which require the employment of new groups to produce (see charts attached). Thus public works assist in reviving industry in general.
5. Public works will serve as a partial substitute for private relief and charity.

Again from the report of the same committee—page 99:

Public works—municipal, State, and Federal—should be contracted in years of industrial activity, and expanded in years of depression to accomplish the following purposes:

1. To revive private industry and to check industrial depression and unemployment.
2. To prevent the demand of public works for materials and labor from conflicting with the needs of private industry.
3. In general, to stabilize industry and employment.

Then follow—on pages 101 and 102—carefully worked out charts, by Otto T. Mallery, a leading authority on public works and secretary of this public-works committee, to show how the "normal level of employment" may be maintained in periods of industrial depression by releasing reserve funds for deferred public-works construction.

HEALING WOUNDS OF THE ECONOMIC SYSTEM DID NOT SUCCEED

These reports of the 1921 conference refute completely the statement by President Hoover that the only way to provide jobs for the unemployed "is by healing the wounds of the economic system to restore them to their normal jobs." The principle enunciated in these reports is not only that governmental public works provide jobs directly but that a second service of equal importance is rendered by indirectly employing other workers in making and preparing materials for the public works. Indeed, public works would, if used in adequate amounts, be the chief factor in healing the system's wounds.

PUBLIC WORKS AND GOVERNMENT OWNERSHIP WILL SUCCEED—A REAL PROGRAM, NOT A MERE GESTURE

Again we are indebted to Mr. Hoover's 1921 conference for setting forth clearly this fact. As a part of this same chapter on Public Works, a subcommittee on a Better Roads—More Work Program, consisting of Charles M. Babcock, highway commissioner of Minnesota; Ida M. Tarbell, and Col. Arthur Woods—President Hoover's first chairman of unemployment relief in 1930–31—made the following statement regarding the effect of public-works employment upon industry in general:

Minnesota estimates that for every man she keeps busy on road construction three others are employed in the work of preparing and transporting materials. For every mile of paved road she builds, 141 carloads of freight are moved; that is, road construction means occupation in many industries.

BETTER ROADS AND WORK PROGRAM

It is the judgment of this committee that the country should put itself behind the better-roads—more work program, insisting that it be pushed at once to the last dollar of money that is available.

It can, therefore, be seen that it is not a problem of the Government employing all the unemployed on public works, as the President intimated in his Detroit speech, but that the employment directly of about one-half of the idle on such work would so revive the industrial life of the whole Nation as to eliminate largely the major unemployment and relief problems. There would then be time to consider calmly the fundamental changes necessary in our industrial and financial system to prevent a recurrence of these business depressions.

PUBLIC WORKS AND THOUGHTS OF PLANNING

In February 1923, about a year and a half after the 1921 conference had adjourned, there was presented to Mr. Hoover, then Secretary of Commerce, an identical bill introduced by Senator Frelinghuysen and by Representative Zihlman, which provided for a Commission of three to make investigations throughout the country and to report where the public interest would be best served by the construction of roads, reclamation of waste lands and irrigation projects. In the preamble of this bill it was stated, "Whereas in the expansion of public works at all such times (of unemployment and acute business depression) lies a natural and fundamental remedy for unemployment", and so forth. Mr. Hoover endorsed this bill, saying at the time that he had stood for the principle for 5 years, and wrote to both Senator Frelinghuysen and Representative Zihlman.

THREE IMPORTANT REPORTS PUBLISHED BY STANDING COMMITTEE

The 1921 President's Conference on Unemployment differed from preceding unemployment conferences in this respect: It continued to function through a standing committee after the conference itself had adjourned, of which committee Herbert Hoover was chairman. Three important reports were published by this committee or by subcommittees of which Mr. Hoover was chairman, or wrote the foreword to the reports.

The first was a report on Business Cycles and Unemployment by a committee, appointed by Mr. Hoover, of which Mr. Owen D. Young was chairman. In the foreword of this volume of 400 pages, Mr. Hoover says:

The whole problem belongs to a vast category of issues which we must as a Nation confront in the elimination of waste if we are to maintain and increase our high standards of living. No waste is greater than unemployment; no suffering is keener or more fraught with despair than that due to inability by those who wish to work to get jobs.

BASIC REFORMS FORGOTTEN

We now pass over the next 5 years of business activity, sometimes referred to as "the new era" of industrial prosperity and continuous good times, in which period no consideration was given to the inevitable cyclical depression, or to measures coping with its accompanying unemployment and distress. No fundamental and basic reform was adopted in that period or breathing spell.

In November 1928, either reminded of the possibility of an industrial crisis by the sharp increase in unemployment in the spring of that year, or because of the pressure brought by economists who foresaw what was coming, Mr. Hoover, 3 weeks after his election to the Presidency, requested Governor Brewster, of Maine, to present to the Conference of Governors at New Orleans, what became at once nationally known as the "Hoover Plan." The Literary Digest, devoting

its first 3 pages of the issue of December 8, 1928, to the plan, describes it in these words:

THE ABOLITION OF POVERTY—A JOB FOR EVERY MAN—THE FULL DINNER PAIL—FORGOTTEN SLOGANS

Hoover's plan to keep the dinner-pail full. The abolition of poverty, or a job for every worker, was more than once depicted by Mr. Hoover during his campaign as the great aim of the American economic system. Now his proposal to create a $3,000,000,000 reserve fund to be used for public construction work, so as to ward off unemployment in lean years, is hailed as a step toward that goal.

Governor Brewster, speaking before the Governors' Conference and presenting the "plan" as that of President-elect Hoover, at the latter's request and in his name, said:

In Egypt people suffered when there was a famine. In America people suffer when there is a glut. What is called overproduction fills our storehouses, and factories close down. Men walk the streets and starve, not because there is too little, but because there seems to be too much.

The inability of men to find work at times has meant a decline of $5,000,000,000 in the capacity of the American people to buy. No one wants this. Factories want work, laborers desire employment, merchants wish to clear their shelves. Meanwhile the vicious cycle is increased in its downward plunge by the lack of purchasing power of the ever-broadening groups to find themselves without opportunity for employment of any kind. * * * In some measure it is possible to do for unemployment what the Federal Reserve System has done for finance, and with equal advantage to the country as a whole. No centralization of authority is proposed, but merely the creation of a condition by concerted action. Follow the flow of these billions to the contractor, the laborer, to the materialmen, to the factory, to the factory employees, to the merchants, to the farmer.

Organization for prosperity is the next lesson that America may teach the nations of the world.

This was the picture, the prophecy, the vision, in 1928 of President-elect Hoover—economist, engineer, humanitarian.

HOOVER FAILS TO ACT—TALKING ABOUT THE ABOLITION OF POVERTY IS NOT ENOUGH

But Mr. Hoover's inaugural message in March 1929 and his message to the special session of Congress in April carried no word about providing this unemployment reserve fund to be used in the pending inevitable business depression. Both Governor Brewster and Prof. William T. Foster—the latter having accompanied Governor Brewster when he presented the Hoover plan to the Governors in 1928—saw President Hoover in the spring of 1929 and urged action along the lines of the Hoover reserve-fund plan. Although the President assured Governor Brewster the matter would receive his attention as soon as the farm relief session and other pressing matters were out of the way, no action was ever taken by the President.

In the spring of this same year—1929—there was completed the second and most pretentious and exhaustive report of the Committee on Recent Economic Changes of the President's 1921 Conference on Unemployment, Herbert Hoover, chairman.

THREE NATIONAL SURVEYS MADE

As stated in the foreword of the 2 volumes (950 pp.), this report was the third of three national surveys made in connection with the 1921 conference. The other members of the committee were Walter F. Brown, Renick W. Dunlap, William Green, Julius Klein, John S. Lawrence, Max Mason, George McFadden, Adolph C. Miller, Lewis E. Pierson, John J. Raskob, A. W. Shaw, Louis J. Taber, Daniel Willard, Clarence M. Woolley, Owen D. Young, and Edward Eyre Hunt, secretary.

The foreword states that "in its later deliberations the chairman, Herbert Hoover, was unable to take part and A. W. Shaw served as acting chairman." Presumably this was on account of Mr. Hoover's nomination and election to the Presidency a few months prior to the completion of the report in February 1929—begun in January 1928.

In the report of the committee, printed in this volume, we find under the caption "Remote Saturation Points" the following optimistic conclusion:

REMOTE SATURATION POINTS

As long as the appetite for goods and services is practically insatiable, as it appears to be, and as long as productivity can be consistently increased, it would seem that we can go on with increasing activity. But we can do this only if we develop a technique of balance. * * *

Informed leadership is vital to the maintenance of equilibrium. * * *

Underlying recent developments is an attitude of mind which seems to be characteristically American. Our Nation is accustomed to rapid movement, to quick shifts in status; it is receptive to new ideas, ingenious in devices, adaptable. Our economy is in large measure the embodiment of those who have made it.

Following this is a eulogy of the businessman in "A Review" at the close of the report, by Dr. Wesley C. Mitchell, director of National Bureau of Economic Research—the organization largely responsible for these reports:

All that is certain is, that whatever progress in efficiency we continue to make must be won by the same type of bold and intelligent work that has earned our recent successes.

THE BLIND LEADING THE BLIND

And this was published but a few weeks before the depression—the worst in the history of the Nation—began, and about 6 months before the collapse in October 1929. In all the 950 pages of this report, there were no constructive suggestions for either preventing these recurring business cycles or dealing with them, and the consequent suffering, when they did come upon us.

The third research work of this same committee on recent economic changes was published in 1930 under the title, Planning and Control of Public Works, issued as publication No. 17 of the National Bureau of Economic Research, and was the work of Prof. Leo. Wolman, a member of the staff of this Bureau.

At the beginning of this volume of 260 pages is printed the report of the committee, the personnel of the committee being the same as the previous year, except that Eugene Meyer took the place of Walter F. Brown. The research work of this committee was begun early in 1922 with Herbert Hoover, chairman, until his nomination for the Presidency in June 1928, when he was succeeded by Arch W. Shaw.

THE PRINCIPLE AND TECHNIQUE OF ECONOMIC BALANCE

In the opening paragraph of this 1930 report, The Principle and Technique of Economic Balance is discussed, and it is frankly pointed out that "in practice this tendency—to establish an equilibrium among economic forces—unrestrained, tends to produce alternate periods of depression and marked prosperity, and within each period to show a 'spotty' condition as capital, enterprise, and labor unevenly concentrate."

And yet, even in 1930, months after the present depression was under way, we read in the opening paragraphs of this report that:

A perfectly even flow of economic activities is not practically attainable, but an increasing degree of economic stability is undoubtedly the goal toward which the world is now working.

THE STABILIZING INFLUENCE OF PUBLIC CONSTRUCTION

But this note of optimism, which now in 1932 seems so unwarranted by the facts, can be forgiven when one reads the next section of the report on The Stabilizing Influence of Public Construction. Here is set forth clearly the whole principle of the expansion of public works to take up the slack of unemployment and to stabilize business. Special emphasis is placed on the vast expansion of our Federal and State highways, "serving the whole population." Then there is mentioned public buildings, grade crossings, bridges, viaducts, schools, hospitals, and so forth. This statement follows:

There are great public works to be built, there is money to do it, and in this country where future projects of permanent public improvements are so fixed and well defined, it is unnecessary to resort to makeshifts for additional work.

THE TIMING FACTOR—THE AMOUNT OF PUBLIC CONSTRUCTION NECESSARY

I quote a final paragraph from this report, headed "The Timing Factor," in which the importance of starting public works construction at the beginning of a depression is stressed:

The amount of public construction which it is possible to push forward in order to influence employment and the trend of business in a period of recession is less important than the timing of

the acceleration. The psychological effect of advancing public construction at the right time suggests that here is to be found an important factor in the problem of maintaining a reasonable economic balance. If properly timed, as the pendulum of employment starts to swing in an unfavorable direction, the influence of the prompt expedition of public works is effective out of all proportion to its size. Timeliness multiplies the effectiveness of each project accelerated.

And, now, the question is naturally asked, "Why did not these businessmen, and a labor leader, and President Hoover, take the initiative early in 1930, or even in November or December 1929, and call for a largely expanded program of public works by the Federal and State Governments?" And why, especially, did President Hoover during the years 1930 and 1931 not only take no initiative himself to expand public works to meet the crisis, but attempt to block every effort of legislators and other citizens to have adequate laws passed to provide for a public-works program? He attacked Governor Roosevelt in his Detroit speech for supporting the principle and advocating measures of relief, proposed again and again by President Hoover's own committees during the past 10 years.

And even now the President does not come out frankly and say that he no longer believes in the expansion of public works to relieve unemployment, as his formal reports have recommended, but he publicly claims credit for the relief measures passed in the last session of Congress—measures that he bitterly opposed and accepted only under pressure of Congress and public opinion.

NO ONE SHALL STARVE IN AMERICA

Let us now turn to the broader aspects of unemployment relief and to the President's oft-repeated pledge that "No one shall starve in America"; and to Federal Relief Administrator Hopkins' statement, used many times in formal addresses and finally put in permanent pamphlet form, and spread in the blurb of the cover:

We in the W. P. A. recognize that it is not enough merely to provide the able-bodied unemployed with jobs at security wages. That is the emergency phase of our task * * *.

We ought to be able to go steadily forward to an ever-rising standard of living, but in the meantime we must be realistic about it. The Federal Government cannot refuse responsibility for providing jobs to those whom private industry does not hire.

This was not a chance extemporaneous statement by Mr. Hopkins, appointee and close friend of the President. It was a carefully phrased declaration of policy made again and again in public speeches, the most important and formal being his address to the United States Conference of Mayors in Washington on November 17, 1936. This pledge of jobs by Mr. Hopkins must, therefore, have been made with the knowledge and approval of President Roosevelt, or it would never have been repeated.

PLEDGES NOT KEPT

Mr. President, how have these pledges of the Chief Executive and his Relief Administrator been kept? Only a few weeks after the election in November 1936, and after a third successive endorsement of the administration's policies at congressional elections—an endorsement unprecedented in the history of the Nation—there came from the White House a succession of economy and Budget balancing statements, as though that were the mandate of the people at the polls, instead of a demand for the continuance of the Federal public works and relief program in order to lift the intolerable burden of mass unemployment and destitution from scores of millions of the people.

VISIONS OF DESTITUTION, POVERTY, AND UNEMPLOYMENT NOT ENOUGH—THERE MUST BE BASIC AND ADEQUATE ACTION

In January, 1937, the President, in his second inaugural address, correctly diagnosing the condition of the unemployed of the country, said:

Here is the challenge to our democracy: In this Nation I see tens of millions of its citizens, a substantial part of its whole population, who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.

I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day.

I see millions whose daily lives in city and on farm continue under conditions labeled "indecent" by a so-called polite society half a century ago.

I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children.

I see millions lacking the means to buy the products of farm and factory and by their poverty denying work and productiveness to many other millions.

I see one-third of a Nation ill-housed, ill-clad, ill-nourished.

Now, as then, Mr. President, we look out upon a scene that reveals the same 40,000,000 of our citizens living in a state of destitution and semistarvation—all this in a country having productive machinery, natural resources, and skilled labor power capable of providing for every family an income of more than $4,000 a year to meet their needs.

REPORT OF POTENTIAL PRODUCTIVE CAPACITY IN THE UNITED STATES

I now read some excerpts from a Report of Potential Productive Capacity in the United States by Harold Loeb. In the concluding chapter of Director Harold Loeb's report of the national survey of potential product capacity—1935—sponsored by William Hodson, chairman, emergency relief bureau, and Langdon W. Post, chairman, New York City housing authority—both members of Mayor LaGuardia's official family—Mr. Loeb states, on page 235, among other things:

1. Goods and services produced and consumed in 1929, $93,917,894,000. This sum, divided by the number of average families (of four and twelve-hundredths persons) in the United States in 1929, gives an average family buying power of $3,238. However, this sum throws little light on the living standard of the American people. Owing to the uneven distribution of income, some nineteen and five-tenths million families had less than $2,500 per year, and some eleven and sixty-five hundredths million families had less than $1,500 per year. In general it can be stated that in 1929, 40 percent of our people had incomes which provided a living beneath the accepted level of health and decency, and another 40 percent existed close to poverty.

Only 9 percent possessed over $5,000 per year, and 2.3 percent possessed $10,000 per year or more (America's Capacity to Consume, p. 54, Brookings Institution, Washington, D. C.).

Budget (p. 237):

AMERICA'S CAPACITY TO CONSUME

"The budgeted production can be accomplished with the existing plant by utilizing the available labor and managerial force to process the supplies that could be made available. * * * Since the survey, in order to be irrefutable, accepted the limitation of basing its capacity estimates on the productivity of the existing plant, the budget represents, under our definition, a minimum estimate of practical capacity.

"The budget totals $135,516,000,000, an increase of some $42,000,000,000 over the actual production of 1929. The goods and services represented by this $42,000,000,000 consist of desired goods and services which the people of the United States could produce but do not produce. It measures lost or uncreated wealth.

"To discover the cost of our practice of not producing desired goods and services during the years 1929 to 1933, inclusive, the national income of the years subsequent to 1929 may be translated into 1929 dollars as in table I.

TABLE I.—*Statement of losses to the American people*

[In billions of 1929 dollars]

Year	Budget	National income	Annual loss to consumer
1929	135	93	42
1930	137	86	51
1931	138	79	59
1932	139	69	70
1933	141	76	65
Total loss to consumer (1929–33)			287

At the lowest potential product capacity (that of 1929—135 billions—the Nation could have supplied to each family an annual income of approximately $4,700.

VICIOUS, CRUEL, AND INHUMAN ECONOMY

And yet within a few weeks—in February 1937—when there were still 10,000,000 unemployed, a million increase over December 1936—the President announced his retrenchment policy and issued his order—accepted by the Federal Relief Administrator—to discharge 600,000 workers from the W. P. A. rolls. During the following 10 months, until January 1938, that order was ruthlessly executed in pursuance of the announced retrenchment policy.

SIX HUNDRED THOUSAND THROWN OUT TO STARVE AND ADDED TO OTHER STARVING MILLIONS

Even as late as October 18, 1937, the administration reaffirmed the plan of economy, at the expense of human life, and in the Budget statements, and pleas for local relief and the community chest, made clear that the policy of the Federal Government, "With the return of prosperity," must be to "more and more narrow the circle of its relief activities and reduce the amount of Federal revenue to be expended in the amelioration of human want and distress in the various communities of our land."

MORGENTHAU BALANCES HIS LITTLE BUDGET

A few weeks later, on November 10, 1937, Secretary of the Treasury Morgenthau delivered his Budget-balancing address to bankers and economists in New York City, in which he pointed out how "great savings!" could be effected in the fields of "public highways, public works, unemployment relief, and agriculture." And on the day before and the day after Secretary Morgenthau's speech three residents of New York City—two men and a 12-year-old boy—committed suicide because of starvation conditions in those homes, the boy hanging himself from a doorjam in the hope that his death would attract attention to the plight of his family, and relief would come to them. These "human interest" stories, naming starvation conditions as the cause of the tragedies, were published in the New York Times, which fact amounted to what lawyers call an admission against interest, the strongest type of testimony. The press is filled with these numberless tragic deaths.

The two statements of the President and his Secretary of the Treasury were made in October and November 1937, when industry had already begun to slow down, and other evidences of the new depression, or recession, as some preferred to call it, were plainly apparent.

WALL STREET JOURNAL BEGINS TO TALK

The Weekly Annalist of October 22, 1937—4 days after the President's statement and 2 weeks before Secretary Morgenthau's address on November 10—described the marked decline in business activity in these words:

> That a business recession of substantial proportions is under way is abundantly clear.

And business conditions were further attested by the decline in steel-mill operations to 48.6 percent of capacity for the last week of October, a drop of 40 percent during the previous 6-month period. And steel operations are always accepted as an unfailing barometer of trade.

WISHFUL THINKING AND SILLY OPTIMISM

Why, then, were these statements made at this time by the administration? Certainly not because they were ignorant of the facts about business conditions described in the Annalist. The conclusion, then, must follow that they were indulging in the same "wishful thinking" and "silly optimism" that characterized the closing years of the Hoover administration, and with much less reason or excuse.

HELPLESS WORKERS INADEQUATELY CARED FOR

And only in February 1938, after 3 months of one of the most precipitate and violent declines in security values and business activity in our history, and after 3,000,000 more persons had been added to the known 11,000,000 unemployed in November 1937, has the President publicly acknowledged these conditions and asked the Congress for an additional appropriation of how much? Two hundred and fifty million dollars for relief during the remaining 4 months of the present fiscal year, an amount not even sufficient to meet the need of one-third of these newly unemployed for the 4-month period, and with no provision for the other great body of helpless workers so inadequately cared for. During this entire 12-month period of the retrenchment policy of the President and his Cabinet—assented to, unfortunately, by a large majority of both Houses of Congress—the President and Members of Congress have received from organized bodies and from individual citizens many petitions and appeals for the reversal of this economy policy and for adequate relief.

ORGANIZED APPEALS TO THE NATIONAL GOVERNMENT

A few of these appeals of which I have personal knowledge are as follows:

First. A resolution, adopted unanimously on February 22, 1937, at the first annual convention of National Lawyers' Guild, held at Washington, D. C., which, in its resolved paragraph, called "upon the President and the Congress to continue the public-works and relief program of the past 3 years to the extent of the need of the surplus unemployed workers of the Nation."

Standing alone, Mr. President, this may seem to Members of this body an extreme demand upon the resources of the Nation; namely, "To the need of the surplus unemployed workers of the Nation." But does not the resolution simply attempt to carry out and approve the pledge of the administration itself to provide jobs for "those whom private industry does not hire"? I shall also read this resolution adopted, I would remind you, Mr. President, by a body of lawyers in convention assembled:

JOBS FOR THOSE WHOM PRIVATE INDUSTRY DOES NOT HIRE

> Whereas—
>
> 1. There are now—7 years after the collapse of industry and finance in October 1929—between eight and ten million unemployed workers in the United States, despite the fact that production is near the peak of 1929;
>
> 2. This situation presents a permanent, not an emergency, problem of unemployment, indicating that should the Nation return to the peak production of 1929 there would still be over seven million idle;
>
> 3. Demands are now heard on every side, from businessmen, financial leaders, and public officials for "balanced budgets" and "downward revision of the whole program of State spending, including relief," and other appeals for curtailing public expenditures, regardless of the need of millions of workers and their dependents for relief;
>
> 4. The experience of the past 3 years has proven conclusively the value of Federal, State, and local public works for relief to the unemployed, maintenance of mass purchasing power, and for stabilization of business;
>
> 5. Social responsibility has now been acknowledged by Government for employment and direct relief of the unemployed, recognizing the right to work as a general principle; while nothing, adequate, however, has yet been done about it.

FORGOTTEN RESOLUTIONS—NOTHING WAS DONE ABOUT IT

This resolution was sent to the President, acknowledged by the secretary to the President, and referred to the Relief Administrator Hopkins for consideration—but nothing was done.

Second. Petitions to the President and the Congress for adequate relief and a long-range public-works relief program "to the extent of the need of the unemployed," issued by the National Unemployment League in May 1937 and again in December 1937.

Third. A statement issued in December 1937 by National Federation of Settlements, appealing by resolution of the board of directors to the administration to—

> Call an emergency meeting at Washington of State and city relief administrators, social and civic bodies concerned, to canvass what can be done to strengthen our public-welfare set-up throughout the country to meet these new strains.

Fourth. In January 1938, a statement or "affirmation of principle," issued by leading editors of social-work periodicals and officers of social-work organizations calling for long-term Federal program of public works to provide employment for at least 3,000,000 wage earners; for a substantial W. P. A. deficiency appropriation for second half of the fiscal year 1938; and for substantial Federal grants to States for direct relief.

Fifth. In January and February 1938, and on numerous occasions during 1937, the Workers' Alliance of America, a national organization of the unemployed and W. P. A. workers, issued formal appeals to the President and the Congress, and to the special Senate Committee to Investigate Unemployment and Relief, for direct relief and a public-works program to, in some degree, meet the need of millions of the unemployed who were either receiving only semi-starvation relief of from $2 to $7 per family per month in some States, or no relief at all, as was the case in scores of thousands of instances.

CONFERENCE OF MAYORS PLEAD FOR ADDITIONAL APPROPRIATIONS

In addition to all these appeals the organized mayors of the Nation, acting through the United States Conference of Mayors, have repeatedly pleaded with the President and Congress for additional appropriations for relief and public works. This action was taken, not only through formal resolutions at the annual conferences held in Washington in 1935, 1936, and 1937, but by appeals of individual mayors and groups of mayors at other times.

At conferences of mayors of the United States in 1935 and 1936 the following resolutions were adopted:

TRANSIENT RELIEF

Whereas it is now recognized that the problem of transient relief cannot and should not be met by individual cities or States and that transient relief is a peculiarly national problem; and

Whereas Congress up to the present time has not developed a program to meet the needs of the transient unemployed: Therefore be it

Resolved, That the United States Conference of Mayors again petition the President and the Congress to enact a transient relief program in order that adequate provision be made for the handling of transient relief. (Passed November 18, 1936.)

CONTINUATION OF TRANSIENT RELIEF

Whereas the problem of providing relief for transients is a peculiarly National or Federal problem; and

Whereas the municipalities are unable to handle adequately the problem of relief to transient persons and nonresidents: Therefore be it

Resolved, That the United States Conference of Mayors request a continuing program of Federal transient relief to the end that provision be made for the relief of transients. (Passed November 1935.)

One direct consequence of the cutting off of transient relief, manifestly an obligation of the Federal Government for the reason that if one State should enact legislation providing transient relief the transients of surrounding States would naturally flock to that State which provided relief for transients, by Executive order of the President and his Federal Relief Administrator in September 1935, the beginning of the retrenchment policy of the administration, which at once resulted in starvation conditions and eviction from their homes and lodgings of scores of thousands of families and single persons throughout the Nation.

HOMELESS WANDERING PEOPLE

Specific results of this action are recorded in the census of homeless persons taken by the Police Department of the City of New York and the Emergency Relief Bureau on 2 nights, one in the fall of 1935 and the other in the spring of 1936 (one of the severest winters in the past two decades), when 4,044 and 5,823 persons, respectively, were counted sleeping in the open—in subway trains and stations, public parks, abandoned buildings, ferry and bus terminals, railroad stations, and under bridges in the five boroughs of the city. (See p. 26 of the official State Report of Governor Lehman's Commission on Unemployment Relief, published in August 1936.)

It should also be noted, in this connection, that the United States Conference of Mayors, at the annual meetings in Washington in the fall months of 1935 and 1936, twice called upon the President and the Congress to inaugurate a Federal system of relief to transients, citing that this form of relief was a duty of the Federal Government for obvious reasons. No action, however, was taken by the President to resume Federal care of transients; therefore, presumably, the same conditions obtain today as in the winter of 1935–36.

SEMISTARVATION AND MALNUTRITION IN THE HIGHER BRACKETS OF WORK RELIEF FAMILIES

In examining the Social Security Board bulletin for January 1938, it is seen that family relief benefits in 15 States vary from $4.91 to $14.34 per month per family; and that in 36 States the average case benefit is $17.15 per month per family. The average W. P. A. wage is $50 per month—in some Southern States as low as $21. When it is realized that competent commissions have estimated that a family of four persons requires, as a basic minimum, $36 per month for food alone, it is apparent that when only $14 a month is left, out of the W. P. A. wage of $50, for rent, clothing, medicines, and other necessaries, the allowance for food must be cut down, which creates a condition of malnutrition, or semistarvation, in even the higher bracket work relief families; and, in the other families actual starvation.

HOME SWEET HOME, UNDER THE HEAVENS

Finally, in scores or hundreds of thousands of other cases no relief whatever is given, resulting in men, women, and children roaming the country in search of employment or subsistence, often ending up with no shelter or food, sleeping in the open, as shown by the New York City police census in the winter of 1935–36. Men and women do not sleep in the open until they have starved. The last thing they give up is a home, a place to sleep.

SENATORS, I APPEAL TO YOU—LET US ACT NOW BEFORE IT IS TOO LATE!

Mr. President, I appeal for an additional appropriation of $3,000,000,000 not only in behalf of the impoverished of our Nation as an act of humanity, but because of the menace to our democratic institutions and to our very lives that lurks in such conditions. The unemployed are now in the agony of starvation conditions in their homes, which deprive them of their reason, committing suicide and killing their wives and children in their desperation and madness; but all history teaches that this is not the final action of those denied economic justice.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Minnesota [Mr. LUNDEEN] to the committee amendment on page 2, line 4, to strike out "$1,425,000,000" and to insert in lieu thereof "$4,425,000,000."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs to the committee amendment on page 2, lines 3 and 4.

Mr. LUNDEEN. Mr. President, I ask for a yea-and-nay vote on my amendment.

The PRESIDING OFFICER. The demand for the yeas and nays comes too late.

The question is on the committee amendment on page 2, lines 3 and 4.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 6, line 10, after "title I", to strike out "$1,529,425,000" and insert "$1,714,905,000", so as to read:

Total of appropriations, title I, $1,714,905,000.

The amendment was agreed to.

The next amendment was, on page 6, line 17, after the word "ending", to strike out "January 31" and insert "February 28", so as to make the section read:

SEC. 2. The funds appropriated in this title to the Works Progress Administration shall be so apportioned and distributed over the period ending February 28, 1939, and shall be so administered

during such period as to constitute the total amount that will be furnished to such Administration during such period for relief purposes, and the funds appropriated in this title to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies, shall be so apportioned and distributed over the 12 months of the fiscal year ending June 30, 1939, and shall be so administered during such fiscal year as to constitute the total amounts that will be furnished to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies during such fiscal year for the purposes of this title.

The amendment was agreed to.

Mr. BYRNES. I offer an amendment, on page 7, line 14, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 14, it is proposed to strike out "$50,000,000" and to insert in lieu thereof "$60,000,000."

Mr. BYRNES. Mr. President, the reason for offering that amendment is that when the joint resolution was drawn in the House it was based upon 7 months, and as now changed, the joint resolution provides for an appropriation for 8 months. Therefore, the amount in question should be proportionately increased.

Mr. KING. Will the Senator yield to me for an inquiry?

Mr. BYRNES. I yield.

Mr. KING. In view of the fact that Congress will perhaps be in extra session after the election, and certainly will be in session next January, is it imperatively necessary that we should contemplate a continuation of these large appropriations?

Mr. BYRNES. The object of the committee, as has heretofore been explained, with reference to the total of the bill was that it would be wiser to provide an appropriation for 2 months after the new Congress convenes, because with the convening of the new Congress appropriation bills will originate in the House, the committees have to be organized, and sometimes considerable delay occurs at the other end of the Capitol. Therefore, it was thought unwise to provide only until February 1 next year, because the preparation and passage of a bill might take considerable time at the other end of the Capitol, and even when the bill comes to the Senate a period of a week or 10 days may be taken in considering the bill, as is now being taken in connection with the pending joint resolution. So we thought it safer to provide for the 2 months after the convening of Congress in January, so as to make unnecessary the calling of an extra session, as the Senator from Utah suggested.

Mr. KING. Was it the view of the committee, if I may be permitted to inquire, that there would be no revival in business, that this pump priming, with all of its frills and accessories, would not improve conditions and furnish employment, so that we are to continue into the next year and perhaps longer, with millions of persons out of employment?

Mr. BYRNES. Mr. President, the view of the members of the committee was based upon the testimony before the committee that there would be an improvement, and if they had not reached that view they would have appropriated a larger amount than is provided in the joint resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina on page 7, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 7, line 24, after the word "Council", to insert "and"; and in the same line, after the word "Committee", to strike out the comma and "and the Prison Industries Reorganization Board", so as to make the section read:

SEC. 4. The Works Progress Administration, the National Youth Administration within the Works Progress Administration, the Farm Security Administration within the Department of Agriculture, the National Emergency Council, and the National Resources Committee are hereby extended until June 30, 1939, to carry out the purposes of this title.

The amendment was agreed to.

The next amendment was, on page 9, line 22, after the word "Administration", to insert a colon and the following proviso:

Provided, That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

So as to make the section read:

SEC. 9. The rates of pay for persons engaged upon projects under the appropriations in this title shall be not less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Works Progress Administration: *Provided*, That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

Mr. BYRNES. I send to the desk an amendment, in the nature of a substitute, for the committee amendment on page 9, beginning with line 22, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, beginning with the colon on line 22, it is proposed to strike out through line 3, on page 10, and to insert the following:

Provided, That if minimum rates of pay for persons employed by private employers in any occupation are established by or pursuant to the authority conferred by any Labor Standards Act enacted at the third session of the Seventy-fifth Congress, not less than the minimum rates of pay so established shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

Mr. BYRNES. Mr. President, the purpose of this amendment is to make certain that the language may not be construed as requiring the payment in every State of minimum rates of pay established under the Labor Standards Act, but only that the rate of pay established shall be not less than the minimum rate established in the Labor Standards Act.

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

Mr. BYRNES. I yield.

Mr. WAGNER. In other words, under the amendment offered by the Senator, if in any community the prevailing rate of wage should be higher than the minimum wage fixed by the legislation to which the Senator referred, the prevailing rate of wage would be paid. Am I correct about that?

Mr. BYRNES. The Senator from New York is exactly correct. That is the purpose.

Mr. WAGNER. And if in a community there may be, because of past history, a prevailing rate of wage which is less than the minimum wage fixed by Federal legislation, then the minimum wage shall be paid rather than a lower rate of wage.

Mr. BYRNES. Mr. President, the Senator correctly understands it. The other purpose is to change the committee amendment so as definitely to provide for the Labor Standards Act in order that there may be no interpretation that it applies to rates of pay under the Walsh-Healey Act or any other labor act. The only purpose is to provide that if under the Labor Standards Act there shall be fixed a minimum wage to be paid by private employers to employees, the Government of the United States shall pay not less than the minimum wage that the Government requires an individual to pay to his employees.

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

Mr. BYRNES. I yield.

Mr. McNARY. In the event that the minimum wage is less than the prevailing wage being paid, will it permit the minimum to be paid?

Mr. BYRNES. It provides that not less than the minimum wage shall be paid, the object being that, if the Government requires the Senator to pay to his employees a minimum wage, the Government itself on W. P. A. work will

not pay less than it requires the Senator to pay his employees.

Mr. McNARY. Suppose I pay my employees the prevailing wage, which is higher than the minimum wage, what would the Senator's amendment do to a Government project?

Mr. BYRNES. It would not affect it at all. The law as it now stands says "the prevailing wage." If the Congress, by legislation or a board established by legislation, should fix the minimum wage in the State of Oregon at a higher rate than the prevailing wage, then not less than that minimum wage could be paid. But if the prevailing wage is higher, as the Senator from New York has suggested, the prevailing wage will be paid.

Mr. McNARY. Is that obligatory under the amendment offered by the Senator from South Carolina?

Mr. BYRNES. The amendment does not affect in any way the wage paid in any State if it is in excess of the minimum wage. The amendment merely states that in no State shall less than the minimum wage be paid.

Mr. WAGNER. Mr. President, I was about to make the statement that I discussed this very amendment with the Senator from South Carolina [Mr. BYRNES]. Originally, the interpretation which is now suggested was placed upon the language; that is, that a fixed minimum wage should be paid. At that time the Senator assured me that such was not his intention. He himself has drafted the substitute amendment which he has submitted.

Mr. BYRNES. The Senator is correct. There was no such intention on the part of the committee; but, in order that there might be no misunderstanding, the language has been redrafted so as to make certain that it will not affect the payment by the P. W. A. of the prevailing rate of wages in New York or any other State. However, if the prevailing wage rate is less than the minimum wage fixed by an act of Congress, the wage would be raised to the minimum wage.

Mr. WAGNER. Exactly.

Mr. LODGE. Mr. President, before the Senator from South Carolina made his motion I was about to move to reject the committee amendment, because it seems to me very clear that the committee amendment will substitute a minimum wage for the prevailing wage and to that extent will cut the pay of persons who cannot afford to have their pay further cut. I should like to ask the Senator from South Carolina if his substitute means that the minimum will not be substituted for the prevailing wage.

Mr. BYRNES. Mr. President, there is no question about the proper interpretation. The interpretation just stated by the Senator from Massachusetts is the proper interpretation, unless the prevailing wage is lower than the minimum.

For example, the State of Massachusetts is in a region where the wage of the unskilled worker is $55. In the region in which the Senator from Mississippi [Mr. BILBO] lives it is $21. If a minimum wage shall be established, and employers in the State of Mississippi have to pay as much as $40 a month, then the minimum wage will govern the wage to be paid by the Government to its employees in the State of Mississippi. The amendment will have no effect upon the unskilled wage scale of the State of Massachusetts, because in that State the wage is fixed by the prevailing rate, and it is $55, as against $21 in the State of Mississippi.

Mr. LODGE. May I ask the Senator if the committee amendment as it now stands could have operated in an unfortunate way in that respect?

Mr. BYRNES. The Senator from New York [Mr. WAGNER] called my attention to the language. I was fearful at the time that it might be so interpreted. I had no desire that such an interpretation should be placed upon it; and, in order to remove all doubt, I have offered the substitute, which is in accord with the views of the Senator from New York.

Mr. LODGE. Does the Senator think it is absolutely essential that in this piece of legislation we should try to anticipate the provisions of a wage and hour bill which is still very much in the future? Does not the Senator think we could wait until next year and see how the wage and hour act has operated, assuming that one is enacted at this session?

Mr. BYRNES. As I have said, the wages paid to W. P. A. employees in the State of Massachusetts would not be affected. The wages paid in the States of Mississippi, Georgia, and Virginia would be affected. The wages from Washington, D. C., to the Gulf would be affected.

We might wait; but I should not want to have the Congress of the United States enact a labor-standard law, and say that the Senator from Massachusetts, if he lived in Virginia, would have to pay $40 a month to an unskilled worker, but that the Government itself would pay an employee $21 a month right alongside the employee of the Senator from Massachusetts. I know the Senator from Massachusetts would not want the Congress to do such a thing.

Mr. LODGE. May I ask whether the substitute offered by the Senator from South Carolina has the approval of organized labor leaders, who are normally interested in this kind of legislation?

Mr. BYRNES. I do not know. I will say to the Senator from Massachusetts that no organized-labor leader and no employer would ever argue with any logic that the Government could require an individual to pay a wage which the Government itself was unwilling to pay for the same work.

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

Mr. BYRNES. I yield.

Mr. WAGNER. I am sure the Senator would not want to have a provision in the Federal statute limiting the wages to the minimum wages. I am sure the Senator will agree with me that in no case under the present law, even with the amendments, may less than the prevailing wage be paid. However, there may be some cases in which the minimum wage fixed for those engaged in interstate commerce may be a higher wage than the prevailing wage paid in the community by those who are engaged in intrastate commerce. In the event the prevailing rate of wage paid is less than the minimum fixed by a Federal statute, the minimum which is higher than the prevailing rate of wage would be required to be paid. However, in every instance where the prevailing rate is higher than the minimum fixed, the prevailing rate will have to be paid. If the prevailing rate is lower in any community than the minimum fixed, the minimum will have to be paid.

Mr. LODGE. Is that the Senator's understanding of the text of the substitute offered by the Senator from South Carolina?

Mr. WAGNER. Yes. I had the same apprehension which the Senator expressed a moment ago.

Mr. LODGE. With regard to the original amendment?

Mr. WAGNER. With regard to the original amendment. I think the Senator is correct in stating that the original amendment could be interpreted to mean the fixing of a minimum wage, irrespective of whether it is higher or lower than the prevailing rate of wage.

Mr. LODGE. That is what I thought.

Mr. WAGNER. I discussed the matter with the Senator from South Carolina [Mr. BYRNES]. I am sure he never intended such an interpretation to be placed upon the original amendment, and he himself readily drafted the substitute.

Mr. BYRNES. Mr. President, I had no intention that the interpretation suggested should be placed upon the committee amendment. I never had any hope that the same wage paid in Massachusetts would be paid in Virginia, or from Washington, D. C., to the Gulf. There was never any anticipation that the Government should pay the same wage, because I know enough about the way things are done to know that that would not be done. If the Government fixes a minimum wage for private employers from Washington, D. C., to the Gulf, the Government should pay its own employees on W. P. A. as much as the minimum wage which the individual is required to pay. The amendment does

not affect the W. P. A. wages of $55 a month in the State of Massachusetts or in the State of New York.

As I said in reply to the Senator from Massachusetts, I have never heard of organized labor objecting to the payment of a wage greater than $21 per month to employees, and I am satisfied that the Senator, if he is interested in the matter, will find that organized labor leaders are not opposed to the minimum wage.

Mr. LODGE. I was fearful that the prevailing wage might be reduced. However, in view of the assurances I have received, I have no objection to the substitute.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from South Carolina [Mr. BYRNES] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 9, line 22, as amended.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The next amendment was, on page 11, line 6, after the word "employment", to insert a colon and the following additional proviso:

Provided further, That every relief worker employed on any Federal or non-Federal project shall be required, as a condition to his continued employment, to file, at the time he receives his wages for each work period, a statement as to the amount of his earnings, if any, from outside employment during such work period, and the statements so filed shall be taken into consideration in assigning such workers to employment on such projects and in continuing them in such employment.

Mr. BYRNES. Mr. President, I send to the desk an amendment to the committee amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 11, line 9, in the committee amendment, after the word "file", it is proposed to strike out "at the time he receives his wages for each work period" and to insert in lieu thereof the word "quarterly."

The amendment to the amendment was agreed to.

Mr. BYRNES. I offer another amendment to the committee amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 11, line 11, in the committee amendment, after the word "employment", it is proposed to insert "while he was employed on such a project."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 11, line 14, after the words "Farmers in", to strike out "actual need of work", and insert "need", so as to read:

Farmers in need but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

Mr. CONNALLY. Mr. President, in this instance, I hope the Senate will agree to retain the House language.

It will be noted that this is a clause affecting principally the drought agricultural area. The House language was—

Farmers in actual need of work but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

The Senate committee struck out "actual need of work" and inserted the word "need", so as to read:

Farmers in need, but who are not on relief rolls.

And so forth.

There is some doubt as to just how the term "in need" should be construed. In the rural areas a farmer might, during a drought, make something and get along, but he might not make enough to subsist.

Now, however, he is denied any W. P. A. work, because in order to get W. P. A. work he must be on the relief rolls. Generally, he must be a tenant. He must be on the relief rolls. He cannot work for short periods of time.

The purpose of the House language is to allow the W. P. A. authorities to give such farmers on rural projects, such as roads and other things out in the country, the opportunity to work a few days a month, we will say, to supplement what they are doing on the farm. If we do that, we keep the man out on the farm. We do not pay him full time. If we do not do that, in many cases he will move to town and get on the relief rolls, and we shall have to feed him the year around, instead of only part of the time.

Mr. President, we all know that the great bulk of all the relief money in the W. P. A. goes into industrial areas, to the cities. Out in the extreme drought section, a portion of which is in my State up near the Colorado and the Kansas lines, we have the condition that when there is plenty of rain it is a very fertile country, and the farmers make good crops; but in recent years they have been suffering from terrible drought. It ought to be the purpose of the Congress to keep such a man out on the farm and let him carry on his own business; but many of them are going to leave the farm unless they can supplement what they are making by working short periods of time on the W. P. A.

There cannot be any serious objection to this provision in the House joint resolution, for the reason that, after all, it is discretionary with the W. P. A. authorities; but under their present rules they cannot hire a farmer to work on a country road for a single day unless he is on the relief rolls, which means that he is out of employment, and is about to starve. It cannot be done. I ask any Senator here to deny that statement.

Mr. MALONEY. I deny it.

Mr. CONNALLY. The joint resolution does not say that, but that is a fact. Under their regulations, a man cannot work on a W. P. A. project unless he is on the relief rolls.

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

Mr. CONNALLY. I yield.

Mr. MALONEY. I do not understand that that is the situation under this joint resolution. The part of the joint resolution to which the Senator refers, as amended by the Senate committee, reads:

Farmers in need but who are not on relief rolls.

Mr. CONNALLY. That is true. That is the very provision I am talking about. I am asking, though, to retain the House language, which is:

Farmers in actual need of work.

The authors of this provision, which was adopted on the floor of the House, come from that area. Representative JONES, of my State, offered the amendment from the floor, and it was adopted. The Senate committee, however, struck out "actual need of work" and inserted "need." I do not know what their purpose was in doing that, but the language is susceptible of the construction that it refers to a man who has no means at all for sustaining himself. These men do have some means, but they have not sufficient means to sustain themselves according to any sort of standard of living.

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

Mr. CONNALLY. I yield.

Mr. BARKLEY. It seems to me the language in question does not mean that the man would have to be in need of everything in order to be entitled to some assistance. He might be partially able to take care of himself, but at least to the extent to which he is not able to do so he is in need, and he might be in need of other things besides work. He might be a farmer who was not able to work, and he still might be in need; but if we should limit the provision to farmers who are in need of work we might eliminate those who are in need in a general way, but are not able to work.

Mr. CONNALLY. The man who cannot work at all is already on relief or he can get on relief. That is not the man I am talking about. I am not speaking about the

disabled man who is ill and cannot work, because by all standards he will get on relief if he wants to get on relief. I am talking about the man who is still staying out on the farm, trying to fight his battle, instead of going to town and getting on the relief rolls. I want to keep him on the farm. The only way to keep him there, in many instances, is to give him an opportunity to do W. P. A. work along with the other fellow who has deserted the farm and gone to town, and is on the relief rolls all the time. He has an advantage over the man who stays out on the farm and fights against the rigors of the winter and the suns of the summer. He does not ask for full-time employment; but I do ask for the poor privilege of giving the W. P. A. authorities the right and the power to employ him for short intervals on rural projects. This amendment does not take him to town.

Mr. McGILL and Mr. MALONEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Kansas.

Mr. McGILL. Mr. President, it seems to me the construction placed on the word "need" by the Senator from Kentucky would hardly be applicable to this language, because the effect of the language of the House provision is to make the farmer who is not on the relief rolls eligible for employment.

Mr. CONNALLY. That is it exactly.

Mr. McGILL. The effect is not to make him eligible for relief of any need that he might have, but it is to give him the employment that others eligible for employment would have.

Mr. CONNALLY. Exactly.

Mr. BARKLEY. Mr. President, if the Senator will yield at that point, what I am trying to find out is whether the language as amended by the Senate committee does not broaden the eligibility of the farmer, so that he does not have to be simply in need of work, but if he is in need at all on the farm he is still eligible for employment.

Mr. CONNALLY. That may be; but it illustrates the uncertainty in which the language leaves the matter.

Mr. BARKLEY. I am not on the Appropriations Committee, and I do not know what actuated the committee. I am merely looking at the language.

Mr. CONNALLY. I am not on the Appropriations Committee, either; but I am urging this matter because a Member of the House who is very cognizant of agricultural conditions in the drought area framed this language, and he thinks the Senate committee language devitalizes his amendment; and I myself am inclined to think that it does, or the committee would not have changed it.

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

Mr. CONNALLY. I yield.

Mr. MALONEY. As the result of the statement and fear expressed by the Senator from Texas, I am wondering if this language might possibly discriminate against the urban worker.

Mr. CONNALLY. No.

Mr. MALONEY. Up to now, at least, the regulations have provided that a man in the city must be on the relief rolls before he may secure W. P. A. employment, with the exception of a limited number of so-called nonrelief workers. This language very definitely provides that a farmer, under certain conditions, may get W. P. A. employment without being on the relief rolls.

Mr. CONNALLY. That is true.

Mr. MALONEY. I do not find in the joint resolution any language which discriminates against the city worker; but I know that in practice, up to now, he is not treated nearly so liberally as the farmer is treated under this particular language; and I wonder if we might have some enlightenment from some member of the committee in this respect.

My inquiry is this: Is the urban worker entitled to the same privileges that the farmer is entitled to under this particular language?

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

Mr. CONNALLY. I yield to the Senator from North Carolina.

Mr. BAILEY. We have passed no law limiting the right of an urban worker to work.

Mr. CONNALLY. Not at all.

Mr. BAILEY. All through my State the allotments of the A. A. A. cut down tobacco acreage to less than an acre in many cases, and in thousands of cases to less than 5 acres.

Mr. MALONEY. I will say to the Senator from North Carolina that I did not like that, either.

Mr. BAILEY. I just want to make a suggestion. I am not advocating anything. When the Government fixes matters so that a farmer cannot make a living, probably there is a moral obligation on the Government to provide him with the means of subsistence. There is some argument there on the side of the Senator from Texas.

Mr. MALONEY. I should like to say, if the Senator from Texas will yield to me a moment longer, that I am in sympathy with what he aims to do, but he raises a question in my mind as to whether an act of discrimination is not actually committed against the urban worker.

Mr. CONNALLY. I think I can correct the Senator on that point.

Mr. MALONEY. I should like to have that done.

Mr. CONNALLY. Very well.

The Senator is talking about the urban worker. Almost everybody knows that nearly all this relief money goes to the urban worker. He is in the industrial areas, in the great cities. Where are the cries for relief today? In the great cities. I want them to have an employment fund, but this amendment providing for employment on projects in rural areas does not take the farmer from the country and put him into town. It only makes him eligible for employment out on the rural projects. Some of these urban fellows on the W. P. A. could not be dragged out to the country with a tractor to do work on a rural project.

I am not against the urban man; but what is he getting out of this joint resolution? He has been getting, and is now getting, the major portion of the W. P. A. and the relief money, and everybody knows it; but because a farmer stays out on the farm, fighting his battle and trying to make a living, instead of going up to the relief office and begging to get on relief, the authorities will not let him have 2 days a week or 2 days a month of work on a W. P. A. project, because he is not wearing the relief badge with which the Administrator puts a man on relief.

Mr. POPE and Mr. MILLER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield, and, if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Idaho.

Mr. POPE. Let me ask the Senator's opinion about this matter: The language as it now stands is "Farmers in need but who are not on relief rolls."

Mr. CONNALLY. Yes.

Mr. POPE. If they are in need, they can get on the relief rolls.

Mr. CONNALLY. If they are in need, they can get on the relief rolls. The Senator is right.

Mr. POPE. In other words, the same definition of need which puts them on the relief rolls, it seems to me, would apply to the words as used here.

Mr. CONNALLY. Certainly.

Mr. POPE. So that it would not improve the situation.

Mr. CONNALLY. Not at all. In other words, under the language of the Senate committee amendment the man must be in need. If he is in need, he can get on the relief rolls; but this is a man who does not want to get on the relief rolls. He wants to work. He has two strong arms and a strong back, and he wants to work a few days for the Government. He cannot do that, however. He has to go to town and get on relief.

Mr. MILLER and Mr. MURRAY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Arkansas.

Mr. MILLER. I desire to make a suggestion. I am in hearty accord with what the Senator says; but I believe the language can be improved greatly, and we can arrive at what the Senator is seeking to do, by striking the word "actual" from the House language, and letting it read "farmers in need of work." I think that language will serve a more useful purpose.

Mr. CONNALLY. I think we should have first to kill the Senate committee amendment. That would restore the House language, and it would be subject to amendment.

Mr. MILLER. I am very much concerned over the fact that if we leave in the words "actual need of work", the W. P. A. then will determine just the degree of poverty that must exist before farmers can get on W. P. A. projects.

Mr. CONNALLY. I think probably the Senator is correct about that. Taking out the word "actual" of course would lower the standard a little.

Mr. MILLER. But the men out on the farm who are fighting to live are entitled to that consideration.

Mr. CONNALLY. Of course.

Mr. MURRAY. Mr. President——

Mr. CONNALLY. I yield to the Senator from Montana.

Mr. MURRAY. I desire to point out that the farmer in need might not necessarily be entitled to go on relief.

Mr. CONNALLY. He would, under the joint resolution, if he is in need.

Mr. MURRAY. No; he might have property. He might own property; and if he did, he would be able to sell the property in order to support himself.

Mr. CONNALLY. The W. P. A. authorities do not require that, do they?

Mr. MURRAY. I am sure they do. If he owns property and is able to sustain himself——

Mr. CONNALLY. If he is able to sustain himself, of course he should do so.

Mr. MURRAY. Well, he can sustain himself by selling his farm and selling his stock and selling his cattle and selling his horses and his harness.

Mr. CONNALLY. Oh, no; I do not subscribe to that doctrine. I want him to be given a chance to work.

Mr. MURRAY. The Senator will have to provide here, then, that farmers who are affected by bad agricultural conditions, and have not been able to raise a crop in order to carry themselves over to the next crop season, shall be allowed to go to work on these projects without the necessity of proving themselves entitled to go on relief.

Mr. CONNALLY. That is my purpose in the whole matter. Of course, I have not used the language the Senator uses, but that is my purpose.

Mr. MILLER. Mr. President——

Mr. CONNALLY. I now yield to the Senator from Arkansas.

Mr. MILLER. I suggest that the Senator offer an amendment to perfect the House language by striking out the word "actual." Then, if the Senate will disagree to the committee amendment we shall have the language perfected as the Senator from Texas desires.

Mr. CONNALLY. I shall be glad to follow that suggestion; but the Senate committee amendment has not been killed yet.

Mr. MILLER. I know; but we have to do one thing at a time, and we want the word "actual" out of the provision anyway.

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

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

Mr. POPE. Would not the effect of the suggestion of the Senator from Arkansas be that we would simply strike out the word "actual" and otherwise leave the language as it was in the House joint resolution?

Mr. MILLER. It would then read "farmers in need of work." I was just trying to perfect the House language by striking out the word "actual." Then, if the Senate will defeat the committee amendment, the language will be perfected, and we shall have accomplished what the Senator from Texas is trying to do.

Mr. CONNALLY. Mr. President, have I any more time?

The PRESIDENT pro tempore. One minute.

Mr. CONNALLY. That is plenty. Mr. President, that is the purpose of what I am trying to do here—to give a little help to the men who are trying to make their own way, instead of driving them to the relief roll in town, and giving them help all the year around.

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

Mr. CONNALLY. I yield.

Mr. BANKHEAD. There seems to be a controversy about what these two expressions mean—"farmers in need of work" and "farmers in need." I suggest to the Senator that that controversy might be obviated by adopting the amendment offered by the Senator from Arkansas, and going a little further and saying, "Farmers in need of work, or otherwise in need, who are not on the relief rolls."

Mr. CONNALLY. I shall be willing to accept that language. I suggest to the Senator from Arkansas that he offer his amendment.

I reserve my time on the joint resolution, if I have any. This discussion is just on the amendment; is it not?

I wish to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CONNALLY. How much time does each Senator have under the agreement?

The PRESIDENT pro tempore. Thirty minutes on the joint resolution, and 15 minutes on each amendment.

Mr. CONNALLY. Then we can offer other amendments.

Mr. ADAMS. Mr. President, I should like to present the views which led the committee to make this change. I think we are in entire sympathy with the purpose of the Senator from Texas.

The committee is inclined to think that the description of the man to be furnished help under this provision is a very inadequate and unsatisfactory definition. That is, we are seeking to give a man who is in need of work eligibility for employment on projects.

There may be many circumstances which would make a man in need of work. A man might be in affluent circumstances and be in need of work. What we are trying to do by this measure is take care of people who have need of the kind that affects them as citizens, affects their capacity, their ability to live decently and comfortably, so that they may have food and shelter and clothing. The fact that a man is in need of work is not the need that was in mind. A man might be in need of the very things which entitle him to relief and might not be in need of work. For instance, the so-called Dust Bowl farmers may be men who have more work than they can possibly do. Such a farmer has not any need of work, but he may be in need of food, he may be in need of clothes. He has an endless job of work on his place, to prepare his farm.

In this measure the term "need" is used in other sections. On page 6, line 13, is the specific requirement that "The funds made available by this title shall be used only for work relief or relief for persons in need." That is, we transpose over into this section the very definition of the man entitled to help which was included in the basic provisions of the joint resolution.

Again, I think the Senator from Texas overlooked the provisions of section 10. I understood him to say that a farmer could not get relief unless he were on a relief roll. Section 10 provides:

> In the employment of persons on projects under the appropriations in this title, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

In other words, as it stands the measure has taken away the discrimination which existed perhaps in earlier acts against those whose names were not on the relief rolls.

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

Mr. ADAMS. I yield.

Mr. McKELLAR. It was the purpose of the committee to make this just as liberal to the farmers as possible, so as really to protect those who were in need. In striking out

the word "actual" and the other words "need of work," that was the sole purpose of the committee. We thought we left it as broad as possible by saying "farmers in need." I am inclined to think that the language of the committee does leave it just as broad as possible, and I hope that language will be retained.

Mr. ADAMS. I go beyond that. The language in the amendment of the committee is broader and more inclusive than the language which the Senator from Texas desires to have restored. In other words, if we say "actual need," we are trying to draw a distinction between two kinds of need, and I cannot make that distinction. "Need" is limited to a particular kind of need. The committee provided for a man in need; it did not specify the kind of need. The provision as it came from the House only gave him help as he needed work. In other words, the committee provision is a broader provision, more inclusive, more beneficial to the very people the Senator from Texas has in mind, than the language as it came from the House.

Mr. McKELLAR. In my opinion, the Senator is entirely correct, and that was the purpose of the committee.

Mr. MALONEY. Mr. President, I should like to ask the Senator if he will not try to make a little clearer to me the language of section 10 to which he has just referred where it is provided—

> Applicants in actual need whose names have not been heretofore placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

What I should like to know is whether that means that they must actually go on the relief rolls in order to get work.

Mr. ADAMS. I assume that the two things mean one and the same thing. That is, the man who gets unemployment work is, by that act, put on the rolls. That is, the rolls mean the lists of those who are getting W. P. A. employment.

Mr. MALONEY. May I take just a moment more to make my position clear?

Mr. ADAMS. Certainly.

Mr. MALONEY. In the neighborhood in which I live it happens that the certification for W. P. A. workers is under the so-called welfare department, and the practice is to certify a man for W. P. A. employment only after he has applied for municipal relief, which in effect gives him the stigma of pauperism. I am wondering whether it will still be necessary, under this language, to get such a relief status before a man may get W. P. A. employment.

Mr. ADAMS. I do not think that is a requirement of this provision. This measure as it stands gives to a man in need the right to assistance of the W. P. A. without any further requirement of registration, enrollment, examination, or anything else.

I desire to point out one other thing in the provision as it came from the House. There are some farmers who are now on some types of rolls who are getting help of one kind or another. Under this provision, if a farmer were getting any kind of help on any kind of roll, he would not be eligible.

In the pending measure is included an appropriation of $175,000,000 specifically for direct relief to farmers. It is the only direct relief which was provided in the original joint resolution, before the amendments which have been put on by the Senate were inserted. That has been the practice under the preceding bills in granting direct relief to farmers in distress. Loans are being made to farmers in need. Those men in a certain sense are on rolls. Under this provision it is provided that employment may be given to those who are not on relief rolls. It would not be given to those who are on relief rolls.

In addition, in the pending measure there is an appropriation of $212,000,000 for benefit payments to farmers. I am merely stating that the farmer has not been overlooked in the joint resolution, and I rather think that if the Senator from Texas will take this amendment and compare it in its present form with the provision as it came from the House, and study the consequences of the two versions, he will find that the farmer in whom he is interested will be more benefited, will be in better shape, under the amendment as it came from the committee, than under the provision as it came from the House.

Mr. CONNALLY. That may be true, Mr. President, because he goes to town and not to work.

Mr. LODGE. Mr. President, I am anxious to assure myself that there is no discrimination against urban people in this provision.

I should like to ask the Senator from Colorado whether I am correct in my understanding that the language on page 11 as to farmers is designed to apply to a small group of farmers who live in such inaccessible places that they could not readily register and be certified in the normal way. Am I correct about that?

Mr. ADAMS. I think the Senator is entirely correct. I think the theory in the minds of those who drafted the amendment, and in the minds of those who amended it, was that in the rural areas were men who had not gone to town and were not in a position to apply for ordinary relief, but who should be put on an equal basis with others and should not be required to enroll themselves in any way in order to have the benefits of relief.

Mr. LODGE. The committee did not think it desirable to put in any geographical qualifications. Was that matter considered at all?

Mr. ADAMS. No; the only geographical qualification is implied in the fact that the sentence refers to farmers, which in and of itself has a locality implication.

Mr. CONNALLY. Mr. President, who has the floor?

The PRESIDENT pro tempore. The Senator from Texas may take the floor on the joint resolution.

Mr. CONNALLY. I desire to offer an amendment.

The PRESIDENT pro tempore. The Senator may offer an amendment.

Mr. CONNALLY. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the word "employment", on page 11, line 14, and to insert the following:

> Farmers in need or who need employment to supplement their farm income but who are not on the relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

The PRESIDENT pro tempore. Permit the Chair to state the parliamentary situation. Any Senator has the right to amend the House text or to amend a committee amendment, but the amendment offered by the Senator from Texas, it appears to the Chair, goes beyond the House text.

Mr. CONNALLY. It does not go beyond the House text if it proposes to strike it out. The Senator from Texas offers an amendment to strike out the House text. However, I will abide by the ruling of the Chair.

The PRESIDENT pro tempore. The amendment will again be stated.

The legislative clerk again stated the amendment.

The PRESIDENT pro tempore. The Chair understands the Senator to seek to strike out all of the sentence commencing on line 14 and ending on line 17, page 11, and to offer a substitute for that language. The Chair holds the Senator has a right to do that.

Mr. CONNALLY. I thank the Chair.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. CONNALLY. Mr. President, I have drawn this amendment to meet the objections of Senators as to the construction and possible implications from the language. I agree that there is some doubt about what "actually in need of work" may mean, and I am also in doubt about what the term "in need" means. According to the standards in other bills, a man has to be in need to get on relief rolls.

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

Mr. CONNALLY. I yield.

Mr. NORRIS. I cannot understand what difference there would really be whether we adopted the Senator's amendment or adopted the committee amendment. I should like

to get the Senator's ideas as to that. It seems to me that in effect the result would be the same whether we adopted the Senator's amendment or adopted the committee amendment.

Mr. CONNALLY. I do not quite agree with the Senator from Nebraska.

Mr. NORRIS. I know the Senator does not. I cannot see the difference. I should like to have the Senator state it.

Mr. CONNALLY. Let me say to the Senator from Nebraska that under the Senate committee amendment there is set up the same standard for a farmer in securing employment that is provided with respect to a relief worker who has no employment, no activity, who has no work, who is walking the street. The same standard, "in need," prevails. They must both be in need. If that is the standard, the administrator may properly rule that the man on the farm who barely gets by, who may be existing, but existing very poorly, cannot qualify. The purpose of my amendment is to provide that the farmer who is in need, who is down and out, if he is in need of work to supplement his farm income, is eligible. That does not mean that he will get on the roll. The little local satrap of the W. P. A. is still left to say whether or not such a farmer can get on the roll. He will still be there to guard the lists. He will still be there to supervise and censor, and say who shall be the privileged ones who will get employment. We are not putting the farmer on employment relief, but we are simply making him eligible.

Mr. ADAMS. I wish to inquire if the language is not broader than the Senator from Texas really means it to be. The Senator's amendment, as I read it, provides that farmers "in need or who need employment to supplement their farm income" shall be eligible.

Mr. CONNALLY. That is correct.

Mr. ADAMS. Practically every farmer would like to have his farm income supplemented. In other words, it seems to me that the language is broader than the Senator means it to be. That simply means that any farmer who in any way needs an increase in his farm income is eligible. It may be that he needs it for a thousand purposes.

Mr. CONNALLY. No; it simply makes the farmer eligible. It will not place him on the rolls, and not many of them will be placed on the rolls. It makes the farmer eligible. That is all it provides. We cannot set up a standard for every farmer in every individual case.

Mr. ADAMS. But the Senator will find very few farmers who do not say that they need something to supplement their farm income.

Mr. CONNALLY. What is the suggestion of the Senator from Colorado with regard to that provision? How would he frame it?

Mr. MILLER. Mr. President, I would change that word "or" to "and," and that would take care of the matter.

Mr. CONNALLY. I am going to trust the action of the Senate on my amendment. The Senate does not have to adopt it, of course. Send the farmer to town. That is where some want to send him. Send him to town and put him on the relief work. He does not want to go to town, however. He wishes to stay out among the cockleburs, and in the sun, and fight and try to make a living. All we ask is the poor privilege of letting him work a few days a month on a highway.

In my State there are some little rural farm-to-market roads. The farmers out along those roads could not get any employment on them at all. It was necessary to go to town and bring the fellows out from the cities in a bus to do the work. No matter how hard up a farmer was, he was not on the relief roll, and if he was not on the roll he could not do a day's work on W. P. A.

Mr. President, I submit the amendment.

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

Mr. CONNALLY. I yield.

Mr. BURKE. I do not understand the Senator's objection to the provision of the committee amendment. The language in the committee amendment is "farmers in need." Does not that language take care of the situation?

Mr. CONNALLY. It does, yes, if the farmer has nothing, if he has no job, if he has nothing to do that will take care of him.

Mr. BURKE. He is still in need if he has a little, but does not have enough to take care of himself.

Mr. CONNALLY. Mr. President, let me ask the Senator a question. The same standard is required by the committee of a farmer out on a farm who has some income and has had work, that is required of the city fellow who is walking the streets and has no job and no employment at all. The same standard is required—need. Two standards cannot be made, one for the town and one for the country.

Mr. BURKE. That is why I think the committee amendment is satisfactory. We are providing the same standard.

Mr. CONNALLY. We do not make the standards the same, though. I hope the Senator from Colorado will accept my amendment and let it go to conference, at least.

Mr. ADAMS. If the committee amendment is adopted it will then go to conference and be open to the further adjustment which the Senator has in mind.

Mr. CONNALLY. It will be limited to the language of the committee amendment, and my language is broader. I ask for a vote on my amendment, and I make the suggestion of the absence of a quorum in order to get some of the friends of the farmers into the Chamber.

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The Chair wishes to state the question. The committee has proposed an amendment, to strike out the words "actual need of work" and to insert the word "need." If the committee amendment shall be adopted the language will read "Farmers in need."

The Senator from Texas [Mr. CONNALLY] proposes to amend the committee amendment by adding after the word "need" the words "or who need employment to supplement their farm income."

The question is now on the amendment of the Senator from Texas to the committee amendment. [Putting the question.] The Chair is in doubt.

On a division, the amendment to the committee amendment was agreed to.

The amendment as amended was agreed to.

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

The next committee amendment was, on page 11, line 19, after "States", to strike out "or alien who has not, prior to the date of enactment of this joint resolution, filed declaration of intention to become a citizen," and to insert the following: "and no alien who has not, prior to the date of enactment of this joint resolution, filed a declaration of intention to become an American citizen which is valid and has not expired."

Mr. COPELAND. Mr. President, this amendment relates to assistance given to aliens. We had this matter up in connection with a previous measure. I made a plea both in

the committee and on the floor, and I thought I had an assurance on the floor that in conference the matter would be worked out.

There are aliens who have American dependents. John Brown may come from Europe and marry an American woman—an American-born woman or a naturalized woman. They have children who are Americans by reason of the fact that they were born here.

I ask the chairman of the subcommittee if he would not be willing to accept a change in the committee amendment after line 24 by the insertion of "or having American citizen dependents who are in need"?

In my great cosmopolitan city—and what is true there is true to a lesser degree elsewhere—there are many aliens who for one reason or another have never applied for citizenship. I think they should. I believe in their applying. But many times they have lost the papers showing when they arrived. We do not need to go into that. But the fact remains that there are aliens in the United States who have American dependents. They must be taken care of by somebody, and it seems to me that they might properly and should properly be taken care of in this measure.

Mr. ADAMS. I will explain one of the reasons for the change. It was pointed out in the committee that the language which came from the House, which was the language of the earlier measure, allowed the filing of a declaration of intention to become a citizen to be the test. It was pointed out to us that there was no limitation; that such declaration of intention may have been filed 20 or 30 years ago, and might have expired; that a declaration of intention is only valid for a certain length of time, and the man who had filed a declaration of intention many years ago, but had not followed it up, who had lost the benefit of it, had resumed his status of an alien who had not made a declaration.

So we amended the language so as to provide for the man who had filed a declaration of intention which was valid and had not expired; that is, a declaration of intention under which he might take the next step and become a citizen. We were trying to draw the line between the man who was a citizen, or the man who had taken effective steps to become a citizen, and the man who had not. It seemed to us that we should not include a man who had taken steps years ago, and had abandoned those steps.

Mr. COPELAND. Mr. President, it might happen that an alien could not meet the necessary requirements of citizenship. However, regardless of the alien, are we going to permit the American wife of that alien, or the American-born children of that alien, who are Americans under our Constitution, to starve to death?

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

Mr. COPELAND. I yield.

Mr. BYRNES. If the alien has an American wife and American children, why does he not file a declaration of intention to become a citizen of the United States?

Mr. COPELAND. Suppose he does not do it?

Mr. BYRNES. If he does not think enough of this country to want to become a citizen of it, why should we create for him a job on W. P. A. and pay him $700 a year? Why should the Government to which he does not want to swear allegiance create a job for him?

Mr. COPELAND. That statement may satisfy the Senator from South Carolina.

Mr. BYRNES. It does.

Mr. COPELAND. I am not talking about the man who has failed to do this or that. I am talking about his American wife and his American children. A man may be stubborn or obstinate, or for any other reason he may fail to file a declaration of intention to become a citizen. Are we going to permit his American wife and children to starve?

That is the issue. I am sure it is clear to the Senate. I think the language which I have suggested is perhaps as satisfactory as any which could be used. I move to amend the committee language by inserting, on page 11, line 24, after the word "expired", the following language:

Or having American citizen dependents who are in need.

Mr. BYRNES. Mr. President, the Appropriations Committee, in the consideration of relief bills for the past few years, has been endeavoring to do what is fair and just with regard to this question. On the one side, many people throughout the country believe that thousands and thousands of aliens are upon the rolls of the W. P. A. and have been provided jobs by the Works Progress Administration. I have repeatedly seen the statement made that half a million or a million aliens are on relief, while citizens of this country are in need. Of course, such a statement is not correct. The fact is that as a result of the legislation of the Congress about 70,000 aliens who have not filed a declaration of intention to become citizens and who had jobs on Works Progress projects have been removed from that employment.

At the same time it does not follow, as the Senator from New York fears, that those persons will go hungry. The fact is that the appropriation carried in the joint resolution for Works Progress is not to distribute food to individuals throughout the country but is to create jobs. The Congress knows that it costs more to provide jobs than to give the dole to persons throughout the country. The dole is now within the jurisdiction of the local governments. The city of New York, the city of Spartanburg, the city of Baltimore, or the city of Boston will not permit the American wife of an alien, or the American children of an alien, to go hungry. The communities are taxing themselves. They are levying sales taxes, as is done in the city of New York and in other cities, and borrowing money for relief purposes to give food to the hungry and to help the needy. The question is whether we should appropriate money to provide jobs—admittedly the most expensive form of relief—for aliens in this country who refuse to file a declaration of intention to become citizens.

The contention is made, and with some force, that the amendment is not strict enough, because it permits a man who is an alien to file a declaration of his intention to become a citizen and thereby qualify for a job. There are many who object to it. It is our belief that the purpose of America is to make citizens of the aliens in our midst, and that we should offer encouragement to them to apply for citizenship.

If, as the Senator from New York says, an alien is stubborn, or if he likes America well enough to marry an American woman and raise American children in this country but refuses to file a declaration of intention to become an American citizen, the humanity of the relief organizations of the cities of the Nation will see to it that his wife and children are not permitted to go hungry. At the same time, when 500,000 persons in this country are certified as eligible for jobs on Works Progress projects, and yet are unable to obtain those jobs, it seems to me we should not keep American citizens off those jobs when they are without means of support for their families and give the jobs to aliens who are stubborn enough to say: "I live in this country. I am going to live here. I refuse to file a declaration of intention to become a citizen, and I say that you must give me a job."

We do not have to go that far. A humane people, such as the people of this country, will never permit the wife or children to go hungry. We do not have to create jobs and give jobs to aliens who refuse to swear allegiance to this country, when 500,000 American citizens in New York and every other State of the Union have been certified and yet are without jobs.

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

Mr. BYRNES. I yield.

Mr. LEE. At best there will not be enough money to give a job to every good American citizen who needs a job. I certainly should not favor making an American citizen who needs a job and wants a job stand aside and giving the job to some fellow who not only is stubborn but who by his very attitude shows either a lack of interest in our Government or direct opposition to our form of government.

I think we have been a little too lax in our attitude toward the aliens in this country. They are always the first at the feed box. They are always the first to take advantage of any Government opportunity, and the last to give any support to the Government.

Until there are enough jobs for every American citizen to have a job I certainly favor the attitude of the committee in asking those who are not sufficiently interested in our Government to become citizens to stand aside until American citizens have been given employment.

Mr. BYRNES. Mr. President, no restriction is placed upon the alien in our midst. We hope he can get a job; but we say that if he is unwilling to file a declaration of intention to become an American citizen, or, as the Senator from Oklahoma has indicated, if in time of war he is unwilling to put himself in a position to support the Government or fight for it, he should not seek to have the Government provide a job for him in time of peace.

I know that no one would want us to do anything that would not be humane. Under the provisions of the joint resolution, by reason of the amendment offered today by the Senator from Kentucky, there is an appropriation for direct relief; and if there is any case of hardship, if there is any case which impresses the officials of the Government as deserving, there is money which can be used for direct relief; and the American wife and American dependents of an alien do not need to go hungry.

I should like to invite the attention of the Senator from New York—because I know he is sincere in this matter and knows the situation—to the fact that in the joint resolution there is a provision for direct relief. The limit on the amount available for direct relief now is $125,000. If there is any deserving woman with American-citizen children who are in need, we can rely upon the officials of this Government to do justice.

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

Mr. BYRNES. I yield.

Mr. LEE. In connection with what the Senator said concerning loyalty to this Government, General Crowder said that 23,000 aliens were draft resisters and were carried on the rolls as deserters during the last war. They are the type of men who would come in under the provisions which the Senator from New York asks us to accept. I shall oppose it.

Mr. BYRNES. Mr. President, let me say in conclusion that we have not listened to those who, in many publications throughout the country, misstate the facts as to the thousands and thousands of aliens who are in Works Progress jobs. I have seen statements to the effect that as many as 1,000,000 aliens are on relief, when the total number of relief jobs is only 2,600,000. Last August the total was only 1,500,000. About the time we had 1,500,000 men on W. P. A. projects, I saw the statement that 1,000,000 aliens were on relief.

I have no defense for the persons who arouse prejudice against aliens by such misstatements. Nevertheless, I am convinced that we do not owe to the alien who refuses to become a citizen the duty of providing a job for him under the Works Progress Administration.

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

Mr. BYRNES. I yield to the Senator from New York.

Mr. COPELAND. I have no defense to offer for the alien who is entitled to our citizenship if he is wise enough to ask for it. I am making no plea for him. I might say that he is no more lacking in appreciation of our country than the 21,000,000 voters at the last Presidential election who could have voted and did not do so—21,000,000 of them in this country. The alien who does not take out his naturalization papers is no worse, in my judgment, than those men and women who failed to exercise their right and duty of suffrage; but I do not want to protect him. I do not care anything about him. I am talking about his American wife and his American children. They ought not to suffer because the head of the family is so stupid that he has failed to avail himself of our citizenship or who, for one reason or another, has not done so.

Mr. BYRNES. Mr. President, I call the attention of the Senator from New York to the fact that not only do the States, counties, and cities have provision for relief for the wife and children who cannot work but who should not be permitted to go hungry, and who I have no idea will ever be permitted to go hungry in any part of this country, but in this very joint resolution the Senator by his vote, if he votes for it, will be voting for funds to enable the officials of the United States Government to provide food and clothing for persons who are in that condition.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York to the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the committee amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I ask the attention of the Senator from Colorado [Mr. ADAMS]. I wish to revert to the Senator's colloquy with the Senator from Connecticut [Mr. MALONEY] a few moments ago, because I wish to be very sure about the answer the Senator from Colorado gave to the Senator from Connecticut.

The Senator from Colorado will remember that the Senator from Connecticut was interested in the present rule requiring a person to be on welfare, on direct relief, before he is eligible for work under work relief. My understanding is that the present language in the joint resolution provides eligibility without the necessity for previous registration on general relief or welfare. Is that correct?

Mr. ADAMS. That is correct.

Mr. VANDENBERG. Does the language go far enough so that the W. P. A. administrators would be prohibited from continuing the present rule?

Mr. ADAMS. I think the language in section 10, on page 10, is positive. It says:

> In the employment of persons on projects under the appropriations in this title, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

They shall have the same eligibility, under that language.

Mr. VANDENBERG. In other words, then, it is the opinion of the Senator in charge of the bill that W. P. A. would no longer be permitted lawfully to exercise the present discrimination?

Mr. ADAMS. I do not know what the Senator means by "the present discrimination." I have heard of it, but I have no personal knowledge on that question; so when the Senator speaks of "the present discrimination" I am not able to answer. I will say that they could not lawfully exercise any discrimination.

Mr. VANDENBERG. They could not lawfully continue a practice of requiring that a "reliefer" must be on general relief, direct relief, before becoming eligible for work relief. They could no longer enforce that sort of a rule. Is that the Senator's viewpoint?

Mr. ADAMS. They could not enforce any such rule. I do not know that any such rule has been enforced.

Mr. VANDENBERG. It has been.

Mr. BYRNES. Mr. President, if the Senator will yield to me, that has not been the rule in the States.

Mr. VANDENBERG. It has been the rule in the State of Michigan.

Mr. BYRNES. The Senator may have knowledge of a local condition; but that is not the rule according to the administrators of all the States who came before the committee of which I happen to be chairman.

Mr. VANDENBERG. When I was presenting the protest of the labor unions of Detroit on this matter, the Senator from Oregon [Mr. MCNARY] was sitting nearby, and he said that precisely the same rule obtains in Oregon.

Mr. BYRNES. I know of no such rule, and certainly it is not general. The rule is that before a man receives a job he must be certified by the certifying organization of the State, whatever that is, but not that he must be the recipient of relief from some local organization before he can qualify for a W. P. A. job.

Mr. VANDENBERG. I think that is the situation in the State of Michigan, and has been for several years.

Mr. BYRNES. I will take occasion to inquire, because I will say to the Senator that that is not the general rule.

Mr. VANDENBERG. The Senator will agree that that is an unfair rule?

Mr. BYRNES. I certainly see no reason for it; but the Senator from Colorado says that under this language we did not seek to do anything but to prevent a discrimination. The Senator from Colorado is right in the interpretation he places upon the language, in my opinion—that it would prevent any discrimination of any kind in passing upon the question the Senator from Michigan raises, which I want to inquire about.

Mr. VANDENBERG. Very well.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. On page 12, line 10, after the word "need", it is proposed to strike out "who, prior to the date of enactment of this joint resolution, shall have declared their intentions to become American citizens" and insert "whose declarations of intention to become American citizens were filed prior to the date of enactment of this joint resolution and are valid and have not expired", so as to read:

Provided, That preference in employment on such projects shall be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are in need and are American citizens; (2) other American citizens, Indians, and other persons owing allegiance to the United States who are in need; and (3) those aliens in need whose declarations of intention to become American citizens were filed prior to the date of enactment of this joint resolution and are valid and have not expired.

The amendment was agreed to.

The next amendment was, on page 15, line 10, after the numerals "1935," to insert a colon and the following proviso: "*Provided*, That hereafter the monthly compensation in any individual case heretofore or hereafter coming within the purview of such act of February 15, 1934, shall not exceed the rate of $70, and the aggregate payments shall not exceed $5,000, exclusive of medical costs"; so as to make the section read:

SEC. 16. The provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits shall apply to persons (except administrative employees qualifying as civil employees of the United States) receiving compensation from the appropriations in this title for services rendered as employees of the United States and to persons receiving assistance in the form of payments from the United States for services rendered under the National Youth Administration created by Executive order of June 26, 1935: *Provided*, That hereafter the monthly compensation in any individual case heretofore or hereafter coming within the purview of such act of February 15, 1934, shall not exceed the rate of $70, and the aggregate payments shall not exceed $5,000, exclusive of medical costs: *Provided further*, That so much of the appropriation in section 1 of this title to the United States Employees' Compensation Commission, as the Commission, with the approval of the Director of the Bureau of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be available and to be administered by the Commission during the fiscal year 1939 for such purposes; and after June 30, 1939, such special fund shall be added to and become part of the "employees' compensation fund, emergency relief," set up in accordance with the provisions of the Independent Offices Appropriation Act, 1939: *Provided further*, That said "employees' compensation fund, emergency relief" and the special fund herein authorized shall not be limited in its use to the United States, its Territories, and possessions, and any payments heretofore made to persons outside the United States, its Territories and possessions, from the special funds set aside to be administered by said Commission, if otherwise valid, are hereby validated: *Provided further*, That this section shall not apply in any case coming within the purview of the workmen's compensation law of any State or Territory, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

The amendment was agreed to.

The next amendment was, on page 18, line 12, after the numerals "1937," to strike out "as supplemented" and insert "and the joint resolution of March 2, 1938", so as to make the section read:

SEC. 21. Reports of the operations under the appropriations in this joint resolution and the appropriation contained in the Emergency Relief Appropriation Act of 1937, and the joint resolution of March 2, 1938, including a statement of the expenditures made and obligations incurred by classes, projects, and amounts shall be submitted by the President to Congress on or before the 15th of January in each of the next two regular sessions of Congress: *Provided*, That such reports shall be in lieu of the report required by section 14 of such act of 1937.

The amendment was agreed to.

The next amendment was, on page 19, after line 6, to insert a new section, as follows:

SEC. 23. The funds herein appropriated to the Works Progress Administration, exclusive of those used for administrative expenses, shall be so administered by the Works Progress Administrator that, except as hereinafter provided, expenditure authorizations for other than labor costs for all the projects operated by such administration in any State, Territory, possession, or the District of Columbia shall not exceed an average of $7 per month per worker employed prior to February 28, 1939, on all such projects: *Provided*, That not to exceed $25,000,000 of the funds herein appropriated to the Works Progress Administration may be used by the Works Progress Administrator to supplement the amounts so authorized for other than labor costs in any State, Territory, possession, or the District of Columbia where in the opinion of the Administrator an emergency makes such additional expenditures necessary to assure the operation of sound projects.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 20——

Mr. NORRIS. Mr. President, on page 19 there is still another amendment. It is the last amendment in title I. It is only a formal amendment; and then we shall begin the consideration of title II.

Beginning on page 21, there is a committee amendment upon which there will be a great deal of discussion. I want to speak at some length on that amendment and some substitutes that may be offered for it. I shall not be able to do it within the 15-minute limit to which we have agreed, and I shall have to take some time on some other formal amendment. Therefore I want to stop at the amendment provided for on line 23, page 19, and there is one other amendment on page 20, so that by using 15 minutes on each one of those amendments and 15 minutes on the other amendment I should have 45 minutes. I do not want to use my time on the joint resolution, because later on in the joint resolution there is another committee amendment upon which I desire to be heard at some length.

Mr. President, I do not think it would be fair to start in on the discussion of the amendment on page 21 at this late hour. We commenced at 11 o'clock today, and I know there are a great many Senators who desire to speak and who will speak on the committee amendment on page 21, or on some amendment that may be offered to it. Some of the Senators are not here. Some of them have gone home; and there is present at least one Senator who has told me that he will have to go in a few minutes.

I should like to say to the Senator from Kentucky that so far I have not taken any time on the joint resolution or in the discussion which went on for a week or so, to which some persons objected and which they thought was unwarranted. I took no part in the debate when I would have had sufficient time, and I have used no time on the joint resolution; and since I have not used any time on it, I think I am entitled to ask the Senate for some consideration in the way of a longer time than we have agreed to. I cannot take that time unless I speak on several amendments. I did not object to the limitation of time, because I am in full sympathy with the Senator from Kentucky, who wants to expedite the consideration of the joint resolution.

I do not want to commence my speech tonight. I do not want to take up the subject in the absence of quite a number of Senators who are equally interested with me in the amendment and who want to be heard on it.

Mr. BARKLEY. Mr. President, I appreciate what the Senator says. This happens to be an unfortunate hour to take up one of the most important amendments in the joint resolution. I will say to the Senator that it is our purpose to run on tonight without intermission until 10 or 10:30 or 11 o'clock, as long as we can run and make progress. It is absolutely necessary that we pass the joint resolution as soon

as possible. I should like to dispose of it altogether tomorrow if we can do so; and I had hoped we might at least dispose of all the committee amendments tonight, even including this one.

My experience is that we have better attendance and we make more progress at night than we do in the daytime. We have had practically no night sessions this year. Members come here at night sessions with a view to doing nothing else except giving consideration to the matter before the Senate.

I am willing to pass over this amendment for the present, and any other amendment in that neighborhood which the Senator wishes to discuss or take advantage of; but I should not like, unless it is absolutely necessary, to pass over this amendment until tomorrow, because that would mean that we might consume all day tomorrow on it.

Mr. NORRIS. Probably; and probably we would consume all night tonight on it.

Mr. BARKLEY. If so, we would at least make that much progress, and we might be able to vote on the amendment; but I am willing to pass it over for the time being, until more Senators are here.

Mr. NORRIS. That means tonight.

Mr. BARKLEY. I should like to see if we cannot make some progress tonight.

Mr. NORRIS. Mr. President, I do not think I am making an unfair request, and I do not believe the Senator from Kentucky will make any time if he disregards a reasonable request. I should like to have these two formal amendments, together with the amendment on page 21, passed over, and if the Senate tonight reaches the subject of rural electrification, to pass that over, with the understanding that we shall consider everything else in the joint resolution tonight, and get through with it if we can.

Mr. BARKLEY. I am perfectly willing to pass over for the time the matter we have reached. If we could dispose of all the other amendments besides that one I should have no objection to that one going over until tomorrow, but if we are going to pass over the power amendment until tomorrow and pass over the rural-electrification amendment until tomorrow we might as well recess now and go home.

Mr. NORRIS. If the Senator should have the rest of the joint resolution acted upon, if he should get through with all the other committee amendments to the joint resolution, it seems to me he would be making very great headway for one day. There has not been any indication of any Senator talking for delay today. It has been a fair, honest debate, such as we always ought to have. We commenced at 11 o'clock this morning. It is now quarter after 6 o'clock. The request I am making is that two amendments go over until tomorrow. If that should be done, we could consider the rest of the committee amendments and probably dispose of them tonight. My own judgment is that that is a fair proposition, and I should like to say to the Senator that in my opinion no progress will be made that will be greater than to do what I have suggested.

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

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. As the Senator knows, I am in entire sympathy with the Senator's position on both of these matters and expect to vote as the Senator does on them. I know what they are, and I know what his vote will be; and I have the same view; and I voted in the same way in the committee; so I am looking at the matter from that standpoint. I think that if we should let one or both of these amendments go over we probably could get through with the joint resolution tomorrow.

Would the Senator be willing to let one of them go over, the most important one, or what I consider the most important one, on page 21, which is the power amendment? Could we not take up the rural electrification amendment tonight? I believe that the Senate will probably take the same view that the Senator takes about it, and I think we could get through with that tonight.

Mr. BARKLEY. I was going to make the suggestion to the Senator that I am in sympathy with his views on both of these amendments, both the power amendment and the rural electrification amendment, and my judgment is that the Senate will sustain the Senator's views. I should like very much to dispose of the rural electrification amendment tonight, and if we can do that I should be perfectly satisfied to let the power amendment go over until tomorrow.

Mr. NORRIS. Without discommoding a great many Senators, how could we take this up at this late hour, with the expectation that Senators who are vitally interested in it would be present? We had no notice of this night meeting.

Mr. BARKLEY. I served notice yesterday that we would have a night meeting tonight and reiterated it today.

Mr. NORRIS. I did not know the Senator had made the statement yesterday. I heard what the Senator stated today.

Mr. BARKLEY. I made the statement yesterday, not that my notice being served is binding on anyone. The Senate can act as it pleases about night sessions, but Senators have been urging night sessions for days, and I do feel that at this stage of the session we ought to hold night sessions until we finish the consideration of the joint resolution and get it into conference.

I make the prediction that within an hour or two after Senators have eaten their dinners there will be a larger attendance in the Senate than has been here at any time today, and I would appreciate it if the Senator would cooperate to help get this rural electrification matter disposed of tonight and let the other one go over. When we reach that point, if there is not an attendance here to justify its consideration, I will not object to it going over, but I should like to try it.

Mr. NORRIS. If the Senator is not going to concede that under the circumstances these two amendments can go over until tomorrow, I would just as soon he would go ahead and drive on as fast as he can. I am making no request for mercy, or anything else. I do not think that under the circumstances I am making an unreasonable request. It does not mean anything to me to put this over until 10 o'clock tonight. I would just as soon take it up now.

Mr. BARKLEY. I did not suggest any such thing.

Mr. NORRIS. The Senator has in effect suggested it.

Mr. BARKLEY. No, I have not in effect suggested it.

Mr. NORRIS. That we pass this over for the time being, and later we would take it up.

Mr. BARKLEY. No; I said that if we waited until Senators return from their dinners, which would be before 10 o'clock—and if they did not come back before 10, there would be no use in their coming at all——

Mr. NORRIS. That is the point of my objection. I know a great many Senators who are interested in this amendment and in the rural electrification amendment who are not now present.

Mr. BARKLEY. There is no way of keeping all Senators in the Chamber. We went along this afternoon with practically no attendance. Points of order were made, and we had to call for a quorum. There is no way of keeping Senators here either in the daytime or in the nighttime.

Mr. NORRIS. Mr. President, I have been here all day, and I know that there have been fewer calls for a quorum today than on almost any other day we have had this measure before us. We have had the joint resolution before us for more than a week and there have been constant quorum calls, because debate was going on, so that some have been suggesting that a filibuster was being conducted. That took up a good share of last week.

I desire to cooperate with the Senator, but I do not believe a spirit of cooperation is being exhibited now, since we have reached an agreement about limiting debate, to which I could have objected, and which could have been prevented, but with the idea of cooperating, trying to get something done, I have gone along. I want to do that, but at the same time I feel that under the circumstances I and the others who want this amendment to go over are entitled to some consideration. I have said all I desire to say, and the Senator can do what he pleases.

Mr. BYRNES. Mr. President, what is the parliamentary situation as to the pending joint resolution?

The VICE PRESIDENT. The clerk will state the next amendment.

Mr. McNARY. Mr. President, have we now completed Title I, Work Relief and Relief?

Mr. BARKLEY. There is an amendment at the bottom of page 19 which has not yet been agreed to.

The VICE PRESIDENT. The Chair is advised by the parliamentarian that all of the committee amendments to title I have been agreed to with the exception of a formal amendment on page 19, line 23, where it is proposed to strike out "23" and insert "24."

Mr. NORRIS. On that I desire to be heard.

The VICE PRESIDENT. Each Senator has 15 minutes on that amendment.

Mr. McNARY. Mr. President, the reason for my inquiry is that when we have completed this title I do not want the opportunity to go by without a chance for the Members of the Senate to express themselves on title I. I desire to suggest the absence of a quorum and to have a roll call at that time. I do not want to lose the privilege of a vote on title I.

The VICE PRESIDENT. The Chair is advised by the parliamentarian, and his own recollection is, that there was a unanimous-consent agreement that all committee amendments should be disposed of before other amendments were taken up.

Mr. McNARY. That is correct.

The VICE PRESIDENT. So that there would be no amendment to title I to be voted on, except the one on page 19, line 23, where there is an amendment to strike out "23" and insert "24."

Mr. McNARY. That is true, Mr. President, but when we shall have completed the title it is my purpose to have a vote on the adoption or rejection of the title. I merely wanted to give notice that I do not want the Senate to pass to the consideration of another title without giving Senators an opportunity to express themselves on title I.

The VICE PRESIDENT. The Chair does not see any parliamentary way by which there can be a direct vote on that, because the vote would have to come on an amendment offered by a Senator, which would not be a committee amendment. The Chair does not see just how there could be a vote on the title under the unanimous-consent agreement heretofore entered into.

Mr. McNARY. However, would it be proper for a Senator to move the adoption of title I as amended?

The VICE PRESIDENT. The Chair may suggest to the Senator that if he desires to have the attitude of Senators expressed on the title he can do it at a later time. At a later time, when the committee amendments have all been disposed of, any Senator may rise and offer an amendment to strike out title I or to amend it, as he sees proper, and in that way there may be an expression of the Senate on any part or all of title I.

Mr. McNARY. I thank the Vice President. I am aware of that opportunity. I thought, however, that before passing to title II we might express our views on title I. Inasmuch as the opportunity will be available, I shall not ask unanimous consent that that may be done.

Mr. BYRNES. Mr. President, I asked what the parliamentary situation was because at the conclusion of the reading of line 22, on page 19, and before the pro forma amendment to strike out "23" was reached, I did not know that the other amendment had been adopted.

The VICE PRESIDENT. The Chair is advised by the clerk that section 23, a committee amendment to the joint resolution, has been agreed to.

Mr. BYRNES. Then, Mr. President, before we go to the next amendment, I ask unanimous consent that the vote by which the amendment was agreed to be reconsidered, in order that I may offer an amendment to the section which I had intended to offer, but failed to offer because of the confusion in the Chamber.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina that the vote by which the amendment on page 19, beginning with line 7 and going to line 22, was agreed to, be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. BYRNES. Mr. President, I move to amend on line 16, by striking out "$25,000,000" and inserting "$50,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 19, line 23, to strike out "23" and insert "24", so as to read:

SEC. 24. This title may be cited as the "Emergency Relief Appropriation Act of 1938."

Mr. BARKLEY. Mr. President, in view of the statement made by the Senator from Nebraska that he cannot under the limitation discuss the amendment on page 21 adequately in 15 minutes, and in view of the fact that he desires to take the 15 minutes to which he is entitled even on the pro forma amendment on page 19, and the one on line 14, page 20, as well as the 15 minutes to which he is entitled on the amendment on page 21, I ask unanimous consent that these three amendments be passed over temporarily.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendments will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 21, line 7, after the word "exceed", to strike out "$100,000,000" and insert "$200,000,000"; in line 8, after the words "projects in", to insert "the"; in line 15, before the word "hospital", to strike out "new"; in line 21, before the word "penal" to strike out the word "new", and in line 23, after the word "thereof", to strike out the colon and the following proviso: "*Provided*, That none of such allotments shall be made for military or naval purposes except for the housing or hospitalization of personnel or for storage of material, supplies, and equipment at existing establishments", so as to read:

(c) Under subsection (a) (1) of this section not to exceed $200,000,000 shall be allotted to Federal agencies for Federal construction projects in the continental United States outside the District of Columbia, and such projects shall be selected from among the following classes: (1) Projects heretofore authorized by law and for the acquisition of land for sites for such authorized projects; (2) projects for the enlargement, extension, or remodeling of existing Federal plants, institutions, or facilities; (3) projects for hospitals and domiciliary facilities of the Veterans' Administration (including the acquisition of land for sites therefor) and any such allotments shall be available for the purposes and under the conditions specified in the appropriation for "Hospitals and domiciliary facilities" in the Independent Offices Appropriation Act, 1939; and (4) projects for penal and correctional facilities under the Department of Justice, including the acquisition of land for sites therefor.

The amendment was agreed to.

The next amendment was, on page 22, after line 8, to strike out:

(c) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator, with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization.

Mr. RUSSELL. Mr. President, in my opinion that amendment should be passed over. It is an important amendment. I know there are Senators who are interested in that amendment who are not present at this time. I ask that the amendment be passed over until tomorrow.

The VICE PRESIDENT. Will the Senator from Georgia state which amendment he asks to have passed over?

Mr. RUSSELL. The amendment on page 22, lines 9 to 18, which was just stated by the clerk.

Mr. BARKLEY. Mr. President, I have no objection to passing the amendment over temporarily, but I am not will-

ing to agree at this moment that it go over until tomorrow morning. We may be able to reach the amendment this evening when there is a fuller attendance. Let the amendment go over for the present.

The VICE PRESIDENT. The amendment will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 22, line 19, before the word "Not", to strike out "(f)" and insert "(e)", so as to read:

(e) Not more than $750,000,000 of the funds appropriated under this title shall be used for grants or for defraying the estimated nonrecoverable portion of the cost of projects constructed for lease to public agencies.

The amendment was agreed to.

The next amendment was, on page 22, line 23, before the word "Not", to strike out "(g)" and insert "(f)"; in the same line, after the word "than", to strike out "$11,000,000" and insert "$17,500,000"; and on page 23, line 18, after the word "ending", to strike out "June 30, 1940, for the completion of the activities of such Administration" and insert "June 30, 1941", so as to read:

(f) Not more than $17,500,000 of the appropriation in this title shall be available for administrative expenses of the Administration during the fiscal year ending June 30, 1939; such amount and the amount made available in the Independent Offices Appropriation Act, 1939, for administrative expenses for the Federal Emergency Administration of Public Works shall be available for administrative expenses thereof during such fiscal year for the purposes and under the conditions set forth in such act for such Administration, except that the condition therein that such administrative expenses are in "connection with the liquidation of said Administration" is hereby rescinded and both amounts are hereby made available, in addition to the other purposes, for the purchase and exchange of motor-propelled passenger-carrying vehicles for official use in field work and in the District of Columbia in a total amount not to exceed $75,000 but not more than $1,500 thereof shall be so expended for such purchase and exchange for use in such District. And the Administrator shall reserve from the appropriation in this title an adequate amount for administrative expenses of the Administration for the fiscal year ending June 30, 1941, subject to authorization hereafter by annual appropriation acts for the utilization thereof.

The amendment was agreed to.

The next amendment was, on page 23, line 22, before the word "Not", to strike out "(h)" and insert "(g)", and in the same line, after the word "than", to strike out "$500,000,000 shall" and insert "$400,000,000 may", so as to read:

(g) Not more than $400,000,000 may be used, from the moneys realized from the sale of securities acquired with funds made available by this title or with the proceeds of such securities, for the making of further loans hereunder.

Mr. HAYDEN. Mr. President, with respect to the amendment on page 23, line 22, which represents the amount of money in the revolving fund, there is a direct relationship between the amount of money in the revolving fund and the total amount of money to be appropriated in the joint resolution. We have passed over the reduction recommended by the committee on page 20, line 14, from $965,000,000 to $865,000,000. I ask that the amendment on page 23, line 22, be also passed over, so that the two matters may be considered at the same time.

The PRESIDENT pro tempore. Without objection, the amendment, on page 23, line 22, will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 24, line 3, before the word "No", to strike out "(i)" and insert "(h)"; in line 4, after the word "conservation", to insert "or utilization"; in line 8, after the word "no", to insert "moneys for a"; in line 9, after the words "shall be", to strike out "undertaken or prosecuted under" and insert "paid from"; in line 10, after the word "title", to insert "to any public agency"; and in line 11, after the word "been", to strike out "or will be", so as to read:

(h) No Federal construction project, except flood control and water conservation or utilization projects now under actual construction, shall be undertaken or prosecuted under the appropriation in this title unless and until there shall have been allocated and irrevocably set aside Federal funds sufficient for its completion; and no moneys for a non-Federal project shall be paid from the funds made available by this title to any public agency unless and until adequate provision has been made for financing such part of the entire cost thereof as is not to be supplied from Federal funds.

The amendment was agreed to.

The next amendment was, on page 24, after line 13, to insert:

(i) All contracts for loans or grants of the funds made available by this title for any non-Federal projects shall contain provisions appropriate to insure that, insofar as practicable and feasible, preference in employment of workers (exclusive of executive, supervisory, administrative, and other nonmanual) on such project shall be given to bona fide residents of the State, Territory, or possession in which the project is located, who have resided therein for at least 90 days immediately preceding the date of their employment, where such persons are available and qualified to perform the work to which the employment relates: *Provided*, That where the project is located in more than one State, such preference shall be equally applicable to all such States.

Mr. HAYDEN. I offer an amendment to the committee amendment on page 25, at the end of line 2, which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 25, at the end of line 2, after the word "States", it is proposed to insert the following:

Provided further, That a requirement in any contract that preference shall be given to persons from the public relief rolls and that persons be chosen from the list of qualified workers submitted by local employment agencies designated by the United States Employment Service, or, in appropriate cases, from lists submitted by union locals, within the State or States, Territory or possession, in which the project is located, shall be deemed to be in full compliance with the provisions of this subsection.

Mr. HAYDEN. The members of the committee will remember that the Senator from Maryland [Mr. TYDINGS] offered this amendment. Upon an examination of the amendment, it was found that it did not fully carry out what is the present procedure, which is that where union men are employed it is not necessary to go to the roll specified here; that they may be employed directly from the union. I therefore offer this perfecting amendment with the concurrence of the Senator from Maryland, and hope it will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arizona on page 25, at the end of line 2.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

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

The next amendment was, on page 25, line 5, after the numerals "30", to strike out "1940" and insert "1941"; in line 7, after the word "perform", to strike out "at" and insert "on"; in line 13, after the word "Works", to insert "Administration"; and, in line 18, after the numeral "1", to strike out "1940" and insert "1941", so as to make the section read:

SEC. 202. The Federal Emergency Administration of Public Works is hereby continued to the close of the fiscal year ending June 30, 1941, and is hereby authorized to continue to perform all functions which it is authorized to perform on the date of enactment hereof. All provisions of law existing on the date of enactment hereof, and relating to the availability of funds for carrying out any of the functions of such Administration are hereby continued to the end of such fiscal year, except that the date specified in the Emergency Relief Appropriation Act of 1936, as amended by section 201 of the Public Works Administration Extension Act of 1937, prior to which, in the determination of the Administrator, projects for which moneys made available by such act were authorized to be granted, can be substantially completed is hereby changed from "July 1, 1939" to "July 1, 1941."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Federal public buildings", on page 26, line 24, after the word "to", to strike out "$130,000,000" and insert "$100,000,000", so as to make the section read:

SEC. 301. Construction of public buildings outside the District of Columbia: The total amount authorized to be appropriated for the 3-year program for the acquisition of sites and construction

of public buildings by the paragraph under the caption "Emergency construction of public buildings outside the District of Columbia," contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (50 Stat. 773), is hereby increased from $70,000,000 to $100,000,000. All applicable provisions and authority of such paragraph shall be operative with respect to the enlarged authorization provided in this title except that the list from which projects, including the sites therefor, are to be selected by the Postmaster General and the Secretary of the Treasury acting jointly shall be the revision, dated April 25, 1938, of House Report No. 1879, Seventy-third Congress. Toward such increased program there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000,000, of which not to exceed $500,000 may be utilized as an addition to the fund specified in such paragraph in such act for the augmentation of the limits of cost of selected projects in amounts not exceeding 10 percent of such limits of cost. The appropriations heretofore made under the authority of such paragraph, together with the appropriation in this title, shall be consolidated into a single fund and be available toward the consummation of the entire authorized program.

Mr. BARKLEY. Mr. President, before that amendment is agreed to, I should like to inquire of the chairman of the subcommittee why the subcommittee reduced the amount from $130,000,000 to $100,000,000. If there is any item at all in the joint resolution that is going to give employment to workmen all over the country, it is in the construction of public buildings. There is no fiction about that. The building of a courthouse or a post office or a building of any sort in which the Federal Government engages will employ a large number of persons, and one of the objects in the provision before us, as I understand, for public buildings, is in order not only to meet a great need of the Government in the matter of ownership of these public buildings, but to give more people employment. Before this amendment is passed on I should like to inquire why it was felt necessary to make the reduction.

Mr. ADAMS. I will say to the Senator from Kentucky that the committee did not reduce the amount of money appropriated for immediate use with respect to public buildings. The measure appropriates $25,000,000 for public buildings. That will be found in lines 8, 9, and 10 on page 27. What the committee reduced was the amount of the authorization for the 3-year program. In other words, it seemed there was no occasion at this time, in a relief bill, to make authorizations for the next year or the year after or the year after that. In other words, we did not reduce the amount of money which would be available for expenditure and the employment of people at this time and to meet this emergency.

Mr. BARKLEY. That is true. I will say to the Senator that in our building program, and in our highway construction program we have provided for authorizations over a period of years. Not for a long time have we limited appropriations for buildings or for highways to any one year. We have provided in some cases for a program of 2 years in order that the departments involved might work out their building program logically. Although the authorization covers the 3-year period, of course, that is subject always to the amount that Congress itself will appropriate during the 3-year period. That would be divided roughly into about $43,000,000 or $44,000,000 a year.

Mr. ADAMS. There are already authorized substantial amounts, are there not? Does the Senator know how much is already authorized to be appropriated for this purpose?

Mr. BARKLEY. I do not have the exact figures at hand.

Mr. ADAMS. Does the Senator know approximately?

Mr. BARKLEY. The Senator from Colorado has that information.

Mr. ADAMS. No; I do not have the figures.

Mr. BARKLEY. I do not know how much is to be the expenditure out of previous provisions, but all that has been appropriated has been allocated, so I understand there is now no amount of money on hand for any additional public-building construction.

Mr. ADAMS. As one member of the committee, I felt that there was some question as to whether or not a relief bill was the place to make authorizations for a future program. It was a proper place to make appropriations, but the committee evidently felt that the amount authorized was a sufficient increment to the existing authorization at this time, especially in a relief measure rather than in a bill devoted to that purpose.

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

Mr. ADAMS. I yield.

Mr. HILL. Is it not a fact that under the public-buildings bill of 1926, whenever the joint committee, composed of representatives of the Post Office Department and the Treasury Department, agreed on certain buildings, that in itself constituted the authorization, so far as an appropriation was concerned? We do not have to have any appropriation bill in respect thereto. After that joint committee has agreed on the buildings, they come to the Congress, and it is in order to make the appropriation. That is done annually.

Mr. ADAMS. The authorization must go through Congress.

Mr. HILL. No; not under the act of 1926.

Mr. ADAMS. That act in itself is an appropriation.

Mr. HILL. No.

Mr. ADAMS. Then I ask the Senator, if what he says be true, why put an authorization in the joint resolution?

Mr. HILL. I see no necessity for it whatever, because whenever that joint committee makes a recommendation as to buildings, then it is in order to proceed to make the appropriation.

Mr. ADAMS. Then it would make no difference whether we authorized $70,000,000 or $100,000,000 or $500,000,000?

Mr. HILL. It is not necessary at all.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 26, line 24.

The amendment was agreed to.

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

The next amendment was, under the heading "Title IV—Rural electrification loans", on page 28, line 3, before the word "for", to strike out "$100,000,000" and insert "$25,000,000", so as to make the section read:

SEC. 401. The act entitled "An act to provide for rural electrification, and for other purposes", approved May 20, 1936 (49 Stat. 1363), is hereby amended as follows: (a) By inserting in subsection (a) of section 3 thereof immediately following the date "June 30, 1937" the phrase "and $25,000,000 for the fiscal year ending June 30, 1939" and (b) by striking out the date "June 30, 1937" appearing at the end of subsection (e) of such section 3 and inserting in lieu thereof the date "June 30, 1939."

The amendment was agreed to.

Mr. NORRIS. The amendment on page 28, line 3, is the rural electrification amendment which I asked to go over.

Mr. BARKLEY. Mr. President, I was hopeful that we could act on that amendment now and defeat it. I am in favor of restoring the amount contained in the House bill.

Mr. NORRIS. That is what I should like to do. If the Senator can assure me of that action we can save debate.

Mr. BARKLEY. Let us vote on the amendment. I ask that the vote by which the amendment was agreed to be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment on page 28, line 3, was agreed to is reconsidered.

Mr. ADAMS. Has the vote by which the amendment was agreed to been reconsidered?

The PRESIDENT pro tempore. Yes.

Mr. ADAMS. So the amendment is now before the Senate?

The PRESIDENT pro tempore. Yes.

Mr. ADAMS. I think there should be an explanation made as to the action of the committee. The committee had before it Mr. Carmody, who was in charge of the rural electrification program. Mr. Carmody was asked as to the desirability and as to the necessity of this authorization. It appears from Mr. Carmody's statement and from the statutory record that we passed a bill authorizing a 10-year program of rural electrification involving $40,000,000 a year. We had a difference with the House in connection with the independent offices appropriation bill. The House appropriated $30,000,000 for that purpose. The Senate, upon the

motion of the Senator from Nebraska, raised the amount to $40,000,000, and the Senate conferees were able to prevail, and the $40,000,000 was appropriated in accordance with the program of $40,000,000 a year for a 10-year period.

Mr. Carmody had asked the Bureau of the Budget for an estimate of $50,000,000, and received $40,000,000. Fifty million dollars was the outside amount asked by the Rural Electrification Authority. Mr. Carmody was asked as to whether or not he could use this amount, and he said that with his present force he could not use an amount in excess of the $40,000,000 now available to him, and in fact, without an increase in his force could not use the $40,000,000. He further said to us:

If you add $100,000,000 to the program, making a program for 1 year of $140,000,000, it will be necessary to build up the administrative forces of the Rural Electrification Administration very largely, and unless it is your intention to continue rural electrification upon the basis of $140,000,000 a year, it will be most disastrous to the administration to build it up to a $140,000,000 annual expenditure, and then drop it down to its normal position.

The committee rather felt impressed by the statement of Mr. Carmody that $40,000,000 was all that his administration really desired, all that it needed, all that it could administer under present conditions.

However, yielding to the conditions presented, the Senate added $25,000,000 to the existing appropriation; or, to put it in another way, the Senate reduced the amount in the House provision. However, this would give to the rural electrification program $65,000,000 per year, an amount which could be carried on from year to year, to establish a sound, progressive program of greatly needed rural electrification.

I think the committee felt that it was not to be expected that the Congress would consider a program of $140,000,000 per year, in view of the tremendous burdens the Treasury is otherwise carrying. Mr. Carmody stated that certain applications were on file, but every application does not ripen into a project. It was the judgment of the committee that the amount it provided was ample, liberal, and would carry on the rural electrification program in full swing to accomplish the great purposes of that program.

Mr. BARKLEY. Mr. President, I wish merely to state very briefly the reason why I oppose this amendment.

In the first place, before the bill was ever introduced and presented, when a conference was held with reference to the need for a relief appropriation it was generally agreed among all those present that $100,000,000 would become available to be authorized for rural electrification. While I have not read Mr. Carmody's testimony before the Senate committee, I have before me a copy of a letter which he wrote to Representative JOHN E. RANKIN, of Mississippi, on yesterday, May 31, which I think it may be well for me to present to the Senate. I read:

RURAL ELECTRIFICATION ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, May 31, 1938.

Hon. JOHN E. RANKIN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN RANKIN: I am returning herewith Senator TRUMAN's letter to you. I do not know how he or anyone else could have got this impression or deduced these figures from the record. I do not remember that any reference was made to $25,000,000 while I was before the committee. Of course, both of you realize I am not permitted to go before an appropriations committee to plead for an appropriation. In this case I was sent for and merely answered questions. I did leave data with the committee for the record, however, which shows by States, that we have on hand applications for approximately $90,000,000 right now before the new fiscal year begins.

I also left a statement, by States, showing where approximately $55,000,000 can be used effectively to round out and expand projects already built or in construction that received only partial allotments this year. In scores of cases during the past 18 months we have allotted $75,000 to $100,000 to projects that should have had from $200,000 to $600,000 if funds had been available.

There is plenty of demand for rural lines. The question of the size of the appropriation is, of course, a matter of policy to be settled by the administration and the Congress and not by me.

Sincerely,

JOHN M. CARMODY, *Administrator.*

That letter very clearly shows that if applications to the extent of $90,000,000 are already on file, before the beginning of the fiscal year $100,000,000 will not be enough, and certainly not too much, for this service, which is in demand all over the United States.

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

Mr. BARKLEY. I yield.

Mr. LUNDEEN. I should like to say to the Senator that, so far as I am concerned, I hope the amount will be restored to $100,000,000. I should be willing to vote for $200,000,000. I think it will be needed. I take the position that a capital investment which is made within the boundaries of the country is never a loss, but an asset.

Mr. BARKLEY. Not only has the rural electrification service been instrumental in bringing this modern convenience—which has become a necessity—to rural sections, but the program has been instrumental in inducing private companies to extend their own lines in order that they may bring electrical service to the people. The indirect benefits conferred by the appropriation have been substantial, although perhaps not as substantial as the appropriation itself.

However, it certainly seems to me that in view of the understanding we all had about it, in view of Mr. Carmody's statement, and in view of what we know is the almost universal demand of the rural sections for the service afforded them by reason of this appropriation, the $100,000,000 contained in the House provision is not excessive and should be restored. I hope it will be restored.

Mr. McKELLAR. Mr. President, I heard the testimony of Mr. Carmody and have seen the letter, or a copy of the letter, which the Senator from Kentucky has read. From hearing the testimony and reading it now, I think his letter is really in accordance with his testimony. He was merely answering questions when he was before the committee and not making an argument. This is a matter of very great importance.

Mr. Carmody said:

That is what $100,000,000 requires, Senator; $100,000,000 would furnish enough additional demand for aluminum to represent 112 percent of the total production of 1937. This tabulation merely shows what a $100,000,000 expenditure would do to create additional demand and additional employment in the industries furnishing major materials for rural lines.

I understand private companies have built about twice the number of miles that the R. E. A. has built during the past 2 years.

It seems to me this is one of the most valuable projects which the Government has. The rural electrification program involves loans, and not grants. I have no doubt the money will be returned. I understand that the loans which have heretofore been made are being returned with great promptness. I believe this amendment should be rejected.

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

Mr. McKELLAR. I yield.

Mr. HILL. The truth is that the rural electrification program is not in any way harmful to the private power companies. On the other hand, it is very helpful to them, because the fact that the Government furnishes the money to build the lines does not mean that the power will be bought from the Government. Most of the power which goes out over the lines comes from private power companies, and the program helps their business. Is not that true?

Mr. McKELLAR. I understand that to be the fact.

Mr. HILL. Also, as the Senator has suggested, most of the loans are being repaid. In the case of most of the items in a relief measure, the money is spent and never comes back to the Federal Treasury. However, most of the money devoted to these lines will be repaid.

Mr. McKELLAR. It will be repaid. I understand that those who have borrowed are now repaying the money. I certainly hope we may allow the original amount provided for in the House language.

Mr. LEE. Mr. President, I, too, hope we may restore the amount allowed by the House.

In my State of Oklahoma we are just starting a project to build the Grand River Dam to generate electricity. I should hate to think we would generate it and not have the facilities to distribute it throughout the rural communities.

The rural electrification program makes the electricity available to the rural communities. The program involves loans and not gifts. The money will be returned to the Treasury. I understand that the loans are made on a sound, businesslike basis. I favor restoring the appropriation to $100,000,000, the amount carried in the House language.

Mr. PEPPER. Mr. President, I merely want to add my comment to those already given, and to express the hope that the House language will be adopted by the Senate.

In my State the rural-electrification program has proved to be one of the most helpful and one of the most appreciated activities of the Federal Government. I also know that the Rural Electrification Administration so far has been able to do very little in my State, on account of the fact, as I am informed, that it has not the funds with which to do it.

In view of the funds which have been available heretofore, and in view of the rather restricted activities of the rural-electrification agency in my State, I know that the small amount which has been proposed by the Senate committee will not give us very much more than we already have.

It seems to me that the rural-electrification program represents a good investment from the point of view of the Federal Government. There is nothing which reaches with greater effectiveness into the homes of the people to enrich their lives. The program makes it possible for the people to have radios. In the southeastern part of the United States, the greater percentage of the people are without radios. Why? Because we do not have the advantages of electrification in the rural communities of the South. With the benefits and the advantages of science available to the people, to say that a farmer may not have access to electrical power is a denial of a service which the Government ought to make available to him.

I express the earnest hope that the House provision will prevail.

Mr. BURKE. Mr. President, in view of the statement made by Mr. Carmody before the Senate Committee on Appropriations, his letter, which has just been read by the majority leader, is very surprising. I think his testimony very clearly indicated to every member of the committee who heard it that the $40,000,000 already available, certainly with the additional $25,000,000 provided in the Senate amendment, was all that could possibly be used without a very great change in the set-up.

Without a little further time to consider the testimony of Mr. Carmody, I should not wish to vote on the question at this time.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment reported by the committee on line 3, page 28.

Mr. GEORGE. Mr. President, as I understand, the question is on agreeing to the Senate committee amendment reducing the appropriation for rural electrification from $100,000,000 to $25,000,000.

The PRESIDENT pro tempore. That is the pending question.

Mr. GEORGE. Mr. President, I think this amendment should be rejected, and that the full amount of $100,000,000 should be restored to the Rural Electrification Administration.

In my candid opinion, the Rural Electrification Administration has done more for farm relief, done more for the comfort, done more for the pleasure of our farmers, done more for the value of American farms than almost any other thing that has been done during the past 5 years here in Washington.

The $100,000,000 would not be ample to take care of the rural-electrification program if the administration were given enough money to go forward with the program for this year and for the next fiscal year on the scale that our people desire it.

This program has been worth more to Georgia, worth more to the farmers in Georgia, worth more to the rehabilitation of rural life, worth more to the movement we have begun in other directions to bring back the farmer to his farm and to make him happy and satisfied with rural life and rural conditions, than anything else we have done. My observation has been, and my study of the matter has convinced me, that from the beginning our rural population, our farmers, realized that this form of relief was something that meant the permanent improvement and the permanent enhancement in value of their farms, because it added so much in the way of comforts and necessities to rural life.

Mr. President, it would be useless to prosecute, even with diligence, the efforts we have begun to defeat the movement toward farm tenancy and to bring back to the farms the farm owner-operator—it would be useless to prosecute those programs, as good as they are, unless we are also going to supplement them with the extension, rather than the curtailment, of the rural-electrification program in the country. So, Mr. President, I sincerely hope that the committee amendment will be rejected and that at least the full amount placed in the joint resolution by the House committee will be retained.

I know of nothing better that can be done for rural America, and nothing better that can be done for all America for the future, than the establishment and maintenance of improved conditions on the American farm and in the small villages, which, after all, are farm villages. I know of nothing better that can be done to maintain a stable life in America; and I mean stable life, because not only is the hour approaching but we have already arrived at the time when real stability of character in America is the only hope and the only anchor that will hold in its place our republican form of government. It matters not how good many of the other features of the joint resolution may be, and it matters not how wisely money may be expended for other purposes; to reduce this appropriation is to cripple the movement to curtail and defeat tenancy in America, is to cripple the movement to send back to our farms men and women, boys and girls who will be content and happy to live and reside there if they have the conveniences and if they have the necessities and if they have that which will give value to their homes in the rural areas when they have established or reestablished them.

To cripple that movement will go further than anything else to destroy the very things that must make for stability in this country, if stable conditions are to return; because, after all, the small, independent farmer with an investment that he knows is worth the money he paid and that will increase in value if given the necessities and if given the conveniences and if given the advantages that electric service can give to our farmers is the moral balance wheel.

So, Mr. President, I express the hope that we shall restore this full amount by rejecting the amendment proposed by the committee.

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

Mr. GEORGE. I yield to the Senator from Oklahoma?

Mr. LEE. The Senator keeps referring to stable conditions. I wonder if it is not his opinion that the electric milker makes the stable more comfortable. [Laughter.]

Mr. GEORGE. Undoubtedly; and that makes the farm more comfortable and more valuable, and that makes farm life more attractive.

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

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

Mr. POPE. Does the Senator know the percentage of farm homes in his State that have electricity?

Mr. GEORGE. I do not.

Mr. POPE. In my State about 70 percent of the farms have no electric service.

Mr. GEORGE. I am sure it is a larger percentage in Georgia. I believe 80 or 85 percent of the farm homes in Georgia have no electrical service whatever.

Mr. NORRIS. Mr. President, I have thought more about the particular amendment now pending than about any other amendment in the joint resolution. I have given it more time and consideration. I have compiled a great deal of information regarding the subject. I have had quite a number of the bureaus and Departments of the Government busy for the past 2 or 3 weeks in gathering together and assimilating information relating to it; and I expected to speak at length in order to use what little influence I have to defeat the committee amendment, and retain the $100,000,000 which the House joint resolution provides.

I am assured, however, upon a careful canvass of the Senate recently made, that there is not any doubt about the committee amendment being rejected, and since everybody is anxious to proceed further with the joint resolution and get along as rapidly as we can, I shall not burden the Senate with the speech I intended to make, but I am ready for a vote.

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

Mr. NORRIS. I yield.

Mr. LUNDEEN. I hope the Senator will be kind enough to put into the RECORD some of that marvelous material and information he has for the information of the Senate and the country.

Mr. NORRIS. Mr. President, most of the material I have, various maps and charts, could not be printed in the CONGRESSIONAL RECORD.

Mr. MALONEY. Mr. President, may I inquire as to the parliamentary situation?

The PRESIDENT pro tempore. The clerk will state the pending amendment.

The CHIEF CLERK. It is proposed on page 28, line 3, to strike out "$100,000,000" and to insert "$25,000,000."

Mr. ADAMS. Mr. President, I want the Senate to understand the liberality with which they are about to act. I happen to be one of those who every now and then have been imbued with the futile idea of trying to protect the Treasury of the United States.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. May I inquire whether the Senator has not already used his time on this amendment?

Mr. ADAMS. I do not think I have used my full time.

The PRESIDENT pro tempore. The Senator has not consumed all of his time.

Mr. ADAMS. Mr. President, the rural-electrification program is one which the Committee on Appropriations and every Senator favors. Mr. Carmody went to the Budget and asked for $50,000,000. That was all he asked for. He was given $40,000,000, and when this joint resolution was before the Committee on Appropriations he did not ask for a nickel. He said that the increase on the floor of the House came spontaneously, without any request from him. He came before the Senate committee at our request and said to us that with the force he now had he could not spend the $40,000,000 available to him; that he would have to increase his force to spend more than that.

Mr. Carmody at no time has said that he could use the $140,000,000 which will be provided within the next year. We are giving to a department more than they asked for. Those of us who have been on the Committee on Appropriations know that those who come from Departments do not ask for less than they need. They nearly always come asking for more, and now we are giving $140,000,000 to a department which asked for $50,000,000 and we are giving it for projects which are not available now. In the letter which Mr. Carmody sent in he merely said that there are applications pending. There are applications in my State, many of which cannot be met because the people cannot stand the loans.

It is the Senate's business to expend the Government's money as it pleases, but it is my duty, as chairman of the subcommittee, to explain to the Senate that the Senate Committee on Appropirations acted upon the information before that committee, and that the action which the Senate committee took is in accordance with the statements made to them by Mr. Carmody, into whose hands this money will go.

Mr. NORRIS. Mr. President, I will consume some more of my time. I do not think that what the Senator said ought to go without some words of explanation in behalf of Mr. Carmody. I am not criticizing the Senator from Colorado at all. He is doing his duty, as he understands it, as chairman of the subcommittee.

Mr. ADAMS. Mr. President, if I may ask the Senator a question, I took occasion when the matter was up to inquire of the Senator from Nebraska about it, and I understood that the Senator concurred in the program which we had followed in the committee.

Mr. NORRIS. The Senator and I talked about it before the joint resolution came before the Senate. As I remember it, the talk then was that they might compromise on $65,000,000 instead of $100,000,000. I have made a further investigation since. I have sent for Mr. Carmody. I have consulted and sent for a great many of his assistants, to ascertain whether or not they could handle $100,000,000. There is no doubt, not the remotest, that $100,000,000 can be handled. An appropriation will have to be made to enlarge the force somewhat, either in the pending joint resolution or in a deficiency bill. A million dollars will be ample for that purpose.

Mr. Carmody came to me because I asked him to. He was somewhat embarrassed, because he did not like to give me information when he felt that under the circumstances and the understanding between the different bureaus it was not up to him to lobby in any sense to get more money. He was very careful about it. I put him under cross-examination, and he answered my questions, and was perfectly honest about it. He furnished the information which his office had, a good deal of which I have collated here. There is no doubt about their being able to use $100,000,000. There is no doubt but that they can expend $100,000,000 properly, but they will have to have perhaps $1,000,000 to increase the personnel in order to do that.

By the first of this year they had used up practically all of the appropriation for the fiscal year. They had to withdraw some money which had been allocated in order to keep some projects going. There is no question but that every dollar of this money will be returned to the Treasury of the United States. It is not a gift. There is no gift about it. The money is as safe in this investment as though it were put in a bank, I think safer, because the electric bills will be paid before anything else is paid. When once they get a taste of electricity, the women who have been working in drudgery all their lives over hot stoves will never consent to having the electricity taken out. When they have a taste of the many advantages which electricity will bring to them and add to their happiness, one would take his life in his hands if he went into a home where it had been used and tried to cut off the electricity. It is the one thing which now brings some hope of happiness and relief to the farm women of America.

If I wanted to take the time of the Senate I could give instances where it is practically an impossibility, when the electricity is once put into the farm home, ever to take it out. It means war if one goes there and tries to take it out. They

will pay every dollar. The record shows that even in the drought-stricken sections of the country, where there is no evidence of anything the farmer produced out of which he could get money, electric bills are paid, and paid promptly.

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

Mr. NORRIS. I yield.

Mr. CLARK. Is it true that the projects on which money can be expended under this or any other authorization are already regulated by law?

Mr. NORRIS. Yes.

Mr. CLARK. The House provision, as well as the Senate committee provision, is simply in the nature of authorizations. So that if it should prove that the Rural Electrification Administration cannot spend as much money as the House has authorized, the money would go back to the Treasury and would not be expended?

Mr. NORRIS. Certainly; if they could not spend it all, the balance would be in the Treasury.

Mr. CLARK. I asked the Senator a moment ago whether it was not an authorization. It is more in the nature of a limitation than an authorization, and the question is what the limitation shall be?

Mr. NORRIS. Yes.

Mr. CLARK. Will the Senator from Nebraska yield to me further?

Mr. NORRIS. I yield the floor.

Mr. CLARK. I will claim the floor in my own right. I do not believe any money has been spent by the Government of the United States in the last few years, since the present administration came into power, to better advantage than the money which has been spent under the act passed a couple of years ago by Congress providing for rural electrification. I receive thousands of letters a year from farmers in Missouri, dealing with many diverse questions. Some of them write about their cotton allotments, some about their corn allotments, some about highway conditions, others about various other things which may confront the Government of the United States.

In a surprisingly large number of cases—I should say in more than half of the letters I receive from farmers who live in the State of Missouri—no matter what may be the main subject of their correspondence, they include some sentence or some paragraph expressing the hope that the Government may continue to pursue the policy of developing rural electrification. I do not believe that in its ultimate results money can be spent to any better advantage than the money which has been put into this enterprise.

As the Senator from Nebraska has suggested—and I think it can be abundantly proven—the money will be recovered almost a hundred percent. In addition to that, I doubt if there is a more beneficial or more widely distributed method of creating employment than this. It involves the taking of the telegraph poles out of the forests; it involves the fabricating of the wires; it involves the supply of a great many materials. I do not believe there is a better way on earth to spend money than in the method suggested in this provision, and I hope that the Senate committee amendment will be rejected.

Mr. DUFFY. Mr. President, I shall detain the Senate only a moment, merely long enough to say that the experience in Wisconsin has been very satisfactory with reference to the rural electrification. While a good many of the farmers in my State think that many of the farm acts we have passed have not been very beneficial, especially to the dairy farmers, they are all agreed, especially in the southern half and the middle portion of the State, where they are principally engaged in dairying, that the rural electrification has been the greatest boon to the dairy farmers among all the things we have done, and I sincerely hope that the House figure of $100,000,000 will be carried in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 28, line 3.

The amendment was rejected.

Mr. HAYDEN. Mr. President, I realize the amendment I am about to offer is not in order at this time, but I desire to direct the attention to the hearings, on page 72, where I asked Mr. Carmody this question:

> I would like to know what you could do with the $100,000,000, or could you use all of it, or what part of it, within the fiscal year?
>
> Mr. CARMODY. I believe that it could be obligated. I think it would require considerable increase in staff, and I think it would take 2 or 3 years off the life of the Administrator.
>
> Senator MCKELLAR. How much additional cost of administration would be entailed?
>
> Mr. CARMODY. Well, roughly, I would say somewhere between double the staff and an increase of 75 percent.
>
> Senator MCKELLAR. How much would that be in money?
>
> Mr. CARMODY. In money, that would probably be around somewhere between $750,000 and $1,000,000.
>
> Senator HAYDEN. That is, you can loan this $100,000,000 with 1 percent overhead?
>
> Mr. CARMODY. Well, it would not be quite a 1-percent overhead, because a good deal of preliminary work has already been done. We have a good organization. We get a good deal of cooperation from farmers themselves. The projects pay for their own survey work. The construction is done by contractors who pay their own superintendents, clerical force, etc.

I realize that the amendment is not in order, but I offer an amendment and ask the clerk to read it, so that it may be pending.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 28, after line 6, it is proposed to insert:

> There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,000,000 for additional administrative expenses for the Rural Electrification Administration during the fiscal year ending June 30, 1939.

Mr. HAYDEN. Mr. President, I ask that the amendment lie on the table.

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

Mr. MCKELLAR. Did I understand the Senator to say that the amendment would be offered to the deficiency bill?

Mr. HAYDEN. No, Mr. President; I see no reason why the amendment cannot be placed in the pending bill.

Mr. MCKELLAR. I have no objection to it. I should have no objection to the amendment being agreed to if the Senator were to ask unanimous consent that it be considered.

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

The next amendment was, on page 28, after line 8, to insert:

> TITLE V—PRICE ADJUSTMENT ACT OF 1938
>
> SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price-adjustment payments to producers of wheat, cotton, and corn in the commercial corn-producing area upon the normal yield of the acreage planted to the commodity for harvest in 1938 not exceeding the farm acreage allotment for the commodity in connection with the 1938 agricultural conservation program. Such payments shall be conditioned upon not exceeding the farm acreage allotment for the commodity allotted under the 1939 Agricultural Conservation Program and shall be made at a rate equal to the amount by which the average farm price for the commodity is less than 75 percent of the parity price for the commodity as defined in section 301 of the Agricultural Adjustment Act of 1938 but shall not exceed 2 cents per pound in the case of cotton, 8 cents per bushel in the case of wheat, nor 5 cents per bushel in the case of corn. In determining parity prices and farm prices the period July 1, 1938, to November 30, 1938, shall be used in the case of wheat, the period August 1, 1938, to December 31, 1938, in the case of cotton, and the period October 1, 1938, to February 28, 1939, in the case of corn. In administering this title said sum shall be available for the employment of persons and means in the District of Columbia and elsewhere, rent in the District of Columbia, and printing and binding, and the provisions of law relating to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply. The Secretary of Agriculture is authorized to issue such rules and regulations as may be necessary to administer this title. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all circumstances and provided by regulations. The provisions of other titles of this joint resolution shall not be applicable to this title.

Mr. RUSSELL. Mr. President, I have pending an amendment which applies to the first part of the amendment on page 28, which has just been read by the clerk. I ask that my amendment be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. On page 28 it is proposed to strike out lines 10 to 25, inclusive, and lines 1 to 7, inclusive, on page 29, and to insert in lieu thereof the following:

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price-adjustment payments to producers of wheat, cotton, corn in the commercial corn-producing area, the kinds of tobacco for which farm acreage allotments were established under the 1938 agricultural conservation program, and rice, upon the normal yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program. Such payments shall not be made with respect to any farm on which the acreage planted to the commodity for harvest in 1939 exceeds the farm acreage allotment for the commodity established under said 1939 agricultural conservation program. The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice: *Provided*, That, if a smaller rate shall be sufficient to bring the average farm price for any commodity to 75 percent of the parity price, the payments with respect to such commodity shall be made at such smaller rate. If funds should remain after payments were made at the foregoing rates said rates of payment may be increased. Any increases in such rates shall be made so as to bring the average return to producers from each commodity, including the payment hereunder, as nearly as may be possible to a uniform percentage, not in excess of 75 percent of the parity price. For the purpose of this section, the average farm price and parity price for each commodity shall be determined for the first 5 months of the marketing year of 1938 (as defined in the Agricultural Adjustment Act of 1938) for such commodity.

Mr. POPE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. POPE. The Senator from Iowa [Mr. GILLETTE] requested me to offer an amendment in the nature of a substitute for this entire section. In the event the amendment offered by the Senator from Georgia to the committee amendment should be agreed to, then would I be permitted to offer a substitute for the entire section, as amended?

The PRESIDENT pro tempore. The Chair did not follow the reading of the amendment of the Senator from Georgia. If the amendment offered by the Senator from Georgia is simply an amendment to the committee amendment the substitute referred to would be in order. After action upon the amendment proposed by the Senator from Georgia, the action upon the substitute referred to would be in order.

Mr. RUSSELL. Mr. President, the effect of my amendment to the committee amendment is merely to increase the amount which can be paid to the wheat producers from 8 cents to 10 cents a bushel, and makes the other two basic commodities contained in the Farm Act—namely, tobacco and rice—eligible to receive price-adjustment payments in the event the market price of the commodities this fall should be less than 75 percent of parity.

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

Mr. RUSSELL. I yield.

Mr. BARKLEY. I understand the effect of the Senator's amendment is to add tobacco and rice to wheat, corn, and cotton, which are already contained in the Farm Act?

Mr. RUSSELL. Exactly; and to increase the amount to be paid to wheat from 8 cents to 10 cents a bushel.

Mr. BARKLEY. Inasmuch as all five of these crops constitute the basic agricultural commodities dealt with in the Farm Act, I see no reason why there should be any difference in the treatment with respect to wheat, corn, and cotton than there is as to tobacco and rice.

Mr. RUSSELL. My amendment eliminates any difference in the treatment of tobacco and rice, and brings tobacco and rice into the joint resolution. That was not done arbitrarily, however. At the time the amendment was offered in the committee, and in fact today, tobacco is selling at much more than three-fourths of parity. This language in the bill will give assurance to the tobacco grower that if tobacco falls below 75 percent of parity then, of course, he will receive the price-adjustment payment. Tobacco has been selling in the present market at over three-fourths of parity. No one can predict what the price will be in the next season.

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

Mr. RUSSELL. I yield.

Mr. BYRD. What payment is provided for tobacco?

Mr. RUSSELL. The amendment allows the price-adjustment payment of 1 cent a pound.

Mr. BYRD. I want to ask the Senator if he does not think that is too low for tobacco as compared with wheat, corn, and cotton? The comparative price of flue-cured tobacco is 18.8; North Carolina, 10.1; burley, 17.4. The market prices, of course, are in excess of the parity prices, but it seems to me that to allow tobacco only 1 cent is not putting tobacco on an equality and on a fair basis with cotton, corn, and wheat.

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

Mr. RUSSELL. I yield.

Mr. LEE. I will say in answer to the Senator from Virginia that we will trade with him if he will give us 1 cent a pound on wheat.

Mr. RUSSELL. Mr. President, I might say that these figures were suggested by the officials of the A. A. A., of the Department of Agriculture, who are dealing with the farm problem every day. Those officials said very frankly that, in their judgment, there would be no payments made under this amendment to tobacco growers, because they apprehended that tobacco would sell for more than 75 percent of parity when this year's crop was marketed. It has been pointed out by the Senator from Kentucky that that is merely the opinion of the officials of the Department, and it is wholly within the realm of possibility, even if it is not very probable, that tobacco may go below that price. But these figures, as I have said, were suggested by the officials of the Department as being comparable, and I doubt not that the fact that tobacco is now selling for above parity may have influenced the officials in their judgment.

Mr. BYRD. I talked with Mr. Hutson, and he thought that the equality basis would be 1½ cents.

Mr. RUSSELL. Mr. Hutson is the gentleman who furnished me these figures.

Mr. BYRD. I asked him what was the just basis between tobacco and cotton with 2 cents a pound for cotton, and he thought about 1½ cents for tobacco.

Mr. RUSSELL. Mr. Hutson himself suggested 1 cent. I asked him to suggest the figure for tobacco, and he suggested 1 cent a pound which has been placed in the amendment.

Mr. President, I desire to reserve the remainder of my time on this amendment. I believe under the rule we may reserve our time.

Mr. CAPPER. Mr. President, I wish to offer an amendment to the amendment offered by the Senator from Georgia.

Mr. RUSSELL. Mr. President, that would be subject to a point of order.

Mr. CAPPER. Mr. President, I want to discuss the amendment offered by the Senator from Georgia with respect to the parity price of wheat. The Senator from Georgia has offered an amendment providing that the payment on wheat shall be 10 cents per bushel. I think it should be 13 cents per bushel. On that point I want to be heard for just a few minutes.

Mr. President, that we face a very low price for this year's wheat crop is now generally admitted. The wheat market dropped again last Saturday, upon publication of private estimates that the winter wheat crop will be around 800,000,000 bushels, higher by some half million bushels than the latest estimate from the Department of Agriculture.

I submit that in proposing this 13-cent maximum parity payment for wheat this year, I am only asking for wheat similar treatment to that afforded the 1937 cotton crop, which as I understand received a guaranty of 12 cents a pound, or 75 percent of the parity price. Seventy-five percent of parity price on wheat at this time would be approximately 85 cents.

Wheat growers, in compliance with the national wheat program, under the provisions of the Agricultural Adjustment Act of 1938, are to receive 12 cents a bushel on the normal production of their allotted acreage, as I understand.

That commodity loans on wheat are to be made on this year's crop, to growers who are in compliance, is considered so certain that the President has asked Congress for an appropriation to make arrangements for storage.

If the wheat loan should be as low as 60 cents per bushel, as has been indicated though not specifically stated by the A. A. A. officials who have discussed the matter, then this 60-cent loan, plus the 12-cent payment for compliance, plus a parity payment of 13 cents, would bring the total to 85 cents per bushel.

If the loan were larger than 60 cents a bushel, and it was desired to place the wheat grower on approximately the same basis as the cotton grower—so far as Government aid is concerned—providing in effect what would be a guaranty of 85 cents a bushel, the Secretary would have authority to scale down the parity payments accordingly.

Mr. President, we from the Wheat Belt supported the 12-cent guaranty for cotton a year ago. I believe it is only fair to state that we have supported every measure adopted by Congress to protect the cotton growers. I appeal to the Senators from the Cotton Belt, now that the wheat market is tumbling to new lows, to support the amendment which I have offered.

Mr. President, it is hardly necessary for me to tell the Senate what it will mean to the wheat growers of the Great Plains area, including my home State of Kansas, if wheat prices drop so low that it is necessary for the Secretary of Agriculture to carry out the provisions of the Agricultural Adjustment Act of 1938 and make the commodity loans, whether at 60 cents or even a higher figure.

If the wheat growers receive less than 85 cents a bushel on the production of their allotted acreages—and that means on only part of their crop; I do not undertake to say what the price of wheat is going to be, but the farm price is below 60 cents already in some sections—it is going to spell ruin for thousands of farmers. Also it will mean that the purchasing power of the Wheat Belt will be so reduced that agriculture will be helpless to take part in the march toward recovery through purchases of manufactured products; and that lack of purchasing power means fewer jobs for industrial workers.

Without agricultural income much higher than now in prospect farm purchasing power will not and cannot do much toward providing employment for workers in the industrial sections.

Mr. President, we have been through some hard times in the Wheat Belt in the past few years. Our section of the country was paralyzed in 1931–33. Farms were foreclosed by the thousands, by the tens of thousands. Farmers had to go on relief. We are appropriating hundreds of millions for farm security relief to farmers in the pending bill.

Following the previous depression, we have had a succession of drouths and poor crops. Now that we have a wheat crop in prospect, the threat of low prices has brought hopeless despair to our farmers again.

These few extra cents a bushel which my amendment proposes, will spell the difference between retaining their farms and being again forced onto relief rolls, to thousands of our farmers. The cost to the Federal Government of the parity payments proposed before the winter is over will be much less than the cost of maintaining these farmers on relief rolls, if low wheat prices bring the certainty of bankruptcy and foreclosures again to the Wheat Belt, not yet recovered from the disastrous years following 1929.

Mr. President, I hope I shall have an opportunity to offer my amendment providing for a parity price for wheat of 13 cents, to take the place of the amendment offered by the Senator from Georgia.

Mr. RUSSELL. Mr. President, I regret that I am compelled to make a point of order against the amendment. It is an amendment in the third degree. I should like to see wheat receive 13 cents, cotton 3 cents, tobacco 4 cents, and rice a whole cent a pound. However, this figure was worked out in the Department; and since the amendment was adopted by the committee the price of wheat has been increased by 2 cents a bushel by reason of parity payments which may be made to the wheat farmers.

While I realize that the situation of the wheat farmers, in common with that of all other farmers, is deplorable, the wheat farmers have certainly not been discriminated against.

I wish to point out to the Senator from Kansas that the cotton acreage this year was cut by 40 percent. Therefore, not only will cotton producers be compelled to take a low price for their crop, but their production will be off approximately 40 percent, whereas the acreage of wheat has not been reduced. I am sure the figure given by the Senator from Kansas, which is 13 cents, may be the amount necessary to bring wheat up to 75 percent of parity; but I wish to point out that other commodities, such as rice and cotton, are selling for less tan 50 percent of parity, and that a figure on cotton comparable with the figure given by the Senator from Kansas for wheat would be approximately 4 or 5 cents a pound.

Therefore, I feel constrained to make a point of order against the amendment.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The Chair does not understand that the amendment has been offered.

Mr. CAPPER. I am not now offering the amendment.

The PRESIDING OFFICER. The Chair understands that the amendment is not offered.

Mr. CAPPER. However, I hope I shall have an opportunity later to submit my amendment. I have no objection to the parity prices on cotton and rice proposed by the Senator from Georgia; but I know that 10 cents on wheat is not adequate to take care of the present situation of this year's wheat crop in our part of the country.

Mr. RUSSELL. Mr. President, I wish to point out to the Senator from Kansas that when the amendment was originally proposed the Department officials administering the A. A. A. stated that a price of 8 cents a bushel on wheat was comparable to the other figures in the bill. Later, at the instance of the Senator from Idaho, the Senator from Kansas, and others, parity payments on wheat were increased from 8 to 10 cents a bushel; and I think it would certainly be disproportionate now to increase the figure for wheat to 13 cents a bushel, however desirable it might be. With only $212,000,000 available, I think it would be very unfair to the producers of corn, cotton, tobacco, and rice to increase the amount paid to the wheat farmer as suggested by the Senator from Kansas.

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

Mr. RUSSELL. I yield.

Mr. VANDENBERG. I am sorry I have not heard all the discussion. Has the Senator indicated whether he expects this amendment subsequently to be followed by a processing tax?

Mr. RUSSELL. Mr. President, I do not know of any other expenditures covered by the joint resolution which depend on the enactment of any specific tax. Therefore, I have not mentioned the processing tax in this connection. So far as I am concerned, the amendment was offered to a general appropriation measure.

I am perfectly willing to support a fair processing tax. I always have supported one, and I am willing to support one in the future which will provide funds for permanent parity payments to the farmers. The pending measure is merely an emergency measure, which seeks to bring the income of farmers, if possible, up to 75 percent of parity.

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

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

Mr. RUSSELL. I yield.

Mr. POPE. With reference to the question asked by the Senator from Michigan, I desire to say that a short time ago

I tried very hard to obtain the adoption of an amendment to the revenue bill providing for $212,000,000 revenue, which was estimated by the Internal Revenue Department, in order that just such an appropriation as this could be made. I am in favor of making the appropriation, but I believe that the Senate and the House of Representatives should provide a processing tax. We may not have time to do it at this session, but early in the next session a processing tax should be provided to raise revenue to cover the proposed appropriation.

I think such a course is only fair to the people of the country and to the Treasury of the United States. I am in favor of an amendment to provide now for the $212,000,000 for parity payments to farmers. I think the amendment offered by the Senator from Georgia [Mr. RUSSELL] to his original amendment improves it.

As I said before, I expect to offer, on behalf of the Senator from Iowa [Mr. GILLETTE], an amendment which has been very carefully prepared, which I think provides a definite and fair formula for distributing the funds. However, I shall discuss that amendment when I offer it, on behalf of the Senator from Iowa, as a substitute.

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

Mr. POPE. I yield.

Mr. VANDENBERG. I think the Senator has made a perfectly frank and courageous statement about his attitude toward the processing tax. He has said what I hoped he would say. It seems to me the Senate puts itself in an utterly ridiculous position when one week it declines to vote a $212,000,000 tax for this purpose, and the next week blithely, blandly, and smugly votes to spend $212,000,000 without any effort to show how it is to be raised.

Mr. POPE. I agree with the Senator from Michigan. When the amendment referred to was before the Senate, I attempted to point out the necessity for the Senate, in good faith, to adopt the amendment before making the appropriation. However, the great majority of the Senate thought otherwise.

I am in favor of the amendment because I think it is necessary, during the transition stage before the Farm Act goes into full effect, that the money be made available as parity payments to farmers. I agree with the Senator that the Congress should raise the money with which to make the payments.

Mr. LEE and Mr. BARKLEY addressed the Chair.

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

Mr. LEE. Mr. President, I agree with the Senator in what he says with regard to the processing tax. However, the other appropriations in the joint resolution are in the same position as the $212,000,000. We are not providing a tax measure to raise any of the money; are we?

Mr. POPE. No.

Mr. LEE. Then why the question of the Senator from Michigan in regard to the particular money which is to go to the farmers?

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

Mr. POPE. I yield.

Mr. HATCH. I do not think the Senator meant to say that payments under this provision of the joint resolution are in the same category with all the other payments and expenditures authorized by the joint resolution.

Mr. POPE. No. The Senator asked me if the joint resolution made any provision for raising the revenue for other appropriations in the joint resolution.

In that respect the two matters are similar. However, it has been the understanding of the administration, from the President on down, that revenue would be provided before parity payments were made. I accepted that statement in good faith. I felt that it was a fair statement. As I said a while ago, I feel that the Senate is inconsistent in making the appropriation now without raising the funds to cover it. However, I am still in favor of the amendment, and I hope it will be agreed to.

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

Mr. POPE. I yield.

Mr. BARKLEY. Regardless of any consistency or inconsistency on the part of the Senate in having voted down the amendment offered by the Senator when the revenue bill was before us, the Senator knows that the Senate cannot now initiate any form of taxation to raise $212,000,000, or any other sum.

Mr. POPE. I agree with the Senator.

Mr. BARKLEY. I think every Senator is familiar with the attitude of the President and the administration with regard to parity payments. The President has insisted from the beginning that if Congress should provide any additional amount under the Agricultural Adjustment Act of 1938 over and above the $550,000,000, or whatever the amount is, additional revenue should be raised to take care of the appropriation.

When the agricultural bill was under consideration, I took the position—and I have not yet been able to convince myself to the contrary—that until the present crop year shall have ended, and we shall have ascertained the results of the crop-curtailment program, nobody can prophesy how much additional money will be needed above the $550,000,000. If the crop-curtailment program is to be successful, in proportion to its success it will reduce the amount of money which will ultimately have to come out of the Treasury.

The crop year for wheat will end during the summer, in July, August, and September. The crop year for corn will end in October, November, and December. The crop year for tobacco will end in December, January, February, and March. Before we shall know how much money it will be necessary to pay out of the Treasury to make the parity payments, Congress will again be in session. While the present Congress can not bind another Congress, I think we all realize—I certainly do, and I know of nobody in this body or in the House who does not—that when the crop year shall have ended, and the parity payments shall have been made, Congress, by some form of additional taxes, whether by a processing tax or something else, must raise the difference between the amount now available and the amount which will have to be paid out by the Treasury under the agricultural program.

Mr. POPE. I agree with the Senator in part.

Mr. BARKLEY. It has been the opinion of many members of the Finance Committee of the Senate and of the Ways and Means Committee of the House that we could not now intelligently write a bill raising additional revenue for the purpose of carrying out the agricultural program without knowing how much will be required at the end of the crop year.

Mr. POPE. I appreciate the statement made by the Senator from Kentucky that there is no present way of knowing how much money will be necessary to make full parity payments. However, I do not think there is a Member of Congress who does not know that $212,000,000, the amount which was provided for in the amendment which I offered to the revenue bill, will not be enough. Within a few weeks after the revenue bill was passed exactly that amount is being appropriated.

It seems to me it was well known that more than $212,000,000 would be needed this year. Since the processing tax has not been provided by the Congress, it will be necessary for the Congress to act at some future time. I hope the Congress will act and keep faith with the President and the country by raising the necessary revenue to make the parity payments.

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

Mr. POPE. I yield.

Mr. CONNALLY. I should like to ask the Senator from Idaho if it is not true that if we wait until December to find out how much will be required, a great deal more than $212,000,000 will be needed. More than the amount proposed will be required to make the parity payments.

Mr. POPE. I think that is true.

Mr. CONNALLY. What assurance have we that Congress will enact a processing tax? The processing tax was rejected during the present session when an amendment proposing it was offered by the Senator from Idaho. The Senator from Texas voted with the Senator from Idaho. Then

we were met with some plausible pretext for not enacting a processing tax at that time. It was said that we must wait until the next session of Congress. I should like to know why it is that in connection with farm relief alone we must have a tax to raise the revenue. Nobody has raised any issue about the three or four billion dollars we are appropriating under the joint resolution. Where is the processing tax to pay for that? The tax is a processing tax on the ordinary taxpayers. It comes out of the general funds of the taxpayers. Every gasoline consumer, everyone who buys chewing gum, and everyone who has an income will have some of the tax processed out of him for unemployment and relief. Why is it that only when we come to do something to aid the farmer who is trying to work and make his way we say we cannot do it unless we provide the revenue to take care of the difference?

Mr. POPE. I think that the Congress should provide revenue to meet all its obligations. I call the attention of the Senator to the fact that $500,000,000 has been appropriated for benefit payments to farmers out of the General Treasury.

Mr. CONNALLY. Very well. Let me ask the Senator what percentage of the population of the United States is farm population. About one-third, is it not?

Mr. POPE. About one-third.

Mr. CONNALLY. Suppose we are giving them $500,000,000, we are giving other folks who are not farmers about $3,000,000,000, are we not?

Mr. POPE. The amount which is carried in this bill.

Mr. CONNALLY. So the proportion is about 6 to 1.

Mr. POPE. I have contended, as the Senator well knows, that the farmer certainly has not received any greater benefits than has anyone else. I think it is true that the farmers have received less benefits. That is why I am perfectly willing to vote for this proposed appropriation.

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

Mr. POPE. I will yield in a moment. But I believe that we should keep faith with the President and with the understanding we have had that money would be raised in the form of a processing tax or some other form in order to take care of additional farm benefits.

Mr. HATCH. Mr. President, will the Senator yield right on that point?

Mr. POPE. I yield.

Mr. HATCH. I myself see a vast difference in the type of moneys appropriated by this measure and those which would be appropriated by a measure to make parity payments to the farmers. I think there is no Member of the Senate of the United States who is more desirous of adding to the income of the farmer than am I; but I see a difference. I think we are justified in borrowing vast sums of money on the credit of the United States to take care of those who are in need of the absolute necessities of life, to relieve distress; I think we are justified in that; but parity payments to the farmer are not on that basis. Such payments are a supplement to the income which he has, and I do not think we are justified in pledging the credit of the United States for that purpose.

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

Mr. HATCH. I yield to the Senator.

Mr. BANKHEAD. I should like to ask the Senator if he does not realize that there are hundreds of millions of dollars appropriated by the pending measure which are not intended for the purpose of relief to those who are suffering? What about the whole P. W. A. program? What about the entire revolving fund under the P. W. A.? What about all the P. W. A. projects? They are not related in any direct way to the relief of the needy and the suffering and the unemployed.

Mr. HATCH. I do not agree with the Senator from Alabama in the statement that they are not related to the need of the suffering and the unemployed. On the contrary, I think they must be related to the need of the suffering and the unemployed, otherwise, as to those provisions, I will say I do not think that we would be justified in pledging the credit of the United States to borrow money to carry on such projects.

Mr. BANKHEAD. Will the Senator vote with me to eliminate all the features of the pending measure that are not essential under the relief program?

Mr. HATCH. When we get to that, if a definite proposition is presented, I should be glad to consider it.

Mr. BANKHEAD. The Senator is frank, honest, and sincere; he does not need to wait at any time to express his views on subjects he has already considered.

Mr. HATCH. I have expressed my view on the subject and told exactly what I think of it. I think that the basis of this entire program is the relief of unemployment, distress, and suffering. I do not think we are justified in borrowing money for the purpose of making parity payments, although I firmly believe in parity payments to the farmer. But, under the peculiar circumstances which have arisen in connection with the processing tax at the present session, I think we are now justified in adopting, and should adopt, the amendment offered by the Senator from Georgia [Mr. RUSSELL]. I believe, however, that when we come back for the next session of Congress it will be our duty to do as the President of the United States has requested, and provide revenue to pay for whatever benefits we accord toward securing for the farmer a parity price for his products.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. FRAZIER. Mr. President, the amendment of the Senator from Georgia will help to some extent, but nothing less than the parity price will do the farmer much good. The price of wheat, when the present value of the dollar is compared with that of the old gold standard dollar we had in 1932, when the previous world's low record for wheat was reached, is at even a lower level. The last quotation I have received was 69 cents at the terminal, and under the ratio of the old gold dollar that means 40.71 cents per bushel. It is almost 4 cents below the lowest wheat market of record in the United States.

Mr. HATCH. The last quotation I have seen was 68.5 cents.

Mr. FRAZIER. Well, that is a little worse; but I repeat, the price is 4 cents below the lowest world's market we have ever had.

Mr. LUNDEEN. Mr. President——

Mr. FRAZIER. I yield to the Senator from Minnesota.

Mr. LUNDEEN. Did we not recently pass the farm bill to remedy the situation to which the Senator referred? What happened to that measure?

Mr. FRAZIER. We still have the farm bill, but we are now trying to amend it again. I should like to see the payment on wheat much higher than it is, but I realize the situation we are up against and that we simply cannot get it. However, the amendment of the Senator from Georgia will help to some extent; so I am hopeful that it may be adopted.

I may also say that today the price of cotton, taking into consideration the difference between the present dollar and the old gold standard dollar, is the lowest we have had in the history of the United States; lower than it was in the lowest period of the depression. The prices of other farm products are about in the same ratio, considering the value of the old gold standard dollar. The purchasing power of the farmer is the lowest today it has ever been in the history of the United States. Anyone who thinks we are going to have better conditions or better times or that the factories and mills are going to be started with the present conditions existing, with no purchasing power on the part of the farmers who produce the food products and the necessities of life, has another guess coming, because we have got to start at the bottom if we are going to build any kind of prosperity.

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

Mr. FRAZIER. I am glad to yield to the Senator from Utah.

Mr. KING. Does not the Senator think, with $500,000,000 taken out of the Treasury of the United States and given to the farmers, plus the loans which they have had, that the

farmers are better off than millions of people who are out of employment and for whom we have to make this appropriation in order to save them from need and from want?

Mr. FRAZIER. If the farmers had a price for their products that would give them purchasing power, there would not be so many out of employment; the mills that are closed would be started and be in operation and would furnish products that the farmers need to buy which they have not been able to buy because of the loss of purchasing power during the last 8 or 10 years.

Of course, $500,000,000 appropriated under the Agricultural Act is the same amount that has been appropriated in past years for soil conservation. The farmers under the last farm act get practically no more than they received under the soil-conservation provisions of the previous law. The amendment of the Senator from Georgia will give them a little additional, and, of course, every little bit will help.

One of the local newspapers yesterday carried an item that some grain concern had predicted one of the largest yields of wheat for this year we have ever had, a yield away over a billion bushels. In that event, of course, the price of wheat will, undoubtedly, go much lower than it is at the present time. So anything the farmers can get that will be of benefit will help to some extent.

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

Mr. FRAZIER. I am glad to yield to the Senator from Kansas.

Mr. McGILL. To what extent does the Senator think the large crop of wheat, the great number of bushels which it is predicted will be produced this year, has had on the market price of wheat to which he has been referring?

Mr. FRAZIER. Undoubtedly it is forcing down the price. The gamblers use that as an excuse to beat down the price.

Mr. McGILL. Then, the Senator agrees that the quantity has something to do with the market price?

Mr. FRAZIER. Of course. The Senator from Kansas knows very well what my theory is with reference to the farm situation. It is cost of production for the amount used for home consumption——

Mr. McGILL. And, then, whatever can be obtained for the balance?

Mr. FRAZIER. Yes.

Mr. McGILL. The Senator refers to the price as compared to what it would have been under the previous gold content of the dollar. Does the Senator favor the enactment of a measure that would restore the gold content of the dollar to what it was prior to the last enactment of Congress on the subject?

Mr. FRAZIER. No; I do not know that I do. Personally, I think we have got to have still more inflation before we can ever get out of the situation we are in in regard to our debts. We will never pay our debts, public or private, in my opinion, until we have more inflation of the currency. But the amendment of the Senator from Georgia will help a little, and every little bit helps; the farmers are thankful for small favors; but I think at the next session of Congress we will pass a bill to give the American farmer the American market and cost of production, plus a fair profit.

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

Mr. FRAZIER. Yes; I am glad to yield to the Senator.

Mr. McGILL. I should like to know from the Senator, considering the fact that more than a billion bushels of wheat will be produced this year, and since the general average price will be, if we have a so-called guaranty, the cost of production for the amount domestically consumed, what it would be if we take into consideration the entire crop and the chances of the farmer disposing of the remainder of his production.

Mr. FRAZIER. If the farmers could get cost of production, plus a reasonable profit, the price, probably, would be at least $1.25 or better a bushel. The farmers would be better off if they only got that amount for half the wheat they produced and used the remainder for charity or anything they wanted to use it for.

Mr. McGILL. Would it not be true, in any event, that if the amount put on the market was only the amount that the market demands, the farmer would get a reasonable price for his commodity? Is not that generally so?

Mr. FRAZIER. So long as there is a carry-over, under our system the gamblers use it to beat down the price.

Mr. McGILL. The carry-over would be here under either theory.

Mr. FRAZIER. Yes; but if we had a fixed price on the amount used for home consumption it would not make any difference about the carry-over, because the remainder would be sold on the world market or kept off the world market with the same result.

Mr. McGILL. If we can sell on the world market, why do we not do it? We have sold all we could sell on the world market. We have sold, during the past year, approximately 100,000,000 bushels, which is twice as much as we have sold during any year since 1930. If this commodity can be disposed of on the world market at any price, why do we not sell it?

Mr. FRAZIER. Some of it is sold, of course; but that is not the point. The point is to give the farmer a price for the amount used for home consumption which will give him a profit above his actual expenses.

Mr. McGILL. I want to see the farmer have a reasonable profit on his endeavors, regardless of how much he may produce. The only issue is, how to attain that reasonable profit. I am asking the Senator to tell the Senate how much he thinks the farmer would receive for the surplus if he were guaranteed a certain figure.

Mr. FRAZIER. I am not at all concerned about the surplus, because if the farmer's purchasing power is restored so that people can be put to work in the factories it will raise the purchasing power of the workers so that we will not be worried about the surplus. It will be pretty well taken care of.

Mr. McGILL. In other words, the Senator is not interested in the surplus.

Mr. FRAZIER. If we can get cost of production in the American market, plus a profit, no.

Mr. McGILL. But the Senator would be willing to take what he calls cost of production and take a chance on getting nothing for the remainder of the billion bushels?

Mr. FRAZIER. Absolutely. Both the wheat farmers and the cotton farmers would be much better off, if they got cost of production plus a reasonable profit for the amount used for home consumption, if they had to give away the balance.

Mr. McGILL. Let me ask the Senator another question. Does the Senator mean by cost of production the general average cost of production throughout the United States?

Mr. FRAZIER. I want it high enough, of course, to take care of those who can raise wheat, or cotton, or whatever the product is, at a reasonable price.

Mr. McGILL. Would the Senator require, then, in a measure of this kind, that the cost-of-production standard should be fixed at the highest cost of production to any farmer in the country?

Mr. FRAZIER. Oh, no; it would be the average cost of production, plus a reasonable profit.

All the farmers want is their share of the national income. They are entitled to that, because they produce the products which it is necessary for the people to have in order to live.

Mr. McGILL. The Senator from North Dakota will not fight any harder for the American farmer than I will; but——

Mr. FRAZIER. I have been fighting harder for the cost of production than the Senator from Kansas has for the past several years.

Mr. McGILL. I voted for it, although I doubted its practicability.

Mr. FRAZIER. I voted for it because I thought it was right.

Mr. McGILL. I should like to ask the Senator to answer this question: If he means by the cost of production the general average cost throughout the United States, what is

he going to do with the farmer whose cost of production is above the general average?

Mr. FRAZIER. If the farmer's cost of production is above the general average, he will go broke, just the same as he is going broke now, and has gone broke for sometime.

Mr. McGILL. In other words, the Senator is willing to have him go broke?

Mr. FRAZIER. He will have to go to raising something else, of course. We cannot, of course, hope to get prices high enough on poor land, which does not produce a fair crop, to make it a profitable business for him.

Mr. McGILL. The Senator will agree that there is good land in the country which is cheaper than other good land, and that the general average cost of production will not fit the situation, will he not?

Mr. FRAZIER. I think the general average cost of production, plus a reasonable profit, will fit the situation and take care of it fairly well.

Mr. CAPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPPER. Yesterday I gave notice that I should propose an amendment to the pending joint resolution with respect to the parity price on wheat, asking that the parity payment on wheat provided in the committee amendment be raised from 8 cents to 13 cents. I again brought my amendment to the attention of the Senate, and would like an opportunity to have a vote on it. I am wondering how I can get a vote on my amendment for 13 cents.

The PRESIDING OFFICER. If the amendment of the Senator from Georgia [Mr. RUSSELL] should not be agreed to, the amendment of the Senator from Kansas would then be in order.

Mr. CAPPER. The amendment offered by the Senator from Georgia is an improvement over the committee amendment as to the parity price of wheat, but my own amendment is still better, and if his amendment is not adopted I shall ask that my amendment be submitted to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHIPSTEAD. Is an amendment in the nature of a substitute for the committee amendment in order at this time?

The PRESIDING OFFICER. As the amendment offered by the Senator from Georgia is the pending question, a substitute for the committee amendment is not in order at the present time.

Mr. SHIPSTEAD. Very well; I will withhold my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. COPELAND. Mr. President, I desire to ask a question about this amendment. Like the late Will Rogers, I know only what I see in the newspapers. I think I saw something in the newspapers to the effect that the President did not like this amendment, and that if it should be inserted in the joint resolution a new tax would have to be imposed to provide for it. Am I right in that?

The PRESIDING OFFICER. Will the Senator from Georgia answer the question of the Senator from New York?

Mr. RUSSELL. Mr. President, I am not sure that I understand the question.

Mr. COPELAND. I said that I thought I saw in print the statement that if this amendment should be adopted the President would request an additional tax to take care of it.

Mr. RUSSELL. Mr. President, of course I do not know what the Senator from New York saw in the newspapers, and I must confess that I have never conferred with the President with regard to this particular amendment.

Mr. COPELAND. He did not speak to me about it.

Mr. RUSSELL. I have not conferred with the President in regard to the amendment. I recall, however, that at the time the farm bill was pending the President very strenuously insisted that if appropriations of this nature were made, additional taxes must be imposed to provide for the appropriations.

As I stated a few moments ago, I do not think that question should be involved in connection with this legislation, in view of the general economic situation confronting the country. The Senate has before it an appropriation measure which carries over $3,000,000,000. This modest little amendment seeks to assure that the prices farmers receive for their commodities shall not sink below 75 percent of the parity prices. I desire to point out to the Senate that if these farm commodities bring 75 percent of parity this year, this amendment will not cost the Treasury of the United States one thin dime. It will take effect only in the event that the market price of farm commodities is less than 75 percent of parity.

If this great spending program has the effect which some of its sponsors claim it will have and which we all hope it will have, and puts up the price of farm commodities, the farmer will not get one dime under this appropriation. These payments are to be made only in the event that farm commodities continue to drop to the unprecedented lows that we now have in this country.

Mr. COPELAND. Mr. President, I should like to ask a question of the Senator from North Dakota [Mr. FRAZIER]. He spoke about a billion-bushel wheat crop this year. What was the force of the argument? Does that mean that whenever we have an abundant crop we must then have a new tax to take care of the surplus?

Mr. FRAZIER. Mr. President, when we have a bumper crop, of course, the price goes down, because the grain gamblers who manipulate the prices of wheat use that as an excuse to push down the price. From seven hundred to eight hundred million bushels is what we normally use in the United States; so, if there should be a billion-bushel crop, there would be a surplus on this year's crop of three or four hundred million bushels at least. That is a surplus which would be carried over, unless it should be exported.

Mr. COPELAND. Then if next year we had a crop of 1,250,000,000 bushels, would we then have to have another tax to take care of that?

Mr. FRAZIER. If the farmers were to get anything out of it, there would have to be another tax; yes.

Mr. COPELAND. Mr. President, I think I am converted to the idea of scarcity. I have always thought it was a fallacious economic doctrine; but if it means that every time we are thrifty and careful on the farm and raise more crops and create a greater surplus we must have new taxes, I do not quite know how we are coming out. I suppose we shall raise more wheat or more corn to feed more pigs to sell and get more land in order that we may raise more corn to raise more pigs; but it is an economic maze in which I am lost.

The adoption of this amendment is inevitable, however, and I shall not stay the exercises of the Senate, because when this matter is taken care of I think we shall go home and resume our activities tomorrow, when we shall be more refreshed. I should not want anybody to die on the floor of the Senate by reason of the fact that I am detaining Senators.

Mr. SHIPSTEAD. Mr. President, may the pending amendment be stated?

The PRESIDING OFFICER. The clerk will state the pending amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 28, it is proposed by Mr. RUSSELL to strike out lines 10 to 25, inclusive, and lines 1 to 7, inclusive, on page 29, and in lieu thereof to insert the following:

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price adjustment payments to producers of wheat, cotton, corn in the commercial corn-producing area, the kinds of tobacco for which farm acreage allotments were established under the 1938 agricultural conservation program, and rice, upon the normal

yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program. Such payments shall not be made with respect to any farm on which the acreage planted to the commodity for harvest in 1939 exceeds the farm acreage allotment for the commodity established under said 1939 agricultural conservation program. The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice: *Provided*, That if a smaller rate shall be sufficient to bring the average farm price for any commodity to 75 percent of the parity price, the payments with respect to such commodity shall be made at such smaller rate. If funds should remain after payments were made at the foregoing rates said rates of payment may be increased. Any increases in such rates shall be made so as to bring the average return to producers from each commodity, including the payment hereunder, as nearly as may be possible to a uniform percentage, not in excess of 75 percent of the parity price. For the purpose of this section, the average farm price and parity price for each commodity shall be determined for the first 5 months of the marketing year of 1938 (as defined in the Agricultural Adjustment Act of 1938) for such commodity.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the committee amendment.

Mr. McNARY. Mr. President, I do not know where I can find any differential between this amendment and the one in the bill. I had thought the Senator from Georgia was going to make the rate 10 cents a bushel on wheat

Mr. RUSSELL. The amendment which has just been stated by the clerk does exactly that.

Mr. McNARY. I did not catch that from the reading. I should like to have that portion of the amendment read again.

The PRESIDING OFFICER. The clerk will read the portion of the amendment referred to.

The legislative clerk read as follows:

The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice.

Mr. McNARY. Mr. President, the able Senator from Kansas desired to increase the rate on wheat to 13 cents a bushel. I assume that the ruling of the Chair is that that would be an amendment in the third degree.

The PRESIDING OFFICER. The Senator is correct.

Mr. McNARY. In order to accomplish what is desired by the Senator from Kansas, it would be necessary to vote down the proposal of the Senator from Georgia?

The PRESIDING OFFICER. That is correct, unless the Senator from Kansas could obtain unanimous consent to offer his amendment.

Mr. McNARY. Mr. President, I think the Senator from Kansas should have that opportunity, and I ask unanimous consent that he may offer his amendment making the rate 13 cents as against 10 cents in the case of wheat.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. RUSSELL. Mr. President, I dislike very much to object, but the first figures that were given by the authorities of the A. A. A. that were comparable were 8 cents a bushel for wheat, 2 cents a pound for cotton, and 5 cents a bushel for corn. At the insistence of the representatives of the wheat-producing States this figure has been raised to 10 cents a bushel in the case of wheat, and it would be out of all proportion in any fair distribution of these funds for wheat to come in on the basis of 13 cents a bushel as compared with the payments which are made of 5 cents a bushel for corn and 2 cents a pound for cotton. I therefore feel constrained to object to the present unanimous-consent request.

Mr. McNARY. Will the Senator withhold his objection for a moment?

Mr. RUSSELL. I withhold the objection.

Mr. McNARY. I would not ask for any discriminatory rate in favor of wheat as against cotton or tobacco or rice, or any of the products raised in the South.

Mr. RUSSELL. I may say to the Senator that corn is also included in the amendment.

Mr. McNARY. That is true. We are not molesting corn by the amendment suggested by the Senator from Kansas. I have information that between 12 and 13 cents would be a fair rate when compared with cotton and rice and tobacco.

Mr. RUSSELL. Where did the Senator from Oregon get that information?

Mr. McNARY. I have the information from the Department of Agriculture on the base-price values.

Mr. RUSSELL. The Department of Agriculture is evidently giving out a great variety of information if they informed the Senator from Oregon to that effect, because the officials of the A. A. A. of the Department of Agriculture were the ones who prepared this amendment on the basis of 8 cents a bushel on wheat, and, at the instance of the Senator from Idaho, the Senator from Kansas, and others representing the Wheat Belt, this price was raised to 10 cents a bushel in the amendment which is now pending, and, while the Senator from Kansas is correct in suggesting that 13 cents would bring wheat up to three-fourths of the parity on today's market, I might state to the Senator from Oregon that on the same basis it would require 4½ cents a pound on cotton to bring that up to the basis of three-fourths of parity on today's market, because cotton is selling at 7 cents a pound on the market today.

Mr. McNARY. Since we are dealing with parity I am in favor of 4½ cents on cotton. Let us be fair with all these products. If we are going to divert some of the money under this measure for parity prices, let us do a complete and generous and good job of it.

Mr. RUSSELL. The Senator from Oregon, of course, knows it would be impossible to secure the adoption of an amendment to pay all farmers complete parity.

Mr. McNARY. It is not complete at all. If we should pay the wheat farmer 13 cents per bushel and the cotton producer 4½ cents a pound, it would be far below parity.

Mr. RUSSELL. The Senator is quite right, and it would require much more than $212,000,000.

Mr. McNARY. Very well; I am for appropriating the money. We are doing a good, generous job. I thought we should make it complete. I recall—and I do not want to be tiresome at all—that during the consideration of the A. A. A. measure we discussed parity prices, and it was concluded and understood that parity would not be paid unless we had some sources of revenue for that purpose. That was the expression of the President of the United States. We are abandoning wholly his view. I am afraid he is going to veto this joint resolution if we insert this amendment, unless we do a good job of it.

Mr. RUSSELL. Does the Senator from Oregon think the President will be any less likely to veto the bill if we appropriate six or seven hundred million dollars instead of $212,000,000?

Mr. McNARY. I think when we come to the question of parity, if we pay 4½ cents a pound on cotton, 13 cents on wheat, and increase the price on hogs and corn, we will be doing a better job than we are doing now; and if we are entering into this field, why not do the job completely and splendidly for the farmer?

Mr. KING. Why not take care of milk and lettuce?

Mr. McNARY. That is a different proposition, which I shall probably discuss tomorrow. That relates to all agricultural products. But seriously, why does not the Senator try to reach parity in some form by an amendment like that of the Senator from Kansas?

Mr. RUSSELL. I should be delighted to see all classes of farmers receive parity, particularly those brought under the terms of the farm law enacted at the present session of the Congress; but, of course, the Senator from Oregon realizes as well as I do that it would be impossible to secure the adoption of an amendment which would pay full parity. The Senator further knows it would absolutely insure the thing which he says he fears, that the President of the United States would certainly then veto the legislation. I feel that a half loaf is much better than no bread, and for that reason, in view of the very desperate situation which confronts the farmers, particularly the wheat farmers and the cotton farmers, I

would much rather accept the $212,000,000 which the amendment provides, and get this payment on parity, than to endanger the bill and endanger the success of any legislation whatever by seeking to secure the huge appropriation which would be necessary to achieve the much desired end of complete parity for all producers.

Mr. McNARY. Mr. President, I appreciate the fine sincerity of the Senator from Georgia, who succeeded me as chairman of the subcommittee of the Committee on Appropriations on the agricultural bill. I know his very great love for the farming interests. But how has he arrived at the figure of $212,000,000 as parity? Parity would require at least three and a half billion dollars, based upon the figures of 1909 to 1914. The Senator is just guessing at a little sum which might please the farmer. I want to please them more than he wants to. Why $212,000,000? Why not make it a billion?

Mr. RUSSELL. The Senator from Oregon has a right to offer a substitute for the entire provision which would give the farmers the billion dollars of which he speaks. I, myself, might support the substitute. But I certainly do not think I should be condemned for trying to help the farmers to the tune of only $212,000,000, when up to this good hour the Senator from Oregon has offered no amendment to appropriate any sum for the benefit of the farmers for parity payments.

Mr. McNARY. Let me follow my dear friend from Georgia. I shall support his amendment asking for $212,000,000——

Mr. RUSSELL. I am delighted to hear that.

Mr. McNARY. I would more ardently support the amendment suggested by the able Senator from Kansas increasing the payment on wheat from 10 cents to 13 cents, and to 4½ cents on cotton. I should like to increase the appropriation to $500,000,000, but on account of the parliamentary situation I cannot offer an amendment at this moment because it would be in the third degree. I would also have to vote against the Senator's amendment and have it defeated and then vote for the amendment of the Senator from Kansas, but the amendment of the Senator from Georgia is going to prevail——

Mr. RUSSELL. I hope the Senator will prove to be a wise prophet.

Mr. McNARY. Because he has a great crowd here, politically and officially, which is going to carry his amendment through. So I am appealing to the Senate to give unanimous consent to the Senator from Kansas so that we may have a vote on 13 cents for wheat and 4½ cents a pound for cotton.

Mr. KING. I shall object.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I object.

The PRESIDING OFFICER. A further objection has been heard.

Mr. McNARY. If I may have the attention of the Senator from Georgia, will he agree to unanimous consent, in order to get away from the rule, to have a vote for 13 cents on wheat and 4½ cents on cotton?

Mr. RUSSELL. Mr. President, as much as I should like to, I must insist on my objection. If the Senate desires to vote down the amendment I have offered, then the whole matter will be open to the Senator from Kansas to offer his amendment for 13 cents a bushel on wheat.

Mr. McNARY. But that cannot be done as a practical and realistic proposition.

The PRESIDING OFFICER. Has the Senator withdrawn his objection?

Mr. KING. Mr. President, I do not withdraw my objection.

The PRESIDING OFFICER. Objection is heard.

Mr. McNARY. May I ask the Senator from Georgia whether he objects to that proposition?

Mr. RUSSELL. I am not trying to be arbitrary about it. I think the amendment of the Senator from Kansas very unfair to producers of corn, cotton, and tobacco. It is very disproportionate. But I am willing to have the Senate pass upon it, so far as I am concerned.

Mr. SHIPSTEAD. I wish to discuss the question for a few moments.

Mr. President, there seems to be a great deal of disagreement in the Senate not only concerning the amendment of the Senator from Georgia but the committee amendment, with reference to paying parity to farmers on agricultural products. Congress passed the farm bill, and in that bill we promised the farmers parity payments. We promised them more; we promised them parity of income. And then we said we would pay that parity price or parity of income if and when funds were available.

The Senator from Idaho [Mr. POPE] proposed an amendment to the tax bill providing for raising by a processing tax $212,000,000, so as to give to the farmer a part payment on what has been promised him in the farm bill. That farm bill was a promise to the farmer, it was a post-dated check to be made good later by providing funds to make the check good.

The Senate in the tax bill refused to make that check good, refused to make good its promise to the farmers. I said at the time that everyone who voted for that farm bill ought to have voted for that amendment. It was not an effort to make the check good in full. To have made the check good in full it would have provided funds in a great enough amount to pay the farmer what was promised in that bill, which would require a great deal more, approximately $2,500,000,000.

Now comes before us this amendment. I do not question anyone's sincerity. I have a great deal of sympathy for the Senator from Kansas, the Senator from New Mexico, and the Senator from Idaho who tried to make that check good to the extent of $212,000,000, who tried by their votes to make good the promise which the Congress made to the American farmer.

Now comes this amendment to make good in part the promise made to a certain class of farmers, a preferred class, those who raise corn, cotton, and wheat. Of the $500,000,000 appropriated under the authorization for payment of conservation payments all farmers get their share. They are treated on the basis of equality, whether they are wheat farmers, corn farmers, tobacco farmers, rice farmers, or cotton farmers, or farmers that raise any other crop. They are all treated alike. There is equality before the law. Those who raise corn, cotton, and wheat get their conservation payments as applied to parity payments, and those who do not come within that preferred class get their conservation payments for acreage taken out of production. That is equality before the law.

Here comes an amendment which places a certain class of farmers, corn, cotton, and wheat farmers, in a special preferred class, and under the amendment of the Senator from Georgia there are added the tobacco farmer and the rice farmer. There is nothing for the dairy farmer. There is nothing for the fruit farmer or for the poultry farmer or cattle raiser. They are the forgotten men. They comply with the soil-conservation program. They take acreage out of production, but they get no consideration under this amendment. There is a special class which is to get $212,000,000. That, Mr. President, is not equality before the law.

When we come to figure this equation of parity payments we get into a controversy. When the amendment proposed by the Senator from Georgia has been acted upon I shall offer an amendment as a substitute for the committee amendment, which provides for treating all farmers alike. I realize very well that the Congress did not intend to make good the promise made to the farmers with respect to parity income or parity payments when it passed the farm bill. But I am in sympathy with the Senators who say, "We will get what we can for the farmer."

We are now told by the Department of Agriculture that those farmers who are not in the preferred class receive about 40 percent of the conservation payments under the Soil Conservation Act, and 60 percent goes to the preferred class which

raises cotton, corn, wheat, rice, and tobacco; and in order that there shall be equity to all men engaged in farming, in order that there shall be equality before the law, in order that all shall be treated alike, I shall offer an amendment in the form of a substitute which raises by 40 percent the $212,000,000 to be paid under the provisions of the Farm Conservation Act to those who are not in the preferred class. I do not like giving preference to any class. I am going to offer that amendment if the first amendment I shall offer should be defeated. First, I am going to offer an amendment which will do away with this fantastic idea of parity payments. We promised the farmers parity, and under this amendment we have now gone back so we will give them 75 percent of parity. We will make the check 75 percent good only to those who are in the preferred class—who raise corn, wheat, and cotton.

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

Mr. SHIPSTEAD. I yield.

Mr. POPE. Does the Senator object to paying to those who need it most, in other words making payments with respect to those commodities the price of which is farthest down from parity, when you cannot pay full parity to all of the commodities? Does not the Senator think that if we can pay only part parity, the payment should go to those who need it most, to those whose prices are the lowest? Does the Senator agree with that?

Mr. SHIPSTEAD. If the Senator could draw a line of demarcation which would clearly show the prices, it might be different. It cannot be shown that any farmer is prosperous. Day before yesterday I saw the report with respect to butter in the New York market, which was selling at 25 cents a pound. That would compare with wheat at about 70 cents. The price is 9 cents below parity.

Mr. POPE. Let me call the Senator's attention to the fact that on April 15 dairy products were 88 percent of parity, grains were 66 percent of parity, and cotton was 57 percent of parity.

Mr. SHIPSTEAD. If I were to go back a year perhaps the prices would be higher, but I am talking about day before yesterday. Butter, creamery extra, was selling in New York at 25 cents a pound. You cannot draw any line of demarcation between the farmers who are poor and the farmers who are rich, because they are all in bad shape.

Mr. POPE. Yes; but it is certain, I will say to the Senator, that dairy products are a great deal nearer parity than either grains or cotton. Since April 15, since these figures were made, the prices of all those commodities have gone down, but dairy products are still proportionately very much nearer parity than the other commodities which are covered by the amendment of the Senator from Georgia.

Mr. SHIPSTEAD. The Senator goes back to April 15. It is true that dairy products have been high in the last couple of years, and that is due to the fact that in 44 States there was a drought, and the dairy people had to sell their herds, for as little as $20 an animal. Cows worth from $150 to $200 were sold for $20.

There came to be a shortage of cows. Cows had to be killed on account of lack of feed. In the past 2 years a crop of calves has come in. In the spring of the year, when dairy cows come in fresh, the price of dairy products drops. Day before yesterday the finest creamery butter sold on the New York market for 25 cents a pound.

Mr. BAILEY. Mr. President, I suggest that the Senator has struck the solution. The thing to do is to kill some more cows.

Mr. KING. And burn some more wheat.

Mr. SHIPSTEAD. We argued that matter last winter. I have never subscribed to the theory of scarcity, either in agriculture or in industry. However, that is another question. I want to discuss the matter in all fairness. No matter what may be said, all the farmers in the United States, unless they have an income outside the farm, are in a very desperate condition; and they are going to be in worse condition than they are now.

With all due respect to the Senators who have prepared the amendment—and I know they are sincere—it is not fair to put the corn, the cotton, and the wheat farmers in a preferred class, and give them $212,000,000, leaving all the other farmers out in the cold. The 40 percent of farmers not in the preferred class are as much entitled to parity of income as are the 60 percent in the preferred class.

So I have prepared an amendment, in the form of a substitute, to take care of the forgotten 40 percent, as a matter of fairness. It will not give them parity of income; it will not give them parity of prices, but it will represent a part payment on a promise to pay which Congress made to the American farmer. I realize very well that Congress does not intend to make the note good in full, but I think we ought to add $88,000,000 to the $212,000,000, to make a round appropriation of $300,000,000, in order that all farmers who comply with the Soil Conservation Act may be treated alike. I shall offer my amendment as a substitute for the committee amendment.

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

Mr. SHIPSTEAD. I yield.

Mr. KING. Does not the Senator believe that there should be, and is, some relation between so-called parity prices, or the prices of the products of the farmers, and other prices? Is there not a relation among all commodities?

Mr. SHIPSTEAD. Yes.

Mr. KING. And if all commodities except farm commodities go down far below what might be called parity prices, does not the Senator think parity prices with respect to agricultural commodities should also respond to the downward trend?

Mr. SHIPSTEAD. I will say to the Senator from Utah that that is the theory of the Farm Act, for which I did not vote, because it is committed to a theory of scarcity. I do not want now to argue that point. However, the price of steel remains where it was when the steel industry was producing 90 percent of capacity. Today the production is down to 26 percent of capacity but the price remains the same. The farmer buys the steel in the form of farm machinery. I do not know that there has been a reduction in the prices of the commodities which the farmer buys. If there has been, I do not know it.

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

Mr. SHIPSTEAD. I yield.

Mr. BAILEY. The price of steel has dropped 50 percent.

Mr. SHIPSTEAD. Since when?

Mr. BAILEY. Since last October.

Mr. SHIPSTEAD. About 2 weeks ago the steel industry served notice that the price of steel for the next quarter would continue to be what it had been for the last quarter.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment reported by the committee.

Mr. McNARY. Mr. President, I thought I obtained unanimous consent to have a vote on the amendment offered by the Senator from Kansas [Mr. CAPPER].

The PRESIDING OFFICER. After the Senator from Georgia withdrew his objection, the Senator from Utah [Mr. KING] made an objection.

The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment to make the parity rate on wheat 13 cents, instead of 10 cents, as provided in the amendment of the Senator from Georgia.

The PRESIDING OFFICER. The Chair will have to rule that that amendment is out of order, because the amendment of the Senator from Georgia has been agreed to.

Mr. POPE. Mr. President, on behalf of the Senator from Iowa [Mr. GILLETTE] I now offer an amendment as a substitute for sections 501 and 502.

The PRESIDING OFFICER. The amendment in the nature of a substitute for sections 501 and 502, offered by the Senator from Idaho [Mr. POPE] on behalf of the Senator from Iowa [Mr. GILLETTE] will be stated.

The CHIEF CLERK. On page 28, after line 9, it is proposed to substitute, in the committee amendment, the following for sections 501 and 502:

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938: *Provided, however*, That, notwithstanding the provisions of said section, one-half of this sum shall be apportioned among such commodities in accordance with the provisions of said section 303 of the Agricultural Adjustment Act of 1938 and one-half shall be apportioned among such commodities in the same proportion that funds available for sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act would be allocated to such commodities in connection with the 1939 agricultural conservation program on the basis of the standards set forth in section 104 of the Agricultural Adjustment Act of 1938: *Provided further*, That such payments with respect to any such commodity shall be made upon the normal yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program, and shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1939 is not in excess of the farm acreage allotment established for the commodity under said program: *And provided further*, That the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price of the commodity is less than 75 percent of the parity price.

In apportioning the funds among commodities, parity income for each commodity shall be considered a normal year's domestic consumption and exports (in the case of corn, that part of a normal year's domestic consumption and exports determined on the basis of the proportion that corn production in the commercial corn-producing area was of United States production during the 5 years 1928–32, inclusive) of such commodity times the parity price. In determining parity prices and farm prices for these commodities, that part of the marketing year ending January 31, 1939, shall be used. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. The administration of this title shall be in accordance with the provisions of the Agricultural Adjustment Act of 1938 and the provisions of other titles of this joint resolution shall not apply to this title.

SEC. 502. This title may be cited as the Parity Payment Appropriation Act of 1938.

Mr. SHIPSTEAD. Mr. President——

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

Mr. POPE. I yield.

Mr. SHIPSTEAD. The Senator has proposed a very complex and complicated amendment. It seems to me we ought to have some opportunity to study the amendment. I do not think it should be proposed at this late hour. I do not find any fault with the Senator for offering the amendment, as long as we are in session. However, it seems to me that this is too important a problem, and the amendment is too complicated to study at this hour of the night. I have no doubt the Senator can explain it.

Mr. POPE. The amendment merely provides that the formulas which are contained in the Agricultural Adjustment Act, one of which is section 104 of the act, for distributing soil-conservation payments, and the other, section 303, which contains the formula for making parity payments within the act, shall be used in making distribution of the $212,000,000.

The Senate will recall that under the parity-payment formula it is provided that if and when money is made available for making parity payments they shall be paid on the five commodities in accordance with the relationship of the prices of those commodities to parity.

I will say to the Senate in connection with this matter that the use of the section 303 formula would not be entirely fair as between the various commodities, for the reason that a reduction program is now in progress with respect to cotton, whereas this year there will be a large crop of wheat, because winter wheat was planted last fall without substantial reduction. Since the conditions contained in the Farm Act—that is, the uniform adjustment of production—have not yet fully gone into effect, therefore the formula provided for making parity payments, it seems to me, does not quite apply. Neither does it seem that the method of distributing the payments under the Soil Conservation Act is entirely fair to the various commodities at this time.

Mr. SHIPSTEAD. What commodities?

Mr. POPE. The five commodities.

Mr. SHIPSTEAD. Of the preferred class?

Mr. POPE. The five contained in the farm bill.

Mr. SHIPSTEAD. Commodities of the preferred class?

Mr. POPE. Those provided in the farm bill.

Mr. SHIPSTEAD. May I ask the Senator does his amendment limit the payment to a preferred class of farmers?

Mr. POPE. It limits the payment to commodities contained in the Agricultural Adjustment Act which has been passed by the Congress. The adoption of these two formulas which are already contained in the law would work out what seems to me to be a fair distribution to these commodities. I intend to give to the Senate the figures showing the distribution that will be effected, because every Senator wants to know the figures as to the commodities in which he is interested, and I think this proposal works out a fair and just distribution of payments to the different commodities.

Mr. BYRNES. Mr. President, do I correctly understand the Senator to say that the amendment he is offering changes the parity formula of the Agricultural Adjustment Act?

Mr. POPE. It does not; it simply utilizes the two formulas. The parity-payment formula contained in this bill applies to one-half of the amount to be distributed, and the soil-conservation formula is applied to the other half, which, it seems to me and to others with whom I have talked, including, of course, the officials of the Department of Agriculture, would work out a fair distribution.

Mr. RUSSELL. Mr. President, is the Senator contending that the Department of Agriculture is urging that that amendment is preferable to the other amendment?

Mr. POPE. I do not say to the Senator that the Department of Agriculture is urging either amendment. They have prepared what we requested them to prepare.

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

Mr. POPE. I yield.

Mr. HATCH. As I understand his last statement to the Senator from South Carolina, the Senator from Idaho says the formula contained in the Agricultural Adjustment Act is not changed?

Mr. POPE. That is correct.

Mr. HATCH. If I remember the answer of the Senator correctly, he called attention specifically to the case of winter wheat, and said that, because the program was not in effect, winter wheat had been planted without any reduction of acreage, and therefore the formula provided in the act would not apply to winter wheat. Did not the Senator say that?

Mr. POPE. I made the statement that the formula as to parity payments, it would seem, would not apply equitably in the present situation. Therefore, a combination of the formulas for parity payments and soil-conservation payments works out a result which I think will be fair. I should like now to state the result that will be reached compared with the result which would be reached by the amendment of the Senator from Georgia.

Mr. HATCH. Mr. President, will the Senator yield for just one further observation?

Mr. POPE. I yield.

Mr. HATCH. Perhaps it is entirely improper for me to ask the Senator to yield, in that what I am about to say is not in any sense a question, but having given some study to the preparation of the farm bill which was passed, and having exercised all the power that I possess trying to un-

derstand the simple separate formulas contained in the act, if now there is to be a combination of two or three formulas in an amendment submitted on the floor, I am frank to say that I would not endeavor to understand it at this time, and would be compelled to vote against it for that, if for no other reason.

Mr. POPE. I think the Senator would be interested in the result which would be accomplished by applying the formulas which are already contained in the Farm Act.

Mr. RUSSELL. Mr. President——

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

Mr. POPE. I prefer not to yield.

Mr. RUSSELL. I do not ask the Senator to yield. I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. If the amendment offered by the Senator from Idaho [Mr. POPE] is adopted, will it be possible to have a vote on the amendment that has been suggested by the Senator from Minnesota?

The PRESIDING OFFICER. When the substitute is adopted that will preclude any further amendment.

Mr. RUSSELL. If the amendment offered by the Senator from Idaho should be agreed to, then, the amendment suggested by the Senator from Minnesota would be out of order?

The PRESIDING OFFICER. That is correct.

Mr. SHIPSTEAD. Mr. President——

Mr. POPE. Let me give the Senator the result of these two amendments. I do not desire to yield until I finish a very brief statement I wish to make, because each question anticipates, I think, what I am going to say.

The PRESIDING OFFICER. The Senator from Idaho declines to yield.

Mr. POPE. I will be glad to yield when I finish my statement.

Under the amendment of the Senator from Georgia, the division of funds would be about as follows: $100,000,000 to cotton, $50,000,000 to wheat, and $50,000,000 to corn. In other words, cotton would get as much as corn and wheat both, under the formula set out in his amendment; that is, 2 cents a pound for cotton, 10 cents a bushel for wheat—and I am thankful that is increased from 8 to 10 cents a bushel, which improves the original amendment—and 5 cents a bushel for corn. It has seemed to me all the time that is not a proper distribution as among the various commodities.

Under the proposal which I make this would be about the result: If the distribution were made under section 303 of the Agricultural Adjustment Act, it would give cotton $90,000,000, approximately, of this fund; corn, $71,000,000; wheat, $46,000,000; and rice, something over $2,000,000. Under section 104, which is the soil-conservation provision, the distribution of this amount of money would be $76,000,000 for cotton, $59,000,000 for corn, $73,000,000 for wheat, and for rice, $1,400,000.

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

Mr. POPE. Let me finish this sentence, and then I will yield. Under the combination of the two, cotton would get $83,200,000; corn, $65,200,000; wheat, $59,800,000, or approximately $60,000,000; and rice, $1,800,000. Taking everything into consideration, taking into consideration the fact that cotton acreage has been reduced and that the price times the number of bales to be produced this year will yield a smaller income than for the other commodities, it seems to me this distribution is fair. Wheat, by reason of the large crop, even though the price is lower, will get a total income greater in comparison than will cotton. The same thing is true of corn to a large extent. So, giving some consideration to the matter of parity income—and that is the reason why we use in part the parity formula—this distribution, it seems to me, would be fair as among the commodities, so far as any formula I could think of or that could be worked out at my suggestion by the Department would be fair.

Now I yield to the Senator from Oregon, who desired me to yield a few moments ago.

Mr. McNARY. I ask the distinguished Senator from Idaho, does his substitute increase the amount proposed by the committee amendment?

Mr. POPE. It does not. The sum of $212,000,000 would be distributed.

Mr. McNARY. Where does it differ in the way of the allotments for cotton, wheat, rice, corn, and tobacco?

Mr. POPE. Let me state again that under the amendment of the Senator from Georgia cotton would get approximately $100,000,000.

Mr. McNARY. Let us put it on the basis of poundage in the case of cotton and bushels in the case of corn and wheat.

Mr. POPE. I cannot put it on that basis. I put the distribution on the basis upon which I have worked it out. Under the amendment of the Senator from Georgia cotton would get a little over $100,000,000; corn, $50,000,000; and wheat, $50,000,000. Under the substitute proposal cotton would get $83,000,000; corn, $65,000,000; and wheat, approximately $60,000,000. Roughly, I will say to the Senator, it would bring the distribution to cotton down to about 1¾ cents a pound; it would bring corn up to 6 or 7 cents a bushel instead of 5; it would bring wheat up to perhaps 11 or 12 cents a bushel instead of 8 to 10 cents, as provided in the amendment of the Senator from Georgia.

Taking everything into consideration, and all other factors involved in an effort to be fair, it seems to me that the combination of these two formulas, which have already been enacted by the Congress, would work out a result as fair as can be worked out without attempting to prepare an entirely new formula, as suggested by the Senator from South Carolina.

Mr. McNARY. I am not purposely criticizing the Senator from Idaho, but the fairness of the formula in the proposal of the Senator from Georgia is based on poundage and bushels while that of the Senator from Idaho is an abstract allocation depending wholly upon the freaks and vagaries of nature, which might work higher in the case of corn and less in the case of wheat, and higher in the case of rice than in the case of cotton. I like the other proposal very much better.

Mr. POPE. Let me finish what I have to say, and then I will yield the floor to the Senator.

With reference to the suggestion made by the Senator that I have a formula instead of so much per pound or per bushel of the commodity, the difficulty is that we shall have fixed and frozen the amount if we fix it at so much per pound or per unit of the commodity, whereas this plan is more flexible and will meet the conditions which exist at the time. It may be that next year, for instance, 12 cents a pound would be too large or too small a figure for wheat; that 5 cents or 6 cents a pound for corn would be too large or too small; and yet we should have fixed a standard which would involve difficulty in the future. Adopting a formula which would apply at any time, providing the formula is fair, I think, is a better way to deal with the matter.

Mr. McGILL and Mr. LUNDEEN addressed the Chair.

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

Mr. POPE. I yield first to the Senator from Kansas.

Mr. McGILL. Mr. President, under the amendment which the Senator from Georgia [Mr. RUSSELL] proposed, and which was adopted by the Senate, it is provided, as I understand, that as long as wheat is below parity, as much as is necessary up to 10 cents shall be used to bring it up to 75 percent of the parity price. Likewise, similar provision is made with reference to corn and cotton and rice and tobacco. It is further provided under the amendment that in the event certain of these commodities are at 75 percent of the parity price or above, and the fund allocated to a particular commodity is not used, it may be allocated to the other commodities which have been below parity, even though it may bring the amount up, say, to 10 or 12 cents a bushel or 13

or 14 cents a bushel on wheat, and similarly on corn. I am wondering whether the substitute proposal of the Senator from Idaho contains similar provisions whereby the fund may be allocated to the commodities that are below parity.

Mr. POPE. Exactly. The feature of the substitute which would bring the amount paid up to 75 percent of the parity price is the same in the substitute and in the Russell amendment.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. POPE. I will finish the sentence. If, for instance, corn, by reason of loans, should be at 75 percent of parity, and therefore the money was not needed, it would go to the other commodities to bring them up to 75 percent of parity.

Mr. LUNDEEN. Mr. President, it seems to me this amendment should be printed and lie over until tomorrow, so that we may have an opportunity to study it.

Mr. SHIPSTEAD. Mr. President, this amendment deals with a matter of great importance to the farmers of the United States. I have no doubt the Senator from Idaho is as sincere and earnest as ever in behalf of the farmers; but I ask the Senator if this question cannot go over until tomorrow, so that we may have the amendment printed, and be able to read it and try to understand it. I venture to say that 90 percent of the Senators here could not hear the Senator's explanation, and do not know what the amendment is.

Mr. POPE. Mr. President, if the Senator is addressing me and will yield to me, I will say that so far as I am concerned I shall be glad to have the amendment go over. I have not control of the joint resolution or of the procedure of the Senate; but, so far as I am concerned, it may go over.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. POPE] to the amendment of the committee, as amended.

Mr. McNARY. Mr. President, frankly, if I understand it, the viciousness of the proposal of the Senator from Idaho is that he places the allocation of funds on gross production rather than upon poundage and bushels. For instance, if there should be a short crop of cotton next year, or a short crop of wheat, they would get more than their proportion of the payments for the basic commodities mentioned in the Agricultural Adjustment Act. I think that is the crux of the objection to the Senator's proposal, if I correctly understand it.

The amendment has not been printed. No one has had an opportunity to digest it. I concur with the view of the Senator from Minnesota [Mr. SHIPSTEAD] that we should at least have an opportunity to give the amendment some study, and read the able remarks of the distinguished Senator from Idaho. I object to its consideration tonight.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. POPE] to the amendment of the committee, as amended.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee, as amended.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment in the nature of a substitute for the committee amendment, as amended.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment of the committee, as amended, it is proposed to insert the following:

TITLE V—SOIL CONSERVATION PAYMENTS

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available and to remain available until expended, the sum of $300,000,000 for making soil conservation payments under the Soil Conservation and Domestic Allotment Act, as amended. Such sum shall be in addition to any amounts made available pursuant to section 15 of such act, as amended, and all such payments made out of the funds herein appropriated shall be made in the same manner, and shall be subject to the same terms, conditions, and limitations, as soil conservation payments made out of any funds heretofore made available for such purpose.

Mr. RUSSELL. Mr. President, I make the point of order against the amendment. Is the amendment in order?

The PRESIDING OFFICER. The Chair holds that the amendment is in order as a substitute for the complete title.

Mr. SHIPSTEAD. Mr. President, this amendment adds to the proposed amount of the committee amendment—namely, $212,000,000—just $88,000,000 more. That is to take care of the 40 percent which would be necessary to have all farmers who comply with the Conservation Act treated on a basis of equality.

I suggested that it was not fair to the farmers of the country to put a few in a preferred class if they were going to have any part payment on what was promised them in the Agricultural Relief Act in the way of parity income; and, as I stated before, the Department of Agriculture has informed us that 40 percent of the conservation payments go to those who are not in the Agricultural Relief Act as passed, providing for parity payments on the preferred classes of crops.

This amendment does away with the parity payment, and it aims to make a part payment or something toward part payment on income to the farmer, and treats all farmers alike, under the provisions of the Conservation Act. In other words, it does not make any distinction between farmers, no matter what crop they raise, provided they comply with the Conservation Act.

I supported the Conservation Act. I thought it was a good law. If we are going to help the farmer to get an income, I believe the most equitable payment which can be made to the farmer to give him an income is by making payments under the Soil Conservation Act. We shall thereby be building up a national asset in the conservation of the soil, and at the same time helping the farmer to get something of a payment on the note or postdated check that Congress made payable to the farmer when we passed the Agricultural Relief Act.

That is all there is to the amendment. I shall not take up the time of the Senate at this late hour to explain it any further, because I have already explained it, and it is as simple as that two and two make four. It does away with all these metaphysical calculations of what are parity payments. It was developed in the hearings before the Agricultural Committee that a farmer might have parity payment and still not have parity income in relation to what he was entitled to under the national income, on account of monopoly prices fixed on things he had to buy.

I ask for the adoption of the substitute amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the committee, as amended.

Mr. SHIPSTEAD. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment of Mr. SHIPSTEAD, in the nature of a substitute for the amendment of the committee, as amended, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 30, line 1, where the committee proposes to insert the following new section:

SEC. 502. This title may be cited as the "Price Adjustment Act of 1938."

The amendment was agreed to.

Mr. BARKLEY. Mr. President, in view of the hour, in view of the probability that the only remaining amendment which we passed over during the evening, the one on page 21, will require considerable discussion, and in view of the fact that it has already been passed over temporarily, I think it would be unwise to attempt to take that amendment up at this time. For that reason I think we might as well suspend now, and let the amendment go over until tomorrow.

Mr. BYRNES. Mr. President, I move to reconsider the vote by which the Russell amendment was agreed to.

Mr. RUSSELL. I move to lay the motion on the table.

The motion was agreed to, and Mr. BYRNES' motion was laid on the table.

ADDITIONAL REPORTS OF A COMMITTEE

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 1688) to provide for the acquisition of a site for and establishment of a fish hatchery for Glacier National Park, in the State of Montana, and for other purposes, reported it with amendments and submitted a report (No. 1946) thereon.

He also, from the same committee, to which was referred the bill (S. 4055) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes, reported it without amendment and submitted a report (No. 1947) thereon.

ADDITIONAL BILL INTRODUCED

Mr. THOMAS of Utah introduced a bill (S. 4127) for the relief of William Henry Johnston, Jr., a minor, which was read twice by its title and referred to the Committee on Claims.

RELIEF AND WORK-RELIEF APPROPRIATIONS—ADDITIONAL AMENDMENTS

Mr. WHEELER and Mr. HAYDEN each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably without reservation the following supplementary extradition treaty and supplementary convention and submitted reports thereon:

Executive E, Seventy-fifth Congress, third session: Supplementary extradition treaty between the United States and Norway, signed at Washington on February 1, 1938, adding to the list of crimes or offenses enumerated in the extradition treaty between the two countries of June 7, 1893, on account of which extradition may be granted crimes or offenses against the bankruptcy laws and violations of legislation concerning narcotics (Exec. Rept. No. 12); and

Executive I, Seventy-fourth Congress, second session: Supplementary convention between the United States and the King of Great Britain, Ireland, and the British Dominions Beyond the Seas, Emperor of India, in respect of Great Britain and Northern Ireland, the Commonwealth of Australia, and the Dominion of New Zealand, signed at Washington on May 27, 1936, amending article IV and the second paragraph of article VI of the convention concerning the tenure and disposition of real and personal property signed at Washington on March 2, 1899 (Exec. Rept. No. 13).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Harry Slattery, of South Carolina, to be Under Secretary of the Interior.

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

THE JUDICIARY

The legislative clerk read the nomination of John M. Guay to be United States marshal for the district of New Hampshire.

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

DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission.

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

REGISTER OF LAND OFFICE

The legislative clerk read the nomination of Fred S. Minier, of Pierre, S. Dak., to be register of the land office.

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

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

DEPARTMENT OF THE NAVY

The legislative clerk read the following nominations:

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation with the rank of rear admiral; and

Capt. Walter B. Woodson to be Judge Advocate General with the rank of rear admiral.

The PRESIDING OFFICER. Without objection, the nominations are confirmed.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 9 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 2, 1938, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 1 (legislative day of April 20), 1938

UNITED STATES ATTORNEY

Carlisle W. Higgins, of North Carolina, to be United States attorney for the middle district of North Carolina. (Mr. Higgins is now serving in this office under an appointment which expires June 15, 1938.)

UNITED STATES MARSHALS

William E. McDonnell, of Illinois, to be United States marshal for the northern district of Illinois. (Mr. McDonnell is now serving in this office under an appointment which expires June 18, 1938.)

Gordon Campbell, of Carmel, Calif., to be marshal of the United States Court for China, vice Edward L. Faupel, resigned.

PUBLIC HEALTH SERVICE

Senior Surgeon Charles L. Williams to be Medical Director in the United States Public Health Service, to rank as such from May 23, 1938.

The following-named doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath:

Francis J. Weber	Glenn S. Usher
Thomas R. Dawber	Charles C. Smith
Thomas H. Diseker	William N. Donovan
Theodore F. Hilbish	Wendell A. Preston
Robert D. Duncan	Murdo E. Street, Jr.
Michael L. Furcolow	Edgar B. Johnwick
James Watt	James V. Lowry
George R. Tooley, Jr.	Louis F. Cleary
Robert L. Zobel	James E. Hemphill
Thomas F. Crahan	Joseph S. Cope
Raymond F. Kaiser	

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 1 (legislative day of April 20), 1938

DEPARTMENT OF THE INTERIOR

Harry Slattery to be Under Secretary of the Interior.

UNITED STATES MARSHAL

John M. Guay to be United States marshal for the district of New Hampshire.

DISTRICT OF COLUMBIA

Richmond B. Keech to be a member of the Public Utilities Commission of the District of Columbia.

REGISTER OF LAND OFFICE

Fred S. Minier to be register of the land office at Pierre, S. Dak.

DEPARTMENT OF THE NAVY

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation with the rank of rear admiral.

Capt. Walter B. Woodson to be Judge Advocate General with the rank of rear admiral.

POSTMASTERS

NEW YORK

Loretta Patton, Harrison.

NORTH CAROLINA

William R. Young, Badin.
Zula S. Glovier, Catawba.
Paul R. Younts, Charlotte.
Shepperd Strudwick, Hillsboro.
Jennings M. Koontz, Kannapolis.
Carl H. Hand, Lowell.
Robert T. Teague, Newland.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 1, 1938

The House met at 12 o'clock noon.

Rev. W. Clark Main, Arlington Methodist Episcopal Church, Arlington, Va., offered the following prayer:

Almighty and Eternal God, Thou art the Father of all men. As we stand in this presence today most of us are in high position of great responsibility. Others of us walk in more humble ways. But Thou art the Father of us all. As we are called upon to seek a solution for the problems that so greatly perplex the minds of men, may we remember always that there is in the world and in human life such a person as Thyself. May we see in Thy fatherhood of us all the common brotherhood of our humanity. May we be able to divest ourselves of an impersonal attitude and replace it with an eager effort to lift the level of the life of all men and unite with them in a cooperative endeavor to make this world a better place in which to live. May the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 23, 1938:

H. R. 8837. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1939, and for other purposes.

On May 24, 1938:

H. R. 5030. An act granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes;

H. R. 6410. An act granting a pension to Mary Lord Harrison; and

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended.

On May 25, 1938:

H. R. 5633. An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States;

H. R. 7187. An act to amend section 12B of the Federal Reserve Act, as amended;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes; and

H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

On May 26, 1938:

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 8148. An act to amend Public Law No. 692, Seventy-fourth Congress, second session;

H. R. 8203. An act for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes;

H. R. 9688. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 10117. An act granting the consent of Congress to construct, maintain, and operate a toll bridge, known as the Smith Point Bridge, across navigable waters at or near Mastic, southerly to Fire Island, Suffolk County, N. Y.;

H. R. 10118. An act granting the consent of Congress to construct, maintain, and operate toll bridges, known as the Long Island Loop Bridges, across navigable waters at or near East Marion to Shelter Island, and Shelter Island to North Haven, Suffolk County, N. Y.;

H. R. 10190. An act to equalize certain allowances for quarters and subsistence of enlisted men of the Coast Guard with those of the Army, Navy, and Marine Corps;

H. R. 10351. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended.

On May 31, 1938:

H. R. 4222. An act for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis;

H. R. 4650. An act to amend section 40 of the United States Employees' Compensation Act, as amended;

H. R. 7534. An act to protect the telescope and scientific observations to be carried on at the observatory site on Palomar Mountain, by withdrawal of certain public land included within the Cleveland National Forest, Calif., from location and entry under the mining laws;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7711. An act to amend the act approved June 19, 1934, entitled the "Communications Act of 1934";

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8177. An act to create a commission to be known as the Alaskan International Highway Commission;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii;

H. R. 8715. An act to authorize the Secretary of Commerce of the United States to grant and convey to the State of Delaware fee title to certain lands of the United States in Kent County, Del., for highway purposes;

H. R. 9123. An act to authorize the Secretary of War to lease to the village of Youngstown, N. Y., a portion of the Fort Niagara Military Reservation, N. Y.;

H. R. 9358. An act to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and other purposes;

H. J. Res. 447. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Pacific Mercado International Exposition, to be held at Los Angeles, Calif., in 1940; and

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

TAXES IN GREAT BRITAIN AND UNITED STATES

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I shall today insert in the Appendix of the RECORD a comparison of the taxes in Great Britain and in the United States, which should be of interest to those who wish to make a further study of our tax structure.

EXTENSION OF REMARKS

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting my statement on the proposed salary cut on the W. P. A. workers.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter written by me to the Secretary of State.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered on Decoration Day at St. Louis, Mo., by Bernard F. Dickman at the formal opening of the Soldiers' Memorial Building.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I have three unanimous-consent requests which I desire to submit. First, to extend my remarks by inserting a radio address that I delivered over WMCA on May 28.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a radio address delivered by me on May 31 over the Columbia network.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a short editorial from the East Side News, a paper printed in my district on the East Side, on the salute to our soldiers and heroes during the Decoration holidays.

The SPEAKER. Is there objection?

There was no objection.

THE DEPRESSION—THE CAUSE AND THE REMEDY

FIRST: SPEAKING ON THE DEPRESSION UNDER FIVE ADMINISTRATIONS

Mr. GRAY of Indiana. Mr. Speaker, following in the wake of the great World War a withering blight fell upon the Nation, a world economic or industrial paralysis, and spreading not only to every nation involved but to other nations and countries as well, and following close on the armistice and peace to add still further to the sufferings of the war-stricken world.

This world industrial or economic crisis did not come upon all the nations all at one and the same time, but came upon the different nations stricken in the order and time of certain fiscal adjustments as they were entered upon by the nations after the war and involved certain monetary and fiscal changes and coming to our own Nation among the first in 1920.

This world industrial panic or depression coming upon this Nation first in 1920 has continued with only interruptions of relief from its beginning down to the present time, with a second panic coming in 1929 as a relapse of the 1920 depression, and this 1937 depression as a relapse of both.

First, as each nation came under the blight of the world industrial depression, to relieve their people from the failure of employment, the nations first resorted to public works and operations and entered upon a national policy of reducing farm crops and limiting production to restore prices and commodity values.

A part of the nations after struggling long in vain and suffering great privation from unemployment, and despairing of regaining normal economic conditions, have surrendered their institutions of liberty and free self-government and welcomed the arbitrary rule of dictators for relief and the pendulum of human progress and civilization was swung back 1,000 years to war, conquest, and subjugation.

Other nations continued on or persevered in the relief program of public works and the policy of restricting production, going to the limit of sheer exhaustion, only to find themselves at the end of the trail suffering a relapse of the depression and left to start their expenditures all over again.

And still another group of nations after following public works and expenditures and the limitation of production for the time abandoned their first and original plans of relief and entered upon a program of recovery providing for the public control of the currency and now claim far greater progress than other nations.

And here is where the nations of the world stand today on the road to relief and recovery after their struggle for almost 18 years to recovery from the world economic depression, and after trial of different forms of relief measures and expenditures of vast sums of money to restore private industry and employment.

But we are all more interested and concerned with our own, the progress of this Nation, in recovery from the great post-war depression, how far we have advanced since 1920, how far private industry and employment has been restored, and the basis of recovery, hope for recovery or what we can look for by tomorrow.

The political party in control of Congress, at the time and after the world depression came in 1920, suffered the relapse of the 1929 panic to come, and, after creating certain governmental agencies for control of prices by orderly crop marketing, and for Government financing of private industry, failed to restore employment to the people and was voted out of power in 1932.

By the same voice of the people discharging the Republican Party the Democratic Party and a new Congress were commissioned to remedy the 1929 depression and restore private

industry and employment. But after trial of many and different measures, and the expenditure of vast public funds, the 1937 relapse of depression was suffered to come and the country remains still suffering from unemployment, with three depressions now merged into one.

The Republican minority Members in Congress are posing only in the role of objectors, and claiming this as their only purpose to be served by a minority party in considering legislation and are not advancing a single proposal or suggestion for a present remedy to be followed in the future, other than the generality or platitude of "confidence," nor more than recommending a shower bath as a remedy for smallpox, a broken limb, or typhoid fever.

And now with the Democratic majority directing the recovery program in Congress, it is proposing only a continuation of the same public works which have failed as a remedy and under which the 1937 industrial relapse has come. And without a new or further remedy to be tried, Congress is left drifting without a recovery program.

Both political parties in Congress having failed to provide for more than a temporary remedy from the depression still paralyzing industry, it becomes the duty of individual Members or groups in Congress making the problem a study to present to Congress and the country their measure or program for permanent relief.

As a Member of Congress who has voted to try out and test many relief measures with more hope than faith in their efficiency, I consider it my duty, on the failure of both party organizations in Congress, to present a measure to provide relief and to submit and make further explanation to Members the measure I have long urged while consenting to try others.

I am undertaking this presentation and explanation at great cost, time, and painstaking labor, because from my studies, inquiries, and investigations I am more and more convinced that such a remedy can be made available to Congress promptly, without hesitation or delay, and the remedy will revive private industry and employment like the raindrops bring back life in green to the dead, dry, brown ground, parched sod.

These first relapses of the depression have been holding the people in the strain and agony of unemployment and enforced idleness, with only temporary interruptions of relief, of fair and tolerable prosperous times since 1920, or for almost 18 years. And if further prolonged the great common laboring masses will be drifting into a temper and state of mind of growing indifference toward our public institutions.

If this great industrial panic or depression be allowed, prolonged, or further continued without explanation, remedy, or relief, many loyal and patriotic men, long suffering in patient silence, will be led to question, doubt, and conclude that the evil is in our industrial system or is in our free representative governmental system, or if not all in one, then in both.

And our free competitive system of industry with all its pleasures, benefits, and blessings, with all its incentive for effort and enterprise and stimulus to energy and action by men, as well as our system of free institutions, will be menaced, jeopardized, and endangered, and in an unguarded moment may be lost or greatly impaired and the continuance of pacifism will be in vain.

It must be promptly shown and made plain that the economic failures and disorders from which the country is suffering are not because of any inherent evil, either in our industrial or governmental system, but that all result from the violation and abuse of our systems of industry and government and the perversion of their normal uses and functions.

And to justify our system of industry and our forms of free self-government and our institutions of peace and civil life, we must now restore to the people promptly, without further hesitation or delay, full-time employment at fair wages, with tolerable working and laboring conditions.

The toiling, laboring masses of the country will not long accept the threadbare subterfuge from those who are reveling in luxury and wealth, while they and those by nature dependent upon them are left suffering in want and destitution, half fed, half clothed, half housed and sheltered, with only the explanation that "panics are a mystery" and defy the powers and comprehensions of men.

To justify our system of industry and government before the suffering unemployed, there must be an explanation, there must be a remedy for relief, there must be restoration of employment, an opportunity for men to labor to live with assurance of the right to take and enjoy the fruits of their toil and their labor.

For this Congress to adjourn or recess in the midst of this, another relapse of the depression, with providing and leaving in administration only the means and remedies already tried out, and which have failed of relief required, and under which this relapse of recovery has come, will be leaving a hazard and menacing condition to jeopardize the very existence of our institutions.

Such adjournment or recess for Congress without providing a further or more certain remedy will be temporizing with our forms of democracy, will be parleying with our free institutions, will be toying with chaos, disorder, and revolution, will be preparing the way for designing men to prey upon the suffering, laboring masses and mislead them to change their form of government.

We are too far advanced from superstition to accept the belief and theory that panics are brought on by the Almighty. Panics are evils and disorders caused by men, are within the comprehension of men, can be solved and explained by men, can be remedied and relieved by men.

For men to make the explanation today that these man-made panics or depressions are an insolvable, unexplainable problem, are incomprehensible industrial mysteries, will be justly censured and condemned as a maneuver to evade responsibility or a cowardly mental retreat.

I believe there is a reason, a cause, a relief, a restoration of employment, a remedy in rational means and methods, and it is my purpose in this series of addresses to show the cause, when and where, how, by whom, and by what purposes, and the remedy as plain as the cause.

With unemployment still increasing, with no further assurance of recovery more than temporary or uncertain relief, with foreign societies everywhere organizing to present and urge their alluring claims under dictators and arbitrary rule, no time calls for the exercise of greater precaution than now.

I am making this appeal to Members of Congress and indirectly to the people of the country who believe in, take pride in, and wish to safeguard our free, competitive system of industry, our forms of democracy and free self-government, and our institutions of peace and civil life, and their blessings for posterity.

No serious-minded Member of Congress, aware of the uncertain drift of the times, without a remedy provided or found, more than the measures already tried out and failed, and under which this 1937 depression has come, will wish to desert his post of duty here until some relief is found more certain and assured, and recovery is on the way before adjournment.

EXTENSION OF REMARKS

Mr. STACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD regarding a story from the White House yesterday about an attempt to pass the reorganization bill.

The SPEAKER. Is there objection?

There was no objection.

THE BUDGET

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, for several years the President of the United States has promised a balanced Budget this year. On May 27, 1938, we were $1,452,983,071.98 in the red, with a total national debt of $37,419,821,347.17, the largest in our

history; and this administration in 5 years is mostly responsible. All contrary to their promises.

The other day Senator CARTER GLASS remarked that the country was in a state of "irretrievable bankruptcy," while Senator H. STYLES BRIDGES declared that New Deal spending was "a vote-buying scheme" and "a national swindle."

During these troubled times it is interesting and enlightening to read a portion of a letter written by the founder of democracy in 1799. Thomas Jefferson said:

I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt, and not for a multiplication of officers and salaries merely to make partisan.

The remarks of Jefferson were wise; they were the words of a statesman.

Oh, were it possible that we had a Jefferson in the White House today.

Oh, it is too bad that the present occupant of the White House has not carried out his promises made previous to his election. Why has not he done so?

July 2, 1932, in his acceptance speech, Mr. Roosevelt said—and I quote:

I propose to you, my friends, * * * that government * * * be made solvent, and that the example be set by the President of the United States and his Cabinet.

Has he done so? Why did he not do it? Oh, Mr. President, speak; tell us why you have changed so much from economy to extravagance.

UNITED STATES HOUSING ACT OF 1937

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 514

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10663, a bill to amend the United States Housing Act of 1937. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CAMPAIGN EXPENDITURES—CANDIDATES FOR HOUSE OF REPRESENTATIVES

Mr. O'CONNOR of New York, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 291

Resolved, That a special committee of seven be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1939, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1938, or any special election held prior to January 3, 1939. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of the Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

THE MOTOR INDUSTRY

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

ARE YOU OUT OF A JOB? WHY?

Mr. HOFFMAN. Mr. Speaker, I call the attention of the House to the fact that the administration, having so far been unable to put out of business the motor industry in Michigan, which led the way back to recovery during the dark days of the depression following 1929, by using John L. Lewis and the activities of the C. I. O., which invaded Michigan, called strikes, closed factories, destroyed machinery, drove men from their jobs and strangled industry, and the persecutions instituted by the National Labor Relations Board, it has now turned loose on General Motors, Chrysler, and Ford the Department of Justice, persecuting them because they made an attempt to relieve those who were forced to ask for credit when purchasing automobiles from the Shylock-like activities of gouging finance companies.

JOBS WERE PLENTIFUL, WAGES HIGH, IN MICHIGAN UNTIL THE NEW DEAL CAME

It is a fact—one of the few stated by Governor Murphy—that, early in 1937, there was in Michigan—

A general picture of high wages, good condition, security, and recognition (of labor), which is one of the best in the country.

He further said, and that statement was true, even though he made it, that—

Wages here are the highest of any place in the country or in the world.

MOTOR INDUSTRY LED THE WAY TO RECOVERY—UNTIL JOHN L. LEWIS CAME

Notwithstanding this picture of conditions that were ideal for the man who worked; notwithstanding the fact—and it is undisputed—that the motor industry was lifting not only Detroit and Michigan but the whole Nation out of the depths of the depression, John L. Lewis turned loose his communistic-controlled C. I. O., with its flying squadrons of wrecking gangsters armed with deadly weapons on Flint, Detroit, and other Michigan cities and, by force of arms, throttled the motor industry.

That industry, notwithstanding this vicious assault, the loss of millions of dollars, while crippled, was not destroyed and through the energy and the perseverance of its executives continued to carry on as best it could.

Then the administration loosed another assault against it. Some of its leaders were summoned before senatorial committees and others were directed to appear before the Senate Civil Liberties Committee, an auxiliary of the C. I. O.

STILL ANOTHER ASSAULT

Still unable to break the motor industry, another governmental agency, the National Labor Relations Board, was turned loose on Ford. Ford was unjustly convicted of unfair labor practices by the order of this agency, one charge being that he told his men they did not need to pay anyone for the privilege of working in a Ford factory. Conviction on this charge shows how like Stalin and Hitler the New Deal administration has become.

Henry Ford himself was called down to Washington to visit the President, presumably on the theory that Henry would shrivel and curl in the presence of pseudo, bogus, self-anointed royalty, but fortunately for the American people,

Henry possesses the princely characteristics of the common man, simplicity, honesty, faith in country and in God and, when the interview with the waster, the spender, the nonproducer, the would-be dictator Roosevelt was over, it was evident that it was Ford, the simple man, who had prevailed in the contest.

So the hounds of the so-called Justice Department were turned loose, and now Ford, Chrysler, and General Motors and many of their officials have been indicted. What for? No matter what the charge may be made to read, the real complaint is that these industries have failed to bend the knee and bow the head and accept the terms dictated by John L. Lewis and the C. I. O.; therefore the lash wielded by the Department of Justice must be laid upon their backs.

They are being persecuted, not because they may have violated some law, but because they have been giving employment and paying wages to men who work without the consent of the President's campaign-fund collectors, John L. Lewis and the C. I. O. That is their real offense, and because of it they have been arrested and held for trial.

Said the Apostle, St. Matthew:

And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?

If the President really wants to prosecute someone, why not order the Department of Justice to try the National Democratic Committee, which solicited and received contributions from corporations for the purchase of worthless campaign books, in violation of the Corrupt Practices Act? Why not call for the prosecution and trial of Ickes and Hopkins and that horde of other disbursers of political patronage who, by gifts of public moneys and favors, seek to promote the election of rubber-stamp Senators and Congressmen?

How long will the people of the Nation submit to tactics of this kind? To the "rule or ruin" policy? To the crazy notions of the man in the White House, who seems to think that industry must be destroyed that he may reign supreme?

There were jobs in Michigan; there were wages to be earned. But the C. I. O. came to Michigan to bring the blessings of the New Deal, the "more abundant life." And they brought it with gas pipe and blackjack; with riot and with civil war. In the wake of that organization, the instrumentality of the administration, loss of employment, loss of wages, hunger, and privation have followed as night follows day, and on the doorstep of the President may be laid the cause of the disaster.

IF THE AUTOMOBILE FACTORIES IN MICHIGAN CLOSE, THEY WILL CLOSE LARGELY BECAUSE OF THE PRESIDENT'S ACTIVITIES

Just prior to the election of 1936, the President came to Detroit and he told the automobile workers what he would do for them. You remember some of his promises. Look about you. Consider the empty shelves in your pantries, the dissipation of your savings, the empty pay envelope. Then get down on your knees and thank God that next November you will have a chance to repudiate Murphy and Roosevelt and get rid of these two dreamers, these two ambitious men, who, posing as friends of the worker, are, figuratively speaking, clothed in silk and purple robes and partake of food fit for the gods, while you, the workers, go hungry and your children mourn the loss of opportunity which is by right their American heritage.

What is there left for the motor industry? The executive officers of General Motors, of Ford, and of Chrysler, if they are human, must first give their attention to protecting themselves from this Federal persecution. Undoubtedly this will require practically all of their time; and, if these three great motor plants close during the coming months and remain closed, those who would otherwise work in them, those who would otherwise earn the money which provides a livelihood for themselves and their families, should remember that they are closed, not because Ford, General Motors, or Chrysler wish to close their plants, but because the man in the White House has badgered, harassed, and persecuted them until they no longer can keep them open.

If Ford, Chrysler, and General Motors officials and the others who have been indicted because they made it possible to buy cars without paying excessive finance charges are forced to spend all their time defending themselves, they cannot operate their factories.

If the automobile factories in Michigan close, they close because of the activities of John L. Lewis, the C. I. O., the N. L. R. B., sanctioned by the President. The President and no one else is to blame if you, an automobile worker, are out of your job.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks.

Mr. O'CONNOR of New York. Mr. Speaker, reserving the right to object, I may state that a few days ago unanimous consent was granted to all Members from now to the end of the session to extend their own remarks as often as they wish.

The SPEAKER. Does the gentleman desire to incorporate any extraneous matter, editorials, or excerpts?

Mr. THOMAS of New Jersey. No.

The SPEAKER. The gentleman already has permission to extend his remarks.

AMENDMENT OF FEDERAL-AID ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I call up the conference report on the bill (H. R. 10140) to amend the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(For conference report and statement, see p. 7759.)

Mr. CARTWRIGHT. Mr. Speaker, road authorizations have been in a rather unsettled condition during this Congress. The main thing, of course, is to maintain the established system which has been followed over a period of years.

On May 6 the House passed H. R. 10140, providing for an authorization of $476,000,000 for the fiscal years ending June 30, 1940, and June 30, 1941. The Senate reduced the authorizations $161,500,000. We went to conference and restored $35,000,000, and this leaves a net reduction of $126,500,000 in the amounts approved by the House.

You may wonder why all this reduction. Well, I will tell you why. We were confronted with this situation: The Bureau of Public Roads reported a carry-over of $150,000,000 from apportionments made to the several States under previous Highway Authorization Acts, and we were reminded that the relief bill which the Congress recently passed carried an earmarked provision for $425,000,000 for highway, road, and street improvements. We were assured that at least $150,000,000 of this would be used for farm-to-market roads, rural free-delivery mail roads, and public-school bus routes, in which so many of us are specially interested. We were also given to understand that the President would sign the bill for the amounts carried under the Senate amendments. Notwithstanding that, we did raise the total amount authorized $35,000,000 over the amounts proposed by the Senate, and we have every reason to believe this bill will be signed and become a law within a few days.

My colleagues, under the circumstances, we did the best we could, and I hope the report will be adopted.

I do not wish to take much time, but I will go a little further and explain that the Senate reduced Federal aid for primary roads from $125,000,000 for 1940 to $75,000,000. In conference we increased that to $100,000,000. The Senate reduced the item for secondary, feeder, and farm-to-market roads from $25,000,000 to $10,000,000 for each year. We compromised on $15,000,000 for each year, which, with the estimated $20,000,000 carry-over of unobligated or unappropriated balances, makes a total of $50,000,000 available for secondary roads during the period we are providing for in this act under our regular road program.

I could go on through the entire list of provisions in various sections for grade-crossing eliminations, forest roads, public-land roads, roads in national parks and national park-

ways, and Indian roads and trails, but probably these items will be discussed by other members of the committee.

I shall summarize by saying that if the conference report is adopted there will be, with the carry-overs from previous authorizations, a total of $499,500,000 available for highway and road construction after January 1, 1939, according to the best estimates, for Federal participation in highway and road construction. And that is not considering in any way the $425,000,000 provided in the relief bill for road and street improvements.

I repeat we did the best we could under the circumstances. We maintained the principles of our present proven system of highway construction in cooperation with the States, and provided authorizations which, with amounts already available, will permit highway and road improvement work to continue at about the present rate of progress. The effect will be that the States will take up the slack in the form of unobligated balances accumulated while unmatched Federal money from emergency highway appropriations could be used.

I want to take this opportunity to thank the many Members of the House who manifested an active interest in road legislation, and particularly to express my gratitude to each and every member of the Roads Committee for their faithful work and loyal support during this Congress. I have had a lot to contend with and could not have done anything without the fine cooperation I have received from the committee.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. LEAVY. Will the gentleman state the exact figures to which the reduction brought the item for roads across public lands, park roads, and forest roads?

Mr. CARTWRIGHT. I cannot put my hand on the figures at the moment.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield to the distinguished gentleman from North Carolina.

Mr. WARREN. The House bill carried $14,000,000 for 1940 and 1941 for forest roads and trails. That was the smallest reduction made by the Senate. They reduced it to $10,000,000 for 1940 and $13,000,000 for 1941.

Mr. CARTWRIGHT. There was a carry-over of $4,000,000.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. VOORHIS. What happened to section 12?

Mr. CARTWRIGHT. Section 12 was dropped entirely. We did not agree to it and the Senate yielded, and it was knocked out.

Mr. VOORHIS. I thank the gentleman.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I was glad to have the opportunity yesterday by consent of the House to insert in the RECORD my dissenting views on conference report on H. R. 10140. The statement of my views, which appears in the RECORD today, covers my argument against accepting the Senate amendments, and I do not care to take up unnecessary time here in repeating those arguments.

As a member of the conference committee I am, of course, sorry indeed to have to dissent from the views and the recommendations made by the majority of my colleagues on that committee; but as I see it I can take no other course and still be consistent with my convictions on this subject. This report should be again sent back to conference and the authorizations provided in the House bill should be restored.

The reason why my conviction in that regard is so strong is simply this: If you will make a study of the entire record of the hearings, both in the House and in the Senate, you will not find one single fact, you will not find one shred of testimony to justify any of the reductions that have been recommended in the report of the conference committee. Now, if that is the case—and I am sure no one will contend that it is not—then why should the House accept the slashings which the Senate has made in H. R. 10140?

My very good and able friend the gentleman from Oklahoma, chairman of our committee, has just told you some reasons why he thought the reductions were made and why they were agreed to in conference. I have the utmost admiration and regard for my colleague from Oklahoma, but I am sure that he and every other member of the conference committee, if direct inquiry were made of them, would tell you that the only reason these reductions were recommended was because the President demanded them and that, in the opinion of the majority of the conferees, if these reductions were not made the President would veto the bill. Now that, in my opinion, is not a sufficient reason why the House should recede and concur in virtually all of these Senate amendments, even if we were certain the President would veto the bill. In that event the House would have its remedy and it could pass the bill over the veto.

Mr. Speaker, it will be recalled that this bill was reported unanimously to the House by the House Committee on Roads and that after full debate under an open rule it was passed without reduction in any of the authorizations and without a dissenting vote. That is what the House thought about this bill then. I am convinced the House has the same opinion of it now, although I realize that the House, on account of its fear of a Presidential veto, intends to adopt the report today rather than send it back to conference in an effort to restore the authorization to the full amounts provided in the House bill.

I call your attention to the fact, nevertheless, that when the House passed this bill on May 6 it did so with full knowledge that the President had already expressed his opposition to authorizations as large as this. He did that in the message sent here early in the session, in which he asked that existing authorizations be canceled and in which he recommended reductions down to $125,000,000 per year in authorizations to be made in the next several years. That would be a little more than one-half of the amount which the States have been receiving during the past several years from the Federal Government in aid for road building.

The Senate committee on Post Offices and Post Roads reported out the House bill without holding any public hearings after it received the bill. It merely called in the Chief of the Bureau of Public Roads who submitted his figure on the so-called carry-overs, and then reduced the authorizations for the 2 years 1940 and 1941 by $161,000,000. In conference $35,000,000 of this was restored and as the conference report comes to us today there is a recommended net reduction of $126,000,000 from the House bill. I say there is no justification for that reduction. It is not based on anything. It is simply an arbitrary slash to meet the President's demands. There was no testimony adduced before any of the committees justifying this reduction. It was not justified or attempted to be justified in the conference committee, and I think I am violating no confidence when I say the opinion was freely expressed in the conference committee by the members who signed the report that these reductions could not be defended. The only reason for agreeing to them was the fear the President would veto the bill.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MOTT. Mr. Speaker, I do not think that it is proper for this House to permit its legislative actions to be determined by the question of whether the President may or may not veto a bill which the House has under consideration. The President has his own exclusive jurisdiction and responsibilities as the Chief Executive of the Nation. The Congress, likewise, has its own responsibilities and its own exclusive jurisdiction under the Constitution as the lawmakers of the United States. The jurisdiction and the duties of each are separate and distinct, and neither should undertake to interfere with or to trespass upon the jurisdiction of the other.

Mr. PIERCE. Will the gentleman yield?

Mr. MOTT. I yield to my colleague from Oregon.

Mr. PIERCE. Is it not a fact that many more millions have been taken from the W. P. A. fund for these roads than we were getting under the House bill?

Mr. MOTT. We were not getting any W. P. A. funds for roads under the House road-authorization bill. The W. P. A. road money will come from the works-relief bill. We have always received some W. P. A. funds for roads when they were available. I do not consider that the amount of W. P. A. money we may get for road work has anything to do with this bill, which provides for taking care of the regular Federal-aid highway programs of the several States for the years 1940 and 1941.

Mr. Speaker, before I yielded to my colleague I suggested that for the House to refuse to insist upon the passage of a bill which it has unanimously endorsed heretofore and which every Member of the House still favors—simply because the President might possibly veto it—would be equivalent to allowing the President to make the law.

The House should not permit itself to be put in such a position, even though it knew what the President's intentions were in this regard, because the House could still exercise its right to pass the bill, notwithstanding the veto, and it is my opinion, judging from the vote this bill received on May 6, that the House would override a veto.

As to the question of whether or not the President would veto this measure if it contains the full authorizations provided in the House bill, I may say to those who consider the possibility of a veto to be a controlling factor in this discussion that there are many reasons why, in my opinion, he would not veto the bill.

I do not, of course, presume to speak for the President or to undertake to interpret his actions or to predict what he might do in any particular circumstance. And in this respect I am no different than any of the other House conferees on this bill. The President has never told me what he was going to do about it, and, so far as I know, he has not told the chairman of our committee nor any of the House conferees. If he were so positive in his intention to veto H. R. 10140 in event the full House authorization should be retained, as it has been claimed he is, I believe he would have communicated his intentions at least to the chairman of the House Committee on Roads, which he has not.

Another reason which leads me to believe the President would not veto the House authorization is that they have met with universal approval by the whole country. Every State, every county, and every road district in every one of the 48 States wants these House authorizations retained. It would be a great surprise to me if in the face of this Nation-wide demand the President should decline to acquiesce in the wishes of the Congress that the House authorizations be retained.

It has been contended by some that, on account of the nearness to adjournment, if this conference report were sent back to conference for the purpose of trying to get the full House authorizations restored the Congress might adjourn in the meantime and we would have no bill at all. Obviously there can be no merit to such a contention. The Congress has never been known to adjourn while a bill as important to the country as this one is was in conference or while it was in the hands of the President awaiting his approval or disapproval. Gentlemen may rest assured that there will be no adjournment until H. R. 10140 becomes law, whether it is returned to conference or not.

In conclusion I can only repeat what I have already stated in my minority views. I contend that no reason has yet been advanced why we should accept the Senate reductions, even with the slight increases agreed to in conference. The report of the conference committee under the circumstances should be returned to conference with instructions that the House authorizations be restored, and the bill should become law carrying the full amount authorized by H. R. 10140, as that bill was unanimously reported by the Committee on Roads and unanimously passed by the House of the 6th day of May. [Applause.]

Mr. CARTWRIGHT. Mr. Speaker, I yield to the gentleman from Connecticut for a unanimous-consent request.

COMMITTEE ON THE JUDICIARY

Mr. CITRON. Mr. Speaker, by direction of the Judiciary Committee I ask unanimous consent that this committee may be permitted to sit this afternoon during the session of the House to consider the bill (H. R. 10387) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

AMENDMENT OF FEDERAL-AID ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, personally I am more in favor of appropriations for Federal aid to roads than any other form of appropriation that we pass here. We all know the vast benefits that accrue from it and how very deeply it is appreciated by the several States of the Nation.

We are faced in connection with this bill with a practical proposition, and for this reason it is not my purpose to let the remarks of the gentleman from Oregon go unanswered. The President, at the extra session of Congress, sent a message to the Congress asking that we repeal the 1939 authorization. That message was received with great regret by many Members of the House. As a member of the Committee on Roads, I take my full share of the responsibility for not acceding to the wishes of the President in that respect, because the contracts had already been made by the several States for roads during the present fiscal year.

In the same message the President asked that the authorizations for the next 2 fiscal years, in 1940 and 1941, be substantially and materially reduced. Ignoring the recommendations of the President, the House Committee on Roads, of which I am a member, brought in a bill carrying the same authorizations as we have had in the last 2 years. When the bill reached the Senate, as has already been stated, the the Senate reduced the amount by $161,500,000.

I do not believe there is any reason for secrecy in this matter, as has been inferred by the gentleman from Oregon [Mr. MOTT].

Of course, there has been no communication to me from the White House on this subject, but it was freely stated that members of the Senate committee had consulted the President about this measure and he had indicated to them the type of measure that he felt like signing in the event the Congress should pass it.

We are confronted just with this situation. As has also been stated, the House raised the Senate figures $35,000,000. Forty-four State legislatures meet next January. It is absolutely imperative that if we have any legislation at all we have it at this session of Congress, which we hope to adjourn within the next 2 weeks. If this bill should fail of passage, if this conference report should be voted down, it means that the roads plans will be disrupted in every State in the Union and they will be left in a state of absolute chaos.

I am confident we have met the reasonable objections made by the President to this bill, and although we have succeeded in raising the amount $35,000,000 over the Senate figures, I am likewise confident that the President will sign this bill. I believe we can make up our minds that if the House bill were adopted we would have no authorization at all for the next 2 years. [Applause.]

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Speaker, I regret very much that the committee of conference has reduced the authorizations provided in the House bill for the construction of Federal-aid roads for 1940 and 1941. I do not believe this reduction is justified. I believe the necessity for building roads is so great that the committee of conference should have agreed

to the provisions of the House bill. I note, however, that the committee of conference has reduced the authorizations for farm-to-market roads from $25,000,000 to $15,000,000. To me this seems even more regrettable than the reduction of the general Federal-aid funds. There is more necessity today for the building of farm-to-market roads then there has ever been. I am indeed sorry that the committee has consented to make this reduction which was altogether too small originally I note also there has been a reduction, which I believe should not have been made, in the authorizations for railroad crossings.

The gentleman from North Carolina has suggested the one reason, in my judgment, for the adoption of this conference report. If this bill were originally before the House with the provisions contained in this conference report I am confident it could not be approved, but with the situation that unless legislation is passed at this session of Congress to authorize these appropriations the legislatures of the several States will be unable to provide legislation to meet the Federal aid. This being the situation, it is important that this legislation be adopted at this session. If by voting against this conference report I could restore the amount provided in the original House bill, I would do so, but not being able to accomplish that result, I see no reason for voting against the conference report.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. DOWELL. I yield to the gentleman from Oregon.

Mr. MOTT. Does the gentleman know of any other method of restoring the authorizations of the House bill than by voting against the adoption of the report and sending the bill back to conference, where we can get some more consideration?

Mr. DOWELL. At this stage of the proceedings I believe the gentleman is correct, but this should have been done before hand. At this stage of the proceedings it is very difficult to secure the increase in these authorizations. I am very sorry that our conferees have consented to this report.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, many Members of the House who have discussed this measure with me have felt that perhaps this is an appropriation bill. Some of them seem to have forgotten we passed the appropriation bill for Federal-aid roads for 1939, and that remains in status quo. This is merely an authorization bill for the years 1940 and 1941.

I wish to take this opportunity of paying a tribute to the chairman, the gentleman from Oklahoma [Mr. CARTWRIGHT] not only for the tremendous amount of work he has done in connection with this measure but for the work he has done previously, resulting in the establishment of a principle in the method of building highways in our country.

I deplore the fact, Mr. Speaker, that our conferees could not raise this authorization to the amount included in the House bill.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I wish to second the appreciative remarks of the gentleman concerning the chairman of the House committee, and also to ask the gentleman this question: If we adopt this conference report, we are not breaking faith with the States as far as their road-making programs are concerned? I greatly regret any reduction in this field of construction, but especially do I desire not to desert the States which have been cooperating in the work of road building.

Mr. STEFAN. In reply to the gentleman from Arizona I wish to state that we agree entirely, but this has become a matter of give and take in conference. The gentleman from Arizona has been a great booster for road work because he and I know that more employment goes to workers from the road dollar than from any other source. The gentleman from Arizona has always been on the alert to protect not only his own State but has worked with us to carry out an orderly program for road building. But let me explain further to all Members of this House. We were confronted with a Senate bill which slashed our House bill to pieces. But in conference we retained the entire principle of orderly Federal-State aid road building. For that I feel we must thank our distinguished chairman [Mr. CARTWRIGHT] and the conference committee. I know it appears that we had to take everything the Senate proposed, but that is not entirely the fact. What we did was really to increase the bill $35,000,000 from the Senate cut, which now is a total of $126,500,000.

We had to let the Senate cut for 1941 stand as the Senate wrote it. We were able to eliminate section 12, which would have stopped States from using their own prerogative as to taxation and which would have been a great hardship on the counties and the county commissioners and county supervisors in road work. We also were able to cut out section 14 which would have given the Secretary in Washington all power over how roads should be constructed and would have also given him tremendous power over traffic regulations. These sections are out. They represent a victory for the House. Regarding section 12, the House committee is unanimous against diversion, but the section went too far.

There is one deplorable thing in this compromise, however, to which I cannot subscribe. My distinguished chairman knows of my continuous fight for farm-to-market roads. I did not care to talk again on this road matter for fear of becoming boresome to the House, but I thank my chairman for giving me this oportunity to conclude my thoughts on the matter. The cut in the farm-to-market road item is too deep. Naturally I am appreciative of the fact that our committee was able to boost this $5,000,000, but that is a drop in the bucket. I thought that I had reached a compromise in committee by not remaining adamant on my determination to make this item $35,000,000. Our committee fixed it at $25,000,000, and the Senate immediately cut it to $10,000,000. Now we have pushed it back up to $15,000,000. I will support the conference report, however, because I am assured that out of the new relief funds we will get $150,000,000, and that there is an unexpended balance for the same item of about $40,000. If I could be assured that we will get $205,000,000 for farm-to-market roads this year, I would be very happy.

Mr. CARTWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CARTWRIGHT. It was indelibly impressed upon us that $150,000,000 out of the relief bill which we passed a few days ago would be used for farm-to-market roads.

Mr. STEFAN. I thank my distinguished chairman. I was coming to that matter again if time permitted. I wish to tell Members that our chairman has always assisted us in our fight for farm-to-market roads and to him we owe much credit for getting the item into the regular road bill after many months of work. We retain the principle that farm-to-market roads must remain in the bill. That the secondary roads at last must be given as much attention and that they are as important as these gigantic tourist highways. Now that my chairman has mentioned it, I wish to inform the House that when we passed the new relief bill there was an item of $425,000,000 set aside for roads, streets, highways, and so forth. We were told time and again that at least $150,000,000 of this would go to the construction of farm-to-market roads. I hope that those who are in power will not forget that promise.

It has been no easy matter to finally convince the great road builders of our Nation that it is very important to provide roads for farmers to reach their markets. After many months of work in the days when this item was never even thought of in these regular road bills, we were able to convince the executive department that the farmer still travels over mud roads. There are thousands of miles of these mud roads in existence today. In my State of Nebraska we have farmers who cannot reach the regular highways during inclement weather. They cannot reach their mail boxes. Rural mail carriers cannot travel over them.

Farmers cannot reach the towns. When that happens the towns are dead because when the farmer cannot reach the trading points there is no trade and the merchants might as well close their doors. All business stops. Railroads and trucks have nothing to haul and jobbing houses get no orders. These farm-to-market roads are the best national defense we have. They are the arteries to the Nation's food basket. These big road people who are so interested in selling cement, steel, and other material finally saw the light. From the first relief bill we secured money for the first farm-to-market road work. It has been very popular in all States where people realize that when the farmer cannot travel, there is no business. In this first drive for farm-to-market roads we were given much encouragement and assistance by President Roosevelt with whom some of us discussed the matter personally.

Perhaps it would be unbecoming for me to quote the President here, but I know that he feels that this kind of road building is economically sound and that it provides work for many unemployed in sections where we cannot build other things. The rural mail carriers have assisted us in this work because they travel these roads and know what it means for a farmer to be marooned and isolated on his farm when other citizens travel so comfortably only a few miles away.

So I say, Mr. Speaker, I feel deeply that perhaps some effort may be in the making here to eliminate this secondary road item from our road program. I know that cost of cement roads has been cut down to $20,000 a mile for a 20-foot slab as compared with $30,000 a few years ago. I know that much material is purchased for these fine tourist roads, and I know that materialmen would rather have the paved roads. We cannot pave all the farm-to-market roads today, but we can put a little stone and gravel on the mud and make it possible for the farmer to have all weather roads at a very small expense. The farmer does not ask for much when he asks to be allowed to reach these fine highways which he has helped to pay for with his tax money. So I caution Members here today to be ever on the alert to keep this principle of farm-to-market roads in all our regular Federal-aid legislation. Otherwise you may find special interests ready to eliminate the principle altogether. Feeling we have won by keeping the principle of farm-to-market roads in this bill I shall gladly support the conference report.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. MAY. Does the gentleman know anything the Congress has ever done or could ever do that is more beneficial than the construction of farm-to-market roads?

Mr. STEFAN. I thank the gentleman from Kentucky for his contribution. The gentleman from Kentucky was one of those who helped to make the secondary or farm-to-market road work possible. In reply to his query I wish to say that I know of nothing that the Government has done that is more beneficial than the construction of farm-to-market roads. The gentleman from Kentucky answered his own question because he has fought so ardently and so earnestly on the floor of this House for the cause of the farmers in his district and his State. Because of my interest in the welfare of the farmers of my district and my State I merely join him here in expressing their views. If they were here personally—and I wish that sometimes they could all come here—they perhaps could and would say it in more determined language. Because they are not here and because they sent me here as their hired man to speak for them, I merely do the best I know how to represent them. I hope and pray that I have carried out their wishes.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I hesitate to detain the House. It is well known that there has been a difference between the Executive and the Congress respecting Federal-aid highway legislation. I believe that the conference report is a fair solution of those differences, and in these differences I am sure that the Congress has been victorious. I doubt, with all deference, that my colleague the gentleman from Oregon [Mr. MOTT] speaks for the President of the United States. I think there are others who are more qualified to do so and who can speak with more authority respecting his views.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. In a moment. I want first to complete my statement. I am sure that we are all in agreement with respect to farm-to-market roads. The House conferees insisted upon an increase in the provisions for farm-to-market roads over those carried in the Senate bill. Two increases have been made. Some members on the Committee on Roads felt that there should have been an adjustment in an effort to meet the views of the Executive when this bill was before our committee. Personally I think there should have been a percentage reduction in all appropriations, but a majority of the committee of the House did not agree with that viewpoint. Personally I think the House has lost in that regard because the conferees have insisted upon every reduction made by the Senate being retained, and this conference report provides for every reduction being retained except as to Federal-aid highways and secondary roads. Under existing authorizations the amount authorized for Federal aid is $125,000,000 annually. Under the conference report there is a reduction of $25,000,000 in 1940 and $10,000,000 in 1941. We have increased the authorization for secondary roads from $10,000,000 to $15,000,000. I remind the House that in the pending relief and emergency appropriation bill there will be expended in the next fiscal year approximately $400,000,000 for secondary roads and streets, and for that reason in an effort to maintain the principle of Federal aid, those of us who know and have cooperated with the Executive agreed that for the next 2 years we would have probably the best provision for secondary roads that our country has ever had. Therefore, we agreed to a reduction for the next 2 years in the authorizations for secondary roads, and I believe that we are right. I believe the bill as agreed to in conference is far better than no bill at all.

I conclude by saying that we have maintained existing law and that we have eliminated the provision of the Senate that would have increased penalties for diversion. We stand for the prevention of diversion. The House went into that matter carefully. Existing law as interpreted by the Department of Agriculture was contained in the House bill. The House eliminated that provision because the House was satisfied with existing law. This conference report conforms to the views of the House with respect to diversion.

We eliminated the section that gives to the Secretary of Agriculture supreme power to fix standards, and we provide for that cooperation existing between the Bureau of Good Roads and the State highway departments in the past. I trust that the conference report will be adopted.

I now yield to the gentleman from Oregon [Mr. MOTT].

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. CARTWRIGHT. Mr. Speaker, I yield the gentleman 1 minute.

Mr. MOTT. Mr. Speaker, I understood the gentleman to say that in the course of my remarks I was claiming to speak with authority for the President of the United States.

Mr. WHITTINGTON. I said that there are others in the House better qualified to interpret the views of the President of the United States than the gentleman from Oregon, and I stand on that statement. [Applause.]

Mr. MOTT. If the gentleman said that I claimed to be speaking with authority for the President of the United States, I hope that he will correct his remarks, because I made no such claim.

The SPEAKER. The time of the gentleman from Mississippi has again expired. The question is on ordering the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question now is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

REPORT OF UNITED STATES RAILROAD ADMINISTRATION, 1937 (H. DOC. NO. 697)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered printed:

To the Congress of the United States:

I transmit herewith for the information of the Congress the Annual Report of the United States Railroad Administration for the year ended December 31, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1938.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—MOUNT OLIVET CEMETERY CO.

The SPEAKER also laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 10004, Seventy-fifth Congress, "An act to amend an act entitled 'An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia.'"

This bill would exempt the Mount Olivet Cemetery Co. in the District of Columbia from paying special assessments for public improvements which may now or hereafter be levied against the land devoted to cemetery purposes.

The president of the Board of Commissioners in his letter of May 25, 1938, recommending disapproval of this bill, invites attention to the act of March 3, 1903, which provides that:

> No property except that of the United States Government or the District of Columbia, and property owned by foreign governments for legation purposes shall be exempt from assessments for improvements.

And states that, in the opinion of the Commissioners, the enactment of this bill would establish an unfortunate precedent since churches, charitable institutions, and other organizations of similar character would feel that they too would be entitled to the same treatment.

I concur in the recommendation of the Board of Commissioners, and am, therefore, withholding my approval of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1938.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. PALMISANO. Mr. Speaker, I move that the bill and the accompanying message be referred to the Committee on the District of Columbia.

The motion was agreed to.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the roll of the committees.

Mr. RAYBURN (when the Committee on the Election of the President, Vice President, and Representatives in Congress was called). Mr. Speaker, I ask unanimous consent that further proceedings under the call of the calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PURE FOOD AND DRUG BILL

Mr. LEA. 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. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, 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. 5, the pure food and drug bill, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. At the hour the Committee rose yesterday there was under consideration an amendment offered by the gentleman from Mississippi [Mr. DOXEY]. The Committee will proceed to the consideration of the amendment.

The gentleman from Mississippi is recognized on the amendment.

Mr. DOXEY. Mr. Chairman, at the conclusion of the consideration of this bill in the Committee of the Whole yesterday afternoon there was pending an amendment I offered on page 73, beginning in line 18 and ending in line 20, which merely strikes out the exception in the language expressed in the bill. We did not enter into a discussion of the merits of my amendment.

I assure the chairman of the committee and the members of the committee that I am in accord with the general purposes and intents of this bill. My only purpose is an effort to try to right what, to my mind, appeared to be or could possibly be a wrong. As this bill came to the House originally it was referred to the Committee on Agriculture, of which I am a member. Afterward it was re-referred to the Committee on Interstate and Foreign Commerce. I have followed it with some degree of interest.

My amendment dealing with a certain type of people, especially those who diagnose cases by mail, who are not given any exception or exemption in this bill, was prompted possibly by my personal knowledge of some of those who would be vitally affected if this provision of the bill becomes a law. I was very much interested yesterday in the statement of the distinguished chairman of the committee, the gentleman from California [Mr. LEA]. To my mind his explanation does not reach the real, vital, fundamental principle that I have in mind. I realize, of course, that legislation helps some but hurts others. I discussed this matter briefly with the distinguished gentleman from California before I offered this amendment, relating in particular to the matter of asthma. Asthma is a peculiar disease. We also discussed epilepsy. Some asthma treatments are good, some are bad. I know, of course, that you cannot diagnose an asthma case without a case history and without knowing what is behind it in addition to an examination of the patient. Asthma is caused by a great variety of things and I shall not attempt to enter into a scientific discussion of the subject here. There is one firm at Mount Gilead, Ohio, however, with which I am familiar, and which is familiar also to the gentleman from California, that would likely have to go out of business if this provision remained in the bill as it now reads, notwithstanding the fact that the formula used by this concern was handed down from generation to generation and has resulted in a great deal of benefit to asthma sufferers. I do not know how many other similarly reputable firms would be affected by this provision, but I imagine that many of the Members in this body know of individual cases and firms which if not permitted to come within the exemptions of this bill would have to cease operations. In this view of the matter, in this light, and in this spirit, I introduced this amendment. I feel that the amendment should be adopted.

I repeat that I am in hearty accord with efforts to do away with quacks and to try to protect the public from being practiced upon by those misinformed and poorly equipped who, in many instances, bring injury rather than relief and benefit.

My purpose is to help rather than hinder. I want the public protected, but at the same time I do not want this legislation to contain provisions that will destroy doctors and

firms who have rendered great and valuable service to suffering humanity and made their life's work a benediction and blessing to the afflicted.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

I have listened with great interest to the remarks of the distinguished gentleman who has just spoken; however, I find myself conscientiously at variance with him. There may be individuals or companies that can diagnose by mail. On the other hand, I believe that those who can render an adequate diagnosis of disease of any kind by mail are so far in the minority, and that those who purport to diagnose by mail and are quacks are so much in the majority, I am constrained to oppose the gentleman's amendment. With all due respect to the remarks of the gentleman, he still has not convinced me. It seems to me, if there is a medicinal preparation for the treatment of asthma or any other condition, certainly a physician would like to find such preparation and would be glad to prescribe it; therefore, Mr. Chairman, I say again I am constrained to oppose the gentleman's amendment. I fear it would open the door to quackery and serve to hurt suffering people and do exactly what we do not want this bill to do. For the reasons stated I am against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. DOXEY].

The amendment was rejected.

The Clerk read as follows:

CERTIFICATION OF COAL-TAR COLORS FOR DRUGS

SEC. 504. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in drugs for purposes of coloring only and for the certification of batches of such colors, with or without harmless diluents.

NEW DRUGS

SEC. 505. (a) No person shall introduce or deliver for introduction into interstate commerce any new drug, unless an application filed pursuant to subsection (b) is effective with respect to such drug.

(b) Any person may file with the Secretary an application with respect to any drug subject to the provisions of subsection (a). Such person shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such drug is safe for use; (2) a full list of the articles used as components of such drug; (3) a full statement of the composition of such drug; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug; (5) such samples of such drug and of the articles used as components thereof as the Secretary may require; and (6) specimens of the labeling proposed to be used for such drug.

(c) An application provided for in subsection (b) shall become effective on the sixtieth day after the filing thereof unless, prior to such day the Secretary by notice to the applicant in writing postpones the effective date of the application to such time (not more than 180 days after the filing thereof) as the Secretary deems necessary to enable him to study and investigate the application.

(d) If the Secretary finds, after due notice to the applicant and giving him an opportunity for a hearing, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity; or (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions, he shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective.

(e) The effectiveness of an application with respect to any drug shall, after due notice and opportunity for hearing to the applicant, by order of the Secretary be suspended if the Secretary finds (1) that clinical experience, tests by new methods, or tests by methods not deemed reasonably applicable when such application became effective show that such drug is unsafe for use under the conditions of use upon the basis of which the application became effective, or (2) that the application contains any untrue statement of a material fact. The order shall state the findings upon which it is based.

(f) An order refusing to permit an application with respect to any drug to become effective shall be revoked whenever the Secretary finds that the facts so require.

(g) Orders of the Secretary issued under this section shall be served (1) in person by any officer or employee of the department designated by the Secretary or (2) by mailing the order by registered mail addressed to the applicant or respondent at his last-known address in the records of the Secretary.

(h) An appeal may be taken by the applicant from an order of the Secretary refusing to permit the application to become effective, or suspending the effectiveness of the application. Such appeal shall be taken by filing in the district court of the United States within any district wherein such applicant resides or has his principal place of business, or in the District Court of the United States for the District of Columbia, within 60 days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, or upon any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm or set aside such order. No objection to the order of the Secretary shall be considered by the court unless such objection shall have been urged before the Secretary or unless there were reasonable grounds for failure so to do. The finding of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts by reason of the additional evidence so taken, and he shall file with the court such modified findings which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the setting aside of the original order. The judgment and decree of the court affirming or setting aside any such order of the Secretary shall be final, subject to review as provided in sections 128, 239, and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 225, 346, and 347), and in section 7, as amended, of the act entitled "An act to establish a Court of Appeals for the District of Columbia", approved February 9, 1893 (D. C. Code, title 18, sec. 26). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Secretary's order.

(i) The Secretary shall promulgate regulations for exempting from the operation of this section drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety of drugs.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 76, line 15, after the comma, insert "or if such drug shall be alleged to cure cancer."

(Mr. PHILLIPS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. PHILLIPS. Mr. Chairman, the amendment I have just offered is along the line of the amendments I offered yesterday. I am sorry to say they were defeated. Everywhere in this bill where I could find an opportunity to write into the bill a clause or phrase striking against those miserable, contemptible charlatans who are endeavoring to pretend to the American people that they can cure cancer I have endeavored to do so. I am indeed trying to strike at those people.

Mr. Chairman, I produced on this floor yesterday printed and typewritten evidence to the effect there are charlatans who are, through the mails, stating they can cure cancer. They are deluding poor, suffering human beings who grasp at any straw they can grasp in an endeavor to have that horrible disease, cancer, alleviated and cured. You know and I know the only cures for cancer are surgery, X-ray, or radium; therefore anybody who purports to cure cancer in any other way is a miserable, contemptible, inhuman charlatan. In an endeavor to stop this sort of thing, this chicanery in medicine that is being inflicted on our people, I am introducing this amendment and hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The amendment was rejected.

The Clerk read as follows:

CHAPTER VI—COSMETICS

ADULTERATED COSMETICS

SEC. 601. A cosmetic shall be deemed to be adulterated—

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to users under the conditions

of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual: *Provided*, That this provision shall not apply to coal-tar hair dye, the label of which bears the following legend conspicuously displayed thereon: "Caution—This product contains ingredients which may cause skin irritation on certain individuals, and a preliminary test according to accompanying directions should first be made. This product must not be used for dyeing the eyelashes or eyebrows; to do so may cause blindness.", and the labeling of which bears adequate directions for such preliminary testing. For the purposes of this paragraph and paragraph (e) the term "hair dye" shall not include eyelash dyes or eyebrow dyes.

(b) If it consists in whole or in part of any filthy, putrid, or decomposed substance.

(c) If it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

(d) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(e) If it is not a hair dye and it bears or contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 604.

MISBRANDED COSMETICS

SEC. 602. A cosmetic shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(d) If its container is so made, formed, or filled as to be misleading.

REGULATIONS MAKING EXEMPTIONS

SEC. 603. The Secretary shall promulgate regulations exempting from any labeling requirement of this act cosmetics which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such cosmetics are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

CERTIFICATION OF COAL-TAR COLORS FOR COSMETICS

SEC. 604. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in cosmetics and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER VII—GENERAL ADMINISTRATIVE PROVISIONS

REGULATIONS AND HEARINGS

SEC. 701. (a) The authority to promulgate regulations for the efficient enforcement of this act, except as otherwise provided in this section, is hereby vested in the Secretary.

(b) The Secretary of the Treasury and the Secretary of Agriculture shall jointly prescribe regulations for the efficient enforcement of the provisions of section 801, except as otherwise provided therein. Such regulations shall be promulgated in such manner and take effect at such time, after due notice, as the Secretary of Agriculture shall determine.

(c) Hearings authorized or required by this act shall be conducted by the Secretary or such officer or employee as he may designate for the purpose.

(d) The definitions and standards of identity promulgated in accordance with the provisions of this act shall be effective for the purposes of the enforcement of this act, notwithstanding such definitions and standards as may be contained in other laws of the United States and regulations promulgated thereunder.

(e) The Secretary, on his own initiative or at the request of any interested industry or substantial portion thereof, shall hold a public hearing upon a proposal to issue, amend, or repeal any regulation contemplated by any of the following sections of this act: 401, 403 (j), 404 (a), 406 (a) and (b), 501 (b), 502 (d), 502 (f), exclusive of the proviso therein, 502 (h), 504, and 604. The Secretary shall give appropriate notice of the hearing, and the notice shall set forth the proposal in general terms and specify the time and place for a public hearing to be held thereon not less than 30 days after the date of the notice, except that the public hearing on regulations under section 404 (a) may be held within a reasonable time, to be fixed by the Secretary, after notice thereof. At the hearing any interested person may be heard in person or by his representative. As soon as practicable after completion of the hearing, the Secretary shall by order make public his action in issuing, amending, or repealing the regulation or determining not to take such action. The Secretary shall base his order only on substantial evidence of record at the hearing and shall set forth as part of the order detailed findings of fact on which the order is based. No such order shall take effect prior to the ninetieth day after it is issued, except that if the Secretary finds that emergency conditions exist necessitating an earlier effective date, then the Secretary shall specify in the order his findings as to such conditions and the order shall take effect at such earlier date as the Secretary shall specify therein to meet the emergency.

(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect may at any time prior to the ninetieth day after such order is issued file a complaint with the district court of the United States for the district wherein such person resides or has his principal place of business, to enjoin the Secretary from placing the order in effect and to compel him to modify the order in the respects set forth in the complaint. The summons and complaint may be served at any place in the United States. The Secretary, promptly upon service of the summons and complaint, shall certify and file in the court the transcript of the proceedings and the record on which the Secretary based his order. The court shall, upon the showing that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary, permit the complainant to supplement the evidence in such record by adducing additional evidence, which the Secretary may rebut, bearing on the validity of the order. For this purpose the court may require such evidence to be taken before the court or a master, or may remand the case to the Secretary for the taking of such evidence and the making of such amendment to his order as may be required. The court shall have jurisdiction by appropriate judgment to enjoin the Secretary, temporarily or permanently, from placing in effect or enforcing his order. The court may by such judgment in addition direct the Secretary to take such further action as justice may require. Any action instituted under this subsection shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office. The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(g) A certified copy of the transcript of the record and proceedings under subsection (e) shall be furnished by the Secretary to any interested party at his request, and shall be admissible in any criminal, libel for condemnation, exclusion of imports, or other proceeding arising under or in respect to this act, irrespective of whether proceedings with respect to the order have previously been instituted or become final under subsection (f).

Mr. MAPES. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 83, line 20, strike out all of paragraph (f), section 701, and insert the following:

"(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect may obtain a review of such order in the circuit court of appeals of the United States within any circuit where such person resides or carries on business by filing in the court, within 60 days from the date of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the entire record in the proceeding, including all the evidence taken and the report and order of the Secretary. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the Secretary. The findings of the Secretary as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearings in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 240 of the Judicial Code."

Mr. MAPES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Chairman, it is unfortunate to have to consider an amendment of this importance with so few Members on the floor. Several months ago the Committee on Interstate and Foreign Commerce, which reported the

pending committee substitute, brought in a bill to amend the Federal Trade Commission Act. The amendment which I have offered is the same as the court review section in the Federal Trade Commission Act with only such changes as are necessary to adapt it to the pending bill. In substance my amendment is identical with the provision reported by the Committee on Interstate and Foreign Commerce relating to the Federal Trade Commission, except that it applies to the Food and Drug Administration instead of the Federal Trade Commission. I referred yesterday to similar provisions in the acts relating to other regulatory bodies. At that time I did not have before me this act relating to the Federal Trade Commission. As I said yesterday, nowhere is there any law that I know of having to do with a regulatory body that is comparable or similar to the provision contained in the pending bill. This legislation started out to enlarge the scope of the food and drug law and the jurisdiction of the Food and Drug Administration, but if this section remains in the bill it will end up by materially weakening and limiting the authority of the Food and Drug Administration.

The chairman of the Committee on Interstate and Foreign Commerce yesterday stated that the minority report was unfair and unwarranted, in that it quoted a letter of the Secretary of Agriculture with reference to this legislation. When did it become unfair or unwarranted to let the membership of the House know what the views of the head of a great department are in regard to legislation affecting one of the principal bureaus of his department? I find myself in the position of trying to sustain, as against the majority of the committee, the views of not only the Department of Agriculture, but the Department of Justice as well, with reference to this legislation.

I hold in my hand a memorandum which was prepared by the Department of Justice with reference to this bill. I may say it was not prepared for me or at my request. However, I have been authorized over the telephone to say that it was prepared in the Department of Justice and expresses the views of that Department in regard to some of the provisions of this bill.

I shall read extracts from it and put the rest of it in the RECORD without taking the time to read it. It is as follows:

RE S. 5—PURE FOOD AND DRUG BILL

Section 701 (f), which relates to judicial review of the orders of the Secretary of Agriculture by means of injunction suits in the United States district courts, constitutes a radical and undesirable departure from established practice.

This section provides that any person adversely affected by any such order may bring an injunction suit against the Secretary of Agriculture in the district wherein such person resides or has his principal place of business. The consequence of such grant of jurisdiction would be to subject the Secretary to the possibility of injunction suits by different parties in 85 different districts to review the validity of the same order. The Secretary conceivably might be required to defend simultaneously numerous suits in as many as 85 jurisdictions.

Now, listen to this:

Not only would this result in an intolerable burden on the Government, in that Government attorneys, Department of Agriculture experts, Government files, laboratory specimens, etc., would have to be carried from district to district, but divergence of decisions might result which would tie up enforcement for months and even years until the conflict of decisions is ironed out by a series of decisions of the circuit courts of appeals or by a decision of the Supreme Court of the United States. The ultimate result would be to seriously hamper and weaken the enforcement of the Pure Food and Drug Act.

Under existing law, heads of Government Departments are suable only in the District of Columbia, because the District of Columbia is regarded as their official residence.

Do the Members get that? Under existing law, heads of Government Departments are suable only in the District of Columbia.

No reason appears for extending preferential treatment in that respect to litigants under the Pure Food and Drug Act, which is not extended to litigants against heads of other Government Departments or to litigants who sue the Secretary of Agriculture under other statutes.

That is not my language. It is the language of the Department of Justice.

The memorandum continues:

If the long-standing and established practice is followed, persons who feel aggrieved at an order of the Secretary of Agriculture, and desire a judicial review of the validity of his action, should be required to pursue their remedy in the District Court of the United States for the District of Columbia. In that way not only would the Government be saved the intolerable burden above mentioned but a diversity of decisions would be prevented, and a final determination could be expeditiously secured in a single jurisdiction as to the validity of an order of the Secretary. In this way the citizen would have his day in court and would be accorded the full and complete right of judicial review of the validity of an administrative order or regulation. At the same time interference with enforcement of administrative orders and regulations, and the orderly conduct of governmental business would be reduced to a minimum.

It is, therefore, suggested that if this subsection is to remain in the bill, it should be amended by striking the words "for the district wherein such person resides or has his principal place of business" from page 83, line 25, to page 84, line 1, of the bill, and substituting in lieu thereof "for the District of Columbia."

And now listen to this, and this again is the language of the legal Department of the Government, the Department of Justice. I tried to make this clear yesterday, and I am glad to be substantiated by the Department of Justice.

As a matter of fact, the entire subsection is really unnecessary, because even without any express provision in the bill for court review, any citizen aggrieved by any order of the Secretary, who contends that the order is invalid, may test the legality of the order by bringing an injunction suit against the Secretary, or the head of the Bureau, under the general equity powers of the court.

The memorandum then discusses another section of the bill. While that part of the memorandum is not pertinent to my amendment, I will incorporate it in the RECORD. It is as follows:

Sections 304 (a) and (b) which relate to seizure, contain provisions under which the owner of the article libeled by the Department of Agriculture may secure under certain circumstances a change of venue at his option. No such privilege, however, is accorded the Government. Why a defendant should be extended the option of choosing in what jurisdiction he should be sued, and yet the Government should be precluded from making a selection of the district in which suit should be brought, appears to be inexplicable.

It should be noted that under the Federal judicial system, changes of venue are unknown. There are no provisions in Federal statutes permitting either party to move for a change of venue. No reason appears for introducing this remedy in respect to one type of proceedings under a special statute. Moreover, if the remedy is to be accorded at all, it should be equally available to both parties.

Specifically, sections 304 (a) and (b) provide that if two libels are pending involving the same person and the same issues, in two or more districts, the claimant may require that the proceedings be consolidated for trial and tried in any one of such districts which is selected by him. Why should not the selection be made by the Government, which is the plaintiff in the libel proceedings?

The section further provides that the trial in such cases may also be had in a district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation or to be designated by the court. In other words, under the second alternative, the claimant in a series of libel proceedings may insist on having all the libels transferred to one district, and at that a district in which none of them is pending, so long as such district is contiguous to the State of the claimant's principal place of business. No reason appears for according to the owner of articles charged with being in violation of the Pure Food and Drugs Act, the right to select the forum in which the issues shall be determined.

It is suggested, therefore, that section 304 (a) be amended by entirely striking therefrom the clause beginning with the word "and" on line 14, page 53, and ending with the end of the subsection; and that section 304 (b) be amended by entirely striking therefrom lines 4–21, inclusive, on page 54 of the bill.

Then the Department of Justice concludes:

It is important to observe that the provisions to which objection is made are not limited to the new powers proposed to be granted to the pending bill.

It would seem as if the writer of the minority report, which the chairman of the committee says is unwarranted and unfair, might have had some consultation with the Department of Justice before drafting the report. Let me assure you, however, that he did not have any such consultation.

The Department of Justice says, I repeat—

It is important to observe that the provisions to which objection is made are not limited to the new powers proposed to be granted by the pending bill. They would affect the enforcement of the

present law, as well as of the new law, and therefore, are particularly undesirable in that they may undermine, hamper, and weaken the entire enforcement of the Pure Food and Drugs Act.

The Secretary of Agriculture states the enactment of this section would hamstring the Department in the enforcement of the Food and Drugs Act.

The Department of Justice memorandum closes with this statement:

While undoubtedly this is not the intention, unfortunately, it may be the result of the enactment of the bill in its present form.

Why should the Food and Drug Administration, among all the regulatory bodies of the Government, be singled out for special treatment and, in the language of the Secretary of Agriculture, be hamstrung in its enforcement of food and drugs laws providing for the protection of the health and the well-being of the consuming public—the men, women, and children of the United States? Why should the Food and Drug Administration be put on trial? Why one rule for other regulatory bodies and another for the Food and Drug Administration?

Perhaps the apple growers have been overemphasized in this debate. They are not the only ones affected by this law. The law applies to proprietary patent medicines, to impure and adulterated foods and drugs of all kinds, and to cosmetics and devices. Is the House ready to weaken the administrative efficiency of the Food and Drug Administration in all its regulatory work merely to satisfy the complaints of the apple growers? If this bill applied only to apple growers perhaps this section would not be so objectionable, but it applies to all violators of the food and drugs law or to all who come within its provisions. As the Secretary of Agriculture states in his letter which is printed in the minority report, the enactment of this section as it stands will hamstring the Food and Drug Administration in the enforcement of the entire law.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from California.

Mr. VOORHIS. Is it not true that the inclusion in the bill of this section will mean we are taking a backward step; in other words, there is no provision of this kind in existing law, and if existing law is not strong enough to accomplish the purpose, then surely this new legislation would not be.

Mr. MAPES. Absolutely. That is the opinion not only of the men who signed the minority report but of the Department of Agriculture, the Food and Drug Administration, and the Department of Justice.

Mr. VOORHIS. Does the gentleman know whether there has been any legitimate amount of complaint that there has not been sufficient opportunity to get a review of orders up to now?

Mr. MAPES. No. Let me say in that connection—and I am glad the gentleman interrupted me—that under existing law any individual may go into the district court in which he resides for the purpose of obtaining an injunction against any order of the Food and Drug Administration that applies to him, that is arbitrary, capricious, unreasonable, or contrary to law, and that will cause him irreparable damage. No one proposes to take that right away from anyone.

Mr. FORD of California and Mr. MURDOCK of Arizona rose.

Mr. MAPES. I yield to the gentleman from California.

Mr. FORD of California. Is it not true that under the law as written, if that provision were left in the bill it would practically vitiate all the desirable things that the bill seeks to accomplish?

Mr. MAPES. Yes.

Mr. FORD of California. And is it not also true that if that provision were eliminated and no other amendment put in, although I like the gentleman's amendment, they would still have the usual remedy that anyone now has under the laws of the United States of America?

Mr. MAPES. The gentleman is entirely correct, and my amendment goes more than half way. It tries to meet the views of the Committee on Interstate and Foreign Commerce as expressed in recent legislation taking the advertising of foods and drugs away from the Food and Drug Administration and putting it under the jurisdiction of the Federal Trade Commission. It proposes to give everyone the same kind of a court review of an order of the Food and Drug Administration as he has of an order of the Federal Trade Commission. That is all it does. [Applause.]

[Here the gavel fell.]

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to enter into any elaborate discussion of this amendment. The effect of the amendment is simple. It makes a departmental order supreme and denies to those affected a day in court. It makes it virtually impossible for any user of a spray material for fruit or vegetables to test in court the reasonableness of a departmental order affecting residue tolerance.

The amendment seeks to accomplish this in two ways. In the first place, it provides that if there be any evidence whatever, regardless of how inconsequential or flimsy it may be, to support the findings of the Department of Agriculture, such evidence becomes conclusive and binding upon the court. You do not have any hearing on the facts under this amendment. Of course, the Department would have some evidence, but our position is that it should be evidence that is substantial and that, in the opinion of a reasonable court, would justify the court in upholding the order of the Department that issued it.

The second provision of this amendment—and I could not follow my friend fully on this, but I understood him to say yesterday he wanted to bring all these cases to the District of Columbia. I now understand that some cases could be heard in the circuit court of appeals of the State in which they arose, but if the question at issue is Nation-wide in its effect, it still has to come to the District of Columbia.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. MAPES. As I said in answer to an interruption, I have gone more than half way to meet the views of the Committee on Interstate and Foreign Commerce as expressed in the recent bill which the committee reported relating to the Federal Trade Commission.

Mr. ROBERTSON. Mr. Chairman, this court-review section has been provided in the Senate bill, and I feel that I am justified in stating to the House that this bill will be enacted into law by the Senate without it. This court-review section is approved by a majority of the committee that brings this bill to us. It has the support of every apple organization in the United States. It has the support of all the organizations representing the production of any type of fruit or vegetable where spray must be used in the production.

If we adopt this amendment we will leave thousands and thousands of farmers in this Nation who must depend upon the reasonableness of departmental regulations with respect to spray residue to keep their products on the market at the mercy of the Department. We have had an illustration within the past 5 years of what might happen to them. Dr. Tugwell, Acting Secretary in the absence of the Secretary of Agriculture, in misguided enthusiasm to protect the public health, well meaning but ignorant of what was involved, promulgated a tolerance as to lead residue that was nearly 100 percent below the then existing tolerance. It would have put every apple producer in the United States out of business. It was so capricious and so unreasonable that as soon as the Secretary got back and considered the matter he reversed it and restored the previous tolerance. That happened once. It could happen again; and under the amendment proposed by our distinguished colleague from Michigan fruit and vegetable raisers could be destroyed without a day in court. I do not believe for a minute this House will vote to subject the farmers of this Nation to any such hazard at a time when we all know they are not making both ends meet. [Applause.]

[Here the gavel fell.]

Mr. VOORHIS. Mr. Chairman, I rise in support of the amendment. I ask the gentleman from Michigan [Mr. MAPES] if he will be good enough briefly to explain to us

what his amendment provides, in contradistinction to the provisions of the bill.

Mr. MAPES. Mr. Chairman, it provides in the first place that anyone who desires to test the validity of a regulation or order of the Food and Drug Administration, instead of being permitted to go into any district court of the United States, must go before a circuit court of appeals within the district in which he resides. The hearing would then come up before a three-judge court instead of a one-judge court. The action would be confined to 10 circuits instead of to 85 districts. The amendment also contains the usual provision, that the court is bound by the findings of fact of the Food and Drug Administration if supported by substantial evidence, or evidence, and if new evidence is discovered after the hearing, then the court, instead of opening the case and taking the testimony itself, must remand the case to the Food and Drug Administration to take the additional evidence. That is the usual provision.

Mr. VOORHIS. What about injunctions under the gentleman's amendment?

Mr. MAPES. The injunction matter is outside of both of these provisions. The injunction remedy by any aggrieved person is had without reference to the provisions in the bill or to my amendment.

Mr. VOORHIS. I thank the gentleman.

Mr. COFFEE of Washington. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Yes.

Mr. COFFEE of Washington. Section 701 (f) which is involved in this dispute at the present time is the one to which the leading women's clubs and consumers' organizations in America are offering objection, is it not?

Mr. VOORHIS. So I understand.

Mr. COFFEE of Washington. Every organization of which I know anything that has made a study of this question is bitterly opposed to section 701 (f).

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Yes.

Mr. THOMAS of Texas. To ask a question of our colleague from Michigan [Mr. MAPES]. Under section 701 (f) of the bill, suppose a manufacturer is making improperly some type of food or drug, and persisted in that distribution. How long would it take under that procedure before the Government could really stop him from using the channels of interstate commerce?

Mr. MAPES. I do not know that I can answer that question.

Mr. VOORHIS. We have had some experience, I believe, with other types of legislation.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Certainly, I yield to the chairman of the committee.

Mr. LEA. Under this bill the Government can act in that case within 24 hours.

Mr. THOMAS of Texas. The Government can act within 24 hours, but how effectively can it act within a year even?

Mr. LEA. It can stop the circulation of it in 24 hours, because under this bill we give the Food and Drug Administration the right to an injunction to stop it immediately.

Mr. THOMAS of Texas. And that injunction remains in effect until it goes through the regular routine of court procedure?

Mr. LEA. We give that power to the Food and Drug Administration in every case, practically, that is involved here.

Mr. THOMAS of Texas. And it stops right there?

Mr. LEA. Yes, absolutely; and that is a new power we give, by the way.

Mr. VOORHIS. Mr. Chairman, as I understand the provisions of section 701 (f) it would mean that if one district court was willing to issue an injunction holding up an order of the Secretary under this bill, that that would mean that that order could not go into effect regardless of how serious or important the provision was, and because it avoids that possibility, it seems to me, that the amendment of the gentleman from Michigan is a worthy one, and should be supported. I believe we have had experience with other types of legislation, where we have seen an endless amount of litigation take place, where we have seen the machinery hung up over long periods of time. This is a matter where we are attempting to get effective regulation for the protection of the health of the people, and I would hope, as was said by the gentleman from Michigan, that we would not have to hamstring the Administration in that fashion. I call the attention of the House also to the fact that no such provision as this is in existing law, that this is a new departure and that it further complicates the situation over what we have now, and that if we wish to strengthen the Food and Drug Administration, we should not take the step of writing section 701 (f) in the bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SAUTHOFF. Mr. Chairman, I move to strike out the last word. I have asked for this time purely to get this thing straightened out as between the gentleman who proposes the amendment and the gentleman from California, the chairman of the committee. If I understand correctly, the gentleman from Virginia [Mr. ROBERTSON], replying to the injury that might be done to some apple concern which was selling a sprayer——

Mr. ROBERTSON. Oh, not an apple concern selling a spray, but to the farmer producing apples, who must spray them, to protect them from insects.

Mr. SAUTHOFF. Very well. Let us take that situation. If any apple raiser felt himself aggrieved now, without this law, under an order of the Secretary, he could very properly go into his district court and ask for an injunction, alleging that such order was working him an irreparable injury. Is not that true?

Mr. ROBERTSON. No; not exactly true.

Mr. SAUTHOFF. Why?

Mr. ROBERTSON. Because he does not get a hearing in the courts on the facts but only on the law; yet the Government in its prosecution of those cases where residue tolerances have been exceeded have never thus far proven a case where spray residue has been injurious to the human body.

Mr. SAUTHOFF. That is not the question. The question here involved is the remedy, and the remedy exists if I am not mistaken. You have your hearings before the Secretary, your facts are produced before the Secretary; and the law, of course, must conform to the facts. That is your case. Any grower who feels himself aggrieved, of course, has the right to get an injunction. It seems to me as I look over this amendment offered by the gentleman from Michigan that it is an excellent amendment and much better than section 701. Section 701 seems to me to hamstring our law and make it pretty easy for the makers of proprietary and patent medicines to defeat the wishes of Congress by constantly going into various hearings and taking appeals from the hearings and going into court for injunctions. With 85 different district courts, just think of the chance a chain store has. It could undoubtedly prolong litigation and hold it up in one State after another. The way to avoid that, in my judgment, is to hold the hearing before the Secretary, and let the Secretary make his findings. If, then, the applicant feels himself aggrieved, let him take an appeal to the circuit court of appeals rather than to the district court, because there are a limited number of circuit courts of appeal; and, secondly, when a decision is handed down you are more apt to have uniformity of decisions. This stands to reason. In looking over the amendment offered by the gentleman from Michigan it seems to me ample remedy is afforded to any applicant who feels himself aggrieved, because one part of the amendment gives him the opportunity to bring any additional evidence he may have on which to make a showing.

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is to be regretted that so many of us who apparently think alike are so far apart upon this particular amendment. The difficulty doubtless lies in the fact that the Pure Food and Drug Administration is being given power to regulate by a bureaucratic order both processed products and those that are produced naturally. The argument made in opposition to the present language in the law has some substantial weight when applied to processed products, but when you get over into the field of natural products, like all fruits and vegetables growing above ground, that have to be protected from pests by the use of spray material, then you have examples in which it does an injury that is irreparable. The individual producer can get no relief if he is denied a hearing before the order is made, and also denied a day in court as would happen if this amendment prevails.

I take issue with the gentlemen who say you can go into any Federal court and there get an injunction against an agent of the United States Government, for official actions. Every lawyer knows that the United States Government cannot be made a party defendant. No individual can bring a suit against the Government except by congressional authorization. I challenge the gentleman from Michigan [Mr. MAPES] to cite authority authorizing such general actions, as he refers to in his remarks, where the citizen can institute suit against the United States.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I will yield to the gentleman if he will cite me the Federal statute that authorizes an action of that kind on the part of an individual against the United States Government.

Mr. SAUTHOFF. I am not citing——

Mr. LEAVY. If the gentleman cannot give me a citation, I do not care to have more of my time consumed.

Mr. SAUTHOFF. The suit is brought against the person holding office, not against the Government.

Mr. LEAVY. The person making the order is an executive officer of the Government.

Mr. SAUTHOFF. Certainly.

Mr. LEAVY. He is appointed by the Secretary of Agriculture. The Secretary of Agriculture is appointed by the President, who is the head of the executive branch of the Government; and any court action must be against him as an official, and not as an individual; therefore it becomes a suit against the United States.

The reason this has no comparison with the citations of law concerning the Federal Trade Commission and the Communications Commission and all those other commissions is the fact that they are not executive arms of the Government; they are quasi-judicial bodies that hold hearings and determine in a judicial manner the facts. In the instant case, however, you have an executive officer who arbitrarily sits down, without hearing a particle of evidence, if he sees fit, and makes an order. That is exactly what occurred, so far as I have been able to learn, in connection with spray residue. I am sure no one will contend there was a hearing where evidence was taken, where interested parties could appear, and where a record was made.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I am sorry, I have not time enough. If I have time later, I will yield.

Here is what the eighth circuit court said last year, and the grower had to wait until $5,000 of his property was seized and destroyed.

The court said:

> It is obvious that the question whether such an amount of arsenate of lead as is present in these apples would be present if they were processed and would result in an injury to health under the evidence is a controversial and doubtful question of fact.

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LEAVY. Mr. Chairman, the court further said:

> It is to be noted in this connection that no expert who testified upon the trial was able to say that he knew of any case of lead or arsenic poisoning resulting from eating apples which had been sprayed by arsenate of lead, or the products of such apples.

In spite of a finding by the second highest court in the land, the Food and Drug Administration did not see fit to change its tolerance limit, and, as I stated yesterday, this has cost the growers of our State of apples and pears alone $36,000,000 since this regulation has been put into effect, in 1926. We have no court to which we can go for relief. The bill as now written gives us that relief. Why should that be denied to us? We want to protect the public, but you should not destroy thousands of farmers by an arbitrary departmental order.

Mr. Chairman, eighteen one-thousandths of a grain of lead on a pound of apples is considered dangerous under present orders. We are asking that we may be given twenty-five one-thousandths of a grain to the pound of apples, and we feel we are safe. Scores of the best medical and chemical experts have said that is safe. We have certificates, and we have made showings to the Department of Agriculture, from over 100 doctors who have practiced from 5 to 30 years in communities where these apples are produced, and they have never had to treat a case of lead-arsenate poisoning. The Public Health Service is now carrying on an official investigation to scientifically determine the limit of tolerance. This should have been done before any order was ever made. Lead poisoning is possible by inhalation through the lungs or by injection into the blood stream, but there is no evidence whatever that it is possible by ingestion or eating.

Mr. ROBERTSON. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Does not the gentleman from Washington think that a man who has all of his life savings invested in an apple orchard should have a day in court before we put him out of business through some departmental order?

Mr. LEAVY. I certainly do, and that is exactly what this bill gives to him. It is a question whether you are going to permit the American citizen, whose economic existence is being threatened and taken from him, the opportunity to go into court.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. It occurs to me that the gentleman has put his finger exactly on the spot. I rather favor the amendment that has just been offered, but I can also see the gentleman's point. We are enacting this legislation for the protection of the consuming public, but we must safeguard the legitimate producer. Is there any way to separate the operation of this law in such a way that the provision in the printed bill may apply to natural products, whereas the amendment offered may apply to manufactured or processed products?

Mr. LEAVY. It could probably be done through an independent quasi-judicial body, set up to determine these matters, hold hearings, and from the hearings and the record made take such action as the facts warrant, and then an appeal might be taken to the courts, just as is now done with the National Labor Relations Board and other boards and commissions.

Someone here suggested, "Why, take this case into the circuit court for your injunction." The circuit courts are appellate courts and do not have original trial jurisdiction. Of necessity you have to go into a district court in the first instance, so long as this subject matter is under the executive department of the Government.

Mr. REES of Kansas. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman does not want this House to understand that he cannot go into a Federal court, take his transcript, his abstract and brief and be heard by the Federal court?

Mr. LEAVY. I want the House to understand that my view of the law is that an apple grower in the State of

Missouri, Virginia, or Washington cannot institute an action against the United States Government for injunctive relief without congressional authority to do so.

Mr. REES of Kansas. The action would not be against the Government. The action would be against the Secretary of Agriculture as an individual.

Mr. LEAVY. The Secretary of Agriculture is the agent of the Federal Government, and he acts in an executive capacity. What he does in enforcing the laws he does in his official capacity, not his individual capacity.

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the big complaint here seems to be on the part of apple growers. Out of all the people affected by the amendment or that may be affected, it seems the only complaint comes from the apple growers. I think the apple growers want to comply with the laws of our country; and, after all, if the apple growers are going to use a poisonous substance in connection with their operations, they ought to be willing to comply with reasonable, fair rules and regulations. I realize there are a great many big apple growers in this country who would be very careful in the use of these poisonous substances, but there may be a great many others who might not be so careful.

If the only complaint comes from the apple growers, I do not believe that is sufficient to sustain the objections made to this particular amendment.

Let me call your attention to something else. Under the present section of the bill, you will observe if you give it your attention, there is a complete departure from our regular method of handling problems of this kind. Anyone who has a complaint has a right, of course, to be heard. He is given a full and complete hearing; and, by the way, in the stockyards case just decided by the Supreme Court it was held that both sides must be given a complete hearing. You also may secure a rehearing. All you do is bring your evidence before the Federal court in the form of a transcript, file your abstract and your brief, and you will receive a hearing by the Federal court.

Under the present bill you go back into the Federal court after a full and complete hearing. You pick out your court that suits you. If you do not get what you want, you pick out another Federal court, go in there and start all over again. You introduce your evidence on one side, then the other, and try the case. In other words, you have another trial. You then appeal the case to the Supreme Court if you want to. You would be forever and ever in the courts if you leave this particular section in the bill.

I say to you again, Mr. Chairman, no matter how good this bill may be or appear to be, if you are going to leave this particular section in the bill, you ought to vote against the bill, because it will not be worth anything if you leave that section in it.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Virginia.

Mr. ROBERTSON. I am afraid the gentleman from Kansas is confusing enforcement of a regulation with the promulgation of the regulation. The apple producers do not object to the strict enforcement of proper and reasonable regulations, but this goes to the promulgation of a regulation that might conceivably be capricious and arbitrary. We say, if that should be the case, let us have it so that before the Department promulgates a regulation it will know it must have sufficient proof to make that regulation stand up in court when challenged by a producer who states it is capricious and unreasonable.

Mr. REES of Kansas. Oh, the gentleman is going on an assumption here.

Mr. ROBERTSON. That is what is involved.

Mr. REES of Kansas. The assumption is that the Department of Agriculture is going to pick up the apple growers and be particularly unfair to that particular group.

Mr. ROBERTSON. No; I do not say that; but I say before you pass a law that would enable the Department to wipe out an industry you should give that industry an opportunity to have a day in court on the reasonableness of the regulations that are promulgated.

Mr. REES of Kansas. Under this bill that question would be tried out in case an action is brought against someone who is alleged to have violated that particular rule or regulation that has been made by the Department of Agriculture.

Mr. ROBERTSON. I believe we should accept the provision in this bill as reported by the committee.

Mr. REES of Kansas. Our first consideration is taking care of the health of the public. We are talking about a pretty dangerous thing when we are talking about the apple growers being permitted to use a poisonous spray to protect their particular article.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from California.

Mr. BUCK. Would not the gentleman rather have the apples free of codling moths than eat those bugs that would be in a lot of apples?

Mr. REES of Kansas. Oh, yes; but that has nothing to do with the question.

[Here the gavel fell.]

Mr. O'CONNELL of Montana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Michigan, and I rise as a member of the committee who signed the minority report strictly because of the reason that this so-called court-review section was in the bill. I say, as every other man who has spoken in behalf of this amendment has said, if you permit this bill to stand with the present court-review section in it, you may as well kill the measure entirely, because you are going to create a situation far worse than we have now. As I understand, on yesterday and all day today those who are here pleading in behalf of the apple growers have time and time again said there has never been one single, solitary case of a death resulting from arsenic poisoning caused by spray residue. I have here a citation taken from the American chamber of horrors, which is absolutely authentic.

Ten-year-old Ralph Dodge died from eating perhaps a dozen sprayed apples picked up in the orchard where his father was employed. When the family doctor saw him the day after his indulgence he was too far gone to be helped, for he had been having convulsions, and his throat was closed, making it impossible to give him any medication by mouth. The autopsy disclosed damage to the liver and other organs that was clearly indicative of metallic poisoning. On chemical analysis these organs were found to contain 2.5 milligrams of arsenic trioxide and 6.3 milligrams of lead per kilo of sample. This, of course, was not all the poison the boy had taken into his system, for some had been distributed to other tissues and some had been eliminated. But there was enough for the death certificate to say:

Cause of death, poisoning, acute, arsenical.

I have here a photostatic copy of the certificate of death from the State of West Virginia, County of Jefferson, wherein the Clerk of the County Court in said county certifies that the death was due to poisoning, acute, arsenical.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield to the gentleman from Washington.

Mr. LEAVY. I am granting now that what the certificate indicates is a fact, although I am rather inclined to be doubtful, but that does not apply to apples that have a reasonable tolerance limit and have the spray removed to a reasonable degree.

Mr. O'CONNELL of Montana. I say this absolutely destroys the arguments that have been made here that there has never been a death from arsenic poisoning from spray residue.

Mr. SIROVICH. Will my distinguished colleague yield for a question?

Mr. O'CONNELL of Montana. I yield to the gentleman from New York.

Mr. SIROVICH. From a medical standpoint, it is the consensus of opinion that whenever you spray apples with a lead arsenic preparation the Government of the United States ought to supply every farmer with a dilute solution of hydrochloric acid, which is very weak, and which washes off the spray and does not harm anyone. This solution is being used in California and in Oregon and Washington. In many instances apples may contain a hypersaturated solution of the preparation and may cause gastro-intestinal disturbances. In this particular case the boy ate 12 apples, as I understand, which gave a cumulative dose, and this was responsible for the arsenical poisining. If the Government supplied every farmer in the United States with a dilute solution of hydrochloric acid, which is very cheap, none of these occurrences would ever happen.

Mr. O'CONNELL of Montana. The gentleman is correct.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Is it not a fact that the apple producers and apple shippers comply with the rules and regulations of the Department of Agriculture and wash apples and prepare them for shipment in compliance with the regulations for the removal of the spray?

Mr. O'CONNELL of Montana. The very reason you are pleading here or the very reason that the apple growers are pleading here is because they do not want to comply with the regulations of the Department. They want to have this so-called spurious court proceeding or court review, which would permit them to go into courts all over the country and permit them to tie up the proceedings indefinitely, and then after a decision is rendered they will take up some other protective feature of the law and go into the courts on that, so that, finally, you will have no food and drug law whatsoever.

[Here the gavel fell.]

Mr. O'CONNELL of Montana. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WHITE of Idaho rose.

Mr. O'CONNELL of Montana. I do not want the gentleman to take up all the rest of my time.

Mr. WHITE of Idaho. I think the gentleman wants to enlighten the Committee on this question.

Mr. O'CONNELL of Montana. I yield to the gentleman.

Mr. WHITE of Idaho. I represent an apple-producing section of the West and, as a matter of fact, the object of the apple growers is to comply with a reasonable tolerance with respect to apples in interstate commerce, and today at a great deal of expense they wash their apples in the big packing plants.

Mr. O'CONNELL of Montana. I do not want the gentleman to make a speech, and the fact they do that today is because there is regulation, but they want to fix it now so they will not have to do anything of that kind.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield.

Mr. SIROVICH. Does the gentleman think this section is for the benefit of the producer or for the benefit of the consumer?

Mr. O'CONNELL of Montana. This section, as written, is decidedly for the benefit of the producer and not for the consumer.

It has been stated that the issue here is whether you are going to wipe out the investment of these poor apple growers, but I contend that the issue in this court review section and the issue in this bill is whether you are going to permit these young children and men and women to be killed by spurious patent medicines and by all the fake drugs and cures that are flooding the market today, which are far more involved in this bill than the question of the production of apples.

The question further is whether little children are going to die in vain and whether all this agitation over such poisonous deaths is to be in vain. The question is whether we are going to wipe all that out now in order to help a few apple growers in this country. I maintain that human life is far more important than profits.

Are we going to legislate for the great benefit of the American people and for the consumers of the United States or are we going to legislate for this little group?

I hope sincerely you will support the amendment of the gentleman from Michigan [Mr. MAPES].

Mr. BUCK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I shall not use 5 minutes. I just want to cite the actual history of lead-arsenic tolerance for the last few years to show you how necessary it is to have a review of the facts, to find out whether departmental findings are based on facts.

The tolerance for years and years was fixed at 0.003 without any harm whatsoever to consumers. On April 2, 1933, the then Assistant Secretary of Agriculture Tugwell and his advisers became convinced that that was not right, and they fixed the tolerance at 0.014 grain of lead. Only 2 months and 18 days later Secretary Wallace reached a different conclusion and raised it to 0.02 grain, and subsequently it was changed again to 0.018. Now, which determination, if any, was right? What finding was the fact?

The only safety the average citizen, not merely the apple and pear grower, has is to require the Government to prove in every case the soundness of its regulations and the basis on which they rest. There is no way in the world, unless you leave this section in the bill, whereby not merely the apple grower, but the pear grower, or any other producer of perishable commodities can protect himself against such erratic meanderings of the minds of the departmental authorities as I have briefly cited you.

Mr. LEA. Mr. Chairman, it is unfortunate that a question of law and of legitimate procedure for the protection of the people of the United States must be discussed with so much exaggeration and distortion as has been presented here today.

Some time ago I attended a meeting of about 300 lawyers in the city of Washington who were concerned with administrative law. It seemed to be the unanimous opinion of these men, even the men in the Government Departments themselves, that we badly need a provision regulating the court review of administrative proceedings. I believe there is no good lawyer in the United States who will not admit we are seriously in need of legislative improvement of procedure as to administrative law and practice. Our committee recognizes this, and we have attempted in this bill to provide a legitimate, orderly method of hearing these cases and disposing of them more promptly and in a way that will greatly reduce litigation. If more farsighted and progressive, the Departments would welcome provisions such as we have in this bill. With greater prestige to themselves they would face less litigation and dispose of their cases more promptly. But to the static mind every innovation, no matter how beneficial ultimately, is destructive of their rights. They cannot conceive of their being deprived of any arbitrary power to the advantage of the public.

A substitute amendment is proposed here that seeks to gut this court-review section. It does all it can to destroy a legitimate court review without providing one that is of any use. It provides, among other things, that if the record contains any evidence to support the findings, then the court must deny relief against arbitrary action by the administrative agency. The proposal is absurd on the face of it. Nothing could be better written into the law to shield irresponsible government, than the court review in the gentleman's amendment. It is a perfect arrangement for arbitrary exercise of power without legitimate opportunity for the citizen affected to protect himself.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. LEA. Later on.

Mr. MAPES. Right on that point.

Mr. LEA. Very well; but make it brief.

Mr. MAPES. The gentleman supported the provision which he is now criticizing in supporting the amendment to the Federal Trade Commission.

Mr. LEA. But the Federal Trade Commission is a semi-judicial body. Here we have a purely administrative body with no judicial procedure. Even if I supported a less desirable provision yesterday that is no reason I should repeat the mistake today.

I know of a case in one of the Departments in which three men had the right to write regulations. They were inexperienced men; they were incompetent men. They would go into a back room and write regulations, with the result that there was a regular stream of irresponsible regulations coming from that Department. After a little experience was applied to their regulations they appeared as utterly ridiculous.

It is a question whether you want orderly government by legitimate procedure, or whether you want to protect irresponsible, bureaucratic control. Do you want government by edict, or by orderly procedure. We have had to fight for any court review. Now it is claimed the Department is for some kind of a court review. What we are offered is a pretense instead of substance. It is a shield for the exercise of arbitrary power. The amendment presented here is skillfully designed to really prevent any legitimate and necessary court review.

It is said that there is no comparable law. As to fundamental features, that would not be true; but it is true that today we have no legitimate orderly law that provides for a practical method of testing the validity of regulations prior to their enforcement.

Recently the Supreme Court reversed a case affecting the Secretary of Agriculture, and why? The case had been pending for 7 years, and only the other day it was decided on a matter of procedure instead of passing on the merits. It was because we do not have any orderly procedure provided by the statutes of the United States such as we offer here. If this provision had been in effect, the Secretary of Agriculture would probably have had that case decided several years ago, and in his favor. He would have been provided with a clearly defined course of duty that would have saved him from the pitfall in which he finds himself. Our court-review procedure is largely based on judicial interpretation of the Constitution, without any orderly defined procedure.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEA. The scarecrow is thrown out here about having the same kind of a case pending at the same time in each of the 85 judicial districts of the United States. It is represented to you that when the Secretary wants to adopt and enforce a regulation, suit will be brought in each of 85 districts in the United States to restrain him, and if one district rules against the regulation, it will be tied up all over the country. Nonsense. There is no just foundation for that statement. These courts can decide in favor of the Secretary as well as against him. One in his favor is just as potent as one against him. If one court decides the matter, that decision is binding in that district and no place else in the United States. The presentation of such a scarecrow as that is not intended to be of any help toward reaching a just conclusion.

One great trouble we have had in the formulation of this bill is propaganda. We have had innocent groups of good people used to pull chestnuts for shrewd propagandists in Washington. A wire goes out from Washington, and next day these good people, with little knowledge of what it is all about, proceed to act as if they were manikins operated by the irresponsible and concealed hand corrupting their sources of information from Washington. They permit themselves to be used to seek to intimidate or influence men in Congress to act in violation of their own better judgment.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. SIROVICH. What would be the modus operandi under his amendment as opposed to the amendment offered by the gentleman from Michigan if the Department had to deal with a condition such as occurred a few years ago when Ginger Jake poisoned 25,000 people in 20 States of the Union, killed hundreds of them; yet only 5 people were sent to jail for about 2 years? What would happen if this amendment suggested by the gentleman were approved as opposed to the amendment offered by the gentleman from Michigan?

Mr. LEA. This is not the provision that takes care of such a situation. In such a case it would be too slow to adopt a regulation to be put into effect 90 days afterward. We have taken care of that in this bill by clothing the Department with a new authority, authority to file an injunction immediately and stop the evil in 24 hours. In addition to that we have provided severe criminal penalties. The new drug sections of the bill provide for the examining and testing of these products before they are put on the market.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. REECE of Tennessee. I think it is well to bear in mind that the injunction provision which is to be invoked in case of emergency, when public health is being endangered, enables the Department to go into court and immediately remove the offending product from circulation.

Mr. LEA. That is true.

Let me refer again to the apple question. Do not get a perverted view of the apple situation for that is only one phase of this subject. This problem involves regulations adopted by administrative departments with the people of the United States not knowing who is writing the regulations, regulations that have the effect of a law passed by this Congress, Nation-wide in scope, for violating which a citizen may be sent to jail for as much as 3 years. Do you want such important functions performed in a perfunctory and irresponsible way, or subject to a procedure that will assure that work being done under a sense of responsibility?

In 1933, after the spraying season was partly over, news came out that certain tolerances only would be permitted. Then came the question of inspection to see whether or not the pears, or apples, or whatever the food might be, conformed. It was proposed that the farmers' fruit would be inspected at New York. He took it to the packing house in California, shipped it to New York on consignment because he could not sell it for cash, and subject to inspection at New York. If it did not conform to the requirements it had either to be reconditioned or destroyed. When you destroy a carload of fruit it means that the average small farmer in California has lost all the profits on his fruit that year. He may have figured on paying off part of his mortgage or doing something for his family, but a regulation like that if carried out would have prevented it. I sincerely hope the substitute amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. MAPES) there were—ayes 34, noes 57.

So the amendment was rejected.

The Clerk read as follows:

EXAMINATIONS AND INVESTIGATIONS

SEC. 702. (a) The Secretary is authorized to conduct examinations and investigations for the purposes of this act through officers and employees of the Department or through any health, food, or drug officer or employee of any State, Territory, or political subdivision thereof, duly commissioned by the Secretary as an officer of the Department. In the case of food packed in a Territory the Secre-

tary shall attempt to make inspection of such food at the first point of entry within the United States when, in his opinion and with due regard to the enforcement of all the provisions of this act, the facilities at his disposal will permit of such inspection. For the purposes of this subsection the term "United States" means the States and the District of Columbia.

(b) Where a sample of a food, drug, or cosmetic is collected for analysis under this act the Secretary shall, upon request, provide a part of such official sample for examination or analysis by any person named on the label of the article, or the owner thereof, or his attorney or agent; except that the Secretary is authorized, by regulations, to make such reasonable exceptions from, and impose such reasonable terms and conditions relating to, the operation of this subsection as he finds necessary for the proper administration of the provisions of this act.

(c) For purposes of enforcement of this act, records of any department or independent establishment in the executive branch of the Government shall be open to inspection by any official of the Department of Agriculture duly authorized by the Secretary to make such inspection.

Mr. LEA. Mr. Chairman, I offer an amendment to the preceding section.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 82, lines 17 to 19, strike out the words "at the request of any interested industry or substantial portion thereof" and in lieu thereof insert, "or upon an application of any interested industry or substantial portion thereof stating reasonable grounds therefor."

Mr. LEA. Mr. Chairman, this is the amendment that during general debate I stated I would offer. It provides that when a request is made on the Secretary of Agriculture for a hearing before him reasonable grounds shall be shown; and it is a further attempt to meet the attitude of the Department of Agriculture as to procedure under the court review section.

Mr. MAPES. Mr. Chairman, I rise in support of this amendment because it corrects in some respects the action of the committee to which the minority report called attention, and which the minority report said weakened the administrative feature of the act. I am glad to note that the majority of the committee has been converted to the views of the minority in this respect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer another amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 85, line 5, after the word "request", insert "and payment of the costs thereof."

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I ask unanimous consent to return to page 49, line 5, for the purpose of correcting a mistake in the text of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MAPES. Mr. Chairman, reserving the right to object, may we have the amendment reported.

The CHAIRMAN. Without objection, the Clerk will report the amendment for the information of the House.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 49, lines 5 and 6, strike out the words "any certificate authorized under the provisions of section 505, or."

Mr. LEA. Mr. Chairman, there is a mistake in the reference there. The bill was amended in reference to the new drug section and when it was brought into the House the print shows an incorrect reference. I offer the amendment to strike out the incorrect reference.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 49, lines 5 and 6, strike out the words "any certificate authorized under the provisions of section 505, or."

The amendment was agreed to.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 86, line 10, after the word "act", strike out the period, insert a colon and the following words: "*Provided*, That no exception shall be made in connection with any so-called cancer cure."

Mr. PHILLIPS. Mr. Chairman, this is the last of the many amendments which I shall offer for the consideration of the Committee on the subject of purported cures for cancer. As the Committee will no doubt have gathered by this time in connection with the various amendments which I have offered—and this is, as I say, the last one—I have endeavored to write into the law repeatedly and again the proposition that any so-called cure for cancer is a fake, a chicanery, and the product of a charlatan, unless that cancer cure be X-ray, radium, or surgery. The wording which I have endeavored to insert in this bill would, if the Committee had adopted my amendments, strike down and do away with the contemptible practices of many charlatans in America today who hold out to poor, suffering people the idea that they can be cured of cancer, when these same contemptible scoundrels have no idea of curing these poor people and when they know they have no cure. All these quacks are trying to do is take money away from the poor, suffering people, who are merely grasping at straws as they reach out to get some help to cure themselves from this dread disease, cancer. After all of the endeavors which have been made to strike against these contemptible ones who are thus victimizing the American people, I trust the Committee will adopt this last amendment and write into the bill a definite provision striking at such pusilanimous fakers.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I am greatly in sympathy with the amendment the gentleman has offered. I wish to do away with quackery, too, but may I ask the gentleman, must we not be careful not to prevent research that may lead to the cure of this dread disease? I have gone on record as favoring every possible step that this Government can take to investigate the cause and cure of cancer. We should not only appropriate money to carry on the work but cooperate with private investigators. I am wondering if the gentleman in his desire as shown by these offered amendments will not block somewhat the efforts to find such a cure?

Mr. PHILLIPS. I am glad the gentleman asked the question. May I repeat for the benefit of some of the gentlemen who may not have heard. The question was asked whether this effort would really stop any endeavors to find a cure for cancer. The answer, of course, is that all over the United States reputable medical schools, reputable physicians, and reputable research investigators are endeavoring to find a cure for cancer. There is not a single one of them who falsely claims he has a cure or who advertises a cure or holds out false hope to anybody. Each is doing a scientific job in a scientific way. This amendment is an endeavor to strike against the charlatans who practice quackery, and it will not in any way strike against reputable persons endeavoring to find a cure for cancer.

Mr. HOUSTON. Will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Kansas.

Mr. HOUSTON. I shall be very glad to support the gentleman's amendment, but I think he should incorporate in there capital punishment for all convicted of kidnaping.

Mr. PHILLIPS. I would be glad to do that if that subject would not be ruled out of order in this bill, which it would, inasmuch as discussion of such a subject at this place would be ruled by the Chair as extraneous and not germane. I would make the capital punishment, too, the kind of capital punishment that everybody would be afraid to have meted out to him.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. SIROVICH. Does the gentleman know of any magazine, newspaper, periodical, or publication that today prints

advertisements by persons claiming they can cure cancer, without the Federal Trade Commission ordering their arrest and issuing an order to cease and desist?

Mr. PHILLIPS. I am pleased the gentleman has asked that question, which I am glad to answer. Yesterday right on the floor of this House I showed the Members of the House a printed advertisement that came in the mail to me. The gentleman from Nebraska [Mr. LUCKEY] said he had received a duplicate of it. In plain English this advertisement stated its sponsors had a cure for cancer. I also showed on the floor of the House yesterday, another advertisement from a certain medical school in New Jersey, which claimed in so many words that simply by water they could cure cancer. I believe that answers the gentleman's inquiry.

Mr. SIROVICH. Will the gentleman furnish me with these advertisements? If he will, I will give them to the Federal Trade Commission, which will put these people out of business in a week's time.

Mr. PHILLIPS. I will gladly do that. May I say to the gentleman I have already been in touch with the Postmaster General on this very question, and I welcome the cooperation of the gentleman.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know of no authority by which my friend, the gentleman from Connecticut [Mr. PHILLIPS], a layman, can speak as an authority on cancer. I know the American Medical Association advocates the belief that cancer cannot be cured except by knife, X-ray, or by radium, but I know, and everybody else knows, and every physician knows that that is not true in all instances. I have no fight with the medical profession because to my mind they are among God's noblemen, but they are not immune from mistakes. A few years ago if one had told us you could soon fly from here to San Francisco in a few hours, everyone would have thought you were crazy, and the same principle applies to electric lights, automobiles, phonographs, motion pictures, radio, and many other modern inventions. The entire medical profession that is not hidebound is willing indeed to find a remedy for cancer. I may say to my good friend of Phillips magnesia fame, they might have said in advertising his business a few years ago that there was not a cramp in a gallon of magnesia, but we who have had expedience know that is not true. Should we thus be blind to the fact that this same magnesia brings relief. Should we brand the remedy as a farce? Legislation should not be enacted upon hatred or false information. There is a man by the name of Norman Baker in my home city, Eureka Springs, who is operating a very large institution for cancer cure. He sends to Members of Congress and throughout the United States mails the statement that he can cure cancer, and he invites investigation by this House or any other unbiased Federal agency as to the truthfulness of his statement.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. Does the gentleman maintain that this man who sends out that advertising really can cure cancer?

Mr. FULLER. I do not think anything about it; I know he does. That is, I have seen many who claimed they were cured. I am not to be used as a witness.

Mr. PHILLIPS. I disagree with the gentleman.

Mr. FULLER. I am not advocating his cancer cure nor interested in his fight with the American Medical Association. However, I know people come to this city by the hundreds, and there are from 500 to 600 people there all the time, yet the people of my community say they hear all praise and scarcely a complaint. A few of the patients have died there, and some of them have gone back home to die. Of course, nobody can cure all kinds of diseases in their advanced stages. However, in the little time I have been home in the last 18 months, which is about a month and a half, just like the rest of the Members of Congress, I have seen people by the dozens in the barber shop and in the streets claiming they have been cured. North of me in Missouri, the district represented by Mr. DUNCAN, is an institution operated for years, where many people of my community have been cured of so-called cancer.

Of course, the cases I refer to are not stomach cancers, or the inward cancers; they are mostly external cancers, that you can see. This man, Norman Baker, who operates the cancer institution in my town, invites the Congress of the United States to investigate him. I made a speech on the floor of the House a few days ago and asked the gentleman from California [Mr. SCOTT], who had a resolution pending, to amend it so the Congress could investigate Baker's claim of cancer cure. If he is a crank and a fake, I want the people of the United States to know it. If he has a real remedy that is curing the worst curse that affects the American people, I want the people of the world to know it in order that they can receive some of the benefits of that great institution. This man does not ask any favors from Congress. If he is a crook, investigate him. Introduce a resolution and put Members of Congress, even the gentleman from Connecticut, as radical as he is, on that committee of investigation, together with others who are not biased and prejudiced, and let them go there and investigate and see whether or not his cure is a fake. I do not know why a man should be so imbued with one idea as a layman that he would write into the laws of the country and place upon the statute books a fallacy by saying that "such and such is a fact, and I, as a layman, declare it," without submitting it to a tribunal for determination or permitting some other person to pass judgment upon it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read as follows:

RECORDS OF INTERSTATE SHIPMENT

SEC. 703. For the purpose of enforcing the provisions of this act, carriers engaged in interstate commerce, and persons receiving food, drugs, devices, or cosmetics in interstate commerce or holding such articles so received, shall, upon the request of an officer or employee duly designated by the Secretary, permit such officer or employee, at reasonable times, to have access to and to copy all records showing the movement in interstate commerce of any food, drug, device, or cosmetic, or the holding thereof during or after such movement, and the quantity, shipper, and consignee thereof; and it shall be unlawful for any such carrier or person to fail to permit such access to and copying of any such record so requested when such request is accompanied by a statement in writing specifying the nature or kind of food, drug, device, or cosmetic to which such request relates: *Provided*, That evidence obtained under this section shall not be used in a criminal prosecution of the person from whom obtained: *Provided further*, That carriers shall not be subject to the other provisions of this act by reason of their receipt, carriage, holding, or delivery of food, drugs, devices, or cosmetics in the usual course of business as carriers.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to take the floor again on this subject, but after the eloquent address of the gentleman who has just spoken I cannot do otherwise. After the personal remarks and all the advertising he has given it, I only regret I no longer have any financial interest in the preparation which he has advertised to such good purpose here this afternoon.

With regard to the subject of cancer, I know the gentleman is absolutely sincere in what he has stated and I am just as sincere in what I say, but I believe the gentleman is grossly misguided. I wish it were not personal so that I could state how and why I have some knowledge of the subject. I would not take the time of the Members of the House to discuss it at this length unless I did have some knowledge. However, respect for the amenities, or whatever you want to call it, prevents me from using the word

"I." The fact is that I do know something about the subject of cancer, as I hope the gentleman has gathered, or I would not take the time of the House with these discussions. I am just as convinced as I am that I stand here, and I say it with all the earnestness that I command, that the only cure today for that dread disease we are spending millions of dollars to try to cure—cancer—is surgery, X-ray, or radium.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman.

Mr. FULLER. The gentleman knows that the physicians themselves say that is not a cure.

Mr. PHILLIPS. The gentleman is absolutely right. Unfortunately, a great part of the time they cannot cure it and nobody else can either, and I again say with all the earnestness that I can bring forward that anybody who holds out the hope of cure in any other way than as I have stated is a contemptible charlatan, and in my honest opinion is guilty of holding out false hope to suffering people. I hope the gentleman who has just spoken will be willing to investigate the case further before he puts his stamp of approval on any other form of cancer treatment than X-ray, surgery, or radium, if you want to call it treatment that may cause thousands of people, in the end, greatly to suffer. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

FACTORY INSPECTION

SEC. 704. For purposes of enforcement of this act, officers or employees duly designated by the Secretary, after first making request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or are held after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein.

PUBLICITY

SEC. 705. (a) The Secretary shall cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered under this act, including the nature of the charge and the disposition thereof.

(b) The Secretary may also cause to be disseminated information regarding food, drugs, devices, or cosmetics in situations involving, in the opinion of the Secretary, imminent danger to health or gross deception of the consumer. Nothing in this section shall be construed to prohibit the Secretary from collecting, reporting, and illustrating the results of the investigations of the Department.

COST OF CERTIFICATION OF COAL-TAR COLORS

SEC. 706. The admitting to listing and certification of coal-tar colors, in accordance with regulations prescribed under this act, shall be performed only upon payment of such fees, which shall be specified in such regulations, as may be necessary to provide, maintain, and equip an adequate service for such purposes.

CHAPTER VIII—IMPORTS AND EXPORTS

SEC. 801. (a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony. If it appears from the examination of such samples or otherwise that (1) such article has been manufactured, processed, or packed under insanitary conditions, or (2) such article is forbidden or restricted in sale in the country in which it was produced or from which it was exported, or (3) such article is adulterated, misbranded, or in violation of section 505, then such article shall be refused admission. This paragraph shall not be construed to prohibit the admission of narcotic drugs the importation of which is permitted under section 2 of the act of May 26, 1922, as amended (U. S. C., 1934 edition, title 21, sec. 173).

(b) The Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any such article refused admission, unless such article is exported by the consignee within 3 months from the date of notice of such refusal, under such regulations as the Secretary of the Treasury may prescribe: *Provided*, That the Secretary of the Treasury may deliver to the consignee any such article pending examination and decision in the matter on execution of a bond as liquidated damages for the amount of the full invoice value thereof together with the duty thereon and on refusing for any cause to return such article or any part thereof to the custody of the Secretary of the Treasury when demanded for the purpose of excluding it from the country or for any other purpose, such consignee shall forfeit the full amount of the bond as liquidated damages.

(c) All charges for storage, cartage, and labor on any article which is refused admission or delivery shall be paid by the owner or consignee and in default of such payment shall constitute a lien against any future importations made by such owner or consignee.

(d) A food, drug, device, or cosmetic intended for export shall not be deemed to be adulterated or misbranded under this act if it (1) accords to the specifications of the foreign purchaser, (2) is not in conflict with the laws of the country to which it is intended for export, and (3) is labeled on the outside of the shipping package to show that it is intended for export. But if such article is sold or offered for sale in domestic commerce, this subsection shall not exempt it from any of the provisions of this act.

CHAPTER IX—MISCELLANEOUS

SEPARABILITY CLAUSE

SEC. 901. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE AND REPEALS

Mr. FERGUSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: On page 91, after line 3, insert a new paragraph, as follows:

"(b) That no drug, medical device, advertising literature, or offer of medical advice or treatment, printed or in writing, may be accepted by carriers in interstate commerce if such drug, medical device, advertising literature, or offer of medical services or treatment are advertised over a foreign radio station."

Mr. LEA. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FERGUSON. Mr. Chairman, I live in a section that was inflicted with a radio doctor by the name of Brinkley. The State association and the State of Kansas refused him the privilege of practicing in Kansas. He was refused permission to run a radio station. So to avoid the laws of the United States he moved to Mexico. However, he maintains his hospital in the State of Texas, but advertises over a foreign radio station. He prescribes by mail. He sends out medicine to anyone who writes about their diseases to him, and he will prescribe for them over the radio and send out the medicine. He broadcasts all night long at 4-hour intervals, hoping to reach those who are in distress during the night and hold out to them the hopes of his marvelous cures. He has been able to build up a very, very, very lucrative business.

To show the type of associates he has and the type of business he is in, on the same radio station he sells life insurance, he tells fortunes, he sells perfumery, and they teach tap-dancing, everything being done by mail. He has also opened now a very luxurious hospital in Arkansas, because it seems that Del Rio, Tex., was too far away from the center of population.

This man is taking in thousands of dollars, and he operates in this way: After he urges the people to come to Dr. Brinkley before it is too late, then when he gets them down there he demands at least $500 cash "on the barrel head" before he proceeds.

I have listened to him on numerous occasions. He will sink to any level in order to get his ideas over. Riding along one night on the occasion of the death of Dr. Mayo's son, he said that he sent sincere sympathy to Dr. and Mrs. Mayo from Dr. and Mrs. Brinkley and Sonny Boy, stating that he realized there were other good doctors and institutions in the United States, and he recognized Mayo brothers as being at least, or almost, on a par with the Brinkley institution. [Laughter.]

For 10 cents he will send you a book diagnosing all ailments, called Dr. Brinkley's Doctor Book, in which he goes into detail about how to cure these diseases. He makes a continuous and unabated attack on the entire medical profession, telling the people that if they fool with the regular doctors trouble and suffering will come to them because the only solution is to come to Brinkley's Hospital.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. PHILLIPS. Will the gentleman tell us why this great physician is not advertising over an American radio system?

Mr. FERGUSON. Because he has been ruled off the airways, being recognized as a charlatan, and now we are allowing him to advertise over this foreign radio station, where he advertises services at Little Rock, Ark., and Del Rio, Tex.

I plead with the committee to accept this amendment in order that we may, in conference, accept a provision that will stop this terrible practice of robbing the people for services that cannot be of any value. If my amendment is not entirely in accord with the bill, rewrite it in conference so it will stop this practice that is taking millions of dollars from our people. [Applause.]

Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. HOUSTON. Does the gentleman know that Dr. Brinkley received over 200,000 votes for Governor of the State of Kansas?

Mr. FERGUSON. And I would say, if I came from the State of Kansas, I would not be very proud of that fact.

Mr. HOUSTON. And in reply to that, I might add that he got 1,500 votes for Governor of Kansas from the district the gentleman represents in Oklahoma.

Mr. FERGUSON. And I am not proud of that, either.

Mr. Chairman, to show how prosperous this business has been Dr. Brinkley has not one, but two luxurious yachts, and on the occasion of naming the second yacht, only modesty, after due consideration impelled him to name it "John R. Brinkley, Second." I hope the committee will accept this amendment and not make a point of order, although I think it is in order, and work out something in conference to stop this advertising which has been recognized as bad over American stations, and stop this man from doing this business, running down the medical profession, selling drugs by advertising from a foreign radio station.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired. Does the gentleman from Oklahoma desire to be heard upon the point of order?

Mr. FERGUSON. Mr. Chairman, in section 703 provision is made for the regulation of the shipment of drugs in interstate commerce. My amendment makes it unlawful for the products of medical information, advertising over a foreign radio station to be shipped in interstate commerce. I think the amendment should be held germane.

The CHAIRMAN. The Chair is ready to rule. Section 901 provides as follows:

SEC. 901. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

To that section the gentleman from Oklahoma offers an amendment which reads:

No drug, medical device, advertising literature, or offer of medical device or treatments printed or in writing, may be accepted by carriers in interstate commerce if such drug, medical device, advertising literature, or offer of medical services or treatment are advertised over a foreign radio station.

The reading of the section and the reading of the amendment combine to make a complete argument to sustain the point of order directed to it by the chairman of the committee [Mr. LEA]. The Chair, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 902. (a) This act shall take effect 12 months after the date of its enactment. The Federal Food and Drugs Act of June 30, 1906, as amended (U. S. C., 1934 ed., title 21, secs. 1–15), shall remain in force until such effective date, and, except as otherwise provided in this subsection, is hereby repealed effective upon such date: *Provided*, That the provisions of section 701 shall become effective on the enactment of this act, and thereafter the Secretary is authorized hereby to (1) conduct hearings and to promulgate regulations which shall become effective on or after the effective date of this act as the Secretary shall direct, and (2) designate prior to the effective date of this act food having common or usual names and exempt such food from the requirements of clause (2) of section 403 (i) for a reasonable time to permit the formulation, promulgation, and effective application of definitions and standards of identity therefor as provided by section 401: *Provided further*, That sections 501 (e), 505, and 601 (a), and all other provisions of this act to the extent that they may relate to the enforcement of such sections, shall take effect on the date of the enactment of this act, except that in the case of a cosmetic to which the proviso of section 601 (a) relates, such cosmetic shall not, prior to the ninetieth day after such date of enactment, be deemed adulterated by reason of the failure of its label to bear the legend prescribed in such proviso: *Provided further*, That the act of March 4, 1923 (U. S. C., 1934 ed., title 21, sec. 6; 42 Stat. 1500, ch. 268), defining butter and providing a standard therefor; the act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10), defining cheese and providing a standard therefor; the act of July 24, 1919 (U. S. C., 1934 ed., title 21, sec. 10; 41 Stat. 271, ch. 26), defining wrapped meats as in package form; and the amendment to the Food and Drugs Act, section 10A, approved August 27, 1935 (U. S. C., 1934 ed., Supp. III, title 21, sec. 14a), shall remain in force and effect and be applicable to the provisions of this act.

(b) Meats and meat food products shall be exempt from the provisions of this act to the extent of the application or the extension thereto of the Meat Inspection Act, approved March 4, 1907, as amended (U. S. C., 1934 ed., title 21, secs. 71–91; 34 Stat. 1260 et seq.).

(c) Nothing contained in this act shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of the Virus, Serum, and Toxin Act of July 1, 1902 (U. S. C., 1934 ed., title 42, ch. 4).

(d) In order to carry out the provisions of this act which take effect prior to the repeal of the Food and Drugs Act of June 30, 1906, as amended, appropriations available for the enforcement of such act of June 30, 1906, are also authorized to be made available to carry out such provisions.

Amend the title so as to read: "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes."

Mr. WITHROW. Mr. Chairman, I offer the following amendments, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendments offered by Mr. WITHROW: Page 92, lines 7 and 8, strike out the language reading as follows: "The act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10), defining cheese and providing a standard therefor."

On page 92, line 23, strike out the period and insert the following: "; the Filled Cheese Act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10); the Filled Milk Act of March 4, 1923 (U. S. C., 1934 ed., title 21, ch. 3, secs. 61–63); or the Import Milk Act of February 15, 1927 (U. S. C., 1934 ed., title 21, ch. 4, secs. 141–149)."

Mr. WITHROW. Mr. Chairman, yesterday the chairman of the committee signified his willingness to accept three amendments pertaining to cheese. The one amendment was formally accepted yesterday, and these are the two other amendments.

Mr. LEA. Mr. Chairman, the gentleman is correct. I see no reason why the amendments should not be adopted.

The CHAIRMAN. The question is on agreeing to the amendments offered by the gentleman from Wisconsin.

The amendments were agreed to.

The CHAIRMAN. The question now arises on the committee substitute, as amended, to the Senate bill.

The question was taken; and the committee substitute, as amended, was adopted.

The CHAIRMAN. Under the rule the Committee will automatically rise.

Accordingly the Committee rose; and Mr. THOMPSON of Illinois, having resumed the chair as Speaker pro tempore, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes; and, under the rule, he reported the same back to the House with an amendment.

The SPEAKER pro tempore. The question is on the Committee amendment.

The Committee amendment was agreed to.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MAPES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MAPES. I am with paragraph 7 of section (f) in it.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MAPES moves to recommit the bill to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the same back to the House forthwith with the following amendment: Strike out paragraph (f) of section 701, beginning on page 83, line 20, and insert the following:

"(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect, may obtain a review of such order in the circuit court of appeals of the United States, within any circuit where such person resides or carries on business, by filing in the court within 60 days from the date of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the entire record in the proceeding, including all the evidence taken and the report and order of the Secretary. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript, a decree affirming, modifying, or setting aside the order of the Secretary. The findings of the Secretary as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearings in such manner and upon such terms and conditions as the court may seem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 240 of the Judicial Code."

Mr. MAPES (interrupting the reading of the motion). Mr. Speaker, with the statement that this is the amendment which I offered in the Committee of the Whole and that it is the provision of the law as applied to the Federal Trade Commission adapted to the food-and-drug bill I ask unanimous consent that the further reading of the motion be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 27, noes 59.

So the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes."

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. The Chair calls the gentleman's attention to the fact that there are some special orders heretofore entered that must be disposed of before the gentleman can be recognized.

Mr. PHILLIPS. I thank the Chair for calling it to my attention.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter which I have received from the Commissioner of Indian Affairs, Department of the Interior, and an opinion by the Solicitor for the Department of the Interior, and an analysis of the opinion.

The SPEAKER pro tempore. Without objection it is so ordered.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) entitled "An act to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. SNYDER of Pennsylvania, from the Committee on Appropriations, presented a conference report and statement on the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, for printing under the rule.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. SNYDER of Pennsylvania, from the Committee on Appropriations, submitted a conference report and statement on the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, for printing under the rule.

EXTENSION OF REMARKS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks concerning the services of the gentleman from Pennsylvania [Mr. DEMUTH].

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent that on Friday next after the completion of the legislative program for the day I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on next Friday, following the special order just granted to the gentleman from West Virginia, I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to print therein the complete memoranda from the Department of Justice, extracts from which I read this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Under a special order of the House previously entered, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, one of the things I have not had time to explain in reference to my bill for governmental monetary control is the $1,000,000,000 a year for the rehabilitation of farms. We may not always be able to have

this amount for our rehabilitation program, yet we start with $1,000,000,000 a year; but it may be that this amount is going to bring us above our price level and then we close down on this feature of our program accordingly.

Our price level must be maintained in all events, so we use the farm-rehabilitation program as a valve to regulate this. But we never shut off on old-age pensions; these are taken care of by the 4-percent physical growth of our Nation which I have previously explained. However we may have to close down, shut off the valve, with respect to these other things being done, although it is my opinion that we will take more than $1,000,000,000 a year for farm rehabilitation, at least for a few years, to build up to our 1926 price level and to maintain it. However, it is not necessary to determine all this now, only this, that the price level must determine.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. BOILEAU. The gentleman says that at the present time there are about fifteen or sixteen billion dollars of idle money. If we expand the currency and use this new money, 4 percent each year, how would you control the owners of private capital, and how would you insist upon all this money working, or would it be possible for an increased amount to be idle over the $16,000,000,000 and thereby defeat the plan?

Mr. BINDERUP. Let me thank the gentleman from Wisconsin for this enlightening question. What is the reason this money lies idle? It is timidity. They are afraid to put the money out. The people are afraid to borrow the money, but as soon as you create stability and security in your monetary plan you will solve the difficulty. Money naturally wants to flow. The bankers do not want dormant bank deposits. They want the money out earning interest for them. Nobody can borrow because we have depleted people of their equities, we have gathered away from the people by our process of selling bonds instead of buying bonds every little bit of money and every equity from the city and the rural sections of the country. We have depleted our people of all ability to borrow, because there are no stable equities that the banks care to risk money on. For we have reduced the price of farm land from sixty-six billion to twenty-eight billion dollars. We have reduced farm income from thirteen billion to five billion. National income has been reduced from ninety-one billion to forty-four billion, employment from an index figure of 107 to 72, the all-commodity index from 154 to 65. These figures are from the high point to the low point which resulted in freezing all the equities and we are today almost back to the extreme low.

Mr. BOILEAU. The gentleman said that people hold money because they think it is a better investment than holding property, and I am inclined to agree with the gentleman. Is it the gentleman's intention to take away the incentive to hold money?

Mr. BINDERUP. Yes. When property values rise then dormant money moves out, because it then becomes more profitable to invest in commodities than to invest in money.

Mr. BOILEAU. If they feel there is going to be more money, they will not hold it.

Mr. BINDERUP. Exactly.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. TRANSUE. In the gentleman's plan, how would he control the effect of those commodities that go to make up the price level which are affected by a world market and not by a home market?

Mr. BINDERUP. I would reestablish our home market to its fullest capacity, and especially as to agriculture; if our people had purchasing power, there would be nothing in this line to export; and as far as it pertains to manufactured articles, if they expand beyond the Nation's ability to consume, let them export their surplus as they do now, sell it for what they can get for it. Industry now exports all their last year's models and in this way cleans house, and it is a good plan. The price level, if I might so picture it, is like a rope. In a rope, we will say, there are 784 different fibers. There is no single fiber of that rope that is straight. They go up and down and in and out, but when you stretch the rope it becomes a straight rope. So it is with the 784 commodities that go to make up our price level. There is no single commodity of which the price runs level; every commodity goes in and out and up and down; but when you take the 784 commodities in this rope, as I have pictured it, and stretch it out, you have a straight price level that does not vary.

The reason that the price level goes up and down is not because the average of the 784 commodities rises and falls, but it is because the dollar that measures them rises and falls according to its own abundance or scarcity.

Mr. CRAWFORD. Forgetting for the moment that this idle money is available, which Mr. Crowley spoke about, just erasing that from the picture, what is there in the gentleman's bill which would take care of the rise and fall of prices due entirely to the psychology of the people, where they expand or contract through fear? Has the gentleman something in his bill that takes care of that?

Mr. BINDERUP. Yes; and I will tell you how the Government monetary control bill controls that characteristic of human nature. I erase that psychology that is in people's minds, the fear, by making a stable, definite money system, controlled by the Government. The first thing that I would want to eliminate would be fear, which like a spark in the brain of man can be snuffed out by a slight little remark made by some influential money baron, or, as you noticed, by President Roosevelt if he makes the slightest remark that would indicate we were going to have more money in circulation, up go prices. Our whole monetary system, as at present, is governed by three things. First, selfish greed of the individual, and that is human, and then amplified by optimism or fear.

Consequently if we immediately have a safe plan and the people know definitely that there is not going to be any more secret meeting of the 12 Directors of the Federal Reserve Board, together with 40 other big bankers, things would be different. We do not know now when, or where, they are going to meet again, as they did in May 1920, or in August 1929, or again in May 1937 when the bankers met and contracted our money supply which caused the 784 commodities to fall, and they fell in the same proportion as the money was contracted. It would be unreasonable to believe that the price level of these commodities themselves, because of themselves, would fall. It is easy to understand that that one commodity in which you measure all values is the thing that changes value, and our bankers can change this value, by making our money scarce or plentiful, just as they please, entirely without restraint or without the slightest control by Government.

You ask, because it is so important, how would I eliminate that fear psychology?

I would eliminate it by eliminating fear, because I think the greatest handicap there is is fear of the bankers' tinkering with our money supply. So I would take away from the banks every power to control our money and bring that power back to the people's Congress, under the supervision of a monetary authority, an agent of Congress, with definite mandate as to just how it shall be done, and if they fail to maintain the 1926 price level of commodities, I would have them impeached.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. WHITE of Idaho. In the mechanics of creating and issuing this money, it is my understanding that the gentleman would increase the volume of money by creating new money to the extent of 4 percent a year.

Mr. BINDERUP. Yes.

Mr. WHITE of Idaho. How would that get into the channels of trade and business? Would the Government use it to pay its bills and its running expenses?

Mr. BINDERUP. That is exactly the question our friend from Michigan just asked me, how we would get that money

into circulation. I want to repeat again and again, because it is new, because it is important. It would be done just as was done recently, when the Government wires credit to the Federal Reserve banks and checks on them; and when the checks come back it balances the account with authorized Government credit on one side and checks issued by Government authority on the other side. Consequently gold and silver, as money and currency, are things of the past, except to the extent of $875,000,000 that we usually call pocket money, or change. The $26,000,000,000, or 97 percent of the Nation's circulating medium, is bank credit. The thing necessary is to have Government monetary control and to have Government credit in the 12 Federal Reserve banks in place of the banks' credit. The day of tangible money, except as pocket money, is largely past and credit has taken its place, and it is a very splendid plan, the best the world has ever had, provided it is controlled by the Government and not by private interests.

Mr. WHITE of Idaho. I assume that when the Federal Reserve banks were extended that credit, that that was followed by the issuance of gold certificates and that the Government then checked on that credit, and that it operated the same as creating new money and putting it into circulation by paying Government bills. Does it not operate that way?

Mr. BINDERUP. Yes; it operated the same.

Once more I want to repeat these fundamental principles which must never be forgotten if we are going to solve our economic problems, our monetary system. We must understand, first, 97 percent of our money is manufactured by private bankers. The 97 percent are demand bank deposits. This represents 97 percent of all the money we have in the Nation, and these bankers can increase or decrease our money supply without any control whatsoever by our Government. Today we have $23,000,000,000 of demand bank deposits; I have earlier in my talks said $26,000,000,000, which was based on earlier information, but today I am advised we have only $23,000,000,000, thus showing how uncertain our monetary system is. We do not know when the banks are taking our money supply out of circulation. We lost about $3,000,000,000 from April 1937 to date, while at the same time our money supply should be increased every year to keep up with the growth of the Nation in increased population, business expansion, and new industries.

The people do not realize the disaster created when the banks contract our money supply. For example, suppose someone should break into our Treasury or into the hole down in Kentucky, where we have our gold buried, and steal $3,000,000,000; why, the whole country would become frantic and the newspapers would spread it over their front pages for weeks and refer to it in almost every issue for years; Congress would be called into extra session and the whole world would become startled. And yet our monetary and banking system is so sly that this amount of money can be taken away from the people so quietly that no one seems to care, and remember that it is not so much the loss of the $3,000,000,000 as it is the effect it has in depreciating the value of all commodities and services. That loss of $3,000,000,000 would mean a loss of $9,000,000,000 in national income, and that would reduce values in the United States many hundred billion dollars, throw millions out of employment and set the Nation back many years.

And all this because we are so uninformed about money and cannot understand that all money is created by law and that a simple act of Congress, allowing the people to exercise their constitutional right, would bring this and any amount of money back into circulation, as money is made by Congress—by an act of Congress; for example, in 1933 we went off the gold standard, revalued gold, and like magic in 5 minutes we created $2,700,000,000, all perfectly good, as is all money made by law if controlled as to volume and velocity as provided in my bill.

I am often asked just how far banks can go in expanding our money supply. With the present gold supply the Government has, if released as a basis for reserves, and with our present monetary system banks could expand credit to approximately $300,000,000,000, or under our present program they could reduce it to a dollar, and there is no power in the hands of this Government, under present laws, to control the volume of money in circulation, nor the velocity of money. You cannot have a monetary control bill without control of volume and velocity, you cannot have a price level without these two principles included in the plan.

Naturally, of course, the bill I present to you controls. Not alone does it control the volume of money but velocity as well, both of which establishes the price level, a price level that protects the creditor—which is necessary—as well as protecting the creditor. A plan that gives to our money 100 percent velocity, moving at full speed, and without hoarding.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield with pleasure to the gentleman from Michigan.

Mr. CRAWFORD. Before going on to the subject of velocity, will the gentleman make a little clearer this thought, that the State banks, not members of the Federal Reserve System, are thereby not under the control or influence, we will say, of the Federal Reserve Board?

Mr. BINDERUP. Exactly.

Mr. CRAWFORD. And they are banks of issue.

Mr. BINDERUP. Yes.

Mr. CRAWFORD. That is, they create and expand and contract credit money.

Mr. BINDERUP. Yes.

Mr. CRAWFORD. Will the gentleman make it just a little clearer wherein we do not have control, because even if all of those on the floor understand that perfectly, the gentleman's record will be read, and the people in the country do not understand it.

Mr. BINDERUP. I thank the gentleman very much for bringing that to my attention. Perhaps I could best illustrate, or rather explain, that very thing by referring to the very first paragraph of my bill on page 3, beginning with line 3, wherein it provides that all individuals, firms, and associations or corporations in the United States, or Territories or possessions thereof, receiving deposits of money or credit or any other substitute medium of exchange shall be deemed to be commercial banks and engaged in interstate commerce, and as such are subject to Federal jurisdiction and to the monetary authority provided for in the bill.

We have at present 117 banks that refuse or neglect to send in reports. They do not belong to the Federal Reserve System, which privilege is at present optional with State banks, and are not under the jurisdiction of the Federal Reserve Board. But when we have our Government monetary control all banks will be under Federal jurisdiction, pertaining only, however, to demand deposits or the instrumentality whereby the banks are now creating our money supply by making and recalling loans, that which constitutes 97 percent of our money, as formerly referred to. In this bill all banks are under supervision, to this extent only, of our monetary authority. Independent otherwise as to their method of banking, entirely free as far as this bill goes to do business as they please or as the Federal Government or their States require. Let me repeat, this bill leaves banking exactly as it is today, except that we require banks to hold their depositors' money—that is subject to check—intact 100 percent; and the bill provides the plan whereby our Government will enable each bank to comply, so there can be no bank failures and the depositors' money will be perfectly safe.

Banks are free to make a charge for services in keeping these demand-deposit accounts; that is up to the banks themselves, but of course a natural consequence as the banks are entitled to pay for their services. Now there is nothing original, or rather this bill does not in itself establish the fact that all banks are engaged in interstate commerce, but the late decision of the Supreme Court in a parallel case this summer, the Associated Press case, definitely includes banking as interstate commerce. And it is right that banking should be thus included. The Supreme Court in the Associated Press case decided that an intangible thing such

as a message crossing State lines constituted interstate commerce and consequently an intangible thing such as credit, not to mention bank checks, crossing State lines would be similarly considered by the Court.

Credit money, meaning check money based on established credit in the bank, that is what we mean by banker-created money. The plan is fine if under Government control, but disastrous when in the control of selfish interests. In fact, no nation can live under this privately controlled monetary system without completely centralizing all wealth in the hands of the banks which create this money with a fountain pen. That is the thing that usually baffles people. That is the real material thing. As an illustration of exactly what I mean, an example, I remember a few years ago I went to my bank. I wanted to borrow a thousand dollars. I am going to give you a personal illustration, because I want to bring to you the facts of how it happens, how a bank creates money. My old banker was a great gold-standard man. We used to argue about it a great deal. On the occasion referred to I, as I had often done before, secured a loan from the bank, this time a thousand dollars. I gave the banker a mortgage on 12 brindle cows and a note, and I got in return credit on the bank's books and a checkbook; no money changed hands; that is, no currency. I now went out to create this banker-credit money. He had loaned me bank credit only, and with this checkbook I soon created $1,000 new money that would remain money until the banker called the loan.

After I had given him the mortgage on the cows I stood at the bank window for a bit and he came back and said, "Is it not all right?" I said, "Yes, I guess it is all right, but I was just trying to understand it. You talk to me so much about the gold standard, and I am wondering where the gold standard comes in. Where is the gold here? I gave you my note for $1,000 and you gave me a check book; I gave you a mortgage on 12 brindle cows and you gave me just creuit on your books and said go out and check against this credit; but what bothers me is you talk about money being no good unless it is backed by 40 percent gold and I just cannot see the 40 percent gold. This money surely cannot be gold-standard money; do you not think it is what we might call brindle-cow standard money?"

No our bankers are not required to carry 40 percent reserves in gold; that is simply poppycock. The member banks of the Federal Reserve are required to carry 10 percent more notes on deposit than loans, but not gold, they are not required to carry a cent of gold and if they had the gold in their possession they would be sent to jail for having the gold. The member banks credit with the Federal Reserve bank of their district and the Federal Reserve bank is required to carry 40 percent of the 10 percent, or about 2½-percent reserve back of commercial paper.

That is, today the banks with which we deal need, themselves, keep no cash reserves at all; they need keep only credit reserves; that is, the promises of the Federal Reserve bank to furnish cash on demand. These reserves are required by law, according to the location of the bank, to be equal to at least 7 percent, 10 percent, or 13 percent of the deposits of the public in the member banks—these percentages were raised some months ago but again lowered, so that now they are about as shown here. The law also requires the Federal Reserve banks to keep a 35-percent reserve against the member bank deposits. Only this reserve—the reserve kept by the Reserve bank—must be in cash or bearer money. "Lawful money" is the statutory expression. Thus in a small town, for example, a bank with checking deposits of $100,000 must keep a reserve of 7 percent, or $7,000, all of which is deposited in the Federal Reserve bank. Behind this deposit, in turn, the latter bank must keep a 35 percent reserve, or $2,450 in actual cash. This is 2 45/100 percent cash behind $100,000 deposits held by the public, or about 2½ percent; that is, 35 percent of 7 percent.

Mr. FLETCHER. Before the gentleman goes into the other phases, will he just explain about countries where he has traveled and investigated that are using the program that he suggests to stop unemployment? It is our information that in all those countries there is tragic unemployment and depression.

Mr. BINDERUP. I would like to leave that part of my program until another day, but I am going to dwell a little on it and answer the gentleman's question. There are both kinds of countries in Europe. There are countries that have great prosperity and there are countries that are starving today.

Mr. FLETCHER. As a result of this program?

Mr. BINDERUP. As a result of a lack of monetary control and lack of sufficient money in circulation. There never was a picture more easy to present than to show you a comparison of these various countries, and why it is that one starves and another flourishes; why it was that France after the war had great prosperity, and everybody pointed to France and said, "Is it not strange, the land that suffered more than any other land has great prosperity, and others have poverty and misery?"

And then a few years after that, in 1934–35–36–37, England had prosperity and France had poverty; that is the thing I wanted to call to your attention. A later explanation of this is how money in circulation determines the economic condition of the country. There is no other cause for unemployment than the lack of monetary control; this determines employment and unemployment.

Mr. FLETCHER. The gentleman says this program alone will solve the unemployment problem. Does that take into consideration the fact that we have the middle age employment deadline, that refuses employment to those past 40 years of age?

Mr. BINDERUP. Yes; I will say to the gentleman this bill provides for a general prosperity for everyone regardless of age. It is a fact that no nation can be prosperous unless all the citizens enjoy prosperity and have a purchasing power. Purchasing power is created by the money supply. We all have too much of our own goods and cannot exchange for the goods of the other.

Mr. FLETCHER. And machines that throw men out of work?

Mr. BINDERUP. Yes; for the reason machines do not throw men out of work as a whole, machines create employment, as borne out by the statistics of the Labor Department here in Washington.

Mr. FLETCHER. Regardless of that, this program will solve that problem? Will the gentleman explain in detail how that is?

Mr. BINDERUP. I understand my reply will provoke much opposition, but nevertheless it is true. The statistics of the Labor Department show labor is increased by machinery no less than 8 percent in, I think it reads, 25 years. We know from our own observation that it is not machinery that causes unemployment, for we had the greatest period of unemployment in the year 1869, when we had Black Friday, when the Nation stood still and there was practically 100-percent unemployment.

When Gould and Fisk had cornered our money and President Grant saved the day by releasing all the money out of the Treasury in 1873—history records this as the "Crime of 1873"—there prevailed in the United States the greatest of unemployment, and yet we had no machinery to speak of in either of these years. We know that the greatest poverty reigns over the world where there is the least machinery. No, let me repeat, there never was a period of unemployment that was not directly preceded by a period of money scarcity and there never was a period of money scarcity that was not immediately followed by a period of unemployment. There is no other cause, believe me.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield for a question?

Mr. BINDERUP. I yield to my friend, Mr. VOORHIS, the gentleman from California.

Mr. VOORHIS. I understood the gentleman from Ohio to have in mind that the gentleman's plan had been put into effect in certain European countries. That is not the case, is it?

Mr. BINDERUP. No; that is not the case.

Mr. FLETCHER. That was the implication from what the gentleman said.

Mr. VOORHIS. No; I think not.

Mr. BINDERUP. I beg the pardon of the gentleman from Ohio [Mr. FLETCHER], that was not the impression I wished to give.

Mr. VOORHIS. And if the gentleman will yield further?

Mr. BINDERUP. I yield.

Mr. VOORHIS. I would like to ask the gentleman a question in connection with what the gentleman from Michigan [Mr. CRAWFORD] asked. Is it not true we can illustrate the impossibility of controlling the flow of money and credit under present circumstances by comparing what happens when the Government buys bonds with what happens when it sells bonds?

Mr. BINDERUP. Exactly.

Mr. VOORHIS. If the Government sells bonds or desterilizes gold, as it recently did, the Government gets dollar for dollar from the bank on the time deposits of the bank or the total amount of gold, credit for which was desterilized.

Mr. BINDERUP. Yes; the gentleman from California is correct.

Mr. VOORHIS. After that has been done those credits which constitute reserves in the bank may be expanded as much as 6 to 1 or may not be expanded at all.

Mr. BINDERUP. Yes; or 10 to 1.

Mr. VOORHIS. Or may not be expanded at all, depending on the willingness to lend on the part of the bank and willingness to borrow on the part of the people. So that control of expansion is not in the hands of the Government.

Mr. BINDERUP. Absolutely not. And control is not in the hands of the bankers either exactly, because each bank is acting independently of the other and one bank can pull down the rest and start a panic at any time.

Mr. HILL. Will the gentleman yield?

Mr. BINDERUP. I yield to Mr. HILL, the gentleman from Washington.

Mr. HILL. How much did the gentleman say that private banks had in reserves back of the money that was issued?

Mr. BINDERUP. I said banks had from 10 percent to 14 percent, according to the class of bank but that this credit is not in gold but in commercial paper or Government bonds. I said that we had demand bank deposits today of $23,000,000,000. We did have, about 8 months ago, $26,000,000,000, but in the 1937 recession the banks decreased the money by $3,000,000,000. Mr. Eccles said we had done it after a plan, that we intended to do it, we had done it intentionally or premeditatedly, because the Federal Reserve Board feared a period of uncontrollable inflation. And I say, as the record of Uncle Sam shows, there never was a depression, or a recession, or as we used to call it, a money panic, in the United States; there never was a period of unemployment in the United States that was not caused by the banks, because they have complete control. The rest of us are absolutely at the mercy of the banks; and most especially may I add that the most drastic depressions we have had have been the last three—1920, 1929, and now, 1937—the one that is still raging, still going on.

These 3 depressions were caused completely and absolutely by the Federal Reserve Board acting in connection with the 12 Federal Reserve banks, and I have a right to say it because I have the records of 1920, 1929, and 1937, which show for themselves; and neither the Federal Reserve banks nor the Board will deny it. Pehaps I am one of the few in Washington who have the minutes of the meeting of the bankers, the 52 bankers, in 1920; and before I get through I am going to incorporate in my talks the names of these bankers who were present at that time and what these bankers said, and the resolution that was passed that caused the disastrous panic, the worst one we had, that of 1920. I am going to show you men exactly what happened at that meeting and how it was that we had the panic of 1929, and how it was that in the cooperation of Mr. Eccles, his Federal Reserve Board, and the Federal Reserve banks that we had the recession of 1937.

Mr. Eccles made a statement, and it is published in Fortune Magazine. I have a lot of respect for Mr. Eccles. I do not have anything against the bankers, I pity them. I have nothing against the members of the Board of Governors of the Federal Reserve System. We gave them a big job to do, but we did not give them the tools with which to do it.

That answers my good friend from Michigan [Mr. CRAWFORD] when he asked me whether it was not as Mr. Goldenweiser had said, because they lacked the authority to go on, which is absolutely true.

The SPEAKER. The time of the gentleman from Nebraska has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LUECKE of Michigan, for Wednesday, Thursday, and Friday, on account of official business.

DEATH OF MRS. JOHN J. COCHRAN

Mr. CANNON of Missouri. Mr. Speaker, I rise to announce with deep regret the untimely death of Mrs. Cochran, the wife of Representative COCHRAN, of Missouri, one of the best beloved women of the Missouri delegation and the House. I ask for my colleague, Mr. COCHRAN, indefinite leave of absence.

GREAT LAKES-ST. LAWRENCE SEAWAY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, the Great Lakes-St. Lawrence seaway again claims attention, for Secretary of State Hull last night offered to the Government of Canada the draft of a proposed treaty which encompasses the provisions of a deep waterway from the Great Lakes to the ocean and the production of great amounts of electric power.

The assertion that opposition to the project is that of selfish interests suggests that some facts relative to the situation may not be amiss.

Persons of responsibility have declared the proposed seaway economically unjustified; they have asserted that it would impose on the States of New York, Pennsylvania, and Massachusetts burdensome expenses of construction; officials of water transportation have repeated that they would adhere to their earlier declarations that they would not use the completed seaway; evidence shows that more than half of the power consumed in cities adjacent to Niagara Falls is produced from coal mined 200 miles away, and yet they have an average rate, excluding taxes, of 1.18 cents a kilowatt-hour.

The St. Lawrence advocates have left no stone unturned to push the treaty since its defeat in the Senate, March 14, 1934, and have brought western propagandists to Washington and to the St. Lawrence territory, circulating glib stories and giving out glowing interviews.

It is an attempt to gloss over the real facts with glittering generalities of mythical benefits to be derived from this visionary dream.

All these arguments against the seaway may be waived and there remains one indubitable fact that should condemn the project at this time—it is not a necessity; and it will be difficult to explain an unnecessary expenditure of $540,000,000 for this development to the American taxpayers.

Construction of the seaway is desired by three groups—some politicians who would benefit by the patronage it would give them; the Power Authority of the State of New York, headed by Frank P. Walsh, who is on the New York State pay roll at a salary of $75 a day and expenses, but who gives practically 100 percent of his time to lobbying activities in the Northwest advocating the St. Lawrence development, persistently misrepresenting New York State and the wishes of its people; and a portion of the Middle West that has not awakened from a dream of expected savings to the grain trade by the seaway, which cannot materialize because of rapidly diminishing exports.

In February 1935, and again very recently, Premier Mitchell F. Hepburn, of Ontario, said:

We do not need another avenue of transportation. We have an acute railroad problem. Here in Canada we are paying $1,000,000 a week to make up the deficit of the Canadian National Railway. In the second place, we do not need any more power, production of which is given as one of the chief reasons for the projects. In other words, to build the seaway would be an unnecessary waste of money, which we cannot afford. The Hudson Bay Railroad was built on propaganda and it was a failure. Ontario will not approve of any such scheme for the St. Lawrence.

The Canadian railroad situation is no more acute than that facing our own rails. The seaway would not merely add to their troubles; it would mean ruination for what was once one of America's thriving industries.

Mr. Speaker, in Mr. Hepburn's statement there is no suggestion that the Canadian Government will yield in this matter, that they will withdraw objections previously declared to the St. Lawrence Treaty.

If the seaway is built, its cost will be paid by men and women who can least afford to pay for it. Those who seek to put the seaway project through, and not those who oppose the scheme, may be accused of selfishness in striving to lay on the backs of an already overtaxed people a still heavier load so that there may be created more material for construction and repair of political fences.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. MEAD. Mr. Speaker, the passage today of the so-called food and drug bill (S. 5) completes a reform of the food and drug legislation which was recommended to the Congress several years ago.

While every Member favors the proper protection of the health and well-being of our people, there were Members, including myself, who were critical of the manner in which this measure was originally presented to the committee.

It is true that more effective provisions against abuses of consumer welfare were necessary, because of the deficiencies in the Food and Drug Act of June 30, 1906, as amended. The original act, as well as the amendments adopted from time to time, was highly beneficial, as experience proves. The manufacture and distribution of cosmetics, therapeutic devices, and certain drugs not now within the provisions of the old law present compelling reasons for the necessity of this new proposal.

I agree thoroughly with the objectives of this legislation. The adulteration and misbranding of cosmetics should be prohibited. Therapeutic devices should be brought under proper control. Drugs advanced as remedies for underweight or overweight, or which otherwise affect the structure or function of the body, should be subject to reasonable authority. The testing of new drugs, for the protection of the public, before they are placed on the market is a proper prerogative of government. Requiring sanitation in the production of foods, drugs, and cosmetics is a reasonable demand. The regulation of foods and certain combinations of foods in the interest of safeguarding the public health comes naturally within the provisions of a bill of this character. The labeling of drugs, setting forth their contents, warning against their improper use, and other similar and helpful information, is a wholesome requirement included in this legislation.

I favor and have always favored the enactment of this legislation. I voted for it on several occasions. My only regret is that the provisions contained in this bill were not passed years ago and as quickly as the need for Federal authority became apparent.

In the future I trust the Department will keep the committee advised and informed from time to time of the need of added amendments, so that it will not be necessary to take up an omnibus bill covering the full width and scope of the entire subject.

Ever since the enactment of the original legislation sponsored by Dr. Wiley, the work of the personnel of the food and drug section of the Department of Agriculture has been praiseworthy, and their contribution to the well-being of our people is deserving of our highest commendation.

Our committee, together with its chairman, the distinguished gentleman from California [Mr. LEA], likewise merit the felicitations of the membership of the House for their contribution in the safeguarding and the protecting of the public health. In the enactment of this legislation they have given consideration to the proper functions of the Federal agencies involved, as they have also given consideration to the professions and industries affected, and, above all, to the public weal.

WHAT FARMERS WANT TO KNOW

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I have received a number of inquiries from the farmers of my State and from some of the other States who seem to be confused in regard to the application of the Agricultural Adjustment Act. I have taken questions from these letters and in this speech I shall answer them as follows:

FACTS FOR FARMERS WHO WANT THE TRUTH

First question. Is the farm program of the Agricultural Adjustment Administration a program of scarcity?

The answer: No; the farm program of the Agricultural Adjustment Administration offers a program not of scarcity but of greater abundance for the United States than has existed in the past without the program.

In the past when large surpluses of corn and other feed grains piled up, the farmers had no way to hold them over for a poor crop year when they would be needed.

The corn surpluses drove corn prices down. Then farmers fed as much corn to livestock as they had livestock to hold it. That created larger supplies of livestock, and farmers got ruinous prices for their hogs and cattle.

Then a year of poor growing weather inevitably came along. The surpluses had been largely used up by feeding more livestock than the market would take at a fair price.

Farmers did not have enough corn in reserve from the surplus years to hold their livestock, and then they were forced to sell them at a sacrifice.

They had to sell their feeders at light weights and dispose of their valuable breeding stock because they did not have enough feed for them.

The result was a year or 2 years of short meat supplies and high meat prices until finally good crop-growing weather came again, and farmers could again build up their feed supplies and livestock herds.

The new Farm Act can be expected to increase these reserves against short feed supplies. The corn allotments provide for about twice as large reserves as carry-overs in the past. This means greater protection against short livestock and meat supplies.

The more stable farm prices under the new farm program should also decrease the incentive for farmers to expand feeding operations rapidly for a year or two and then drop out entirely. That is what ruins the real, dependable livestock feeders.

WHAT ABOUT PROTECTION FOR CONSUMERS?

Second question: Is there any protection for consumers in the farm program?

The answer: Yes; the 1938 Farm Act has very definite provisions to protect the consuming public.

Acreage allotments must provide for all domestic needs, probable exports, and in addition larger reserves than we have had in the past.

Any voluntary control over acreage is definitely limited to any surplus above these three requirements which might destroy the farmers' purchasing power.

No other industry begins to approach the degree of consumer protection which we have stated in the Farm Act.

Most industries curtail production whenever prices start to decline. They usually display very little interest either in the needs of the consumer for goods or their own employees for work.

The Farm Act furnishes insurance of adequate domestic supplies. Only in preventing unwarranted and unmanageable surpluses is there any limitation on supplies to maintain decent prices. This is as it should be.

All fair-minded farmers realize that their farm program can be justified only as it definitely contributes to the prosperity of the Nation.

The most short-sighted thing in the world would be to attempt to raise prices by curtailing production to the extent that there would not be an adequate supply of food. The Farm Act does just the opposite. It provides real insurance of adequate supplies.

WHAT IS THIS REGIMENTING THE POLITICIANS ARE YELLING ABOUT?

Third question: Is the farmer regimented by the farm program?

The answer: No; there is nothing compulsory about this program, and there is no regimentation. Its success depends largely on the mutual good will and confidence of the farmers in their own elected township and county committeemen.

Congress has provided the mechanism and the money by which farmers themselves, by cooperating together with the assistance of the Federal Government, can work out their own economic problems.

The administration and the leadership of this program is in the hands of the farmers themselves.

This program is built from the ground up and affords opportunity for farmers to make their wishes known through their own locally elected committeemen.

It is not an attempt to superimpose a program from the top down based on any arbitrary rules or regulations.

All sections of the country depend on the maintenance of the farmers' purchasing power.

This purchasing power is maintained when the farmer has something to sell and receives a decent price for his production. Corn, wheat, and cotton loans are a partial insurance of a decent price. Crop insurance assures the farmer of something to sell.

The initial effect of the voluntary adjustment program is to prevent the creation of unneeded price-depressing surpluses. In the long run it helps to prevent the operation of forces which might create a real food shortage in this country.

Neither Congress nor the Department of Agriculture is forcing anything on the farmer. On the other hand, they are offering him the greatest opportunity he has ever had for economic self-government.

The success of the farm program will depend upon the extent to which farmers recognize these opportunities and accept the responsibilities for their own economic needs.

The issue is clear-cut. The farmers can do their own thinking and work out their own program. Or they can let someone else do it for them and suffer the coercion brought about by low prices.

The present farm program is entirely voluntary, and farmers can keep it voluntary.

SHOULD THE FARMER PRODUCE MORE THAN HE CAN SELL?

Fourth question. Why could not consumption in this country be increased enough to use everything farmers could produce?

The answer. Farmers are a large scattered group that in the past has been unable to do anything but keep on producing to the limit, regardless of demand or price.

Industry, on the other hand, has been concentrated and organized. It has been able to deal effectively both with the volume of output and prices.

Would the people who are in favor of unlimited production by farmers advocate compulsory production for industry?

Would they force industry to manufacture hundreds of thousands of automobiles every year that could not be sold at any price?

Would they insist that industry fill hundreds of city blocks with new automobiles and hundreds of acres of land with new farm machinery that no one could buy for lack of money?

Some people will have to be taken care of by relief agencies until they can be gainfully employed by industry. They could not purchase the kind and amount of food recommended for a high standard of living if farm prices were cut 75 percent. Such a cut would, of course, wipe out farm buying power and bankrupt the farmer.

Agriculture must have prices comparable with the prices and wages of industry. Then and then only can agriculture and industry move together toward greater stability and higher standards of living in this country.

WHAT ABOUT MARKETING QUOTAS ON CORN?

Fifth question: How often in the past would we have had marketing quotas on corn under the present Farm Act?

The answer: First, no referendum on corn-storage quotas can ever be held unless the supply of corn is so large that low corn prices are threatened. Then quotas cannot go into effect without a 2 to 1 favorable vote by the farmers affected.

This year the marketing quota level is over 2,800,000,000 bushels. In previous years it would have been a larger figure because livestock numbers were much greater.

Since 1909 there have been only 4 years when a referendum on marketing quotas could have been held under the provisions in the Farm Act. Those years are 1910, 1920, 1921, and 1932.

In 1910 the average price received by farmers for their corn was 51.6 cents.

In 1920 the price dropped from $1.51 to 61.8 cents, and in 1921 it fell further to 52.3 cents.

In 1932 the average price was 31.9 cents.

Thousands of bushels of corn were sold in 1932 for 7 to 8 cents a bushel, and hundreds of farmers in the Corn Belt could not sell their corn at any price. Corn was used for fuel because it was cheaper than coal.

Thus, it can be seen readily that marketing quotas on corn are purely an emergency measure. They are designed for use only when a serious need for them exists.

In these emergency surplus years it would be bad business for the Government to make any price-supporting loans on corn. The use of marketing quotas would make it possible for the Government to put a bottom under corn prices with substantial corn loans.

HOW WILL EXCESS CORN CROP IN CERTAIN AREAS BE HANDLED?

Sixth question. If a county not in the commercial corn-producing area in 1938 greatly increases its corn production, what will be done about it?

The answer. The Farm Act provides for a new survey every year to determine what counties will be commercial corn-producing counties.

If any county anywhere in the United States has a 10-year average production of 450 bushels of corn per farm and 4 bushels of corn per acre of farm land, it will be included in the commercial corn area. Then the farms in the county would have corn-acreage allotments.

They would also be subject to corn-storage quotas if the supply reached more than 10 percent above normal and farmers voted to store part of their corn under marketing quotas.

Other counties bordering upon these counties are included in the commercial corn-producing area if any townships produce 450 bushels per farm and 4 bushels per acre of farm land.

In this manner the Farm Act provides for adjustments every year in line with corn-production trends throughout the country. The commercial corn area cannot be frozen to cover certain counties if other areas increase production.

CAN EVERYBODY VOTE?

Seventh question. Who is eligible to vote in the referendum on corn-marketing quotas?

The answer. If the marketing-quota level is reached, then every farmer in the commercial corn area who would be subject to marketing quotas would be eligible to vote.

Small farmers normally producing less than 300 bushels of corn on the acreage planted in the year of the referendum would not be subject to the quotas, and therefore would not have a vote.

Farmers would be eligible to vote regardless of whether they voluntarily stayed within their corn allotments or exceeded them and regardless of whether they received any conservation payments.

IS PARTICIPATION ENTIRELY VOLUNTARY?

Eighth question. How often in the future can we expect to have corn-marketing quotas?

The answer. In the first place, marketing quotas on corn can never go into effect unless voted by a 2-to-1 majority of the farmers who cast ballots in the referendum.

Second, no referendum can ever be held unless the supply of corn exceeds the high marketing quota level, which this year is more than 2,800,000,000 bushels.

Under the Farm Act the corn-acreage allotments aim to avoid the emergency that would bring about a need for marketing quotas.

Participation in the acreage allotments is entirely voluntary. Thus, there are only two ways that corn supplies can reach the marketing-quota level: First, if too many farmers plant a good deal more corn than their acreage allotments provide for; second, if crop-growing conditions are exceptionally good and yields exceptionally high in a large part of the country.

With 75 or 80 percent of the farmers coming into the voluntary-acreage program, the corn-marketing-quota level would not be reached oftener than once every 5 or 10 years on the average.

WHAT IF A FARMER DOES NOT WANT TO COOPERATE?

Ninth question: Who would be subject to corn-marketing quotas?

The answer: First, no marketing quotas can be put into effect unless the supply of corn exceeds a hugh-surplus level—this year over 2,800,000,000 bushels. Then, they cannot be put into effect unless two-thirds of the farmers voting in the referendum favor the use of marketing quotas.

Marketing quotas would apply in exactly the same manner in all counties in the commercial corn area. They would not apply outside the area.

No marketing quota would apply to any farm on which the normal production on the acreage planted in that particular year was less than 300 bushels of corn.

If a storage amount of less than 100 bushels was calculated for the farm, the producer would not have to store any corn.

If a farmer planted less than his corn-acreage allotment—not more than the marketing percentage of his allotment—he would have no storage amount in a marketing-quota year.

All other farmers in the commercial corn-producing area would either have to put a small percentage of their corn in storage for a year or pay a penalty of 15 cents per bushel upon that amount.

It makes no difference whether a farmer takes part voluntarily in the conservation program, or exceeds his acreage allotments, or receives any A. A. A. payments. He will be eligible to vote if his production would bring him under marketing quotas and if he lives in a commercial county. He will have a vote regardless of any nonparticipation in the voluntary A. A. A. programs.

HOW ABOUT IMPORTS?

Tenth question: Is it true that we cut down on production of farm products and then import products from abroad?

The answer: The amount of imports of farm products into this country is small. Exports of farm products have been large since last summer, much to the benefit of our farmers.

The farm program cannot, under the 1938 Farm Act, cut acreage of farm crops below the amounts needed for domestic consumption, for exports, and for large ever-normal granary reserves.

Bad weather conditions, however, cannot be prevented. In 1934 and 1936 the two worst droughts in history hit in rapid succession.

The farm programs increased the amounts of reserve supplies and emergency crops for livestock feeds, but still there was not enough.

Feed supplies were short and prices rapidly rose far above the prices in other countries. Then feed grains grown in other countries were sold in the United States after paying the full tariff.

Farmers in this country were receiving high prices for their grains. Dairy, livestock, and poultry farmers needed more feeds than drought weather had produced. These farmers needed imports even though the imports were only a small percentage of the domestic production.

The new farm act will minimize the need for imports, even in the most severe drought year. It will do this through the ever-normal granary.

The acreage allotments will encourage farmers to produce crops large enough to double the reserve supplies of wheat and corn.

The crop loans will help them store these reserves on their own farms for use in any year that crop-growing conditions are poor. In this way the new farm act can be expected to decrease the imports of farm products into this country and diminish the need of dairy, livestock, and poultry farmers for any imports.

Eleventh question: How large are the imports of farm products into this country?

The answer: The imports of farm products into the United States are negligible. Much larger quantities of farm products are being sold by American farmers to foreign countries.

From November 1, 1937, to April 30, 1938, only 529,000 bushels of corn were imported into this country, while 64,844,000 bushels were exported during the same period; more than a 64,000,000 gain for our farmers.

From July 1, 1937, to April 30, 1938, only 696,000 bushels of wheat were imported into this country, while 76,159,000 bushels were exported during the same period, a gain of more than 75,000,000 for our farmers.

WHAT ABOUT TARIFFS?

Twelfth question: Does the Government reduce the tariffs on farm products at the same time it is trying to raise the prices for them?

The answer: Of 23 farm commodities cited by opponents of the tariff and farm policies of the Government, the tariff has been reduced on only 3. These reductions have been restricted so completely that they have in no way reduced the incomes of farmers in this country.

In every respect practically all farm products imported into the United States must pay exactly the same tariff rates as they did before the New Deal.

The farm program aims to establish an effective balance between the prices of industry and the prices of agriculture. It aims to build up reserves for use in this country and thereby reduce the need for any imports.

Besides that, it is designed to encourage production of all supplies of farm products that can be exported at a decent price.

The reciprocal-trade-agreements program is doing the other half of the job by opening up larger foreign markets for our farm products.

The two work hand in hand to bring better farm incomes by increasing exports of farm products on a permanent basis.

WHAT BETTER PLAN DO YOU SUGGEST?

Thirteenth question: Why do not the politicians and knockers who are criticizing this program to help the farmers make more money offer something better or else stop knocking and give the farmers a chance to make money under this plan?

The answer: Well it just seems to be natural for some people to criticize and block the efforts of those who are trying

to do everything possible to help the farmer make more money, but when you ask these critics for their plan, they usually run to cover or admit they have no plan to offer. Most of the critics do not even go to the trouble to investigate and get the true facts about the program they are criticizing. They just take somebody's word for it, listen to the political gossips and the wild rumors that are being spread about by the propagandist, and, of course, fail to get the facts.

In any event the present plan can be changed or discarded altogether if the farmers do not want it and most vital of all is the fact that it is entirely a voluntary program and not compulsory as it has been misrepresented to be.

Every informed and fair-minded person will admit that cooperation and working together will help to bring greater prosperity for the farmer everywhere throughout the Nation. And if your question is not answered here, write to me, state your question, and I shall do my very best to give you an answer to your question in accordance with the facts as I understand them.

ENDORSED BY REPUBLICANS FROM WHEAT SECTION AND CORN BELT

Farmers who raise wheat will be interested in knowing that the gentleman from Kansas [Mr. HOPE], who represents one of the greatest wheat sections of the Nation, has been a leader in behalf of this legislation to help the farmers.

The gentleman from Kansas [Mr. HOPE] is one of the most highly esteemed Republican Members of the House. Because of his wide experience in agricultural legislation as a member of the Agriculture Committee of the House, his opinion is highly regarded by every Member of Congress.

Wheat farmers well know that when Republican Members of Congress like Mr. HOPE approve of the legislation we are discussing here, then they may well feel assured that it was enacted for the purpose of bringing greater prosperity to the farmers and is not the kind of legislation some of the critics are trying so hard to make you believe it is.

WHAT LEADING REPUBLICAN FROM CORN BELT SAYS

One of the most eloquent and convincing speeches made at this session of Congress in behalf of this Farm Act was delivered by the gentleman from Iowa [Mr. GILCHRIST], Republican member of the House Committee on Agriculture.

Mr. GILCHRIST represents the greatest corn-growing section of this or any other country in the world. Because of his ability and sincerity as one of the best-informed spokesmen for agriculture in either branch of Congress, Mr. GILCHRIST is respected by both Democrats and Republicans alike. The farmers of the country are fortunate in having as their representative on the House Committee on Agriculture a man from the heart of the Corn Belt, who possesses the ability and courage to speak as Mr. GILCHRIST did in his address to the House May 20. Speaking as a Republican member of the Agriculture Committee and as the Representative of the greatest corn-growing section of the Nation, Mr. GILCHRIST said:

> Many idle things have been said about this Farm Act. In his speech the other day the gentleman from Minnesota [Mr. ANDRESEN], spoke about compulsion. He repeated that at least 50 times and 7 or 8 times on every page. In making such statements he was lacking in candor. I would not say that he was guilty of false representation, but I do say that there has been more misrepresentation and more false statements made in public about this Farm Act than any act that I ever knew about.
>
> Now, the fact is that you can raise all the corn you want to raise under this act. Nobody can object to it and nobody is trying to.
>
> If you own a quarter section of land you have the right under this act to produce and raise 160 acres of corn and nobody can stop you or put one penny of penalty for doing it.
>
> What is all this talk about crop-production control? There is none.

Then Mr. GILCHRIST, the distinguished Republican Member from Iowa, challenged the gentleman from Minnesota [Mr. ANDRESEN], by saying:

> I will give the gentleman any amount of money if he will answer the question without equivocation and point out the section or the paragraph of the act that says that a farmer cannot raise all the corn he wants to.

The above statements are direct quotations from the able speech made by the distinguished Republican Congressman from Iowa, Mr. GILCHRIST, member of the House Agriculture Committee. You will find his convincing speech on page 7205 May 20 issue of the CONGRESSIONAL RECORD. Every farmer who wants to know the truth should read Mr. GILCHRIST's speech.

DO NOT LET THEM FOOL YOU, MR. FARMER—INSIST ON THE FACTS

Watch out for the troublemakers, paid propagandists, self-seeking politicians who are out to wreck the farm program by throwing stink bombs of misrepresentation and confusion.

Ask the critics, troublemakers, knockers, and the politicians with an ax to grind if they have any better plan and make them tell you what it is. They will try to evade you and side-step when you ask them that question, because they have not any plan. What they are after is your vote, Mr. Farmer. Do not let them fool you.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. RICH. I may say to my colleague that I can justify any vote of mine to exceed the Budget of the President of the United States. I would remind you further that the Budget officer of the United States has jumped up his Budget time after time many, many times. When I voted to exceed the Budget it was for rural electrification and was requested by the department for some particular purpose, it was to earmark the money so that the Members of Congress may say how the money is going to be spent, for I do not want it all to be in the hands of the President of the United States. I tell you right here and now I will never be one to put all my confidence in him because my confidence has been so shaken I cannot. I have one of the best records in Congress in voting to save the taxpayers' money from being frittered away in worthless, nonsensical projects. I want sound expenditure of Government funds.

[Here the gavel fell.]

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3843. An act to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, joint resolutions of the House of the following titles:

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

ADJOURNMENT

Mr. HOUSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, June 2, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, June 2, 1938. Business to be considered: Hearings on H. R. 10127, railroad unemployment insurance; hearings on H. R. 10620, entitled "To remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants."

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, June 6, 1938. Business to be considered: Continuation of hearing on H. R. 10348, foreign radio-telegraph communication.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1410. A letter from the Archivist of the United States, transmitting lists of papers, consisting of 1,177 items, among the archives and records of the Department of the Treasury which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1411. A letter from the Archivist of the United States, transmitting a list of papers among the archives and records of the Department of Agriculture which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1412. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 91 items, from the Department of Labor, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1413. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 54 items, among the archives and records of the Veterans' Administration, which the Administrator has recommended be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1414. A letter from the Archivist of the United States, transmitting a list of papers consisting of five items, heretofore transferred to The National Archives by Executive Order No. 6060 which are to be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1415. A letter from the Chairman, Jefferson Memorial Commission, transmitting a report and recommendations upon location, plan, and design for a memorial in the city of Washington, D. C., in accordance with the act of Congress, creating the Commission, approved June 26, 1934 (H. Doc. No. 699); to the Committee on the Library and ordered to be printed, with illustrations.

1416. A letter from the Chief Clerk of the Court of Claims of the United States, Washington, D. C., transmitting certified copies of the special findings of the court of February 3, additional findings of fact on accounting, decided June 7, 1937, and a motion for a new trial, decided May 31, 1938, in the case of *Lester P. Barlow* v. *The United States*, No. H-272, which case was referred to this court by a special act of Congress; to the Committee on War Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 514. Resolution providing for the consideration of H. R. 10663, a bill to amend the United States Housing Act of 1937; with amendment (Rept. No. 2525). Referred to the House Calendar.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 291. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives and for other purposes; with amendment (Rept. No. 2526). Referred to the House Calendar.

Mr. TOWEY: Committee on the Judiciary. House Joint Resolution 699. Joint resolution to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations; without amendment (Rept. No. 2533). Referred to the House Calendar.

Mr. O'BRIEN of Michigan: Committee on the Judiciary. S. 3417. An act for the relief of the State of Wyoming; without amendment (Rept. No. 2534). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 703. Joint resolution to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street, NW., in the District of Columbia, and for other purposes; without amendment (Rept. No. 2560). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 10326. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department; without amendment (Rept. No. 2527). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. S. 931. An act for the relief of the widow of the late William J. Cocke; without amendment (Rept. No. 2528). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. S. 3005. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of the A. C. Messler Co.; without amendment (Rept. No. 2529). Referred to the Committee of the Whole House.

Mr. O'MALLEY: Committee on War Claims. H. R. 3961. A bill for the relief of the estate of Benjamin A. Pillsbury (William J. Pillsbury, executor); without amendment (Rept. No. 2530). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 8753. A bill for the relief of the Choctaw Cotton Oil Co., of Ada, Okla.; without amendment (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr. O'MALLEY: Committee on War Claims. H. R. 7293. A bill for the relief of the estate of John B. Brack; with amendment (Rept. No. 2532). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 342. A bill for the relief of Ward Bell; with amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 347. A bill for the relief of W. Glenn Larmonth; with amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 7818. A bill for the relief of Luke A. Westenberger; with amendment (Rept. No. 2539). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 7966. A bill for the relief of Capt. James L. Alverson; with amendment (Rept. No. 2540). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 8098. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Edward Forbes, and others, as set out therein; with amendment (Rept. No. 2541). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 8401. A bill for the relief of Stanley Mercuri; with amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 213. An act for the relief of Ida A. Gunderson; with amendment (Rept. No. 2543). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 375. An act for the relief of Mrs. John Olson; with amendment (Rept. No. 2544). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2052. An act for the relief of Henry E. Reents; with amendment (Rept. 2545). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2072. An act for the relief of Stuart C. Peterson; with amendment (Rept. No. 2546). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2437. An act for the relief of Oscar Jones; with amendment (Rept. No. 2547). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2994. An act for the relief of Mrs. Morgan R. Butler; with amendment (Rept. No. 2548). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3031. An act for the relief of the Lima Locomotive Works, Inc.; with amendment (Rept. No. 2549). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10083. A bill for the relief of Salvatore Spagnuolo; without amendment (Rept. No. 2550). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10627. A bill for the relief of Mike Kotis; without amendment (Rept. 2551). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. Senate Joint Resolution 114. Joint resolution for the relief of certain persons who suffered damages occasioned by the establishment and operation of the Aberdeen Proving Ground; with amendment (Rept. No. 2552). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10806. A bill for the relief of sundry aliens; without amendment (Rept. No. 2553). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10807. A bill for the relief of sundry aliens; without amendment (Rept. No. 2554). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10808. A bill for the relief of sundry aliens; without amendment (Rept. No. 2555). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10809. A bill for the relief of sundry aliens; without amendment (Rept. No. 2556). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10810. A bill for the relief of sundry aliens; without amendment (Rept. No. 2557). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10811. A bill for the relief of sundry aliens; without amendment (Rept. No. 2558). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Immigration and Naturalization. H. R. 10812. A bill for the relief of sundry aliens; without amendment (Rept. No. 2559). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 10182) granting a pension to D. F. MacMartin, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY (by request): A bill (H. R. 10798) to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army, who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes; to the Committee on Military Affairs.

By Mr. PHILLIPS: A bill (H. R. 10799) making appropriations for a planetarium as a memorial to Thomas Jefferson; to the Committee on Appropriations.

Also, a bill (H. R. 10800) to authorize the erection and maintenance of a planetarium as a memorial to Thomas Jefferson; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: Resolution (H. Res. 515) authorizing an appropriation of not to exceed $20,000 for the expenses of the select committee appointed under House Resolution 291; to the Committee on Accounts.

By Mr. PHILLIPS: Resolution (H. Res. 516) to investigate all leases and purchases of naval petroleum reserves No. 1 and No. 2, Kern County, Calif.; to the Committee on Rules.

By Mr. CROWE: Concurrent resolution (H. Con. Res. 53) providing for the appointment of a committee of Senators and Representatives to participate in the one hundredth anniversary of the birth of the late John Hay, and for other purposes; to the Committee on the Library.

By Mr. FULMER: Concurrent resolution (H. Con. Res. 54) to establish a Joint Committee on Forestry; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their resolution dated May 24, 1938, with reference to House bill 10340 and Senate bill 419, with reference to general welfare; to the Committee on Education.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 6, dated May 17, 1938, with reference to public welfare; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 7, dated May 19, 1938, with reference to Federal aid for social security; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 4, dated May 10, 1938, with reference to National Youth Administration; to the Committee on Education.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BEITER: A bill (H. R. 10801) to carry out the findings of the Court of Claims in the case of *Lester P. Barlow* v. *The United States;* to the Committee on War Claims.

By Mr. FLETCHER: A bill (H. R. 10802) for the relief of Paul G. Wynn; to the Committee on Military Affairs.

By Mr. LUCKEY of Nebraska: A bill (H. R. 10803) granting an increase of pension to Angeline Raper; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 10804) authorizing the Secretary of War to bestow the Silver Star upon Charles H. Drayton, William J. Cordes, James D. DeLoache, Jr., Hulon G. Campbell, Eric B. Logan, Frank A. Gibson, George W. Drake, Henry T. Boman, Luther M. Kiger, Ellis F. Dikeman,

George R. Brock, William J. Smith, Charles C. Ingram, and Merrill S. Brown; to the Committee on Military Affairs.

By Mr. VOORHIS: A bill (H. R. 10805) for the relief of Edna Frances Muldoon; to the Committee on Claims.

PETITIONS, ETC.

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

5279. By Mr. BARRY: Resolution of the Jackson Heights Merchants' Association, Inc., protesting against any act by subversive forces, which tends to destroy American ideals of freedom of worship, freedom of speech, and freedom of action; to the Committee on the Judiciary.

5280. By the SPEAKER: Petition of the Board of Supervisors of the city and county of Honolulu, petitioning consideration of their Resolution No. 396 with No. 377 with reference to Works Progress Administration; to the Committee on the Territories.

5281. Also, petition of the New Orleans Association of Commerce, New Orleans, petitioning consideration of their resolution dated May 13, 1938, with reference to the feasibility of constructing a large auditorium in the city of Washington, D. C.; to the Committee on the District of Columbia.

5282. Also, petition of the Board of County Commissioners of St. Louis County, State of Minnesota, petitioning consideration of their resolution dated May 24, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5283. Also, petition of the Board of Supervisors of the County of Riverside, State of California, petitioning consideration of their resolution dated May 23, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5284. Also, petition of the County Board of Outagamie County, State of Wisconsin, petitioning consideration of their resolution dated May 6, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5285. Also, petition of the Board of County Commissioners of Mason County, State of Washington, petitioning consideration of their resolution dated May 1937, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5286. Also, petition of the Board of Supervisors of the County of Maui, Territory of Hawaii, petitioning consideration of their Resolution No. 116, dated May 16, 1938, with reference to House bill 4199, known as the General Welfare Act;. to the Committee on Ways and Means.

5287. Also, petition of the Steinway Community Council, Public School No. 141, Steinway, Long Island City, N. Y., petitioning consideration of their resolution dated May 31, 1938, with reference to immigration and unemployment; to the Committee on Immigration and Naturalization.

5288. Also, petition of the Central Labor Council, West Bridgewater, Pa., petitioning consideration of their resolution dated May 31, 1938, with reference to wages and hours; to the Committee on Labor.

SENATE

THURSDAY, JUNE 2, 1938

(Legislative day of Wednesday, April 20, 1938)

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 Wednesday, June 1, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The Senator from Massachusetts [Mr. WALSH] is today delivering a commencement address at the Coast Guard Academy in New London, Conn.

I ask that this announcement stand of record for the day.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent on account of the death of his wife.

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

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES

The VICE PRESIDENT. The Chair appoints the Senator from Minnesota [Mr. SHIPSTEAD] a member of the Special Committee to Investigate Senatorial Campaign Expenditures for 1938, authorized by Senate Resolution 283 (agreed to May 27, 1938), in place of the Senator from Nebraska [Mr. NORRIS], resigned.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Commissioners of Mason County, Wash., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the American Bandmasters' Association, New York, N. Y., favoring the prompt enactment of the bill (H. R. 4947) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, which was referred the Committee on Military Affairs.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4119) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938, reported it without amendment and submitted a report (No. 1948) thereon.

He also, from the same committee, to which was referred the bill (S. 3916) for the relief of George Francis Burke, reported it with an amendment and submitted a report (No. 1961) thereon.

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

S. 3707. A bill to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial Dis-